ASPIS BANK

ANNUAL BULLETIN

FISCAL YEAR 2006

Pursuant to the decision

No. 7/372/15.02.2006 of the Capital Market Commission

Athens, March 2007

CONTENTS

1. GENERAL INFORMATION

This Annual Bulletin contains all information and financial data necessary for an accurate assessment of the assets, financial condition, results from operations and prospects of the Bank and the Group of ASPIS BANK S.A.

This Annual Bulletin was compiled according to the stipulations of decision No.7/372/15-02-2006 of the Capital Market Commission.

2. REPORT OF THE BOARD OF DIRECTORS ON A CONSOLIDATED BASIS FOR ASPIS BANK AND THE PERIOD FROM 01/01/2006 TO 31/12/2006

During 2006, the majority of banks along with ASPIS BANK, continued their growth and their high profitability and still play an important role in the development of the country.

The growth rate of Greek economy continued its growth over the Euro zone average and inflation reached 3.2%. The fiscal deficit decreased to 2.6% of GDP which increased by 4.4%. According to first estimations, the growth rate will reach 4.2% compared to 1.4% for the Euro zone. Growth still depends on domestic demand, which increased at a higher pace. Domestic demand, described as a driving wheel for the economy relied on the increase of private spending by 2,7% in 2006. The continuing expansion of loans from households and enterprises also contributed to the increase in private consumption and in investments.

In particular, according to estimations for November, households and enterprises financing increased by 26% and 16% respectively per annum.

In this positive macroeconomic environment, the majority of banks, as mentioned, maintained their dynamic growth and continued to increase their profitability despite the gap between interest rates for loans and deposits which remained higher compared to those of theEuro zone, however this gap is gradually decreasing.

Progress for ASPIS BANK

During 2006, Aspis Bank continued their structural reorganization, expansion and rapid growth. In addition, the branch network continued in increasing in 6 city/county capitals along with the establishment of new products/programs include for retail banking.

In particular, new products developed were, "ASPIS KATOIKIA WITH INTEREST PROTECTION", "ASPIS CARD" with 5% REWARD, along with ASPIS COLLECTION OF DEBTS. In addition existing products were upgraded.

Towards the end of 2006, the share capital of the Bank increased and amounted to Euro 53 million in cash, which will contribute to the further expansion of operations and help liquidity. As a result, during 2006 the Bank increased their basic figures and profitability as a result of complying with the basic strategic course.

In particular,

Total assets of the Bank, increased by 17.5% amounting to Euro 2.31 bill compared to 2005, which amounted to Euro 1.97 bill.

Loans and advances to customers net of impairment, increased by 18% amounting to Euro 1.65 billion compared to 2005 which amounted Euro 1.40 billion and investments and cash increased by 18.37% amounted Euro 554 million compared to 2005 amounted Euro 468 mil.

Deposits increased by 23.60% and reached Euro 1.94 bill, compared to Euro 1.57 billion in 2005 while there was a decrease in intercompany liabilities by 56.31% compared to 2005.

As a result profit before tax increased by 27.78% amounting to Euro 17.10 mill compared to Euro 13.38 million in 2005. Profit after tax increased by 13.15% and reached Euro 11.09 mil instead of Euro 10.04 million and were influenced by the additional taxation for tax-free reserves for banks established up to 2005.

Progress for ASPIS BANK GROUP

Aspis Bank Group continued, during 2006 at a profitable pace. Apart from the traditional areas which it operates, the Group officially launched the customer asset management services through their subsidiary, ASPIS INTERNATIONAL AEDAK.

Total Assets amounted to Euro 2.51 billion, an increased of 14.13% compared to 2005.

Loans and advances to customers after provisions, amounted to Euro 1.85 bill in 2006, compared to Euro 1.62 billion in 2005 an increase of 14.61%. Investments and cash increased by 15.33% amounting to Euro 579 million.

Deposits increased by 23.50% amounting to Euro 1.94 billion compared to Euro 1.57 billion in 2005 while at the same time intercompany liabilities decreased by 57.20%. Profit before tax, amounted Euro 18.33 million compared to Euro 15.15 million in 2005 an increased of 21%, while profit after tax increased by 11.67%.

Earnings per share amounted Euro 0.25 compared to 2005 and amounted in Euro 0.23.

Targets and Prospects

The healthy progress and steady growth of the Bank continued in 2007 by building on the strong fundamentals that were established so far with a vision in establishing the Bank's presence in the Banking sector, as a role model and one of the most modern financial institutions.

The targets for the new year are:

Emphasis in sectors with high profit and growth margins such as funding of medium-size companies.

Maintain their position in the housing sector where the Bank enjoys competitive advantages compared to rivals as a result of their long history of presence in the particular sector.

Utilizing growth margins in the capital management sector and reinforcing the Bank's presence, in cooperation with ABN AMRO.

Continue in benefiting from synergies between the Bank and the insurance companies of ASPIS Pronoia Group, with a view in increasing cross-sector sales.

Increase income, by investing on systems which secure optimum utilization of human resources in operations with added value.

Constant development of new products by placing an emphasis in providing integrated banking solutions based on customers needs.

Further expanding the Bank's branch network with a view in being present in large cities in the country.

At the same time investments in new technologies will continue with a view to increase the modernization of infrastructures. By the first semester of 2007, the new electronic data processing system (Finacle) will have been installed to support of the Bank's existing services.

In February 2007, the Bank reached an agreement for the acquisition of 51% of the share capital of FBB following the strategic expansion through takeovers in supplementary sectors of banking activities and reinforcing the Bank's position in areas with limited presence such as in shipping and tourism loans. The forthcoming transaction is under the approval by the supervising committee and is expected to be completed during the second semester of 2007.

I confirm that, the above Consolidated Report of the BoD which consists of 4 pages is the one mentioned in the Audit Report that was provided on 27 February 2007

Athens 27 February 2007

KPMG KYRIACOU CERTIFIED AUDITORS S.A
Nick Vouniseas

AM SOEL 18701

3. SUPPLEMENTARY REPORT TO THE GENERAL SHAREHOLDERS MEETING OF ASPIS BANK ATE IN ACCORDANCE WITH ARTICLE 11a L. 3371/2005

In accordance with Law 3451/30-5-2006 that aligns local regulations to European Council Decision 2004/25/EU, article 11a was included in Law 3371/2005 which states that listed companies in the Athens Stock Exchange must submit a supplementary report to the General Shareholders Meeting and provide detail information for certain issues. This report of the Board of Directors to the General Shareholders Meeting provides the additional information required by article 11a of Law 3371/2005.

1) Banks share capital structure

ASPIS BANK ATE share capital amounts to one hundred and seventy two million twenty nine thousand one hundred and eighty EURO and 13 cents (172,029,182.13) divided into sixty three million four hundred and seventy none thousand four hundred and three (63,479,403) ordinary shares at a par value of EURO 2.71 each. These shares are listed in the Athens Stock Exchange.

The rights that are derived by the share depend on the percentage of shares owned. Each share in accordance with law and company statute provides the following rights:

- Each share has one vote in the General Shareholders Meeting
- No shareholder may participate or vote in the General Shareholders Meeting if he/she does not submit a certification from the Central Depository Fund that prove that he is a shareholder in accordance with paragraph 1 of article 51 of Law 2396/1996 .This certification must be submitted within five (5) days before the General Shareholders Meeting. Those shareholders who do not abide to this rule may participate if the Assembly allows them to.
- To earn dividend from the Bank's annual net profit as follows:
  - i) The largest between 35% of profit after tax and after allocation of legal reserve or 6% of the paid amount of share capital is defined as minimum dividend and any additional amounts depends on the General Shareholders Meeting. Each shareholder is entitled to a dividend as long as he is registered in the shareholders register when the decision for distribution of dividend is made.
  - ii) The dividend must be paid within two months after the date that the financial statements are approved by the General Shareholders Meeting. The terms and method of payment are announced in the press. If a shareholder does not collect his dividend within five years after the decision to distribute a dividend is made by the General Shareholders Meeting then this amount is written off in favor of the Greek State.
- Preference right for each share capital increase in cash.
- Right to receive a copy of the financial statements along with the auditors report and Report of the Board of Directors.

- The General Shareholders Meeting of the Bank maintains all the rights for the liquidation of the company and participation in relevant meetings in accordance with paragraph 3 of article 44 and 38.1

The shareholders of the Bank are limited to the par value of the shares they own.

2) Restrictions to transfer of shares of the Bank

Transfers are in accordance with law and there are no limits stated in the Article of Association as they are all listed in the Athens Stock Exchange.

3) Significant direct and indirect holdings as per PD 51/1992

The most significant direct holdings in accordance with PD 51/1992 as of 31/12/2006 are:

Shareholder	Shares owned	% held as to capital
Commercial Value EMK	13.747.268	21,656%
Aspis Pronoia EMK	6.104.286	9,616%
Aspis Pronoia AEGA	5.943.872	9,363%
Commercial Value AAE	3.723.477	5,866 %

4) Shares held with control rights

None.

5) Limits to voting rights

None.

6) Shareholders agreement with Bank

None that the Bank is aware of.

7) Rules for assigning or replacing members of the BOD and changes in Articles of Association

The rules stated in the Articles of Association for replacing and assigning members to the Board are the same as those stated in Law 2190/1920. The term for each Board member is three years. Members may be re-elected.

8) BOD authority for issuing new shares or purchasing own shares

a) In accordance with article 13 par. 1 b) of CL 2190/1920, the Bank's BOD has the right after a decision made by the General Shareholders Meeting as stated in article 7b of CL 2190/1920, to increase share capital by issuing new shares with a two third majority. In this case the share capital may increase either up to four times of the paid amount of the capital that was applicable on the date that the bank begun its operations or the double after the approval of the modification of article 6 of the Articles of Association. .

b) In accordance with article 13 par. 9 and 23α of CL 2190/1920, the General Shareholders Meeting may issue a stock option plan to management and members of the Board. This decision states that the number of shares in this plan can not exceed 1/10 of the present share capital and the present terms as applicable at the moment. The General Shareholders Meeting has the right to extend this plan for the following period.

c) In accordance with paragraph 5 to 13 of article 16 of CL 2190/1920, listed companies may purchase own shares up to 10% of the total share capital in order to boost the share price and under the restrictions of article 16 of CL 2190/1920. As part of applying decisions made by the General Shareholders Meeting the Bank's BOD may decide when to make this purchase at which terms and the maximum amount of shares it will purchase and the highest and lowest price that it will purchase them at.

9) Important agreements that are applicable which may be modified or mature in case of a public offer

None

10) Agreements with BOD members and the Bank's personnel

There are no special agreements for indemnity to be paid in case of termination or resignation of an employee as a result of a public offer. There are agreements for payment of indemnity to the President and Managing Director, to the General Managers and to certain members of the Bank if their contract ends prior to maturity.

Athens, 9/2/2007

For the Bank's BOD

Constantinos Karatzas

President and Managing Director

ASPIS BANK ATE

AR. M.A.E 26699/06/B/92/12

4. ALLOCATION OF FUNDS RAISED FROM SHARE CAPITAL INCREASE (according to Dec. 58/28.12.2000 of Athens Stock Exchange) IN CASH WITH FIRST OPTION TO PRESENT SHAREHOLDERS, AS DECIDED IN THE GENERAL SHAREHOLDERS MEETING OF 24/07/2006.

It is noted that, under the 7/12/2006 decision of the Athens Stock Exchange, the Company's share capital was increased in cash with a first option to present shareholders for 14.649.093 nominal shares. From this increase, funds amounting to Eur 52 736 734.80, were raised. The new shares started trading in the ASE on 12/12/2006. The certification of share capital increase by the Company's Board of Directors took place in 29/12/2006.

DISTRIBUTION TABLE OF ISSUED FUNDS FROM THE INCREASE IN SHARE CAPITAL BY CASH WITH FIRST OPTION TO PRESENT SHAREHOLDERS

Description of the use of raised capital (amounts in Eur.)	Total Funds raised	Raised Funds according to the approved prospectus - by the Stock Exchange Committee
1. Support Capital Adequacy	51,193,030.88	51,193,030.88
Total	51,193,030.88	51,193,030.88

Notes: 1) The amounts that were received from the Bank's share capital increase, were fully and exclusively covered to support the capital adequacy of ASPIS BANK, according to the terms of the share capital increase, as mentioned in the prospectus for that particular share capital increase, dated on 20 October 2006. 2) There were no distributed funds from the Bank's share capital increase. 3) Share capital expenses amounted to Eur 1.453.703.92 was fully covered from the funds received. Therefore, the total amount that was raised after relevant expenses amounted to Eur 51,193,030.88.

Athens, 26 February 2007

PRESIDENT & MANAGING DIRECTOR
CONSTANTINOS B. KARATZAS
A.T. I 013419

CHIEF FINANCIAL OFFICER
EVAGGELOS B. STATHOPOULOS
AT. S.045074
AMA OEE 523/24-5-1999 A CLASS

Report of Factual Findings

To the Board of Directors
ASPIS BANK ATE

We have performed the procedures agreed with you and enumerated below with respect to the "Use of share capital increase" table of ASPIS BANK ATE (the Bank). The Bank is responsible for preparing this statement. Our responsibility was to perform our work in accordance with International Standard on Related Services (ISRS 4400). Based on our work we confirm that:

1. Amounts included in column "Description of use of capital" are those stated in the Prospectus of ASPIS BANK as of 20 October 2006.
2. The amounts included in "Total Used Capital" are those stated in the Bank's records.
3. There were no amounts received from the share capital that were not used.

From our work we found no exceptions.

The above procedures do not constitute either an audit or review made in accordance with International Standards or International Standards on Review Engagements, therefore we do not express any opinion except to the results of the procedures performed. Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose. This report relates only to the amounts above and does not extend to any financial statements of the Bank as a whole.

Athens, 26 February 2007

KPMG Kyriacou Certified Auditors A.E.

Nick Vouniseas
Certified Auditor Accountant
A.M. SOEL 18701

5. FINANCIAL STATEMENT AND AUDITOR'S REPORT

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	Note	2006	2005
Interest income		103 439	86 196
Interest expense		(54 566)	(40 686)
Net interest income	**7**	**48 873**	**45 510**
Fee and commission income	**8**	25 511	23 855
Fee and commission expense		(525)	(528)
Net fee and commission income		**24 986**	**23 327**
Net trading income	**9**	2 990	5 906
Other operating income	**10**	4 254	3 930
Operating income		**81 103**	**78 673**
Impairment losses on loans and advances	**19**	(2 404)	(2 247)
Personnel expenses	**11**	(31 096)	(31 956)
Depreciation and amortization	**23,24**	(5 080)	(4 888)
Other expenses	**12**	(25 414)	(26 193)
Profit before income tax		**17 109**	**13 389**
Income tax expense	**13**	(5 739)	(3 341)
Profit for the period		**11 370**	**10 048**
Basic and diluted earnings per share (euro)	**14**	0.23	0.21

The attached notes on pages 16 to 47 form part of these financial statements.

PRESIDENT OF THE BOARD OF DIRECTORS AND MANAGING DIRECTOR	VICE PRESIDENT OF THE BOARD OF DIRECTORS	CHIEF FINANCIAL OFFICER
KONSTANTINOS V. KARATZAS	LOUKAS M. KYRIACOPOULOS	EVANGELOS V. STATHOPOULOΣ
ID No I013419	ID No A045552	ID No S045074 LICENCE No OEE 523 1ST CLASS

Assets	Note	2006	2005
Cash and cash equivalents	15	74 214	66 319
Trading assets	16	1 245	1 820
Derivative assets	17	53	134
Loans and advances to banks	18	421 189	331 182
Loans and advances to customers	19	1 655 897	1 403 632
Investment in subsidiaries	20	30 494	30 493
Investment securities			
- available-for-sale	21	24 988	18 873
- held-to-maturity	22	34 254	52 393
Property and equipment	23	27 495	25 271
Intangible assets	24	1 267	2 242
Deferred tax assets, net	25	1 608	4 948
Other assets	26	39 665	35 345
Total assets		**2 312 369**	**1 972 652**
Liabilities			
Derivative liabilities	17	3	145
Deposits from banks		83 945	190 730
Deposits from customers	27	1 944 891	1 573 361
Subordinated liabilities	28	49 698	49 613
Current tax liability		634	281
Other liabilities	29	30 545	25 311
Employee benefits	30	3 014	2 194
Total liabilities		**2 112 730**	**1 841 635**
Equity			
Share capital	31	172 029	143 561
Share premium		17 078	5 584
Reserves	32	(1 250)	(4 019)
Retained earnings		11 782	(14 109)
Total equity		**199 639**	**131 017**
Total liabilities and equity		**2 312 369**	**1 972 652**

The attached notes on pages 16 to 47 form part of these financial statements.

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	Share capital	Share premium	Statutory reserve	Fair value reserve	Tax-free reserve	Hedge reserve	Retained earnings	Total
Balance at 1 January 2005	**143 021**	**5 590**	**2 350**	**(8 878)**	**1 013**	**-**	**(24 157)**	**118 939**
Profit for the year	-	-	-	-	-	-	10 048	10 048
Change in fair value of available for sale financial assets	-	-	-	1 362	-	-	-	1 362
Effective portion of fair value changes in cash flow hedge	-	-	-	-	-	134	-	134
Recognized income and expense	-	-	-	1 362	-	134	10 048	11 544
Share capital increase (net)	540	(6)	-	-	-	-	-	534
Balance at 31 December 2005	**143 561**	**5 584**	**2 350**	**(7 516)**	**1 013**	**134**	**(14 109)**	**131 017**
Profit for the year	-	-	-	-	-	-	11 370	11 370
Change in fair value of available for sale financial assets	-	-	-	6 122	-	-	-	6 122
Effective portion of fair value changes in cash flow hedge	-	-	-	-	-	(77)	-	(77)
Recognized income and expense	-	-	-	6 122	-	(77)	11 370	17 415
Offset losses	(11 231)	-	(2 350)	-	(940)	-	14 521	-
Other amounts	-	-	-	-	14	-	-	14
Share capital increase (net)	39 699	11 494	-	-	-	-	-	51 193
Balance at 31 December 2006	**172 029**	**17 078**	**-**	**(1 394)**	**87**	**57**	**11 782**	**199 639**

	2006	2005
Operating activities		
Profit before taxes	17 109	13 389
Adjustments for non-cash items:		
Depreciation and amortization	5 080	4 888
Impairment on financial assets	2 404	2 247
Change in provisions	1 181	563
Other non-cash items	1 437	(6 767)
Change in fair value	(77)	(64)
Proceeds from the sale of investments	-	19
	27 134	14 275
Change in:		
Trading assets	867	(156)
Derivative assets	13	(75)
Loans and advances to customers	(254 661)	(246 684)
Other assets	1 788	(15 275)
Deposits from banks	(106 785)	175 145
Deposits from customers	371 529	5 061
Other liabilities	12 655	11 732
Net cash flow from/(used) in operating activities	**52 540**	**(55 977)**
Cash flows from investing activities		
Proceeds from sale of investment securities	17 131	254
Proceeds from sale of property and equipment	24	459
Change in investments	-	1 882
Purchase of property and equipment	(6 389)	(3 494)
Dividends received	49	44
Net cash flow from/(used) in investing activities	**10 815**	**(855)**
Cash flows from financing activities		
Increase in subordinated liabilities	(2 134)	49 613
Issue of shares	51 193	535
Net cash flows from financing activities	**49 059**	**50 148**
Net increase/ (decrease) in cash and cash equivalents	112 414	(6 684)
Cash and cash equivalents at 1 January	397 501	404 166
Effect of exchange rate fluctuations on cash held	(14 512)	19
Cash and cash equivalents at 31 December	**495 403**	**397 501**
Cash and cash equivalents consist of:		
Cash and balances with Central Bank	74 214	66 319
Loans and advances to banks	421 189	331 182
	495 403	397 501

The attached notes on pages 16 to 47 form part of these financial statements.

1. General Information

ASPIS BANK S.A. (previously ASPIS MORTGAGE BANK S.A.) was founded by Pavlos D.Psomiadis and the AEGON BV insurance company, under the name “ASPIS BANK”, as a Banking Societé Anonyme in 1992 and received its license by the Bank of Greece (decision no. 487/2.12.91 of the Currency and Credit Commission), and the Ministerial Council (no. 5/8, GG 1/13.1.92, issue 1) Act according to law. According to this license, the Bank operated in accordance with mortgage banks laws until 3 August 2001. The Bank of Greece (PDBG 2478/3-8-2001) abolished the special legal framework for mortgage banks. On 3 September 2001, the Currency and Credit Commission of the Bank of Greece approved the modification of the Articles of Association of ASPIS BANK, which from thereafter engages in all banking operations defined by law. The Ministry of Development, as per decision no. K2-13660/26-10-2001, approved the modification of the Bank’s Articles of Association regarding its name, and received its current name of ASPIS BANK S.A. The Regular Shareholders’ Meeting on 1 June 2001 had already approved the aforementioned modifications of articles 1 (regarding the name) and 4 (regarding the purpose) of the Bank’s Articles of Association. ASPIS BANK maintains a Head Office in the Municipality of Athens, at 4 Othonos St., 105 57 Athens, and is registered in the Societé Anonyme Registry under no. 26699/06/B/92/12. The Bank was established for a term of ninety-nine (99) years from the date it was registered in the Societé Anonyme Registry.

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

- Accepting, with or without interest, all types of deposits or other returnable funds denominated in euros, foreign currency.
- Issuing loans and credit of all types, providing guarantees and acquiring or transferring claims, as well as intermediating in the financing of business enterprises or in business collaborations.
- Assuming debt, credit or guarantees and issuing debt securities in order to draw funds.
- Providing bill payment, fund transfer and export trade financing facilities.
- Safekeeping, management and administration of all types of securities, bonds, financial products and assets in general, including asset portfolios, transacting trades of these assets on behalf of the Bank or of third parties, as well as providing related financial and consulting services.
- The establishment or participation in domestic or foreign companies of any type engaged in the money market, capital market and the broader banking and investment sector in general.

- The issuance and management of means of payment (credit and debit cards, travel and bank cheques, etc.)
- Underwriting services, participation in the issuance and sale of securities, the coverage of issues and the provision of related services.
- Providing consulting services to business enterprises regarding their capital structure and business strategy, as well as services regarding mergers, spin-offs and acquisitions, and related issues.
- Providing reorganization and financial restructuring services.
- Factoring corporate receivables.
- Providing business-related information, including credit rating services.
- Providing safe-deposit box services.
- Representing third parties that have or pursue objectives similar to those mentioned above and in general engaging in any type of action, transaction, work or activity pursuant to the above or contributing to the advancement of the objectives of the Bank, as stated in the Articles of Association.
- Actively participating, as a member, in organized stock markets, having received a relevant license from the Bank of Greece.

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

Fitch Ratings recently gave ASPIS BANK a BB+ rating while certifying its risk management systems.

Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

The financial statements were approved by the Board of Directors on 12 February 2007.

2.2 Basis of measurement

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

- trading instruments are measured at fair value
- available-for-sale financial assets are measured at fair value
- derivative financial instruments are measured at fair value

2.3 Functional and presentation currency

These financial statements are presented in euro, which is the Bank's functional currency. Except as indicated, financial information presented in Euro has been rounded to the nearest thousand.

2.4 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The most significant effect on the amount recognised in the financial statements are the calculation of impairment loss.

Significant accounting policies

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

3.1 Foreign currency

Transactions in foreign currencies are translated to Euro at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to Euro at the exchange rate at the date that the fair value was determined.

3.2 Interest

Interest income and expense are recognised in the income statement using the effective interest method. Interest income and expense includes the amortisation of any discount or premium or other differences between the initial carrying amount of an interest bearing instrument and its amount at maturity calculated on an effective interest rate basis. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability.

The calculation of the effective interest rate includes all fees and points paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate.

3.3 Fees and commission

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. Other fees and commission expense relates mainly to transaction and service fees, which are expensed as the services are received.

3.4 Net trading income

Net trading income comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes, interest, dividends and foreign exchange differences.

3.5 Dividends

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

3.6 Lease payments made

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

3.7 Income tax expense

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

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

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

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

3.8 Financial instruments

(a) Classification

Instruments at fair value through profit or loss. This category has two sub categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. These include derivative contracts that are not designated and effective hedging instruments.

Loans and receivables are loans and receivables created by the Group providing money, goods or services to a debtor other than those created with the intention of short-term profit taking.

Held-to-maturity assets are financial assets with fixed or determinable payments and fixed maturity that the Group has the intent and ability to hold to maturity. These include certain purchased loans and advances to banks and customers, and certain debt investments.

Available-for-sale assets are financial assets that are not held for trading purposes, loans and receivables, or held to maturity. Available-for-sale include certain debt and equity investments.

(b) Recognition

The Bank recognises financial assets held for trading, available-for-sale and held-to-maturity, on the date it commits to purchase the assets. From this date any gains and losses arising from changes in fair value of the assets are recognised. Loans and receivables are recognised when cost is advanced to the borrowers.

(c) Measurement

Financial instruments are measured initially at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Subsequent to initial recognition all trading instruments and all available-for-sale assets are measured at fair value, except that any instrument that does not have a quoted market price in an active market and whose fair value cannot be reliably measured is stated at cost, including transaction costs, less impairment losses.

All non-trading financial liabilities, loans and receivables and held-to-maturity assets are measured at amortised cost less impairment losses. Amortised cost is calculated on the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument.

(d) Fair value measurement principles

The fair value of financial instruments is based on their quoted market price at the balance sheet date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated using pricing models or discounted cash flow techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimate and the discount rate is a market related rate at the balance sheet date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market related measures at the balance sheet date.

The fair value of derivatives that are not exchange-traded is estimated at the amount that the Group would receive or pay to terminate the contract at the balance sheet date taking into account current market conditions and current creditworthiness of the counterparties.

(e) Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of available-for-sale assets are recognised directly in equity. When the financial assets are sold, collected or otherwise disposed of the cumulative gain or loss recognised in equity is transferred to the income statement.

Gains and losses arising from a change in the fair value of instruments at fair value through profit or loss are recognised in the income statement.

(f) Derecognition

The Bank dercognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by Bank is recognised as a separate asset or liability.

The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

(g) Offsetting

Financial assets and liabilities are set of and the net amount presented in the balance sheet when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards.

(h) Hedge accounting

Where there is a hedging relationship between a derivative instrument and a related item being hedged, the hedging instrument is measured at fair value. The treatment of any resultant gains and losses is set out below.

The fair value of derivative hedging instruments is calculated in the same way as the fair value of trading instruments.

When a derivative financial instrument hedges the exposures to changes in the fair value of a recognised asset or liability, the hedged item is at fair value in respect of the risk being hedged. Gains and losses on remeasurement of both the hedging instrument and the hedged items are recognised in the income statement. These amount are included in gains less losses from non-trading instruments.

Where a derivative financial instrument hedges the exposure to variability in the cash flow of recognised assets or liabilities or anticipated transactions or firm commitments, the effective part of any gain or loss on remeasurement of the hedging instrument is recognised directly in equity. The ineffective part of any gain or loss is recognised in the income statement.

3.9 Investment in subsidiaries and associates

There are carried at cost less impairment losses.

3.10 Impairment

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Bank about the following loss events:

(i) significant financial difficulty of the issuer or obligator;

(ii) a breach of contract, such as a default or delinquency in interest or principal payments;

(iii) the Bank granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;

(iv) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

(v) the disappearance of an active market for that financial asset because of financial difficulties; or

(vi) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:

- adverse changes in the payment status of borrowers in the group; or
- national or local economic conditions that correlate defaults on the assets in the groups.

The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Bank may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the Bank's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). These characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group.

Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Bank to reduce and differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written-off against the related provision for loan impairment. Such loans are written-off after all necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written-off decrease the amount of the provision for loan impairment in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively do an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that asset previously recognised in the income statement – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the income statement.

3.11 Cash and cash equivalents

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

3.12 Property, plant and equipment

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes expenditure that is attributable to the acquisition of the items.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of the property, plant and equipment. Land is not depreciated.

The estimated useful lives are as follows:

Own property	50 years
Leasehold improvements	12 years
Furniture and equipment	7 – 8 years

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

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is higher of the assts fair value less costs to sell and value in use.

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

3.13 Intangible assets

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

Amortisation is charged to the income statement on a straight-line basis over the estimated useful life of the software which is between 4-10 years.

3.14 Employee benefits

(a) Defined contribution plans

The Bank pays contributions to publicly or privated administered pension insurance plans on a mandatory, contractual or voluntary basis. The Bank has no further payment adjustments once the contributions have been paid. The obligations for contributions are recognized as an expense in the income statement as incurred.

(b) Defined benefit plans

The Bank has a defined benefit plan whereby it is required, by law, to pay to retiring employees a lump sum. The amount of the payment varies depending upon the employee's length of service and salary on the date of retirement. The Bank's obligation in respect of this defined benefit plan is measured by estimating the present value amount of future benefit that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine it present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on Greek State bonds that have maturity dates approximating the terms of the Bank's obligations. The calculation is performed by a independent qualified actuary using the projected unit method, less the fair value of any plan assets and adjusted for unrecognised gains or losses and past service costs. The calculation is performed annually by a qualified actuary using the projected unit credit method. The discount rate is the yield at the balance sheet date on Government bonds that have maturity dates that match the employment term of the pension liability.

All actuarial gains and losses as at 1 January 2004, the date of transition to IFRSs, were recognised. In respect of actuarial gains and losses that arise subsequent to 1 January 2004 in calculating the Bank's obligation in respect of the plan, to the extent that any cumulative unrecognised actuarial gain or loss exceeds 10% of the greater of the present value of the defined benefit obligation and the fair value of the plan assets, that portion is recognised in the income statement over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

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

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

All actuarial gains and losses are recognised in the income statement using the corridor method amortising any amounts based on the term of the pension liability.

3.15 Provisions

A provision is recognised in the balance sheet when the Group has a present legal obligation or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate has be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

3.16 Share capital

(a) Share issue costs

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

(b) Dividends on ordinary shares

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

(c) Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity. Where such shares are subsequently sold or re-issued, any consideration received is included in shareholders' equity.

3.17 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

3.18 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2006, and have not been applied in preparing these consolidated financial statements:

a. IFRS 7 *Financial Instruments Disclosures* will become mandatory for the Bank's 2007 financial statements and will not effect the net asset of the Bank.

b. IFRS 8 *Operating Segments* which is effective for annual periods beginning on or after 1 January 2009 and supplements IAS 14 *Segment Reporting* and will not effect the net asset of the Bank.

c. IFRS 7 *Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies* which is effective from 1 March 2006.

d. IFRS 8 *Scope of IFRS 2 Share-based Payment* which is effective from 1 May 2006 and will not effect the net asset of the Bank.

e. IFRIC 9 *Reassessment of Embedded Derivatives* which is effective from 1 June 2006 and will not effect the net position of the Bank.

f. IFRIC 10 *Interim Financial Reporting and Impairment* will become mandatory for the Bank's 2007 financial statements, and will not effect the net asset of the Bank.

g. IFRIC 11 – IFRS 2 *Group and Treasury Share Transactions* addresses the classification of a share based payment transaction in the financial statements of the entity receiving the services. It will be applied in the Bank's 2007 financial statements. The Bank has not yet determined the potential effect of the interpretation.

h. IFRIC 12 – *Service Concession Arrangements* which is effective for unusual period beginning on or after 1 January 2008. The Bank has not yet determined the potential effect of the interpretation.

Financial risk management

This note presents information of the exposures to each of the above risks, the Bank's objectives policies and processes for measuring and managing risk and the Bank's management of capital. Most important risks from the use of financial instruments are credit risk, liquidity risk and market risk. Market risk is defined as currency risk, interest risk and price risk.

4.1 Credit risk

The Bank takes an exposure to credit risk, which is the risk that a counterparty will be unable to pay an amount in full when due. Impairment provisions are provided for losses that have been incurred at the balance sheet date. Significant changes in the economy or in the health of a particular industry segment that represents a concentration in the Bank's portfolio, could result in losses that are different from those provided for at the balance sheet date. Management therefore carefully manages its exposure to credit risk.

The Bank structures the level of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review. Limits on the level of credit risk by product and industry sector are approved by the Board of Directors.

The exposure to any one borrower including banks is further restricted by sub-limits covering on and off-balance sheet exposures. Actual exposures against limits are monitored daily.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral and corporate and personal guarantees, but a significant portion of the Bank's exposures related to personal lending where no such facilities can be obtained.

4.2 Liquidity risk

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

The Bank has access to a diverse funding base. Funds are raised using a broad range of instruments including deposits, debt securities and share capital. This enhances funding flexibility, limits dependence on any one source of funds and generally lowers the cost of funds. The Bank strives to maintain a balance between continuity of funding and flexibility through the use of liabilities with a range of maturities. The Bank continually assesses liquidity risk by identifying and monitoring changes in funding required to meet business goals and targets set in terms of the overall Bank strategy.

The following table provides an analysis of the Bank's assets and liabilities into relevant maturity groupings based on the remaining periods to repayment of: (the amounts are expressed in thousands of Euro)

At 31 December 2006	Up to 1 month	1-3 months	3-6 months	6-12 months	1 to 5 years	More than 5 years	Total
Assets							
Cash and balances with Central Bank	74 214	-	-	-	-	-	74 214
Trading securities	-	-	-	-	1 245	-	1 245
Derivative financial instruments	53	-	-	-	-	-	53
Loans and advances to banks	420 291	898	-	-	-	-	421 189
Loans and advances to customers	284 025	191 770	299 137	59 160	374 571	447 234	1 655 897
Investment in subsidiaries	-	-	-	-	-	30 494	30 494
Available-for-sale investments	-	-	-	-	24 988	-	24 988
Held-to-maturity investments	-	23 306	7 603	-	3 345	-	34 254
Property and equipment and intangible assets	-	-	-	-	28 762	-	28 762
Other assets	-	-	9 548	-	31 725	-	41 273
Total assets	778 583	215 974	316 288	59 160	464 636	477 728	2 312 369
Liabilities							
Derivative financial instruments	3	-	-	-	-	-	3
Deposits from banks	83 945	-	-	-	-	-	83 945
Due to customers	664 527	619 157	118 985	95 381	446 841	-	1 944 891
Subordinated liabilities	-	-	-	-	49 698	-	49 698
Other liabilities and provisions	23 526	7 653	-	-	3 014	-	34 193
Total liabilities	772 001	626 810	118 985	95 381	499 553	-	2 112 730
Net liquidity gap	6 582	(410 836)	197 303	(36 221)	(34 917)	477 728	199 639
At 31 December 2005							
Total assets	598 065	198 751	281 223	51 885	196 146	646 582	1 972 652
Total liabilities	704 459	450 001	105 128	78 989	451 251	51 807	1 841 635
Net liquidity gap	(106 394)	(251 250)	176 095	(27 104)	(255 105)	594 775	131 017

4.3 *Currency risk*

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

	EURO	USD	Other	Total
Assets				
Cash and balances with Central Bank	73 671	356	187	74 214
Trading securities	1 109	136	-	1 245
Derivative financial instruments	53	-	-	53
Loans and advances to banks	272 523	124 779	23 887	421 189
Loans and advances to customers	1 611 354	29 317	15 226	1 655 897
Investment in subsidiaries and associates	30 476	-	18	30 494
Available-for-sale investments	24 988	-	-	24 988
Held-to-maturity investments	18 914	15 340	-	34 254
Property, plant and equipment	27 495	-	-	27 495
Intangible assets	1 267	-	-	1 267
Deferred tax assets	1 608	-	-	1 608
Other assets	32 682	3 710	3 273	39 665
Total assets	2 096 140	173 638	42 591	2 312 369
Liabilities				
Derivative financial instruments	3	-	-	3
Deposits from banks	68 342	-	15 603	83 945
Due to customers	1 750 022	170 388	24 481	1 944 891
Subordinated liabilities	49 698	-	-	49 698
Other liabilities	33 871	302	20	34 193
Total liabilities	1 901 936	170 690	40 104	2 112 730
Net on-balance sheet position	194 204	2 948	2 487	199 639
Net off-balance sheet position	2 030	(2 041)	11	-
At 31 December 2005				
Total assets	1 692 405	196 861	83 386	1 972 652
Total liabilities	1 600 124	195 658	45 853	1 841 635
Net on-balance position	92 281	1 203	37 533	131 017
Net off-balance position	(4 992)	(717)	5 709	-

4.4 *Interest rate risk*

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

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

The table below summarises the Bank's exposure to interest rate risks. Included in the table the Bank's assets and liabilities at carrying amounts, categorized by the earlier or contractual repricing or maturity dates (the amounts are expressed in thousands of euro):

31 December 2006	Interest rate	Floating	1-3 months	3-12 months	1 to 5 years	Over 5 years	Non-interest	Total
Assets								
Cash and balances with Central Bank	2.39%	-	66 384	-	-	-	7 830	74 214
Trading securities	3.7%	-	1 174	-	-	10	61	1 245
Derivative financial instruments	-	-	-	-	-	-	53	53
Loans and advances to banks	3.8%	-	406 823	-	-	-	14 366	421 189
Loans and advances to customers	5.75%	260 184	496 179	399 433	64 703	435 398	-	1 655 897
Investment in subsidiaries	-	-	-	-	-	-	30 494	30 494
Available for sale investments	2.98%	-	2 548	-	-	-	22 440	24 988
Held to maturity investments	2.64%	-	7 736	26 518	-	-	-	34 254
Other assets		-	-	-	-	-	70 035	70 035
Total assets		260 184	980 844	425 951	64 703	435 408	145 279	2 312 369
Liabilities								
Derivative financial instruments		-	-	-	-	-	3	3
Deposits from banks	3.67%	-	83 945	-	-	-	-	83 945
Deposits from customers	2.71%	-	1 283 684	118 985	95 381	446 841	-	1 944 891
Subordinated liabilities	4.14%	-	49 698	-	-	-	-	49 698
Other liabilities		-	-	-	-	-	34 193	34 193
Total liabilities		-	1 417 327	118 985	95 381	446 841	34 196	2 112 730
Interest sensitivity gap		260 184	(436 483)	306 966	(30 678)	(11 433)	111 083	199 639
31 December 2005								
Total assets		164 032	872 715	542 107	178 970	109 748	105 080	1 972 652
Total liabilities		554 361	1 010 486	235 329	13 628	-	27 831	1 841 635
Interest sensitivity gap		(390 329)	(137 771)	306 778	165 342	109 748	77 249	131 017

5. Fair values of financial assets and liabilities

The following table summarises the carrying amounts and fair value of those financial assets and liabilities not presented on the Bank's balance sheet at their fair value (the amounts are expressed in thousands of euro).

	Carrying value		Fair value	
	2006	**2005**	**2006**	**2005**
Financial assets				
Loans and advances to banks	421 189	331 182	421 189	331 182
Loans and advances to customers	1 655 897	1 403 632	1 504 559	1 436 356
Investment securities held-to-maturity	34 254	52 393	33 961	50 444
Investment in subsidiaries	30 494	30 493	30 494	30 493
Financial liabilities				
Deposits from banks	83 945	190 730	83 945	190 730
Deposits from customers	1 944 891	1 573 361	1 949 999	1 568 600
Subordinated liabilities	49 698	49 613	52 103	49 613

6. Segment reporting

The Bank is organized into three business segments:

1) Corporate banking

2) Brokerage transactions

3) Retail banking

At 31 December 2006

(In thousands of euro)

	Corporate	Brokerage	Retail	Total
Operating revenue	6 710	4 852	69 541	81 103
Profit before income tax	4 866	1 300	10 943	17 109
Profit for the year	3 234	864	7 272	11 370
Total assets	180 209	31 319	2 100 841	2 312 369
Total liabilities	63 547	13 030	2 036 153	2 112 730
Capital expenditure	1	4	6 384	6 389
Depreciation	14	88	4 978	5 080
Impairment loss	346	-	2 058	2 404

At 31 December 2005

	Corporate	Brokerage	Retail	Total
Operating revenue	9 435	5 815	63 423	78 673
Profit before income tax	4 029	1 218	8 142	13 389
Profit for the year	3 024	916	6 108	10 048
Total assets	202 587	24 406	1 745 659	1 972 652
Total liabilities	50 210	7 911	1 783 514	1 841 635
Capital expenditure	4	88	3 402	3 494
Depreciation	6	206	4 676	4 888
Impairment loss	1 665	221	361	2 247

7. Net interest income

(In thousands of euro)

	2006	2005
Interest income		
Loans and advances to customers	90 402	76 554
Loans and advances	11 695	7 813
Investment securities	1 191	1 819
Trading securities	151	10
	103 439	86 196
Interest expense		
Deposits from banks and customers	(52 256)	(38 990)
Subordinated liabilities	(2 310)	(1 696)
	(54 566)	(40 686)
Net interest income	**48 873**	**45 510**

8. Fee and commission income

(In thousands of euro)	2006	2005
Loans and letters of guarantees	10 763	10 086
Working capital	1 443	1 333
Imports-exports	1 388	1 292
Management and custodian fees	2 795	2 623
Brokerage transactions	4 363	3 484
Credit cards	1 385	1 481
Deposits	604	766
Property	786	531
Other	1 984	2 259
	25 511	**23 855**

9. Net trading income

(In thousands of euro)	2006	2005
Foreign exchange	1 190	1 247
Equity instruments	(87)	349
Debt instruments	5	21
Derivatives	1 882	4 289
	2 990	**5 906**

10. Other operating income

(In thousands of euro)	2006	2005
Dividend income	49	44
Net result from sale of non-trading investments	-	5
Sale of services	4 205	3 881
	4 254	**3 930**

11. Personnel expenses

(In thousands of euro)	2006	2005
Wages and salaries	21 562	23 519
Social security obligations	5 665	5 174
Contribution to defined benefit plans	1 181	563
Contribution to defined contribution plans	2 688	2 700
	31 096	**31 956**

The average number of employees during 2006 was 955 (2005: 899).

12. Other expenses

(In thousands of euro)	**2006**	**2005**
(Profit)/loss on sale of property and equipment	-	(154)
Operating lease payments	6 862	6 803
Lawyers, engineers and other professionals	5 426	6 271
Utilities postage and similar charges	1 591	2 035
Other taxes	1 772	1 428
Contributions	2 157	1 793
Other	7 606	8 017
	25 414	**26 193**

13. Income tax expense

(In thousands of euro)	**2006**	**2005**
Current year	1 562	1 204
Tax on reserves	837	
Deferred tax expense	3 340	2 137
	5 739	**3 341**

Reconciliation of effective tax rate

(In thousands of euro)

		2006		**2005**
Profit before income tax		17 109		13 389
Income tax using corporate tax rate	29%	4 961	32%	4 285
Non-deductible expenses	3%	458	4%	510
Tax exempt income	(-)	(57)	(11%)	(1 540)
Tax on reserves	5%	837	-	-
Other differences	(3)%	(460)	-	86
	34%	**5 739**	**25%**	**3 341**

In Greece, the results reported to the tax authorities by an entity are provisional and subject to revision until such time as the tax authorities examine the books and records of the entity and the related tax returns as accepted as final. Therefore, entities remain contingently liable for additional taxes and penalties, which may be assessed upon such examination. The tax authorities have audited and the Bank has settled all obligations up to the year ended 31 December 2002. Because of the method under which the tax obligations are ultimately concluded in Greece, the Bank remains contingently liable for additional taxes and penalties for its open tax years.

During the year as a result of legislation the Bank paid an amount of EUR 837 thousand as tax on tax-free reserves of EUR 5 580 thousand.

14. Earnings per share

The calculation of basic earnings per share at 31 December 2006 was based on the profit after tax for the years attributable to ordinary shareholders of EUR 11 371 thousand (2005: EUR 10 048 thousand) and a weighted average number of ordinary shares outstanding, during the year ended 31 December 2006 of 5 051 068 (2005: 48 646 667). The increase in weighted average number of ordinary shares is from the effect of share capital increase of 1,404,401 towards the end of 2006.

15. Cash and cash equivalents

(In thousands of euro)

	2006	**2005**
Cash in hand	23 025	16 405
Reserves with Central Bank	51 189	49 914
	74 214	**66 319**

16. Trading assets

(In thousands of euro)

	2006	**2005**
Bonds	1 185	1 734
Equities	60	86
	1 245	**1 820**

17. Derivative assets

(In thousands of euro)

	2006		**2005**	
	Fair Value		**Fair Value**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Forward – currency	(4)	-	-	105
Futures – bonds	-	3	-	17
Interest rate swaps	57	-	134	23
	53	**3**	134	145

18. Loans and advances to banks

(In thousands of euro)

	2006	**2005**
Current accounts	11 628	7 255
Other placements	406 822	320 169
Items in course of collection	2 739	3 758
	421 189	**331 182**

19. Loans and advances to customers

(In thousands of euro)

	2006	2005
Retail customers:		
Housing	844 039	657 703
Credit cards	36 349	35 548
Other consumer	56 887	58 776
Corporate customers:		
Subsidiaries	69 046	75 882
Manufacturing	165 469	165 577
Wholesale and commerce	361 841	294 351
Other	129 584	132 806
Amounts due relating to brokerage transactions	27 467	24 989
	1 690 682	1 445 632
Impairment allowance	(34 785)	(42 000)
Loans and advances to customers net of impairment	**1 655 897**	**1 403 632**

Allowance for impairment

(In thousands of euro)

	2006	2005
Balance at 1 January	42 000	39 799
Impairment loss for the year	2 404	2 247
Write-offs	(9 619)	(46)
Balance at 31 December	**34 785**	**42 000**

20. Investments in subsidiaries and associates

(In thousands of euro)

	Country of incorporation	2006	Ownership interest	2005
Aspis Leasing	Greece	21 693	100%	21 693
Aspis AE Insurance Brokerage	Greece	616	100%	616
Aspis International AEDAK	Greece	8 166	55%	8 166
Aspis Finance plc	England	19	100%	18
		30 494		**30 493**

21. Available-for-sale investment securities

(In thousands of euro)

	2006	2005
Mutual fund units	10 527	9 771
Listed equities	11 819	5 927
Other debt securities	2 548	2 541
Non-listed equities	94	634
	24 988	**18 873**

22. Held-to-maturity securities

(In thousands of euro)

	2006	2005
Greek Government bonds	18 914	35 088
Other Government bonds	15 340	17 305
	34 254	**52 393**

23. Property and equipment

(In thousands of euro)

	Land and buildings	Leasehold improvements	Furniture and equipment	Total
Cost				
Balance at 1 January 2005	6 532	22 847	16 635	46 014
Acquisitions	-	1 229	1 246	2 475
Disposals	(48)	(84)	(327)	(459)
Balance at 31 December 2005	6 484	23 992	17 554	48 030
Balance at 1 January 2006	6 484	23 992	17 554	48 030
Acquisitions	-	1 903	3 372	5 275
Disposals	-	(12)	(12)	(24)
Transfer from intangible assets	-	-	6 444	6 444
Disposals	501	(501)	-	-
Write-offs	-	(53)	(851)	(904)
Balance at 31 December 2006	6 985	25 329	26 507	58 821
Depreciation				
Balance 1 January 2005	327	7 750	11 183	19 260
Depreciation for the year	93	1 934	1 815	3 842
Disposals	(2)	(17)	(324)	(343)
Balance at 31 December 2005	418	9 667	12 674	22 759
Balance 1 January 2006	418	9 667	12 674	22 759
Depreciation for the year	133	2 018	2 458	4 609
Transfer from intangible assets	-	-	4 828	4 828
Transfers	204	(204)	-	-
Disposals	-	(19)	-	(19)
Write-offs	-	-	(851)	(851)
Balance 31 December 2006	755	11 462	19 109	31 326
Carrying amounts				
Balance at 1 January 2005	6 205	15 097	5 452	26 754
Balance at 31 December 2005	**6 066**	**14 325**	**4 880**	**25 271**
Balance at 1 January 2006	6 066	14 325	4 880	25 271
Balance at 31 December 2006	**6 230**	**13 867**	**7 398**	**27 495**

24. Intangible assets

(In thousands of euro)

	Purchased software
Cost	
Balance at 1 January 2005	7 014
Acquisitions	1 019
Balance at 31 December 2005	8 033
Balance at 1 January 2006	8 033
Acquisitions	1 114
Transfer to property and equipment	(6 444)
Balance at 31 December 2006	2 703
Amortisation	
Balance as at 1 January 2005	4 745
Amortisation for the year	1 046
Disposals	-
Balance at 31 December 2005	5 791
Balance 1 January 2006	5 791
Amortisation for the year	472
Transfer to property and equipment	(4 827)
Balance at 31 December 2006	1 436
Carrying amounts	
Balance at 1 January 2005	2 269
Balance at 31 December 2005	**2 242**
Balance at 1 January 2006	2 242
Balance at 31 December 2006	**1 267**

25. Deferred tax assets, net

(In thousands of euro)

Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2006	2005
Deferred tax asset		
Impairment for customer loans	2 259	3 828
Employee benefits	741	550
Commission income	890	977
	3 890	5 355
Deferred tax liabilities		
Property and equipment	(2 262)	(387)
Commission expense	(20)	(20)
	(2 282)	(407)
Net deferred tax asset	**1 608**	**4 948**

Movement in temporary differences during the year

(In thousands of euro)

2006	**Opening balance**	**Recognized in income**	**Closing balance**
Customer loans impairment	3 828	(1 569)	2 259
Employee benefits	550	191	741
Commission income	977	(87)	890
Property, plant and equipment	(387)	(1 875)	(2 262)
Commission expense	(20)	-	(20)
	4 948	**(3 340)**	**1 608**

2005	**Opening balance**	**Recognized in income**	**Closing balance**
Customer loans impairment	5 332	(1 504)	3 828
Employee benefits	588	(38)	550
Commission income	1 401	(424)	977
Property, plant and equipment	(209)	(178)	(387)
Commission expense	(27)	7	(20)
	7 085	**(2 137)**	**4 948**

26. Other assets

(In thousands of euro)	2006	2005
Guarantees and participations to other funds	7 987	10 009
Advances	13 520	4 801
Receivables from Greek State and other public organizations	2 252	1 466
Accrued income	8 390	3 779
Other	7 516	15 290
	39 665	**35 345**

27. Deposits from customers

(In thousands of euro)	2006	2005
Sight and current accounts	206 364	221 769
Savings accounts	320 008	326 773
Term deposits	1 418 519	1 024 819
	1 944 891	**1 573 361**

28. Subordinated liabilities

The subordinated liability represents the proceeds from the issuance of subordinated floating rate notes by the Bank's subsidiary Aspis Finance plc. The proceeds of these notes are loaned to the Bank.

The loan was granted on 10 February 2005 for EUR 50 million due in 2015. The loan carries interest a Euribor plus 0.12% which is paid quarterly.

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

29. Other liabilities

(In thousands of euro)	2006	2005
Tax and duties	1 503	853
Amounts and cheques payable	12 071	9 879
Accrued interest expense	6 131	3 749
Other liabilities	10 840	10 830
	30 545	**25 311**

30. Employee benefits

Employee benefits consist of:

(In thousands of euro)

	2006	2005
Recognized liability for defined benefit obligations	2 964	2 144
Vacation not taken	50	50
	3 014	**2 194**

Defined benefit obligations

(In thousands of euro)

	2006	2005
Present value of unfunded obligations	3 585	2 803
Unrecognised actuarial gains and losses	(621)	(659)
Recognized liability for defined benefit obligations	**2 964**	**2 144**

Movement in the liability for defined benefit obligations

(In thousands of euro)

	2006	2005
Liability for defined benefit obligations at 1 January	2 144	2 226
Expense recognized in profit or loss (see below)	1 181	563
Benefits paid	(361)	(645)
	2 964	2 144

Expense recognized in profit or loss

(In thousands of euro)

	2006	2005
Current service costs	468	408
Interest on obligation	145	131
Amortization of actuarial loss	38	24
Past service cost	530	-
	1 181	**563**

Actuarial assumptions

	2006	2005
Discount rate	4.5%	4.5%
Future salary increases	5.0%	5.0%

31. Share capital

At 31 December 2006, the share capital comprised 63 474 403 ordinary shares with a par value of EUR 2.71 per share after the share capital increase of EUR 39 699 thousand in cash by issuing 14 644 093 shares and an amount of EUR 11 231 thousand was offset against losses carried forward.

32. Reserves

(In thousands of euro)

	2006	**2005**
Statutory reserve	-	2 350
Untaxed reserves	-	801
Fair value reserve	(1 394)	(7 516)
Other reserves	144	346
	(1 250)	(4 019)

Statutory reserve: Under the provisions of Greek corporate law, entities are required to transfer 5% of their annual profits to a statutory reserve until the reserve equals one third of the issued capital. This reserve is not available for distribution but may be applied to cover losses. In 2006 the Bank offset losses of EUR 2 350 thousand. In 2007, the shareholders in their annual meeting will decide on the distribution of such reserves.

Untaxed reserves: In accordance with Greek tax law certain types of income and profits are not taxed if retained and recorded to a specific reserve account. In the event that the reserves are distributed they will be taxed at the rate applicable on the date of distribution. During the year the Bank paid an amount of EUR 837 thousand for special tax on tax-free reserves.

Fair value reserve: The fair value reserve includes the cumulative net charge in the fair value of available-for-sale investments until the investment is derecognised or impaired.

Other reserves: Other reserves comprises the cash flow hedge reserve and amounts that have been taxed and are free for distribution.

33. Securitisations

The Bank has transferred housing loans securitized to Byzantium Finance plc, a special purpose vehicle of an amount of EUR 250 million in November 2003. These loans as at 31 December 2006 amount to EUR 175 559 thousand.

34. Related-party transactions

(In thousands of euro)

The Bank defines its subsidiaries and the Board of Directors as related parties.

(a) Board of Directors

	2006	2005
Loans and advances to customers	7 645	1 870
Deposits from customers	13 524	11 277
Other liabilities	92	-
Income		
Net interest income	(90)	53
Net commission income	74	20
Expenses		
Staff costs	2 823	3 506
Other operating expenses	46	-

(b) Balances and transaction with subsidiaries:

	2006	2005
Available-for-sale securities	2 500	2 500
Loans and advances to customers	69 058	76 387
Other assets	3 375	4 541
Deposits from customers	6 860	3 040
Subordinated liabilities	50 000	49 613
Other liabilities	370	210
Income		
Interest income	4 075	1 948
Commission income	2 164	1 884
Net trading results	1 889	4 382
Other income	94	80
Expenses		
Interest expense	2 336	1 725
Other expense	221	29

(c) Other key management personnel and other parties:

	2006	2005
Loans and advances to customers	18 020	22 288
Other assets	415	755
Amounts due from customers	95 500	39 813
Other liabilities	382	92
Income		
Net interest income	(1 160)	459
Net commission income	649	952
Expenses		
Other operating expenses	3 615	2 697

35. Contingent liabilities and commitments

35.1 Litigation

The Bank is a defendant in certain claims and legal actions arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, the ultimate disposition of these matters is not expected to have a material adverse effect on the financial condition of the Bank.

35.2 Credit commitments

The contractual amounts of the Bank's off-balance sheet financial instruments that commit to extend credit to customers are as follows (amounts in thousands of euro):

	2006	2005
Letters of guarantee	214 809	197 226
Letters of credit	23 517	12 393

35.3 Operating leases

The Bank's commitments from lease contracts refer mainly to buildings used for its branches and other operating units. The future minimum lease payments under operating leases are as follows (amounts in thousands of euro):

Up to 1 year	6 684
From 1 to 5 years	18 282
Over 5 years	7 703

36. Changes in comparative figures

(a) An amount of EUR 1 679 thousand which related to loan expenses was transferred to "Commission income " from "Other income" for comparative purposes.

(b) The Bank offset broker transactions by EUR 14 398 thousand that affected "Other assets" and "Other liabilities".

37. Post balance sheet events

In February 2007, the Bank agreed to acquire 51% of the share capital of FBB. This decision is subject to approval from the local authorities and will be completed during the 2^{nd} trimester of 2007.

INDEPENDENT AUDITOR'S REPORT
(Translation from Greek to English)

To the Shareholders of
ASPIS BANK A.E

Report on the Financial Statements

We have audited the accompanying financial statements of ASPIS BANK A.E (the Bank), which comprise the balance sheet as at 31 December 2006, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of ASPIS BANK A.E. as of 31 December 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Emphasis of Matter

Without qualifying our opinion we draw attention to note 13 to the financial statements, that explains that the tax obligations of the Bank have not yet been audited by the tax authorities and accordingly its tax obligations for those years are not considered final. The outcome of a tax audit can not presently be determined.

Report on Other Legal and Regulatory Requirements

The content of the Report of the Board of Directors is consistent with the accompanying financial statements.

Athens, 27 February 2007

KPMG Kyriacou Certified Auditors A.E.

Nick Vouniseas
Certified Auditor Accountant
AM SOEL 18701

6. CONSOLIDATED FINANCIAL STATEMENT AND AUDITOR'S REPORT

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	Notes	2006	2005
Interest income		117 723	103 143
Interest expense		(63 915)	(51 886)
Net interest income	**7**	**53 808**	**51 257**
Fee and commission income	**8**	26 970	25 663
Fee and commission expense		(683)	(414)
Net fee and commission income		**26 287**	**25 249**
Net trading income	**9**	2 208	5 055
Other operating income	**10**	7 944	8 001
Operating income		**90 247**	**89 562**
Impairment losses	**19**	(2 726)	(2 607)
Personnel expenses	**11**	(33 763)	(34 964)
Depreciation and amortization	**22,25**	(8 269)	(8 070)
Operating expenses	**12**	(27 159)	(28 764)
Profit before income tax expense		**18 330**	**15 157**
Income tax expense	**13**	(5 939)	(4 061)
Profit for the period		**12 391**	**11 096**
Attributable to:			
Equity holders of the Bank		12 272	11 229
Minority interest		119	(133)
		12 391	11 096
Basic and diluted earnings per share (euro)	**14**	0.25	0.23

The attached notes on pages 55 to 85 form part of these consolidated financial statements.

PRESIDENT OF THE BOARD OF DIRECTORS AND MANAGING DIRECTOR	VICE PRESIDENT OF THE BOARD OF DIRECTORS	CHIEF FINANCIAL OFFICER
KONSTANTINOS V. KARATZAS	LOUKAS A. KYRIAKOPOULOS	EVANGELOS V. STATHOPOULOΣ
ID No I013419	ID No A045552	ID No S045074 LICENCE No OEE 523 1ST CLASS

Assets	Notes	2006	2005
Cash and cash equivalents	**15**	74 220	66 322
Trading securities	**16**	3 948	4 556
Derivative assets	**17**	53	1 355
Loans and advances to banks	**18**	444 353	362 309
Loans and advances to customers	**19**	1 859 556	1 622 042
Investment securities			
- available-for-sale	**20**	22 488	16 373
- held-to-maturity	**21**	34 254	52 393
Property and equipment	**22**	32 002	28 680
Intangible assets	**23**	4 189	3 976
Deferred tax assets, net	**24**	1 860	5 327
Other assets	**25**	35 357	36 891
Total assets		**2 512 280**	**2 200 224**
Liabilities			
Derivative liabilities	**17**	3	145
Deposits from banks		95 954	222 730
Deposits from customers	**26**	1 938 865	1 570 451
Debt securities in issue	**27**	253 736	250 618
Current tax liability		422	289
Other liabilities	**28**	35 533	38 727
Employee benefits	**29**	3 178	2 352
Total Liabilities		**2 327 691**	**2 085 312**
Equity			
Share capital	**30**	172 029	143 561
Share premium		17 078	5 584
Reserves	**31**	(89)	(2 858)
Accumulated deficit		(5 748)	(32 541)
Total equity attributable to equity holders of the Bank		**183 270**	**113 746**
Minority interest		1 319	1 166
Total equity		**184 589**	**114 912**
Total liabilities and equity		**2 512 280**	**2 200 224**

The attached notes on pages 55 to 85 form part of these consolidated financial statements.

The attached notes on pages 55 to 85 form part of these consolidated financial statements.

	Share capital	Share premium	Statutory reserve	Tax-free reserve	Available for sale reserve	Hedge reserve	Accumulated deficit	Attributable to shareholders	Minority interests	Total
Balance 1 January 2005	**143 021**	**5 590**	**2 350**	**2 173**	**(8 878)**	**-**	**(43 551)**	**100 705**	**1 310**	**102 015**
Profit for the year	-	-	-	-	-	-	11 229	11 229	(133)	11 096
Change in the fair value of available for sale reserve	-	-		-	1 363	-	-	1 363	-	1 363
Effective portion of changes in fair value of cash flow hedge	-	-	-	-	-	134	-	134	-	134
Recognized income and expenses	-	-	-	-	1 363	134	11 229	12 726	(133)	12 593
Other	-	-	-	-	-	-	(219)	(219)	(11)	(230)
Share capital increase	540	(6)	-	-	-	-	-	534	-	534
Balance 31 December 2005	143 561	5 584	2 350	2 173	(7 515)	134	(32 541)	113 746	1 166	114 912
Profit for the year	-	-	-	-	-	-	12 272	12 272	119	12 391
Change in the fair value of available for sale reserve	-	-	-	-	6 122	-	-	6 122	-	6 122
Effective portion of changes in fair value of cash flow hedge	-	-	-	-	-	(77)	-	(77)	-	(77)
Recognized income and expenses	-	-	-	-	6 122	(77)	12 272	18 317	119	18 436
Offset losses	(11 231)	-	(2 350)	(940)	-	-	14 521	-	-	-
Other	-	-	-	14	-	-	-	14	34	48
Share capital increase	39 699	11 494	-	-	-	-	-	51 193	-	51 193
Balance 31 December 2006	172 029	17 078	-	1 247	(1 393)	57	(5 748)	183 270	1 319	184 589

	2006	2005
Operating activities		
Profit before taxes	18 330	15 157
Adjustments for:		
Depreciation and amortization	8 269	8 070
Impairment on assets	2 726	2 607
Employee benefit	1 235	613
Other non-cash items	8 479	(1 442)
Change in fair value	(213)	(195)
Other	-	19
	38 826	**24 829**
Changes in:		
Trading assets	867	(2 384)
Derivative assets	13	(1 296)
Loans and advances to customers	(240 240)	(229 313)
Other assets	6 530	(13 778)
Deposits from banks	(126 776)	185 145
Deposits from customers	368 414	4 137
Other liabilities	6 587	13 931
Net cash used in operating activities	**54 221**	**(18 729)**
Cash flows from investing activities		
Proceeds from sale of investment securities	17 131	254
Proceeds from sale of property and equipment	32	3 211
Change in investments	(142)	1 882
Purchase of property and equipment	(12 136)	(8 682)
Dividends received	49	44
Net cash used in investing activities	**4 934**	**(3 291)**
Cash flows from financing activities		
Net (decrease)/ increase in subordinated liabilities	(5 894)	21 200
Proceeds from the issue of shares	51 193	535
Net cash from financing activities	**45 299**	**21 735**
Net increase/ (decrease) in cash and cash equivalents	**104 454**	**(285)**
Cash and cash equivalents at 1 January	**428 631**	**434 753**
Effect of exchange rate fluctuations on cash and cash equivalents	(14 512)	(5 837)
Cash and cash equivalents at 31 December	**518 573**	**428 631**
Cash and cash equivalents consist of:		
Cash and balances with Central Bank	74 220	66 322
Loans and advances to banks	444 353	362 309
	518 573	428 631

The attached notes on pages 55 to 85 form part of these consolidated financial statements.

2. General Information

ASPIS BANK S.A. (previously ASPIS MORTGAGE BANK S.A.) was founded by Pavlos D.Psomiadis and the AEGON BV insurance company, under the name “ASPIS BANK” (the “Bank”), as a Banking Societé Anonyme in 1992 and received its license by the Bank of Greece (decision no. 487/2.12.91 of the Currency and Credit Commission), and the Ministerial Council (no. 5/8, GG 1/13.1.92, issue 1) Act according to law. According to this license, the Bank operated in accordance with mortgage banks laws until 3 August 2001. The Bank of Greece (PDBG 2478/3-8-2001) abolished the special legal framework for mortgage banks. On 3 September 2001, the Currency and Credit Commission of the Bank of Greece approved the modification of the Articles of Association of ASPIS BANK, which from thereafter engages in all banking operations defined by law. The Ministry of Development, as per decision no. K2-13660/26-10-2001, approved the modification of the Bank’s Articles of Association regarding its name, and received its current name of ASPIS BANK S.A. The Regular Shareholders’ Meeting on 1 June 2001 had already approved the aforementioned modifications of articles 1 (regarding the name) and 4 (regarding the purpose) of the Bank’s Articles of Association. ASPIS BANK maintains a Head Office in the Municipality of Athens, at 4 Othonos St., 105 57 Athens, and is registered in the Societé Anonyme Registry under no. 26699/06/B/92/12. The Bank was established for a term of ninety-nine (99) years from the date it was registered in the Societé Anonyme Registry.

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

- Accepting, with or without interest, all types of deposits or other returnable funds denominated in euros, foreign currency.
- Issuing loans and credit of all types, providing guarantees and acquiring or transferring claims, as well as intermediating in the financing of business enterprises or in business collaborations.
- Assuming debt, credit or guarantees and issuing debt securities in order to draw funds.
- Providing bill payment, fund transfer and export trade financing facilities.
- Safekeeping, management and administration of all types of securities, bonds, financial products and assets in general, including asset portfolios, transacting trades of these assets on behalf of the Bank or of third parties, as well as providing related financial and consulting services.
- The establishment or participation in domestic or foreign companies of any type engaged in the money market, capital market and the broader banking and investment sector in general.

- The issuance and management of means of payment (credit and debit cards, travel and bank cheques, etc.)
- Underwriting services, participation in the issuance and sale of securities, the coverage of issues and the provision of related services.
- Providing consulting services to business enterprises regarding their capital structure and business strategy, as well as services regarding mergers, spin-offs and acquisitions, and related issues.
- Providing reorganization and financial restructuring services.
- Factoring corporate receivables.
- Providing business-related information, including credit rating services.
- Providing safe-deposit box services.
- Representing third parties that have or pursue objectives similar to those mentioned above and in general engaging in any type of action, transaction, work or activity pursuant to the above or contributing to the advancement of the objectives of the Bank, as stated in the Articles of Association.
- Actively participating, as a member, in organized stock markets, having received a relevant license from the Bank of Greece.

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

Fitch Ratings recently gave ASPIS BANK a BB+ rating while certifying its risk management systems.

Basis of preparation

2.1 *Statement of compliance*

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

The consolidated financial statements were approved by the Board of Directors on 12 February 2007.

2.2 *Basis of measurement*

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

- financial instruments at fair value through profit or loss are measured at fair value
- available-for-sale financial assets are measured at fair value
- derivative financial instruments are measured at fair value

2.3 *Functional and presentation*

These consolidated financial statements are presented in euro, which is the Bank's functional currency. Except as indicated, financial information presented in euro has been rounded to the nearest thousand.

2.4 *Use of estimates and judgments*

The preparation of financial statements according to IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The most significant effect on the amount recognised in the financial statements are the calculation of impairment losses.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

3.1 *Basis of consolidation*

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. When the Group's share of losses exceeds its interest in the associates the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred a legal or constructive obligation to make payments on behalf of an associate.

(ii) Associates

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

(iii) Special purpose entities

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

(iv) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Foreign currency

Transactions in foreign currencies are translated to Euro at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to Euro at the exchange rate at the date that the fair value was determined.

3.3 Interest

Interest income and expense are recognised in the income statement using the effective interest method. Interest income and expense includes the amortisation of any discount or premium or other differences between the initial carrying amount of an interest bearing instrument and its amount at maturity calculated on an effective interest rate basis. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability.

The calculation of the effective interest rate includes all fees and points paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate.

3.4 Fees and commission

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. Other fees and commission expense relates mainly to transaction and service fees, which are expensed as the services are received.

3.5 Net trading income

Net trading income comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes, interest, dividends and foreign exchange differences.

3.6 Dividends

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

3.7 Lease payments made

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

3.8 Income tax expense

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

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

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

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

3.9 Financial instruments

(a) Classification

Instruments at fair value through profit or loss. This category has two sub categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. These include derivative contracts that are not designated and effective hedging instruments.

Loans and receivables are loans and receivables created by the Group providing money, goods or services to a debtor other than those created with the intention of short-term profit taking.

Held-to-maturity assets are financial assets with fixed or determinable payments and fixed maturity that the Group has the intent and ability to hold to maturity. These include certain purchased loans and advances to banks and customers, and certain debt investments.

Available-for-sale assets are financial assets that are not held for trading purposes, loans and receivables, or held to maturity. Available-for-sale include certain debt and equity investments.

(b) Recognition

The Group recognises financial assets held for trading, available-for-sale and held-to-maturity, on the date it commits to purchase the assets. From this date any gains and losses arising from changes in fair value of the assets are recognised. Loans and receivables are recognised when cost is advanced to the borrowers.

(c) Measurement

Financial instruments are measured initially at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Subsequent to initial recognition all trading instruments and all available-for-sale assets are measured at fair value, except that any instrument that does not have a quoted market price in an active market and whose fair value cannot be reliably measured is stated at cost, including transaction costs, less impairment losses.

All non-trading financial liabilities, loans and receivables and held-to-maturity assets are measured at amortised cost less impairment losses. Amortised cost is calculated on the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument.

(d) Fair value measurement principles

The fair value of financial instruments is based on their quoted market price at the balance sheet date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated using pricing models or discounted cash flow techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimate and the discount rate is a market related rate at the balance sheet date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market related measures at the balance sheet date.

The fair value of derivatives that are not exchange-traded is estimated at the amount that the Group would receive or pay to terminate the contract at the balance sheet date taking into account current market conditions and current creditworthiness of the counterparties.

(e) Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of available-for-sale assets are recognised directly in equity. When the financial assets are sold, collected or otherwise disposed of the cumulative gain or loss recognised in equity is transferred to the income statement.

Gains and losses arising from a change in the fair value of instruments at fair value through profit or loss are recognised in the income statement.

(f) Offsetting

Financial assets and liabilities are set of and the net amount presented in the balance sheet when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards.

(g) Derecognition

The Group dercognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by Group is recognised as a separate asset or liability.

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

(h) Hedge accounting

Where there is a hedging relationship between a derivative instrument and a related item being hedged, the hedging instrument is measured at fair value. The treatment of any resultant gains and losses is set out below.

The fair value of derivative hedging instruments is calculated in the same way as the fair value of trading instruments.

When a derivative financial instrument hedges the exposures to changes in the fair value of a recognised asset or liability, the hedged item is at fair value in respect of the risk being hedged. Gains and losses on remeasurement of both the hedging instrument and the hedged items are recognised in the income statement. These amount are included in gains less losses from non-trading instruments.

Where a derivative financial instrument hedges the exposure to variability in the cash flow of recognised assets or liabilities or anticipated transactions or firm commitments, the effective part of any gain or loss on remeasurement of the hedging instrument is recognised directly in equity. The ineffective part of any gain or loss is recognised in the income statement.

3.10 Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about the following loss events:

(vii) significant financial difficulty of the issuer or obligator;

(viii) a breach of contract, such as a default or delinquency in interest or principal payments;

(ix) the Group granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;

(x) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

(xi) the disappearance of an active market for that financial asset because of financial difficulties; or

(xii) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:

- adverse changes in the payment status of borrowers in the group; or
- national or local economic conditions that correlate defaults on the assets in the groups.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the Group’s grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). These characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group.

Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce and differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written-off against the related provision for loan impairment. Such loans are written-off after all necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written-off decrease the amount of the provision for loan impairment in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively do an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that asset previously recognised in the income statement – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the income statement.

3.11 Cash and cash equivalents

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

3.12 Property, plant and equipment

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes expenditure that is attributable to the acquisition of the items.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of the property, plant and equipment. Land is not depreciated.

The estimated useful lives are as follows:

Own property	50 years
Leasehold improvements	12 years
Furniture and equipment	7 – 8 years

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

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is higher of the assts fair value less costs to sell and value in use.

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

3.13 Intangible assets

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

Amortisation is charged to the income statement on a straight-line basis over the estimated useful life of the software which is between 4-10 years.

3.14 Employee benefits

(a) Defined contribution plans

The Group pays contributions to publicly or privated administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment adjustments once the contributions have been paid. The obligations for contributions are recognized as an expense in the income statement as incurred.

(b) Defined benefit plans

The Group has a defined benefit plan whereby it is required, by law, to pay to retiring employees a lump sum. The amount of the payment varies depending upon the employee's length of service and salary on the date of retirement. The Group's obligation in respect of this defined benefit plan is measured by estimating the present value amount of future benefit that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine it present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on Greek State bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed by a independent qualified actuary using the projected unit method, less the fair value of any plan assets and adjusted for unrecognised gains or losses and past service costs. The calculation is performed annually by a qualified actuary using the projected unit credit method. The discount rate is the yield at the balance sheet date on Government bonds that have maturity dates that match the employment term of the pension liability.

All actuarial gains and losses as at 1 January 2004, the date of transition to IFRSs, were recognised. In respect of actuarial gains and losses that arise subsequent to 1 January 2004 in calculating the Group's obligation in respect of the plan, to the extent that any cumulative unrecognised actuarial gain or loss exceeds 10% of the greater of the present value of the defined benefit obligation and the fair value of the plan assets, that portion is recognised in the income statement over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

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

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

All actuarial gains and losses are recognised in the income statement using the corridor method amortising any amounts based on the term of the pension liability.

3.15 Provisions

A provision is recognised in the balance sheet when the Group has a present legal obligation or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate has be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

3.16 Share capital

(a) Share issue costs

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

(b) Dividends on ordinary shares

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

(c) Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity. Where such shares are subsequently sold or re-issued, any consideration received is included in shareholders' equity.

3.17 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

3.18 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2006, and have not been applied in preparing these consolidated financial statements:

- IFRS 7 Financial Instruments Disclosures will become mandatory for the Group's 2007 financial statements and will not effect the net asset of the Group.
- IFRS 8 Operating Segments which is effective for annual periods beginning on or after 1 January 2009 and supplements IAS 14 Segment Reporting and will not effect the net asset of the Group.
- IFRS 7 Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies which is effective from 1 March 2006.
- IFRS 8 Scope of IFRS 2 Share-based Payment which is effective from 1 May 2006 and will not effect the net asset of the Group.
- IFRIC 9 Reassessment of Embedded Derivatives which is effective from 1 June 2006 and will not effect the net position of the Group.
- IFRIC 10 Interim Financial Reporting and Impairment will become mandatory for the Group's 2007 financial statements, and will not effect the net asset of the Group.
- IFRIC 11 – IFRS 2 Group and Treasury Share Transactions addresses the classification of a share based payment transaction in the financial statements of the entity receiving the services. It will be applied in the Group's 2007 financial statements. The Group has not yet determined the potential effect of the interpretation.
- IFRIC 12 – Service Concession Arrangements which is effective for unusual period beginning on or after 1 January 2008. The Group has not yet determined the potential effect of the interpretation.

4. Risk management

This note provides details of the Group's exposures to risks and describes the methods used by management to control risk. The most important types of financial risk to which the Group is exposed are credit risk, liquidity risk and market risk. Market risk includes currency risk, interest rate risk and equity price risk.

4.1 Credit risk

The Group takes an exposure to credit risk, which is the risk that a counterparty will be unable to pay an amount in full when due. Impairment provisions are provided for losses that have been incurred at the balance sheet date. Significant changes in the economy or in the health of a particular industry segment that represents a concentration in the Group's portfolio, could result in losses that are different from those provided for at the balance sheet date. Management therefore carefully manages its exposure to credit risk.

The Group structures the level of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review. Limits on the level of credit risk by product and industry sector are approved by the Board of Directors.

The exposure to any one borrower including banks is further restricted by sub-limits covering on and off-balance sheet exposures. Actual exposures against limits are monitored daily.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral and corporate and personal guarantees, but a significant portion of the Group's exposures related to personal lending where no such facilities can be obtained.

4.2 Liquidity risk

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

The Group has access to a diverse funding base. Funds are raised using a broad range of instruments including deposits, debt securities and share capital. This enhances funding flexibility, limits dependence on any one source of funds and generally lowers the cost of funds. The Group strives to maintain a balance between continuity of funding and flexibility through the use of liabilities with a range of maturities. The Group continually assesses liquidity risk by identifying and monitoring changes in funding required to meet business goals and targets set in terms of the overall Group strategy.

The following table provides an analysis of the Group's assets and liabilities into relevant maturity groupings based on the remaining periods to repayment (the amounts are expressed in thousands of euro):

At 31 December 2006	Up to 1 month	1-3 Months	3-6 months	6-12 months	1 to 5 years	More than 5 years	Total
Cash and cash equivalent	74 220	-	-	-	-	-	74 220
Trading securities	-	-	-	-	3 948	-	3 948
Derivative financial instruments	53	-	-	-	-	-	53
Loans and advances to banks	443 455	898	-	-	-	-	444 353
Loans and advances to customers	289 105	195 277	235 171	69 918	544 483	525 602	1 859 556
Available-for-sale investments	-	-	-	-	22 488	-	22 488
Held-to-maturity investments	-	23 306	7 603	-	3 345	-	34 254
Property and equipment and intangible assets	-	-	-	-	36 191	-	36 191
Other assets	-	-	9 548	-	27 669	-	37 217
Total assets	806 833	219 481	252 322	69 918	638 124	525 602	2 512 280
Liabilities							
Derivative financial instruments	3	-	-	-	-	-	3
Deposits from banks	95 954	-	-	-	-	-	95 954
Due to customers	658 502	619 157	118 985	95 381	446 840	-	1 938 865
Debt securities in issue	1 121	2 927	4 429	8 970	156 789	79 500	253 736
Other liabilities	28 303	7 652	-	-	3 178	-	39 133
Total liabilities	783 883	629 736	123 414	104 351	606 807	79 500	2 327 691
Net liquidity gap	22 950	(410 255)	128 908	(34 433)	31 317	446 102	184 589
At 31 December 2005							
Total assets	682 784	201 733	254 792	60 977	383 849	616 089	2 200 224
Total liabilities	707 542	449 159	126 968	88 081	713 562	-	2 085 312
Net liquidity gap	(24 758)	(247 426)	127 824	(27 104)	(329 713)	616 089	114 912

4.3 Currency risk

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

	EURO	USD	Other	Total
Assets				
Cash and cash equivalents	73 678	356	186	74 220
Trading securities	3 812	136	-	3 948
Derivative financial instruments	53	-	-	53
Loans and advances to banks	295 687	124 779	23 887	444 353
Loans and advances to customers	1 815 013	29 317	15 226	1 859 556
Available-for-sale investments	22 488	-	-	22 488
Held-to-maturity investments	18 914	15 340	-	34 254
Property and equipment and intangible assets	36 191	-	-	36 191
Other assets	25 952	1 302	9 963	37 217
Total assets	2 291 788	171 230	49 262	2 512 280
Liabilities				
Derivative financial instruments	3	-	-	3
Deposits from banks	80 352	-	15 602	95 954
Due to customers	1 743 997	170 388	24 480	1 938 865
Debt securities in issue	253 736	-	-	253 736
Other liabilities	37 975	1 121	37	39 133
Total liabilities	2 116 063	171 509	40 119	2 327 691
Net on-balance sheet position	175 725	(279)	9 143	184 589
Net off-balance sheet position	(2 041)	3	8	(2 030)
31 December 2005				
Total assets	1 945 498	192 146	62 580	2 200 224
Total liabilities	1 834 944	196 658	53 660	2 085 312
Net on-balance position	110 504	(4 512)	8 920	114 912
Net off-balance position	717	90	-	807

4.4 Interest rate risk

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

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

The table below summarises the Group's exposure to interest rate risks. Included in the table below are the Group's assets and liabilities at carrying amounts, categorized by the earlier or contractual repricing or maturity dates (amounts are expressed in thousands of euro):

At 31 December 2006	**Interest rate**	**Floating**	**1-3 months**	**3-6 months**	**6-12 months**	**1 to 5 years**	**Over 5 years**	**Non-interest**	**Total**
Assets									
Cash and cash equivalents	2.39%	-	66 391	-	-	-	-	7 829	74 220
Trading securities	3.60%	-	1 174	-	-	-	10	2 764	3 948
Derivative financial instruments	-	-	-	-	-	-	-	53	53
Loans and advances to banks	3.61%	-	429 987	-	-	-	-	14 366	444 353
Loans and advances to customers	5.75%	343 192	461 359	100 708	346 762	157 915	485 516	(35 896)	1 859 556
Available-for-sale investments	-	-	-	-	-	-	-	22 488	22 488
Held-to-maturity investments	2.64%	-	7 736	-	26 518	-	-	-	34 254
Other assets	-	-	-	-	-	-	-	73 408	73 408
Total assets		343 192	966 647	100 708	373 280	157 915	485 526	85 012	2 512 280
Liabilities									
Derivative financial instruments	-	-	-	-	-	-	-	3	3
Deposits from banks	3.67%	-	95 954	-	-	-	-	-	95 954
Due to customers	2.71%	-	1 277 659	-	118 985	95 381	446 840	-	1 938 865
Debt securities in issue	4.17%	83 007	78 524	55 111	20 426	1 912	14 756	-	253 736
Other liabilities	-	-	-	-	-	-	-	39 133	39 133
Total liabilities		83 007	1 452 137	55 111	139 411	97 293	461 596	39 136	2 327 691
Net interest gap		260 185	(485 490)	45 597	233 869	60 622	23 930	45 876	184 589
At 31 December 2005									
Total assets		287 622	873 895	543 622	2 530	269 620	109 748	113 187	2 200 224
Total liabilities		583 451	1 261 104	185 616	13 628	-	-	41 513	2 085 312
Interest sensitivity gap		(295 829)	(387 209)	358 006	(11 098)	269 620	109 748	71 674	114 912

5. Fair values of financial assets and liabilities

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

(In thousands of euro)

	Carrying value		Fair value	
	2006	**2005**	**2006**	**2005**
Financial assets				
Loans and advances to banks	444 353	362 309	444 353	362 309
Loans and advances to customers	1 859 556	1 622 042	1 741 826	1 685 696
Investment securities held-to-maturity	34 254	52 393	33 961	50 444
Financial liabilities				
Deposits from banks	95 954	222 730	95 954	190 730
Deposits from customers	1 938 865	1 570 451	1 943 973	1 573 602
Debt securities in issue	253 736	250 618	255 917	250 618

6. Business segments

The Group is organized into three business segments:

1) Corporate banking

2) Brokerage transactions

3) Retail banking

At 31 December 2006
(In thousands of euro)

	Corporate	Brokerage	Retail	Total
Operating revenue	19 870	7 960	62 417	90 247
Profit before income tax	6 494	1 240	10 596	18 330
Profit for the period	4 390	838	7 163	12 391
Total assets	285 900	34 462	2 191 918	2 512 280
Total liabilities	102 757	7 762	2 217 172	2 327 691
Capital expenditure	843	114	11 179	12 136
Depreciation	3 086	116	5 067	8 269
Impairment loss	668	-	2 058	2 726

At 31 December 2005
(In thousands of euro)

	Corporate	Brokerage	Retail	Total
Operating revenue	10 552	8 365	70 645	89 562
Profit before income tax	4 023	2 653	8 481	15 157
Profit for the period	2 945	1 942	6 209	11 096
Total assets	305 179	27 284	1 867 761	2 200 224
Total liabilities	154 502	7 911	1 922 899	2 085 312
Capital expenditure	2 014	115	6 554	8 683
Depreciation	3 076	318	4 676	8 070
Impairment loss	2 025	221	361	2 607

7. Net interest income

(In thousands of euro)

	2006	2005
Interest income		
Loans and advances	104 320	88 160
Money market deals	12 263	7 813
Debt instruments	989	7 160
Trading instruments	151	10
Interest expense	117 723	103 143
Deposits from banks and customers	(54 813)	(37 419)
Borrowed funds	(9 102)	(14 467)
	(63 915)	(51 886)
Net interest income	**53 808**	**51 257**

8. Net fee and commission income

(In thousands of euro)

	2006	2005
Loans and letters of guarantees	11 124	10 086
Working capital	1 443	1 333
Imports-exports	1 388	1 292
Management and custodian fees	3 712	3 961
Brokerage transactions	4 363	3 484
Credit cards	1 385	1 481
Deposits	604	766
Property	786	531
Other	2 165	2 729
	26 970	**25 663**

9. Net trading income

(In thousands of euro)	2006	2005
Foreign exchange	1 222	1 120
Equity instruments	(87)	(192)
Debt instruments	143	21
Derivatives	930	4 106
	2 208	**5 055**

10. Other income

(In thousands of euro)	2006	2005
Dividend income	49	44
Net result form non-trading income	-	5
Services rendered	7 895	7 952
	7 944	**8 001**

11. Staff costs

(In thousands of euro)	2006	2005
Wages and salaries	23 612	25 920
Social security costs	6 051	5 616
Defined benefit plan	1 235	613
Defined contribution plans	2 865	2 815
	33 763	**34 964**

The average number of persons employed by the Group during 2006 was 1 008 (2005: 971).

12. Operating expenses

(In thousands of euro)	2006	2005
(Profit)/loss on sale of property and equipment	-	(154)
Operating lease rentals	6 929	7 108
Lawyers, engineers and other professionals	5 957	6 271
Utilities postage and similar charges	1 714	2 035
Other taxes	1 977	1 906
Contributions	2 312	1 793
Other	8 270	9 805
	27 159	**28 764**

13. Income tax expense

(In thousands of euro)

	2006	2005
Current year	1 635	1 210
Reserves	837	-
Deferred tax	3 467	2 851
Total income tax expense	**5 939**	**4 061**

Reconciliation of effective tax rate

(In thousands of euro)

		2006		2005
Profit before tax		18 330		15 157
Income tax at rate	29%	5 316	32%	4 850
Non-deductible expenses	4%	460	5%	665
Tax exempt revenues	-	(57)	(10%)	(1 540)
Reserves	4%	837	-	-
Other differences	(5%)	(617)	-	86
	32%	**5 939**	**27%**	**4 061**

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

Aspis Bank	2003 – 2006
Aspis Leasing	2003 – 2006
Aspis A.E. Insurance Brokerage	2003 – 2006
Aspis International AEDAK	2002 – 2006
Aspis Credit	2004 - 2006

During the year as a result of legislation the Bank paid an amount of EUR 837 thousand as tax on tax-free reserves of EUR 5 580 thousand.

Because of the method under which the tax obligations are ultimately concluded in Greece, the Group remains contingently liable for additional tax and penalties for its open tax years.

14. Earnings per share

Basic earnings per share at 31 December 2006 was based on the profit after tax for the years attributable to the equity holders of EUR 18 330 thousand (2005: EUR 11 096 thousand) with a weighted average number of ordinary shares outstanding, during the year ended 31 December 2006 of 50 051 068 (2005: 48 646 667). The increase in the weighted average number of shares by 1 404 401 is due to the increase of share capital by the end of the year.

15. Cash and balances with Central Bank

(In thousands of euro)	**2006**	**2005**
Cash in hand	23 032	16 408
Placements with Central Bank	51 188	49 914
	74 220	**66 322**

16. Trading securities

(In thousands of euro)	**2006**	**2005**
Debt securities	1 184	1 733
Mutual fund units	-	2 737
Equities	2 764	86
	3 948	**4 556**

17. Derivative financial instruments

(In thousands of euro)

	2006 Fair Value		**2005** Fair Value	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Forward – currency	(4)	-	-	105
Futures	-	3	-	17
Interest rate swaps	57	-	1 355	23
	53	3	1 355	145

18. Loans and advances to banks

(In thousands of euro)	**2006**	**2005**
Current accounts	34 793	38 382
Other placements	406 823	320 169
Items in course of collection	2 737	3 758
	444 353	**362 309**

19. Loans and advances to customers

(In thousands of euro)	2006	2005
Retail customers:		
Housing	1 019 598	858 983
Credit cards	36 349	35 548
Other consumer	56 887	58 776
Corporate customers:		
Manufacturing	165 470	165 577
Wholesale and retail	381 396	294 351
Other	111 175	132 806
Financial leasing	97 111	93 826
Amounts due relating to brokerage transactions	27 466	24 989
	1 895 452	1 664 856
Less: Allowance for impairment	(35 896)	(42 814)
Net loans and advances to customers net of impairment	1 859 556	1 622 042

Allowance for impairment

(In thousands of euro)

	2006	2005
Balance at 1 January	42 814	40 251
Impairment loss for the year	2 726	2 607
Write-offs	(9 644)	(44)
At 31 December	**35 896**	**42 814**

20. Available-for-sale investment securities

(In thousands of euro)	2006	2005
Mutual fund units	10 527	9 771
Listed equity securities	11 819	5 927
Other debt securities	49	41
Other non-listed equity securities	93	634
	22 488	**16 373**

21. Held-to-maturity securities

(In thousands of euro)	2006	2005
Greek government bonds	18 914	35 088
Non Greek government bonds	15 340	17 305
	34 254	**52 393**

22. Property and equipment

(In thousands of euro)

	Land and buildings	Leasehold improvements	Furniture and equipment	Total
Cost				
Balance at 1 January 2005	6 532	23 391	19 595	49 518
Acquisitions	-	1 229	3 116	4 345
Disposals	(48)	(84)	(380)	(512)
Balance at 31 December 2005	6 484	24 536	22 331	53 351
Balance at 1 January 2006	6 484	24 536	22 331	53 351
Acquisitions	-	1 904	5 786	7 690
Disposals	-	(12)	(19)	(31)
Transfer from intangible assets	-	-	6 444	6 444
Transfers	501	(501)	-	-
Write-offs	-	(53)	(1 305)	(1 358)
Balance at 31 December 2006	6 985	25 874	33 237	66 096
Depreciation				
Balance at 1 January 2005	327	8 126	12 077	20 530
Depreciation charge for the year	93	1 969	2 452	4 514
Disposals	(2)	(17)	(354)	(373)
Balance at 31 December 2005	418	10 078	14 175	24 671
Balance at 1 January 2006	418	10 078	14 175	24 671
Depreciation charge for the year	134	2 050	3 470	5 654
Disposals	-	(19)	-	(19)
Transfer from intangible assets	-	-	4 828	4 828
Transfers	204	(204)	-	-
Write-offs	-	-	(1 040)	(1 040)
Balance at 31 December 2006	756	11 905	21 433	34 094
Carrying amounts				
Balance at 1 January 2005	6 205	15 265	7 518	28 988
Balance at 31 December 2005	6 066	14 458	8 156	28 680
Balance at 1 January 2006	6 066	14 458	8 156	28 680
Balance at 31 December 2006	6 229	13 969	11 804	32 002

23. Intangible assets

(In thousands of euro)

	Purchased software
Cost	
Balance at 1 January 2005	9 348
Acquisitions	4 338
Disposals	(2 699)
Balance at 31 December 2005	10 987
Balance at 1 January 2006	10 987
Acquisitions	4 446
Disposals	(1 752)
Transfer to property and equipment	(6 444)
Balance at 31 December 2006	7 237
Amortisation	
Balance as at 1 January 2005	6 155
Amortisation for the year	3 556
Disposals	(2 700)
Balance at 31 December 2005	7 011
Balance 1 January 2006	7 011
Amortisation for the year	2 615
Disposals	(1 750)
Transfer to property and equipment	(4 828)
Balance at 31 December 2006	3 048
Carrying amounts	
Balance at 1 January 2005	3 193
Balance at 31 December 2005	3 976
Balance at 1 January 2006	3 976
Balance at 31 December 2006	4 189

24. Deferred tax assets, net

(In thousands of euro)

Deferred tax assets and liabilities are attributable to the following (in thousands of euro):

	2006	2005
Deferred tax asset		
Finance lease	512	1 166
Customer loans impairment	2 262	3 831
Employee benefits	777	590
Commission income	890	977
Tax loss	422	207
	4 863	6 771
Deferred tax liability:		
Finance lease	(754)	(254)
Property, plant and equipment	(2 264)	(1 015)
Commission expense	(19)	(20)
Other	34	(155)
	(3 003)	(1 444)
Net deferred tax asset	**1 860**	**5 327**

Movement in temporary differences during the year

(In thousands of euro)

2006	**Opening balance**	**Recognized in profit or loss**	**Closing balance**
Customer loans impairment	3 831	(1 569)	2 262
Employee benefits	590	187	777
Commission income	977	(87)	890
Finance lease	912	(1 154)	(242)
Property, plant and equipment	(1 015)	(1 249)	(2 264)
Commission expense	(20)	1	(19)
Tax loss	207	215	422
Other	(155)	189	34
	5 327	**(3 467)**	**1 860**

2005	Opening balance	Recognized in profit or loss	Closing balance
Customer loans impairment	5 332	(1 501)	3 831
Employee benefits	625	(35)	590
Commission income	1 401	(424)	977
Finance lease	1 255	(343)	912
Property, plant and equipment	(212)	(803)	(1 015)
Commission expense	(27)	7	(20)
Tax loss	5	202	207
Other	(201)	46	(155)
	8 178	**(2 851)**	**5 327**

25. Other assets

(In thousands of euro)	2006	2005
Guarantees and participations to other funds	8 369	10 044
Advances	13 519	4 801
Receivables from Greek State and other public organizations	2 280	4 696
Accrued interest income	5 135	3 779
Other receivables	6 054	13 571
	35 357	**36 891**

26. Deposits from customers

(In thousands of euro)	2006	2005
Sight and current accounts	200 432	218 859
Savings accounts	320 008	326 773
Term deposits	1 418 425	1 024 819
	1 938 865	**1 570 451**

27. Debt securities in issue

The amount includes a subordinated floating rate for EUR 50 million due in 2015. In addition it includes floating rate notes issued by Byzantion Finance plc to fund the purchase of housing loans. These notes mature in 2032 but there is an option to repay the notes in January 2009. If the notes are not repaid the margin will double.

28. Other liabilities

(In thousands of euro)	2006	2005
Tax other than tax income and duties	1 931	2 724
Amounts and cheques payable	8 331	9 879
Accrued interest expense	4 798	4 035
Other liabilities	20 473	22 089
	35 533	**38 727**

29. Employee benefits

Employee benefits consist of:

(In thousands of euro)

	2006	2005
Recognized liability for defined benefit obligations	3 128	2 302
Vacation taken	50	50
	3 178	**2 352**

Defined benefit obligations

(In thousands of euro)

	2006	2005
Present value of unfunded obligations	3 783	2 998
Unrecognised actuarial gains and losses	(655)	(696)
Recognized liability for defined benefit obligations	**3 128**	**2 302**

Movement in the liability for defined benefit obligations

(In thousands of euro)

	2006	2005
Liability for defined benefit obligations at 1 January	2 302	2 365
Expense recognized in profit or loss	1 235	613
Benefits paid	(409)	(676)
	3 128	**2 302**

Expense recognized in profit or loss

(In thousands of euro)

	2006	2005
Current service costs	511	447
Interest on obligation	153	139
Amortization of actuarial loss	41	27
Past service cost	530	-
	1 235	613

Actuarial assumptions

	2006	2005
Discount rate	4.5%	4.5%
Future salary increases	5.0%	5.0%

30. Share Capital

At 31 December 2006, the share capital comprised 63 474 403 ordinary shares with a par value of EUR 2.71 per share, after the share capital increase by EUR 39 685 thousand in cash by issuing 14 644 093 shares.

31. Reserves

(In thousands of euro)

	2006	2005
Statutory reserve	-	2 350
Untaxed reserve	1 247	2 173
Revaluation reserve available-for-sale investments	(1 393)	(7 515)
Other reserves	57	134
	(89)	(2 858)

Statutory reserve: Under the provisions of Greek corporate law, entities are required to transfer 5% of their annual profits to a statutory reserve until the reserve equals one third of the issued capital. This reserve is not available for distribution but may be applied to cover losses. In 2006, the Bank offset losses of EUR 2 350 thousand . In 2007, the shareholders in their annual meeting will decide on the distribution of statutory reserves.

Untaxed reserves: In accordance with Greek tax law certain types of income and profits are not taxed if retained and recorded to a specific reserve account. In the event that the reserves are distributed they will be taxed at the rate applicable on the date of distribution. The parent Bank paid amount of tax of EUR 837 thousand for tax free reserves.

Fair value reserve: The fair value reserve includes the cumulative net charge in the fair value of available-for-sale investments until the investment is derecognised or impaired.

Other reserves: Other reserves comprises amounts that have been taxed and are free for distribution.

32. Securitizations

The Group in November 2002 has transferred housing loans securitized to Byzantium Finance plc, a special purpose vehicle of EUR 250 million. These loans as at 31 December 2006 amounted to EUR 175 559 thousand.

33. Related-party transactions

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

(b) Transactions with key management personnel

	2006	**2005**
Loans and advances to customers	7 645	4 078
Amounts due to customers	13 524	11 948
Other liabilities	92	-
Income		
Net interest income	(90)	171
Net commission income	74	20
Expenses		
Staff costs	3 510	4 102
Other expenses	46	44

(b) Transactions with other parties

	2006	**2005**
Loans and advances to customers	18 020	22 378
Other assets	729	687
Amounts due from customers	95 500	39 813
Other liabilities	630	241
Income		
Net interest income	(1 160)	459
Net commission income	803	1 277
Expenses		
Other operating expenses	4 049	3 637

34. Contingent liabilities and commitments

34.1 Litigation

The Bank is a defendant in certain claims and legal actions arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, the ultimate disposition of these matters is not expected to have a material adverse effect on the financial condition of the Bank.

34.2 Credit commitments

The contractual amounts of the Group's off-balance sheet financial instruments that commit to extend credit to customers are as follows (in thousands of euro):

	2006	**2005**
Letters of guarantee	214 809	197 226
Letters of credit	23 517	12 393

34.3 Operating leases

The Group's commitments from lease contracts refer mainly to buildings used for its branches and other operating units. There is an annual increase in leasing contracts according to the general price index. The average lease period is 9 years. The future minimum payments under operating leases are as follows (amounts in thousands of euro):

Up to 1 year	6 845
From 1 to 5 years	18 993
Over 5 years	7 865

35. Changes in prior year figures

a) Due to an offset of clearing house- ETESEP an amount of EUR 14 398 thousand was transferred from "Interest expense" to "Other expenses".

b) An amount of EUR 1 679 thousand transfers to expenses for loan customers was transferred from "Commission income" to "Other operating income".

c) Reclassification in figures concern the debts securitization according to Law 3156/2003. The reclassifications in prior year figures are shown in the following table

	Published consolidated income statement figure	Reclassification	Restated consolidated income statement figure
Interest income	103 470	(327)	103 143
Interest expense	48 407	3 479	51 886
Net trading income	1 548	3 507	5 055
Operating expenses	(72 097)	299	(71 798)

It is defined that in b and c there was no adjustment in 2005 before and after tax profits.

36. Post balance sheet events

In February 2007, the Bank agreed to acquire 51% of the share capital of FBB. This decision is subject to approval from the local authorities and will be completed during the 2nd trimester of 2007.

INDEPENDENT AUDITOR'S REPORT
(Translation from Greek to English)

To the Shareholders of
ASPIS BANK A.E

Report on the Financial Statements

We have audited the accompanying financial statements of ASPIS BANK A.E (the Bank), which comprise the consolidated balance sheet as at 31 December 2006, and the consolidated income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of ASPIS BANK A.E. as of 31 December 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Emphasis of Matter

Without qualifying our opinion we draw attention to note 13 to the financial statements, that explains that the tax obligations of the Bank have not yet been audited by the tax authorities and accordingly its tax obligations for those years are not considered final. The outcome of a tax audit can not presently be determined.

Report on Other Legal and Regulatory Requirements

The content of the Report of the Board of Directors is consistent with the accompanying financial statements.

Athens, 27 February 2007

KPMG Kyriacou Certified Auditors A.E.

Nick Vouniseas
Certified Auditor Accountant
AM SOEL 18701

7. ADDITIONAL INFORMATION ARTICLE 10 Law 3401/2005

1. Stock option plan	13/01/2006
2. Stock option plan	13/01/2006
3. Disaproval of announcement	26/01/2006
4. Stock option plan	31/01/2006
5. Stock option plan	01/02/2006
6. Information about stock-option plan	20/02/2006
7. Intended corporate action plan for 2006	27/02/2006
8. Year end 2005 financial results	28/02/2006
9. Corporate presentation at the AGI	10/03/2006
10. Details of the condensed financial statements	20/03/2006
11. New manager of the internal audit	20/03/2006
12. Disaproval of announcement	07/04/2006
13. Reply to ASE for the capital increase	07/04/2006
14. New day of the annual shareholders meeting	11/04/2006
15. Release of the 2005 Annual Bulletin	13/04/2006
16. Annual shareholders meeting decisions	03/05/2006
17. Decisions of the annual shareholdes meeting	03/05/2006
18. Change of the BoD members	05/05/2006
19. Codes for the related to the bank companies	05/05/2006
20. New list of the main shareholders	17/05/2006
21. Release of the 1st quarter 2006 results	19/05/2006
22. New date of the dematerialization of shares	30/06/2006
23. Date of the extraordinary shareholders meeting	30/06/2006
24. Extraordinary shareholders meeting decisions	24/07/2006
25. Extraordinary shareholders meeting decisions	24/07/2006`
26 Completion of the tax audit of ASPIS SEC	01/08/2006
27. New appointed date for the announcement of results for the 1st semester 2006	18/08/2006
28. New face value of the banks listed shares	23/08/2006
29. Announcement of 1st semester results	29/08/2006
30. Disaproval of announcement	17/10/2006
31. Predemption rights exercise period	02/11/2006
32. New appointed date for the announcement of results for the 3rd quarter 2006	08/11/2006

33. Announcement of the 3rd quarter results	10/11/2006
34. Modifications in the condensed financial statements for the 3rd quarter 2005 (profit and loss statement)	22/11/2006
35. Announcement for capital increase coverage	30/11/2006
36. Listing of new shares issued due to capital increase	08/12/2006
37. New main shareholders list	11/12/2006
38. Announcement about main shareholder	14/12/2006
39. P.Psomiades partnership in the group	15/12/2006
40. Announcement about main shareholders	20/12/2006
41. Reply to HCMC	22/12/2006
42. Announcement about main shareholder	28/12/2006

All the above announcement/ information were listed in the Athens Stock Exchange web site www.ase.gr

8. RELATED PARTIES TRANSACTION

During year 2006 the Bank proceeded or renewed the following contracts with the related Companies (under article 42 low 2190/20)

1. As of 10/04/2006 managerial Contract for supporting Bond payments between ASPIS BANK and ASPIS GROUP OF COMPANIES SA.
2. As of 23/06/2006 managerial Contract for supporting Bond payments between ASPIS BANK SA and ASPIS CAPITAL SA.
3. As of 02/01/2006 agreement between ASPIS BANK and COMMERCIAL VALUE SA for staff training.
4. As of 03/05/2006 agreement between ASPIS BANK SA and ASPIS REAL ESTATE SA for banking products promotion.

Transactions with intra-group Companies (in 000's EUR)

	2006
Available to sale investments	2 500
Loans and advances to customers	69 058
Other Assets	3 375
Amounts due from customers	6 860
Minority interest liabilities	50 000
Other liabilities	370
Interest and other income	4 075
Commission income	2 164
Income from financial operations	1 889
Other income	94
Interest and other expenses	2 336
Other expenses	221

Transactions with other related parties (in 000's EUR)

	2006
Loans and advances to customers	25 665
Other assets	415
Amounts due from customers	109 024
Other liabilities	474
Net interest income	(1 250)
Net commission income	719
Salaries	2 823
Other operating expenses	3 661

9. CONDENSED FINANCIAL STATEMENT PAGE

ASPIS BANK SA
Reg. No 26699/06/B/92/12
4th Othonos str,10557 Athens
GREECE

CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2006, to 31 MARCH 2006
IN THOUSANDS EURO

The information stated below is to provide a general understanding for the financial position and financial results of ASPIS BANK SA.Therefore it is sugested to the reader before undertaking any investment or transaction with the Bank to visit the web-site (www.aspisbank.gr) where the Interim Financial Statements under IFRS are listed ,as well as the auditors limited review report in case it is applicable.

	GROUP		BANK	
BALANCE SHEET ITEMS	31/3/2006	31/12/2005	31/3/2006	31/12/2005
ASSETS				
Cash and balances with Central Bank	79.479	66.322	79.479	66.319
Due to other banks	274.661	362.309	242.613	331.182
Trading securities	7.013	4.556	4.207	1.820
Derivative financial instruments - assets	153	1.355	153	134
Loans and advances to customers net of impairment	1.637.670	1.622.042	1.411.530	1.403.632
Investments in subsidiaries			30.493	30.493
Investments securities	54.451	68.766	56.951	71.266
Property,plant and equipment	30.543	28.680	26.680	25.271
Intangible assets	2.755	3.976	1.030	2.242
Other assets	47.474	56.616	46.002	54.691
TOTAL ASSETS	2.134.199	2.214.622	1.899.138	1.987.050
LIABILITIES				
Due to other banks	106.261	222.730	88.997	190.730
Due to clients	1.592.621	1.570.451	1.594.601	1.573.361
Derivative financial instruments - liabilities	15	145	15	145
Bonds issued and similar liabilities	279.857	250.618	49.636	49.613
Employee benefits and other provisions	2.962	2.352	2.472	2.194
Other liabilities	32.330	53.414	27.485	39.990
Total liabilities	2.014.046	2.099.710	1.763.206	1.856.033
Shareholders equity	118.897	113.746	135.932	131.017
Minority interests	1.256	1.166		
Total shareholders equity	120.153	114.912	135.932	131.017
TOTAL LIABILITIES	2.134.199	2.214.622	1.899.138	1.987.050

	GROUP		BANK	
STATEMENT OF CHANGES IN EQUITY	31/3/2006	31/3/2005	31/3/2006	31/3/2005
At January 1/1	114.912	102.378	131.017	119.321
Increase/Decrease of Share Capital				
Cashfolow hedging	-21		-21	
Profit/(Losses) period directly to equity	1.923	-1.125	1.923	-1.122
Profit/(Losses) period after taxes	3.303	2.283	3.013	2.101
Other	36			
Equity at the end of period	120.153	103.536	135.932	120.300

	GROUP		BANK	
INCOME STATEMENT	1/1-31/03/2006	1/1-31/03/2005	1/1-31/03/2006	1/1-31/03/2005
Net interest income	14.081	11.789	11.839	11.256
Net fee and commission income	6.824	7.807	6.565	5.646
Income from securities				
Gains/(Losses) from financial operations	343	634	860	630
Other operating income	1.875	1.344	829	402
Total operating income	23.123	21.574	20.093	17.934
Provisions	903	531	800	531
Staff expenses	8.954	8.757	8.446	8.107
Operating expenses	7.011	7.899	5.753	6.031
Depreciation of fixed assets	2.083	1.896	1.256	1.187
Impairment losses from assets				
Income from participations				
PROFIT/(LOSSES) BEFORE TAX	4.172	2.491	3.838	2.078
(Less): Income tax expense	869	207	826	-23
PROFIT/(LOSSES) AFTER TAX	3.303	2.284	3.012	2.101
Transferred to				
Shareholders	3.229	2.308	3.012	2.101
Minorities	74	-24		
Earnings per share-Basic	0,07	0,05	0,06	0,04

	GROUP		BANK	
CASH FLOW STATEMENTS	1/1-31/3/2006	1/1-31/3/2005	1/1-31/3/2006	1/1-31/3/2005
Total cash flow from operating activities	-117.910	-71.883	-90.351	-73.593
Total cash flow from investing activities	13.306	-1.414	14.124	-510
Total cash flow from financing activities	29.239	-2.535	-481	-2.535
Net increase/(decrease) of cash/cash equivalents of the period	-75.365	-75.832	-76.708	-76.638
Net effect from foreign exchange adjustments	874	329	1.299	331
Total cash flows of the period	-74.491	-75.503	-75.409	-76.307
Total cash/cash equivalents starting period	428.631	434.366	397.501	403.779
Total cash/cash equivalents end of period	354.140	358.863	322.092	327.472

NOTES TO THE FINANCIAL STATEMENTS

1-Group companies

ASPIS BANK SA,Athens	Parent	
ASPIS INTERNATIONAL MFSA ,Athens	55%	
ASPIS LEASING SA,Athens	100%	
ASPIS BROKERAGE SA,Athens	100%	
ASPIS CREDIT SA,Athens	100%	*
BYZANTIUM FINANCE PLC,London UK		**
ASPIS FINANCE PLC,London UK(since 1st Q 2005)	100%	***

* Indirect participation
** SPV for securitization of loans
*** Direct and indirect participation

2-The Bank has been audited by the tax authorities up to the year 2002.
3-There are no pledges against the Bank's property.
4-Claims that have been made against the Bank will not have any significant effect in the future results.
5-The number of staff employed at 31/03/2006 was 935 for the Bank and 989 for the group.
6-The banks balances with the related companies as of 31/03/2006 are the following(in thousands euro)).
Receivables 22.203,Payables 86.784,Income 172,Expenses 1.168
The group balances with the related companies as of 31/03/2006 are the following(in thousands euro)).
Receivables 22.276,Payables 86.861,Income 173,Expenses 1.233.
7-Earnings per share was calculated using the average amount of shares.

Athens, 8 / 5 /2006

THE CHAIRMAN OF THE BOARD OF DIRECTORS AND MANAGING DIRECTOR	THE MEMBER OF THE BOARD OF DIRECTORS	THE CHIEF FINANCIAL OFFICER
CONSTANTINE V.KARATZAS	STYLIANOS A.ARGIROS	EVANGELOS V.STATHOPOULOS
ID.No I.013419/71	ID.No S.206517/99	ID.NoS.045074/95
		OEE.Lic.Reg.No 523/24-5-99 A'CI

AUDITOR: Nick Vouniseas
SOEL Reg.No 18701
AUDIT COMPANY: KPMG Kyriacou Certified Auditors SA
3 Stratigou Tombra Street
GR-15343 Athenes,Greece,Tel+302106062100
LIMITED REVIEW REPORT: Not applicable for quarterly financial statements.

ASPIS BANK SA
Reg. No 26699/06/B/92/12
4th Othonos str,10557 Athens
GREECE

CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1st JANUARY 2006 to 30th JUNE 2006

The information stated below is to provide a general understanding for the financial position and financial results of ASPIS BANK SA.Therefore it is sugested to the reader before undertaking any investment or transaction with the Bank to visit the web-site (www.aspisbank.gr) where theCondensed Financial Statements under IFRS are listed ,as well as the auditors limited review report in case it is applicable.

(IN OOOS EUR)

	GROUP		BANK	
BALANCE SHEET ITEMS	30/6/2006	31/12/2005	30/6/2006	31/12/2005
ASSETS				
Cash and balances with Central Bank	82.842	66.322	82.840	66.319
Due from banks	337.562	362.309	314.683	331.182
Held for training investments	6.894	4.556	4.128	1.820
Derivative financial assets	107	1.355	107	134
Loans and advances to customers net of provision	1.709.935	1.622.042	1.493.232	1.403.632
Investment securities held to maturity	53.041	68.766	55.540	71.266
Investment in subsidiaries and associates	0	0	30.493	30.493
Intangible assets	2.819	3.976	1.017	2.242
Property,plant and equipment	30.917	28.680	26.750	25.271
Other assets	43.620	42.218	43.787	40.293
TOTAL ASSETS	2.267.737	2.200.224	2.052.577	1.972.652
LIABILITIES				
Due to banks	92.713	222.730	80.446	190.730
Due to customers	1.746.764	1.570.451	1.748.161	1.573.361
Derivative financial liabilities	10	145	10	145
Debt securities in issue and other borrowed funds	266.932	250.618	49.655	49.613
Employee defined benefit obligations	3.218	2.352	2.716	2.194
Other liabilities	35.367	39.016	32.978	25.592
Total liabilities	2.145.004	2.085.312	1.913.966	1.841.635
Shareholders equity	121.574	113.746	138.611	131.017
Minority interests	1.159	1.166	0	0
Total shareholders equity	122.733	114.912	138.611	131.017
TOTAL LIABILITIES	2.267.737	2.200.224	2.052.577	1.972.652

	GROUP		BANK	
CASH FLOW STATEMENTS	1/1-30/06/2006	1/1-30/06/2005	1/1-30/06/2006	1/1-30/06/2005
Cash flows from operating activities	-22.357	-134.210	-3.724	-135.969
Cash flows from investing activities	11.819	-2.184	14.097	-821
Cash flows from financing activities	11.633	49.736	-1.029	49.736
Net increase/(decrease) of cash/cash equivalents of the period	1.095	-86.658	9.344	-87.054
Effect of exchange rate fluctuations on cash and cash equivalents	-9.322	-84	-9.322	-85
Net increase/(decrease) of cash flows	-8.227	-86.742	22	-87.139
Cash and cash equivalents at the start of the period	428.631	434.366	397.501	403.779
Cash and cash equivalents at the end of the period	420.404	347.624	397.523	316.640

	GROUP		BANK	
STATEMENT OF CHANGES IN EQUITY	30/6/2005	30/6/2005	30/6/2005	30/6/2005
At January 1/1	114.912	102.015	131.017	118.940
Share Capital increase(net)	-49	0	-49	0
Cash flow hedge	-43	0	-43	0
Valuation of available for sale securities	2.051	957	2.051	927
Other differences	53	0	15	0
Profit/(Losses) period after taxes	5.809	4.004	5.620	4.039
Purchases/(Sales) own shares	0	0	0	0
Equity at the end of period	122.733	106.976	138.611	123.906

	GROUP			
CONSOLIDATED INCOME STATEMENT	1/1-30/06/2006	1/1-30/06/2005	1/4-30/06/2005	1/4-30/06/2005
Net interest income	26.161	24.235	12.071	13.441
Net commission income	14.366	12.883	7.542	5.359
Income from securities	0	0	0	0
Net tradind income	798	1.858	463	1.245
Other income	4.238	2.814	2.363	1.471
Total operating income	45.563	41.790	22.439	21.516
Impairment losses on loans and advances	1.638	1.582	736	1.197
Staff costs	18.682	18.041	9.728	9.138
Other expenses	13.599	13.542	6.587	6.943
Depreciation and amortization	4.219	4.026	2.135	2.131
Impairment losses from assets	0	0	0	0
Income from participations	0	0	0	0
PROFIT/(LOSSES) BEFORE TAX	7.425	4.599	3.253	2.107
(Less): Income tax expense	1.616	594	747	386
PROFIT/(LOSSES) AFTER TAX	5.809	4.005	2.506	1.721
Transferred to				
Equity holders of the bank	5.852	4.059	2.623	1.751
Minorities interests	-43	-54	-117	-30
Basic and doluted earnings per share	0,12	0,08	0,05	0,04

	BANK			
INCOME STATEMENT	1/1-30/06/2006	1/1-30/06/2005	1/4-30/06/2006	1/4-30/06/2005
Net interest income	23.909	21.410	12.070	11.128
Net commission income	13.613	12.055	7.048	6.408
Income from securities	0	0	0	0
Net tradind income	1.654	2.739	795	1.135
Other income	2.087	1.035	1.258	633
Total operating income	41.263	37.239	21.171	19.304
Impairment losses on loans and advances	1.504	1.325	704	940
Staff costs	17.427	16.659	8.980	8.405
Other expenses	12.659	12.499	6.906	6.468
Depreciation and amortization	2.539	2.497	1.283	1.310
Impairment losses from assets	0	0	0	0
Income from participations	0	0	0	0
PROFIT/(LOSSES) BEFORE TAX	7.134	4.259	3.298	2.181
(Less): Income tax expense	1.514	220	690	243
PROFIT/(LOSSES) AFTER TAX	5.620	4.039	2.608	1.938
Basic and doluted earnings per share	0,11	0,08	0,05	0,04

Athens,28/08/2006

THE CHAIRMAN OF THE BOARD OF DIRECTORS AND MANAGING DIRECTOR	THE MEMBER OF THE BOARD OF DIRECTORS	THE CHIEF FINANCIAL OFFICER
CONSTANTINE V.KARATZAS	STYLIANOS A.ARGIROS	EVANGELOS V.STATHOPOULOS
ID.No I.013419/71	ID.No S.206517/99	ID.NoS.045074/95
		OEE.Lic.Reg.No 523/24-5-99 A'CI

AUDITOR	Nick Vouniseas SOEL Reg.No 18701
AUDIT COMPANY	KPMG Kyriacou Certified Auditors SA 3 Stratigou Tombra Street GR-15343 Athenes,Greece,Tel+302106062100
LIMITED REVIEW REPORT	Unqualified opinion-emphasis of matter.

NOTES TO THE FINANCIAL STATEMENTS

1-Group companies(full consolidation)

ASPIS BANK SA,Athens	Parent	
ASPIS INTERNATIONAL MFSA ,Athens	55%	
ASPIS LEASING SA,Athens	100%	
ASPIS BROKERAGE SA,Athens	100%	
ASPIS CREDIT SA,Athens	100%	Indirect participation(since 1st Semester 2004)
BYZANTIUM FINANCE PLC,London UK		SPV for securitization of loans
ASPIS FINANCE PLC,London UK(since 1st Q 2005)	100%	Direct and indirect participation

2-The Balance sheet and the Income Statements of the period were prepared according to the main accounting principles of 2005.

3-The Bank has been audited by the tax authorities up to the year 2002

4-There are no pledges against the Bank's property.

5-Claims that have been made against the Bank will not have any significant effect in the future results.

6-The number of staff employed at 30/06/2006 was 944 for the Bank and 996 for the group.

7-The Related Parties balances of loans and deposits at 30/06/2006 were € 96.315 thousand and € 156.636 thousands respectively. The relevant income and expenses amounted to € 5.031 thousand and € 5.001 thousands.The group transactions with the related parties as of 30/06/2006 are the following.Receivables € 22.457 thaousands,Payables € 105.332 thaousands,Income € 1.309 thaousands and expenses € 4.309 thaousands.Guarrantees issued € 16.308 thousands

8-Earnings per share was calculated using the average amount of shares.

ASPIS BANK SA
Reg. No 26699/06/B/92/12
4th Othonos str,10557 Athens
GREECE

CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1st JANUARY 2006 to 30th SEPTEMBER 2006

The information stated below is to provide a general understanding for the financial position and financial results of ASPIS BANK SA.Therefore it is sugested to the reader before undertaking any investment or transaction with the Bank to visit the web-site (www.aspisbank.gr) where theCondensed Financial Statements under IFRS are listed ,as well as the auditors limited review report in case it is applicable.

(IN OOOS EUR)

	GROUP		BANK	
BALANCE SHEET ITEMS	30/9/2006	31/12/2005	30/9/2006	31/12/2005
ASSETS				
Cash and balances with Central Bank	57.265	66.322	57.262	66.319
Due from banks	292.172	362.309	267.810	331.182
Held for training investments	7.513	4.556	4.888	1.820
Derivative financial assets	54	1.355	54	134
Loans and advances to customers net of provision	1.745.729	1.622.042	1.534.646	1.403.632
Investment in securities	52.961	68.766	55.461	71.266
Investment in subsidiaries and associates	0	0	30.493	30.493
Intangible assets	3.042	3.976	1.057	2.242
Property,plant and equipment	30.478	28.680	26.111	25.271
Other assets	49.442	42.218	56.799	40.293
TOTAL ASSETS	2.238.656	2.200.224	2.034.581	1.972.652
LIABILITIES				
Due to banks	102.437	222.730	90.202	190.730
Due to customers	1.719.599	1.570.451	1.727.063	1.573.361
Derivative financial liabilities	5	145	5	145
Debt securities in issue and other borrowed funds	260.191	250.618	49.677	49.613
Employee defined benefit obligations	3.482	2.352	2.967	2.194
Other liabilities	28.992	39.016	25.189	25.592
Total liabilities	2.114.706	2.085.312	1.895.103	1.841.635
Shareholders equity	122.613	113.746	139.478	131.017
Minority interests	1.337	1.166	0	0
Total shareholders equity	123.950	114.912	139.478	131.017
TOTAL LIABILITIES	2.238.656	2.200.224	2.034.581	1.972.652

	GROUP		BANK	
CASH FLOW STATEMENTS	1/1-30/09/2006	1/1-30/09/2005	1/1-30/09/2006	1/1-30/09/2005
Cash flows from operating activities	-82.383	-130.659	-74.577	-148.682
Cash flows from investing activities	10.891	-3.806	13.598	-4.184
Cash flows from financing activities	1.649	32.346	-2.099	49.564
Net increase/(decrease) of cash/cash equivalents of the period	-69.843	-102.119	-63.078	-103.302
Effect of exchange rate fluctuations on cash and cash equivalents	-9.351	-260	-9.351	-112
Net increase/(decrease) of cash flows	-79.194	-102.379	-72.429	-103.414
Cash and cash equivalents at the start of the period	428.631	434.754	397.501	404.166
Cash and cash equivalents at the end of the period	349.437	332.375	325.072	300.752

	GROUP		BANK	
STATEMENT OF CHANGES IN EQUITY	30/9/2006	30/9/2005	30/9/2006	30/9/2005
At January 1/1/2006 and 1/1/2005	114.912	102.015	131.017	118.939
Profit/(Losses) period after taxes	7.744	5.902	7.205	5.540
Expenses for capital increase	-564		-564	
Cashflow hedge	-58		-58	
Income posted directly in equity	1.916	713	1.878	705
Purchases/(Sales) own shares				
Capital increase				
Equity at the end of period	123.950	108.630	139.478	125.184

Athens, 2/11 /2006

	GR OUP			
CONSOLIDATED INCOME STATEMENT	1/1-30/09/2006	1/1-30/09/2005	1/7-30/09/2006	1/7-30/09/2005
Net interest income	40.396	38.260	14.235	14.064
Net commission income	19.439	18.513	5.073	4.866
Income from securities	49	44	49	44
Net tradind income	1.222	3.983	424	1.152
Other income	5.892	4.132	1.654	1.318
Total operating income	66.998	64.932	21.435	21.444
Impairment losses on loans and advances	2.153	2.165	515	583
Staff costs	28.345	26.841	9.663	8.800
Other expenses	20.400	21.766	6.801	6.523
Depreciation and amortization	6.274	6.075	2.055	2.049
Impairment losses from assets	0	0	0	0
Income from participations	0	0	0	0
PROFIT/(LOSSES) BEFORE TAX	9.826	8.085	2.401	3.489
(Less): Income tax expense	2.082	2.183	466	1.590
PROFIT/(LOSSES) AFTER TAX	7.744	5.902	1.935	1.899
Transferred to				
Equity holders of the bank	7.767	5.944	1.915	1.887
Minorities interests	-23	-42	20	12
Basic and dıluted earnings per share	0,15	0,12	0,03	0,04

	BA NK			
INCOME STATEMENT	1/1-30/09/2006	1/1-30/09/2005	1/7-30/09/2006	1/7-30/09/2005
Net interest income	36.086	32.938	12.177	11.564
Net commission income	18.830	17.577	5.217	5.522
Income from securities	49	44	49	44
Net tradind income	2.496	4.870	842	2.093
Other income	3.019	1.481	932	447
Total operating income	60.480	56.910	19.217	19.670
Impairment losses on loans and advances	1.904	1.825	400	500
Staff costs	26.484	24.755	9.057	8.096
Other expenses	19.211	19.228	6.552	6.730
Depreciation and amortization	3.807	3.715	1.268	1.219
Impairment losses from assets	0	0	0	0
Income from participations	0	0	0	0
PROFIT/(LOSSES) BEFORE TAX	9.074	7.387	1.940	3.125
(Less): Income tax expense	1.869	1.847	355	1.627
PROFIT/(LOSSES) AFTER TAX	7.205	5.540	1.585	1.498
Basic and doluted earnings per share	0,15	0,11	0,03	0,03

NOTES TO THE FINANCIAL STATEMENTS

1-Group companies(full consolidation)		tax unaudited periods
ASPIS BANK SA,Athens	Parent	2003-2005
ASPIS INTERNATIONAL MFSA ,Athens	55%	2002-2005
ASPIS LEASING SA,Athens	100%	2003-2005
ASPIS BROKERAGE SA,Athens	100%	2003-2005
ASPIS CREDIT SA,Athens	99,95%%	2004-2005
BYZANTIUM FINANCE PLC,London UK		2004-2005
ASPIS FINANCE PLC,London UK(since 1st Q 2005)	100%	2005

*SPV for securitization of loans
2-There are no pledges against the Bank's property.
3-Claims that have been made against the Bank will not have any significant effect in the future results.
4-The Bank has been audited by the tax authorities up to the year 2002
5-The number of staff employed a t30 /9 /2006(30/9/2005) was 973(891) for the Bank and1.026(946) for the group.
6-Earnings per share was calculated using the average amount of shares.
7-The Related Parties balances of loans and deposits at 30/09/2006 were € 103.286 thousand and € 139.217 thousands respectively.
The relevant income and expenses amounted to € 7.464 thousand and € 8.262 thousands.The group transactions with the related parties as of 30/09/2006 are the following.Receivables € 28.267 thaousands,Payables € 81.153 thaousands,Income €1.909 thaousands and expenses €7.177 thaousands.Guarrantees issued € 27.914 thousands
The transactions with the members of the management at 30/09/2006 were the following.Staff costs €2.559 thaousnds,receivables €7.,335 thousands and deposits € 14.155 thousands.
8.In the competitive figures for the prior period a change in estimate was made for the income tax expense based on the actual effective tax rate(for furthe information refer to notes 13 and14).
Certain figures for the prior period were reclassified in order to be comparative(refer to notes 13 and 14).

THE CHAIRMAN OF THE BOARD OF DIRECTORS AND MANAGING DIRECTOR	THE MEMBER OF THE BOARD OF DIRECTORS	THE CHIEF FINANCIAL OFFICER
CONSTANTINE V.KARATZAS	STYLIANOS A.ARGIROS	EVANGELOS V.STATHOPOULOS
ID.No I.013419/71	ID.No S.206517/99	ID.NoS.045074/95
		OEE.Lic.Reg.No 523/24-5-99 A'Cl

AUDITOR: Nick Vouniseas
SOEL Reg.No 18701
AUDIT COMPANY: KPMG Kyriacou Certified Auditors SA
3 Stratigou Tombra Street
GR-15343 Athenes,Greece,Tel+302106062100
LIMITED REVIEW REPORT

10. AVAILABILITY OF FINANCIAL STATEMENTS

The Banks and the Group Financial Statements , the consolidated Companies financial Statements, the Auditor’s report and the relevant reports of the Board of Directors are listed in the Bank’s web site www.aspisbank.gr