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# Aspis Bank

**Interim Consolidated Financial Statement**  
for the nine month period ended at 30<sup>th</sup> September 2009

**In accordance with International Accounting Standard 34**

These financial statements have been approved by the Board of Directors of Aspis Bank S.A. on 3<sup>rd</sup> November 2009 and are available at the following web page: [www.aspisbank.gr](http://www.aspisbank.gr)

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**Consolidated Statement of Comprehensive Income**

(Amounts in thousand of Euro)

	Note	From 1st January to		From 1st July to	
		30.09.2009	30.09.2008	30.09.2009	30.09.2008
Interest and similar income		96,029	125,090	32,355	44,088
Interest expense and similar charges		(78,672)	(92,059)	(22,026)	(34,285)
<b>Net interest income</b>	<b>7</b>	<b>17,357</b>	<b>33,031</b>	<b>10,329</b>	<b>9,803</b>
Fee and commission income	<b>8</b>	13,919	18,137	4,155	5,497
Commission expense		(454)	(480)	(154)	(179)
<b>Net fee and commission income</b>		<b>13,465</b>	<b>17,657</b>	<b>4,001</b>	<b>5,318</b>
Net trading income / (expense)	<b>9</b>	17,787	(1,375)	15,970	(557)
Other operating income	<b>10</b>	5,808	8,097	903	2,331
<b>Total operating income</b>		<b>54,417</b>	<b>57,410</b>	<b>31,203</b>	<b>16,895</b>
Staff expenses	<b>11</b>	(35,308)	(44,151)	(12,810)	(11,402)
Depreciation and amortization	<b>22.23</b>	(9,302)	(9,092)	(3,155)	(3,386)
Other operating expenses	<b>12</b>	(26,216)	(26,621)	(10,289)	(8,786)
Impairment on loans and advances	<b>13</b>	(37,280)	(13,078)	(21,168)	(2,287)
Provisions	<b>28</b>	(2,839)	-	(2,589)	-
<b>Total operating expenses</b>		<b>(110,945)</b>	<b>(92,942)</b>	<b>(50,011)</b>	<b>(25,861)</b>
<b>Loss before income tax</b>		<b>(56,528)</b>	<b>(35,532)</b>	<b>(18,808)</b>	<b>(8,966)</b>
Income tax	<b>14</b>	14,490	8,289	7,337	1,161
<b>Loss for the period</b>		<b>(42,038)</b>	<b>(27,243)</b>	<b>(11,471)</b>	<b>(7,805)</b>
Transfer of impairment losses of Available for Sale securities to profit or loss		8,338	-	8,331	-
Changes in fair value of Available for Sale securities		1,749	(5,633)	586	(739)
<b>Other comprehensive income after tax</b>		<b>10,087</b>	<b>(5,633)</b>	<b>8,917</b>	<b>(739)</b>
<b>Total comprehensive income after tax</b>		<b>(31,951)</b>	<b>(32,876)</b>	<b>(2,554)</b>	<b>(8,544)</b>
<b>Loss for the period attributable to:</b>					
Shareholders of the Bank		(41,950)	(27,190)	(11,477)	(7,751)
Minority interest		(88)	(53)	6	(54)
<b>Loss for the period</b>		<b>(42,038)</b>	<b>(27,243)</b>	<b>(11,471)</b>	<b>(7,805)</b>
<b>Total comprehensive income attributable to:</b>					
Shareholders of the Bank		(31,863)	(32,823)	(2,560)	(8,490)
Minority interest		(88)	(53)	6	(54)
<b>Total comprehensive income</b>		<b>(31,951)</b>	<b>(32,876)</b>	<b>(2,554)</b>	<b>(8,544)</b>
Basic and diluted earnings/(loss) per share (in Euro)	<b>15</b>	(0.6548)	(0.4244)	(0.1791)	(0.1210)

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HEAD OF ACCOUNTING

The attached notes on pages 8 to 41 form part of these financial statements. Amounts relating to 2008 have not been audited or reviewed.

**Consolidated Statement of Financial Position***(Amounts in thousand of Euro)*

<b>Assets</b>	<b>Note</b>	<b>30.09.2009</b>	<b>31.12.2008</b>
Cash & cash equivalents	<b>16</b>	51,890	79,326
Loans and advances to banks	<b>17</b>	386,667	260,875
Loans and advances to customers (net of impairment)	<b>18</b>	1,948,799	2,135,704
Trading securities	<b>19</b>	4,959	2,471
Investment securities			
- Available-for- sale	<b>20</b>	29,523	19,620
- Held-to-maturity	<b>21</b>	10,535	3,210
Property, plant and equipment	<b>22</b>	48,320	50,251
Intangible assets	<b>23</b>	7,875	8,470
Deferred tax asset	<b>24</b>	25,971	10,785
Other assets	<b>25</b>	61,635	53,117
<b>Total assets</b>		<b>2,576,174</b>	<b>2,623,829</b>
<b>Liabilities</b>			
		<b>30.09.2009</b>	<b>31.12.2008</b>
Due to banks		266,890	176,183
Due to customers	<b>26</b>	1,924,198	1,986,128
Debt securities in issue and other borrowed funds	<b>27</b>	196,631	261,833
Current tax liability		419	526
Provisions	<b>28</b>	2,534	5,610
Other liabilities	<b>29</b>	52,536	27,024
Employee benefits	<b>30</b>	4,131	3,885
<b>Total liabilities</b>		<b>2,447,339</b>	<b>2,461,189</b>
<b>Equity</b>			
		<b>30.09.2009</b>	<b>31.12.2008</b>
Share capital	<b>31</b>	38,438	173,614
Share premium		17,053	17,053
Reserve from share capital reduction	<b>32</b>	135,176	-
Other reserves	<b>32</b>	7,982	(2,252)
Accumulated deficit		(110,641)	(66,662)
<b>Equity attributable to equity holders of the Bank</b>		<b>88,008</b>	<b>121,753</b>
Minority interest		1,237	1,325
Hybrid capital		39,590	39,562
<b>Total equity</b>		<b>128,835</b>	<b>162,640</b>
<b>Total liabilities and Equity</b>		<b>2,576,174</b>	<b>2,623,829</b>

The attached notes on pages 8 to 41 form part of these financial statements. Amounts relating to 2008 have not been audited or reviewed.

**Consolidated Statement of Changes in Equity***(Amounts in thousand of Euro)*

	Share Capital	Share Premium	Reserve from share capital reduction	Other reserves	Accumulated deficit	Attributable to Bank Shareholders	Minority Interest	Hybrid Capital	Total
<b>Opening balance as at 1<sup>st</sup> January 2008</b>	<b>173,614</b>	<b>17,053</b>	-	<b>3,896</b>	<b>(10,963)</b>	<b>183,600</b>	<b>1,533</b>	<b>39,529</b>	<b>224,662</b>
<b>Other comprehensive income</b>									
Loss for the period	-	-	-	-	(27,190)	(27,190)	(53)	-	(27,243)
Changes in fair value of Available for Sale securities	-	-	-	(5,633)	-	(5,633)	-	-	(5,633)
<b>Total comprehensive income after tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,633)</b>	<b>(27,190)</b>	<b>(32,823)</b>	<b>(53)</b>	<b>-</b>	<b>(32,876)</b>
<b>Transactions with owners</b>									
Prior year dividends paid	-	-	-	-	(1,281)	(1,281)	-	-	(1,281)
Transfers from retained earnings to reserves	-	-	-	1,651	(1,651)	-	-	-	-
Other transfers	-	-	-	-	64	64	(64)	23	23
Dividend to hybrid securities holders	-	-	-	-	(2,804)	(2,804)	-	-	(2,804)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>1,651</b>	<b>(5,672)</b>	<b>(4,021)</b>	<b>(64)</b>	<b>23</b>	<b>(4,062)</b>
<b>Balance as at 30<sup>th</sup> September 2008</b>	<b>173,614</b>	<b>17,053</b>	-	<b>(86)</b>	<b>(43,825)</b>	<b>146,756</b>	<b>1,416</b>	<b>39,552</b>	<b>187,724</b>
<b>Balance as at 1<sup>st</sup> January 2009</b>	<b>173,614</b>	<b>17,053</b>	-	<b>(2,252)</b>	<b>(66,662)</b>	<b>121,753</b>	<b>1,325</b>	<b>39,562</b>	<b>162,640</b>
<b>Other comprehensive income</b>									
Loss for the period	-	-	-	-	(41,950)	(41,950)	(88)	-	(42,038)
Transfer of impairment losses of Available for Sale securities to profit or loss	-	-	-	8,338	-	8,338	-	-	8,338
Changes in fair value of Available for Sale securities transferred to profit or loss	-	-	-	1,749	-	1,749	-	-	1,749
<b>Total comprehensive income after tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,087</b>	<b>(41,950)</b>	<b>(31,863)</b>	<b>(88)</b>	<b>-</b>	<b>(31,951)</b>
<b>Transactions with owners</b>									
Transfers from retained earnings to reserves	-	-	-	147	(147)	-	-	-	-
Dividend to hybrid securities holders	-	-	-	-	(1,897)	(1,897)	-	28	(1,869)
Other transfers	-	-	-	-	15	15	-	-	15
Reserve from share capital reduction	(135,176)	-	135,176	-	-	-	-	-	-
<b>Total transactions with owners</b>	<b>(135,176)</b>	<b>-</b>	<b>135,176</b>	<b>147</b>	<b>(2,029)</b>	<b>(1,882)</b>	<b>-</b>	<b>28</b>	<b>(1,854)</b>
<b>Balance as at 30<sup>th</sup> September 2009</b>	<b>38,438</b>	<b>17,053</b>	<b>135,176</b>	<b>7,982</b>	<b>(110,641)</b>	<b>88,008</b>	<b>1,237</b>	<b>39,590</b>	<b>128,835</b>

The attached notes on pages 8 to 41 form part of these financial statements. Amounts relating to 2008 have not been audited or reviewed.

**Consolidated Cash Flow Statement***(Amounts in thousand of Euro)*

	30.09.2009	30.09.2008
<b>Cash flows from operating activities</b>		
Loss before income tax	(56,528)	(27,243)
<b>Adjustments for non-cash items</b>		
Depreciation and amortisation	9,302	9,092
Impairment losses on loans and advances	37,280	13,078
Other provisions	2,839	-
Defined benefit obligation	329	365
Other non-cash items	7,601	(11,623)
(Gains)/losses from valuation of Trading and Available for Sale securities	(738)	(56)
(Gains)/losses on the sale of property and equipment	(113)	-
	<b>(28)</b>	<b>(16,387)</b>
<b>Changes in operations</b>		
Net (increase)/decrease in available for sale securities	(14,256)	(503)
Net (increase)/decrease in derivative financial instruments	-	(4)
Net (increase)/decrease in loans and advances to customers	150,999	(35,286)
Net (increase)/decrease in other assets	(8,223)	19,324
Net increase/(decrease) in due to banks	90,707	(129,178)
Net increase/(decrease) in due to customers	(61,930)	184,428
Net increase/(decrease) in other liabilities	22,802	(33,697)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>180,071</b>	<b>(11,303)</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	-	162
Proceeds from sale of property and equipment	278	526
Purchases of investments	(7,103)	-
Purchases of property, equipment and intangible assets	(6,941)	(6,549)
Dividends received	62	76
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(13,704)</b>	<b>(5,785)</b>
<b>Cash flows from financing activities</b>		
Net proceeds from issue/(repayment) of debt securities	(66,249)	(279)
Prior year dividends paid	-	(1,281)
Dividends paid to hybrid securities holders	(1,897)	(1,873)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(68,146)</b>	<b>(3,433)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>98,221</b>	<b>(20,521)</b>
<b>Cash and cash equivalents as at 1<sup>st</sup> January</b>	<b>340,201</b>	<b>603,602</b>
Foreign exchange differences on cash and cash equivalents	135	(1,281)
<b>Cash and cash equivalents as at 30th September</b>	<b>438,557</b>	<b>581,800</b>
<b>Cash and cash equivalents consists of:</b>		
Cash and balances with Central Bank	51,890	132,876
Due to banks	386,667	448,924
	<b>438,557</b>	<b>581,800</b>

The attached notes on pages 8 to 41 form part of these financial statements. Amounts relating to 2008 have not been audited or reviewed.

## 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 Bank Société Anonyme in 1992 and received its license by the Group 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 Société 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 Société 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 is allowed to provide:

- Accepting, with or without interest, all types of deposits or other returnable funds denominated in euros and 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 Banking legislation or any other applicable laws.

## 2. Basis of preparation

### 2.1 Statement of compliance

This interim consolidated financial report has been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting". Due to the forthcoming share capital increase, the management of the Bank has decided to prepare full scope financial statements, in accordance with IAS 1 «Presentation of Financial Statements», in order for the investors to be better informed. In accordance with law 3556/2007, there is no need for the interim financial statements of the first and third quarter to be audited by the statutory auditor.

The Bank's management has demanded for the interim financial statements, for the period ending as of 30 September 2009, to be audited from the statutory auditor. Comparative amounts, for the period ending as of 30 September 2008, are unaudited.

The financial statements were approved by the Board of Directors on 3<sup>rd</sup> November 2009

### 2.2 Basis of measurement

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

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

As explained in Note 4.9 the capital adequacy ratio for the Group has marginally exceeded the minimum limit of 8%. As explained in Note 31 the Bank's Board of Directors decided on July 23, 2009 for a share capital increase. Based on the funds that will be withdrawn, either from this share capital increase or from the issuance of preference shares, taking into consideration the business plan of the Group management strongly believes that the Group will continue its activities.

### 2.3 Functional and presentation currency

These financial statements are presented in Euro, which is the Group'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 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 estimates and critical judgments applied by the Group in the preparation of the financial statements are:

- The impairment loss on loans and advances to customers ( Note 4.2.1)
- The fair value measurement for financial instruments (Note 5)
- The recovery of the recognised deferred tax asset ( Note 24)
- Provisions (Note 28)
- Calculation of income tax expense (Note 14)
- The derecognition of securitized loans

### 2.5 Reclassification of items

Certain figures concerning prior year of 2008 have been reclassified in order to be comparable to current periods consolidated interim financial statements. The reclassification in the statement of the financial position relates to the transfer of total amount of € 5,900 thousand from "Other assets" to "Loans and advances to customers".

A reclassification in "Other liabilities" relates to the transfer of total amount of € 18,359 thousand from "Accrued interest expense" to "Due to customers" (€ 15,187 thousand) and "Debt securities in issue" (€ 3,172 thousand), respectively.

### 3. Significant accounting policies

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

#### 3.1 Resume

The Group since 1 January 2009 has changed the following accounting principles:

- Definition and presentation of operating segments
- Presentation of financial statements

#### 3.2 Changes in accounting policies

##### (a) IFRS 8 Operating Segments

IFRS 8 replaces IAS 14: "Segment reporting". The new Standard requires a management approach for disclosures regarding the adequacy of other Group's operational areas. The disclosed information is used for the evaluation of each segment made by management, as well as the allocation of economic resources. It is more likely that the information is different from the criteria used for the preparation of the Statement of Financial Position and comprehensive income. In addition, explanations must be provided for the preparation of operating segment reporting as well as for the reconciliation of financial reporting items.

##### (b) IAS 1 Presentation of Financial Statements – Revised 2008

The main changes of this standard, effective for annual periods beginning on or after 1.1.2009, are summarized in the statement of changes in equity regarding transactions with owners in their capacity as owners (e.g. dividends, share capital increase) from other changes in equity. Moreover, the revised IAS 1 changes the definitions, as well as the presentation of financial report. New definitions in this standard do not change the recognition measurement or disclosure of specific transactions and other events required by other standards.

The change in presentation and disclosure has been applied to these interim financial statements. Comparative figures are restated in accordance with the revised standard.

### 3.3 Basis of consolidation

#### 3.3.1 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

#### 3.3.2 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.

#### 3.3.3 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.

#### 3.3.4 Intercompany transactions elimination

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. The income from transactions with associates and jointly controlled entities is eliminated to the extent of the Group participation in them. The unrealised income from transactions with associates is eliminated by the investments in them. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.



### 3.4 Foreign currency transactions

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. Foreign currency gains or losses on monetary items are recorded in the Income Statement for the year. 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.

Exchanges differences are recorded in the Income Statement or in equity if they result from the retranslation of an item of equity.

### 3.5 Interest income and expense

Interest income and expense are recognised in the income statement using the effective interest method. 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 to the carrying amount of the financial asset or liability. The Group calculates the effective interest rate, taking into account the future cash flows in accordance with contractual terms, but not the losses from credit risk. The calculation of effective interest rate includes all fees paid or received, transaction costs and discounts or premiums that are an integral part of the financial instruments.

### 3.6 Fees and commission

Fees and commission income and expenses that are not integral to the measurement of the effective interest rate are recorded in profit or loss account based on the period that respective services were produced.

### 3.7 Net trading income

Net trading income comprises gains less losses related to trading assets, liabilities and derivatives, and includes all realised and unrealised fair value changes, interest, dividends and foreign exchange differences as well as gains less losses that were recycled from equity to the income statement.

### 3.8 Dividends

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

### 3.9 Leases

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

Minimum lease payments made under finance leases are proportionately registered between the finance expense and the reduction of the outstanding liability.

### 3.10 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. 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.

### 3.11 Financial assets and liabilities

#### (a) Recognition

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

A financial asset or financial liability is initially measured at fair value plus (for an item not classified as trading) transaction



costs that are directly attributable to its acquisition or issuance.

**(b) Derecognition**

The Group derecognises 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.

The Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the balance sheet. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

The Group derecognises specific loans and receivables when they are determined to be uncollectible.

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

**(c) Offsetting**

Financial assets and liabilities are offset 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, or for gains and losses arising from a group of similar transactions.

**(d) Amortised cost measurement**

Amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount less for impairment.

**(e) Fair value measurement**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

The Fair values of financial assets and financial liabilities are determined based on quoted market prices or dealer price quotations for financial instruments traded in active markets. For all other financial instruments fair value is determined by using valuation techniques. Valuation techniques include net

present value techniques, the discounted cash flow method, etc. The Group uses widely recognised valuation models for determining the fair value of common and more simple financial instruments like options and interest rate and currency swaps. For these financial instruments, inputs into models are market observable.

For more complex instruments, the Group uses proprietary models, which usually are developed from recognized valuation models.

**(f) Identification and measurement of impairment**

At each balance sheet date the Group assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider, indications that a borrower or issuer will enter in bankruptcy.

The Group considers evidence of impairment both at an individual asset level or collective level. All individually significant financial assets are assessed for specific impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are then collectively assessed for impairment by grouping together financial assets (carried at amortised cost) with similar risk characteristics.

In assessing collective impairment the Group uses statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modelling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain accurate.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated future cash flows discounted at the assets' original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and advances.



When a subsequent event causes the amount of impairment loss to decrease and the decrease can be related to actual facts occurred after the date the impairment was recognized, the impairment loss initially recognized is reversed.

### 3.12 Cash and cash equivalents

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

### 3.13 Trading assets

Trading assets are those assets that the Group acquires or incurs principally for the purpose of short-term profit or position taking.

Trading assets are initially recognised and subsequently measured at fair value in the balance sheet with transaction costs taken directly to the income statement. All changes in fair value are recognised as part of net trading income in income statement. Trading assets are not reclassified subsequent to their initial recognition.

#### (a) Change in accounting policy

In October 2008 the IASB issued "Reclassification of Financial Asset: Recognition and Measurement according to IAS 39". The amendment to IAS 39 permits the Bank to reclassify a non derivative financial asset from trading portfolio to another category, if they are no longer held for the purpose of being sold or repurchased in the near term. According to the amendment the Bank has transferred, since 1.07.08, all securities were transferred from "held for trading" portfolio to the "available for sale" portfolio.

### 3.14 Derivatives held for risk management purposes

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value in the balance sheet. The accounting treatment of changes in their fair value depends on their classification as explained below.

The fair value of derivative financial instruments is calculated in the same manner with the calculation of the fair value of financial instruments held for trading.

When a derivative is designated for hedging changes in fair value of a recognised asset or liability (hedged item), changes in the fair value of the derivative (hedging instrument) are recognised immediately in profit or loss together with changes in the fair value of the hedged item that are attributable to the hedged risk.

When a derivative is designated as a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or irrevocable lending commitments that could affect profit or loss, the effective portion of changes in the fair value of the derivative are recognised directly in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group does not apply hedge accounting.

### 3.15 Loans and advances

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

In cases where the Group is the lessee in financial leases and all risks and rewards associated with the leased asset have been transferred, the transaction is accounted as a loan.

When the Group purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date, the arrangement is accounted for as a loan or advance, and the underlying asset is not recognised in the Group's financial statements.

Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortized cost using the effective interest method.

### 3.16 Investment securities

Investment securities are initially measured at fair value plus incremental direct transaction costs and subsequently accounted for depending on their classification as either held-to-maturity or available-for-sale.

#### (i) Available-for-sale investments

Available-for-sale investments are non-derivative investments that are intended to be held for an indefinite period of time and may be sold in response to liquidity needs of the Group. Unlisted equity securities whose fair value cannot be reliably measured are carried at cost. All other available-for-sale investments are carried at fair value.

Interest income is recognised in profit or loss using the effective interest method. Dividend income is recognised in profit or loss when the Group becomes entitled to the dividend.



Other fair value changes are recognised directly in equity until the investment is sold or impaired and the balance in equity is recognised in profit or loss.

*(ii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Group has the positive intent and ability to hold to maturity. Any sale or reclassification of a significant amount of held-to-maturity investments would result in the reclassification of all held-to-maturity investments as available-for-sale investments and prevent the Group from classifying investment securities as held to maturity for the following two financial years.

### **3.17 Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure attributable to the acquisition or construction of an asset. Maintenance costs are recorded in the Income Statement of the year they refer to.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of the property, plant and equipment. Leased assets are depreciated over the shorter period between the lease term or their estimated useful life. Land is not depreciated.

The estimated useful lives are as follows:

Own property	50 years
Leasehold improvements	12 years
Furniture and equipment	7 – 15 years

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

Tangible 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 the highest amount between the fair value of the asset less sell costs and value in use.

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

### **3.18 Investment property**

Investment property is property held either to earn rental income or for capital appreciation upon disposal. The Group's investment property items have been mainly acquired through the enforcement of security over loans and advances (repossessed property).

### **3.19 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 to 15 years.

### **3.20 Deposits, debt securities issued and subordinated liabilities**

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

The Group enters into contracts to sale and repurchase own investments at a specific date and at a specific price. Investments sold under these agreements are not derecognized and are classified and measured as trading, available-for-sale or held-to-maturity. The amount of the sale is depicted as due to financial institutions or customers.

Deposits, debt securities and subordinated liabilities are initially measured at fair value plus transaction costs and subsequently measured at the amortized cost using the effective interest method.

### **3.21 Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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.

A provision for restructuring is recognized when the Group has approved a formal and detailed restructuring plan, and the restructuring either has been commenced or has been publicly announced.

### 3.22 Employee benefits

#### (a) Defined contribution plans

The Group pays contributions to public or private 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 less the fair value of any plan assets. 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 an 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 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 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).

#### (c) Termination benefits

Termination benefits are recognised as an expense when the Group is committed to either terminate employment before the normal retirement date or in the course of a voluntary redundancy.

#### (d) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for an amount expected to be paid as a short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employees and the obligation can be measured reliably.

### 3.23 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) Own shares

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. Where such shares are subsequently sold or re-issued, any consideration received is included in shareholders' equity.

### 3.24 Financial guarantees

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when due, in accordance with the terms of a debt instrument. Financial guarantee liabilities are initially recognised at fair value and the initial fair value is amortised over the life of the financial guarantee. Subsequently, the guarantee liability is carried at the higher of this amortised amount and the present value of any expected payment.

### 3.25 Basic and diluted earnings per share

The Bank illustrates basic and diluted earnings per share attributable to ordinary shares. The calculation of the basic rate profit per share is based on profit or loss after tax attributable to ordinary shareholders over the weighted average number of ordinary shares for the period including treasury shares. The diluted earnings per share is calculated with profits attributable to ordinary shareholders over a weighted average number of ordinary shares outstanding after adjustments for the effects of all dilutive potential ordinary shares due to convertible shares given to employees.

### 3.26 Operating segment

A segment is a component of the Bank that engages in business activities from which it may earn revenues and incur expenses.

All operating segments' operating results are reviewed regularly by the Bank's CEO to make appropriate decisions.

### 3.27 New IFRS amendments and interpretations

With the exception of the standards that were early adopted from 1 January 2009 and explained in note 3.2 there is a number of new standards, amendments to standards and interpretations that are not mandatory for 30 September 2009 and have not been applied. The only new standards or interpretations that will have an impact are the following:

• **Amendment of International Accounting Standard 27** «Consolidated and Separate Financial Statements» and the **International Financial Reporting Standard 1** «First Time Adoption of International Financial Reporting Standards» regarding the cost of an investment in a subsidiary, associate and jointly controlled entity. Effective for annual periods beginning on or after 1.1.2009 (Regulation 69/23.1.2009).

With this amendment issued by the Council on 22 May 2008, the cost of an investment in a subsidiary, associate and jointly controlled entity in the investor's separate financial statements is no longer affected by profits appropriated before the acquisition date. These profit appropriations will be accounted in profit and loss account as dividend income. This amendment also made changes to IAS 36 - Impairment of Assets, where indications of impairment on investments were included, based on the effect in equity due to dividends appropriation to the investors.

Regarding to the entities adopting for first time IFRS and for facilitating the issuance of financial statements there are options of the cost measurement of an investment in a subsidiary, associate and jointly controlled entity based on fair value at the date of transition or the previous GAAP carrying amount.

The amendment will make changes in accounting policies for recognition of dividend's income and determination of the cost of acquisition of Bank's investments.

• **Amendment of International Accounting Standard 27** – «Consolidated and Separate Financial Statements» and **International Financial Reporting Standard 3** «Business combination»

Effective for annual period beginning on or after 1.7.2009

The main changes from the amended standards issued on 10 January 2008, are summarized as follows:

i. In circumstances where changes in ownership interests of subsidiaries after control is obtained or the loss of control, the value of the investment existed prior to the

change of ownership interest or the remaining ownership interest, should be measured at fair value with changes recognized in profit and loss account.

ii. Upon initial recognition non-controlling interest might be measured at fair value. In addition non-controlling interest should absorb the total losses incurred attributable to their interest.

iii. Any contingent consideration of an entity is recognized as a liability and measured at fair value.

iv. Costs incurred by the acquirer are not included in the cost of a business combination but are expensed.

Finally, changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

## 4. Financial Risk Management

### 4.1 Introduction and overview

The Group monitors the following risks:

- Credit
- Liquidity
- Market
- Operational

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of equity.

The Board of Directors in order to promote stability and continue its operations has established an effective risk management operations framework, that enables the Group to recognize and analyse all types of risks which it is exposed to.

The Board has established the Asset and Liability (ALCO) committee for the Group and a Risk Audit Committee, which are responsible for developing and monitoring the risk management policies of the Group in their specified areas.

More specifically, the ALCO Committee determines the Bank's strategy in relation to financial and qualitative goals but also in relation to macroeconomic and financial developments. It determines the desired liquidity levels, the interbanking transaction limits and the pricing policy of the Bank in products and services.

The main tasks of the Risk Audit Committee are the monitoring and the annual valuation of the adequacy and efficiency of the Internal Audit of the Bank and the Group. Moreover the Committee submits suggestions regarding any weaknesses noticed and supervises the correct application of the measures decided by the Board of Directors.

The Risk Management Division, operates as an independent unit in the Bank, reporting to the Risk Audit Committee and the Board of Directors. The unit is responsible, for improving on a continual basis the existing management methods, for detecting and analyzing in an adequate format the risk that the Bank faces through quantitative methods, as well as for developing new quantitative tools, which will enhance the Bank's risk management framework.

#### **4.2 Credit risk**

Credit risk is a corner stone, in the Group's risk management framework, in terms of the credible measurement of credit risk. Credit risk, is the risk of financial loss to the Group, if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credits, credit limits approved and irrevocable loan commitments to individuals or corporates are the basic sources of credit risk. Credit risk may also arise from investment activities and transactions on investments and securities settlement.

Reliable credit risk measurement, contributes in maximizing the Bank's profitability, by monitoring the level of expected and unexpected financial loss. By using historical data and informational systems, the Bank develops, evaluates and implements mathematical models, in order to score loan applications. Prompt risk detection criteria, are defined, for loan portfolios, and if considered necessary, correctional actions are proposed.

For retail customer loans a scoring model exists, which classifies each customer to a certain risk category. This model, is reviewed on a regular basis, and modified, if considered necessary.

For corporate clients, a rating model is used, which classifies each client in a risk category, taking into account financial and qualitative data. Especially, for companies that are corporate or small and medium sized enterprises, the Credit Risk Tracker rating system, of Standard & Poor's is implemented.

##### **4.2.1 Loan impairment**

The Group classifies loans and advances to customers based on impairment loss in the following four categories based on impairment loss calculation:

##### **a) Individually impaired**

These are non performing loans that have been significantly impaired due to the renouncement of the relevant contracts or due to the deterioration of the credit wealthiness of

borrowers. The Group assesses these loans on an individual basis and records a loan impairment, equal to the difference of the carrying amount of the loan and the present value of the recoverable amount based on the effective rate of the loan and the type of loan collateral.

##### **b) Collectively impaired**

These are loans and advances to customers which the Group has also proceeded in legal actions and determines that it is probable, that it will be unable to collect in total or partially all principal and interest according to the contractual terms of the loan agreements. These loans are examined for impairment, on a collective basis. The portfolio's impairment, is based on the time period that the loan was denounced from the first year.

##### **c) More than 30 days past due**

These are loans that are more than 30 days past due, in terms of contractual interest or principal payments. These overdue loans are tested for impairment based on probability of default coefficients (PD) and loss given default rates (LGD) per loan.

##### **d) Less than or equal to 30 days past due**

These are customer loans, that are not considered overdue or are overdue for less than or equal to 30 days. These loans are tested for impairment based on probability of default and loss given default rates per loan.

The table that follows, is an analysis of the Group's loans by risk categories, in accordance with the impairment calculation method, that is used by the Risk Management Division. There is also an additional breakdown of each risk category into risk grades. The classification of each exposure into a risk grade, is based upon the credit rating of the customer, the time bucket that the exposure lies, and the collateral coverage that the exposure has.

Specifically, risk grades 1 to 3 correspond to low risk exposures, risk grades 4 to 6 correspond to medium risk exposures, while risk grades 7 to 10 correspond to high risk exposures. Moreover, the higher risk an exposure is facing, the higher risk grade, numerically, is attributed to this exposure, that is risk grade one (1), is the grade with the minimum risk, whereas risk grade ten (10), is the grade with the highest risk. The following table also shows the evaluation of the Group's credit risk for amounts due from credit institutions and for investment securities (available for sale and held to maturity securities).



The following exposures are based in their book value, exactly as they appear in the Group's balance sheet.

<i>(Amounts in thousand of Euro)</i>						
	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008	30.09.2009	31.12.2008
<b>Individually impaired</b>						
Grade 6	1,387	863	-	-	-	-
Grade 7	60,022	41,578	-	-	-	-
Grade 8	2,618	1,631	-	-	-	-
Grade 9	29,029	18,083	-	-	-	-
Grade 10	28,352	17,661	-	-	-	-
<b>Gross amount</b>	<b>121,408</b>	<b>79,816</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Impairment loss</b>	<b>(55,482)</b>	<b>(29,281)</b>				
<b>Carrying amount</b>	<b>65,926</b>	<b>50,535</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008	30.09.2009	31.12.2008
<b>Collectively impaired</b>						
Grade 7	2,949	2,285	-	-	-	-
Grade 8	3,263	2,612	-	-	-	-
Grade 9	3,869	3,097	-	-	-	-
Grade 10	19,048	15,244	-	-	-	-
<b>Gross amount</b>	<b>29,129</b>	<b>23,238</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Impairment loss</b>	<b>(21,835)</b>	<b>(14,494)</b>				
<b>Carrying amount</b>	<b>7,294</b>	<b>8,744</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008	30.09.2009	31.12.2008
<b>More than 30 days past due</b>						
Grade 2	128,760	97,987	-	-	-	-
Grade 3	77,133	57,567	-	-	-	-
Grade 4	43,470	31,338	-	-	-	-
Grade 5	19,941	16,224	-	-	-	-
Grade 6	8,692	6,275	-	-	-	-
Grade 7	1,061	766	-	-	-	-
<b>Gross amount</b>	<b>279,057</b>	<b>210,157</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Impairment loss</b>	<b>(3,806)</b>	<b>(3,027)</b>				
<b>Carrying amount</b>	<b>275,251</b>	<b>207,130</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Over 30 days past due comprises:</b>						
31-90 days	103,731	119,899	-	-	-	-
91-180 days	130,513	60,367	-	-	-	-
180 days +	41,007	26,864	-	-	-	-
<b>Carrying amount</b>	<b>275,251</b>	<b>207,130</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008	30.09.2009	31.12.2008
<b>Less than or equal to 30 days past due</b>						
Grade 1	624,982	822,709	386,667	260,875	40,058	22,830
Grade 2	408,413	436,749	-	-	-	-
Grade 3	190,659	204,277	-	-	-	-
Grade 4	110,041	117,900	-	-	-	-
Grade 5	150,766	161,535	-	-	-	-
Grade 6	127,025	136,098	-	-	-	-
<b>Gross amount</b>	<b>1,611,886</b>	<b>1,879,268</b>	<b>386,667</b>	<b>260,875</b>	<b>40,058</b>	<b>22,830</b>
<b>Impairment loss</b>	<b>(11,558)</b>	<b>(9,973)</b>				
<b>Carrying amount</b>	<b>1,600,328</b>	<b>1,869,295</b>	<b>386,667</b>	<b>260,875</b>	<b>40,058</b>	<b>22,830</b>
<b>Grand total</b>	<b>1,948,799</b>	<b>2,135,704</b>	<b>386,667</b>	<b>260,875</b>	<b>40,058</b>	<b>22,830</b>



Set out below is an analysis of the gross and net of allowance for impairment amounts of 30 September 2009 and 31 December 2008 gross (before impairment) and net (after impairment) by risk grade.

<i>(Amounts in thousand of Euro)</i>						
	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
30 September 2009	Gross	Net	Gross	Net	Gross	Net
<b>Individually impaired</b>						
Grade 6	1,387	908	-	-	-	-
Grade 7	60,022	56,069	-	-	-	-
Grade 8	2,618	1,570	-	-	-	-
Grade 9	29,029	7,322	-	-	-	-
Grade 10	28,352	57	-	-	-	-
<b>Gross amount</b>	<b>121,408</b>	<b>65,926</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
30 September 2009	Gross	Net	Gross	Net	Gross	Net
<b>Collectively impaired</b>						
Grade 7	2,949	1,456	-	-	-	-
Grade 8	3,263	1,000	-	-	-	-
Grade 9	3,869	1,173	-	-	-	-
Grade 10	19,048	3,665	-	-	-	-
<b>Gross amount</b>	<b>29,129</b>	<b>7,294</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
30 September 2009	Gross	Net	Gross	Net	Gross	Net
<b>More than 30 days past due</b>						
Grade 2	128,760	127,994	-	-	-	-
Grade 3	77,133	76,088	-	-	-	-
Grade 4	43,470	42,053	-	-	-	-
Grade 5	19,941	19,564	-	-	-	-
Grade 6	8,692	8,515	-	-	-	-
Grade 7	1,061	1,037	-	-	-	-
<b>Gross amount</b>	<b>279,057</b>	<b>275,251</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Over 30 days past due comprises:</b>						
31-90 days	104,217	103,731	-	-	-	-
91-180 days	132,558	130,513	-	-	-	-
180 days +	42,282	41,007	-	-	-	-
<b>Carrying amount</b>	<b>279,057</b>	<b>275,251</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
30 September 2009	Gross	Net	Gross	Net	Gross	Net
<b>Less than or equal to 30 days past due</b>						
Grade 1	624,982	620,592	386,667	386,667	40,058	40,058
Grade 2	408,413	406,770	-	-	-	-
Grade 3	190,659	188,838	-	-	-	-
Grade 4	110,041	108,990	-	-	-	-
Grade 5	150,766	149,326	-	-	-	-
Grade 6	127,025	125,812	-	-	-	-
<b>Gross amount</b>	<b>1,611,886</b>	<b>1,600,328</b>	<b>386,667</b>	<b>386,667</b>	<b>40,058</b>	<b>40,058</b>
<b>Grand total</b>	<b>2,041,480</b>	<b>1,948,799</b>	<b>386,667</b>	<b>386,667</b>	<b>40,058</b>	<b>40,058</b>



<i>(Amounts in thousand of Euro)</i>						
	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
<b>31 December 2008</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>
<b>Individually impaired</b>						
Grade 6	863	613	-	-	-	-
Grade 7	41,578	39,331	-	-	-	-
Grade 8	1,631	1,081	-	-	-	-
Grade 9	18,083	9,108	-	-	-	-
Grade 10	17,661	402	-	-	-	-
<b>Gross amount</b>	<b>79,816</b>	<b>50,535</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
<b>31 December 2008</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>
<b>Collectively impaired</b>						
Grade 7	2,285	1,294	-	-	-	-
Grade 8	2,612	1,110	-	-	-	-
Grade 9	3,097	1,307	-	-	-	-
Grade 10	15,244	5,033	-	-	-	-
<b>Gross amount</b>	<b>23,238</b>	<b>8,744</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
<b>31 December 2008</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>
<b>More than 30 days past due</b>						
Grade 2	97,987	97,369	-	-	-	-
Grade 3	57,567	56,725	-	-	-	-
Grade 4	31,338	30,196	-	-	-	-
Grade 5	16,224	15,960	-	-	-	-
Grade 6	6,275	6,133	-	-	-	-
Grade 7	766	747	-	-	-	-
<b>Gross amount</b>	<b>210,157</b>	<b>207,130</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Over 30 days past due comprises:</b>						
31-90 days	120,941	119,899	-	-	-	-
91-180 days	61,523	60,367	-	-	-	-
180 days +	27,693	26,864	-	-	-	-
<b>Carrying amount</b>	<b>210,157</b>	<b>207,130</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
<b>31 December 2008</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>
<b>Less than or equal to 30 days past due</b>						
Grade 1	822,709	818,920	260,875	260,875	22,830	22,830
Grade 2	436,749	435,331	-	-	-	-
Grade 3	204,277	202,706	-	-	-	-
Grade 4	117,900	116,994	-	-	-	-
Grade 5	161,535	160,292	-	-	-	-
Grade 6	136,098	135,052	-	-	-	-
<b>Gross amount</b>	<b>1,879,268</b>	<b>1,869,295</b>	<b>260,875</b>	<b>260,875</b>	<b>22,830</b>	<b>22,830</b>
<b>Grand total</b>	<b>2,192,479</b>	<b>2,135,704</b>	<b>260,875</b>	<b>260,875</b>	<b>22,830</b>	<b>22,830</b>

#### 4.2.2 Collateral

The Group as part of its risk management policy receives collateral in order to secure the repayment of its loans. The major categories of collateral against loans and advances to customers are in the form of pre notices over property, cheques and pledge deposits.

The table below summarises collateral held for the Group's credit risk.

*(Amounts in thousand of Euro)*

	<b>30.09.2009</b>	<b>31.12.2008</b>
<b>Retail customers:</b>		
Mortgages	515,357	956,130
Securitized loans	508,753	126,511
Credit cards	57,287	54,223
Other consumer loans	87,857	79,467
<b>Total</b>	<b>1,169,254</b>	<b>1,216,331</b>
<b>Corporate clients:</b>		
Corporate bonds	128,453	136,162
Corporate loans	564,093	658,351
Shipping loans	43,709	52,280
Finance leases	100,403	106,386
Local authorities & other organizations	14,978	2,951
<b>Total</b>	<b>851,636</b>	<b>956,130</b>
<b>Amounts for securities transaction</b>	<b>20,590</b>	<b>20,018</b>
<b>Loans and advances</b>	<b>2,041,480</b>	<b>2,192,479</b>
Impairment loss	(92,681)	(56,775)
<b>Loans and advances after provisions</b>	<b>1,948,799</b>	<b>2,135,704</b>
<b>Collaterals</b>		
Retail clients:	1,636,488	1,702,377
Corporate clients:	1,332,648	1,496,161
<b>Total collateral amount</b>	<b>2,969,136</b>	<b>3,198,538</b>

Loans to retail customers, in their majority, are collateralized in the form of pre notices over property. As far as, loans to corporate clients is concerned, their collaterals, are in the form of cheques, pre notices over property, and other collateral types (cash, securities, machinery). The following table describes the collaterals held against corporate clients per collateral type.

*(Amounts in thousand of Euro)*

	<b>30.09.2009</b>	<b>31.12.2008</b>
Cheques	234,849	263,664
Property	288,249	323,617
Others	809,550	908,880
<b>Total</b>	<b>1,332,648</b>	<b>1,496,161</b>

#### 4.3 Market Risk

Market risk is the risk arising from changes in market parameters such as changes in interest rates, equity prices and foreign exchange rates.

For market risk, the Bank, elaborates, develops and carries out risk methods, that are based on Value-at-Risk (VaR) models. VaR measures, the worst expected loss, over a given horizon, under normal market conditions, at a given confidence level. As this model is not used for losses arising from extreme events the Bank applies stress tests on its securities portfolio.



Specifically, the Group uses extreme value theory for concluding on changes in Group's securities portfolio when extreme events occur. The VaR model used by the Group, is based upon a 99 percent confidence level and assumes a 10-day holding period. As at 30 September 2009, VaR for the securities' portfolio was € 1.3 million thousands and € 39.7 thousands for the Group's foreign exchange position.

For the calculation of the VaR Group's security portfolio contains stocks, mutual funds and bonds available for sale that are in the trading portfolio. Group as at 30 September 2009, held a long position of € 1.7 million, against several currencies.

With respect to 31 December 2008, VaR was equal to € 967 thousands for the securities' portfolio, and € 41.6 thousands for the Group's foreign exchange position. The Group, as at 31 December 2008, held a long position of € 1.7 million, against several currencies.

*(Amounts in thousand of Euro)*

	<b>30.09.2009</b>	<b>31.12.2008</b>
<b>Investment risk</b>		
Securities' value	31,805	23,161
VaR	1,328	967
<b>Currency risk</b>		
Foreign exchange position	1,692	1,771
VaR	39.7	41.6

#### 4.4 Liquidity risk

Liquidity risk is the risk of the Group being unable to meet its financial obligations due to inadequate liquidity.

The Group's philosophy is to manage its liquidity to ensure at all possible means that there are enough means to cover its obligations under normal or abnormal circumstances without affecting its reputation.

Liquidity risk arises with respect to 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. 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 two mandatory indices, the Net Liquid Assets index and the Assets minus Liabilities index, are monitored on a daily basis, based on the Director of Bank of Greece decision (2619/09) .



The Net Liquid Assets index, was as follows:

(Amounts in thousand of Euro)

	30.09.2009	31.12.2008
<b>At 30 September</b>	<b>33.39%</b>	<b>15.36%</b>
Average for the period	27.92%	21.17%
Maximum for the period	33.39%	26.10%
Minimum for the period	21.35%	13.53%

In February 2009 the Group concluded the securitisation of €424 million residential mortgages. As a result the liquidity ratio has increased to 30% approximately.

The following table provides an analysis of the Group's assets and liabilities into relevant maturity groupings based on the remaining periods to repayment of:

(Amounts in thousand of Euro)

At 30 <sup>th</sup> September 2009	Up to 1 month	1-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Total
<b>Assets</b>							
Cash & cash equivalents	51,890	-	-	-	-	-	<b>51,890</b>
Loans and advances to banks	258,652	27,774	-	-	-	100,241	<b>386,667</b>
Loans and advances to customers (net of impairment)	454,254	15,859	2,882	6,149	530,505	939,150	<b>1,948,799</b>
Financial assets at fair value through profit or loss	2,060	-	6	-	2,893	-	<b>4,959</b>
Available-for-sale securities	14,053	5	518	596	9,646	4,705	<b>29,523</b>
Held-to-maturity securities	-	-	-	3,365	5,101	2,069	<b>10,535</b>
<b>Total assets</b>	<b>780,909</b>	<b>43,638</b>	<b>3,406</b>	<b>10,110</b>	<b>548,145</b>	<b>1,046,165</b>	<b>2,432,373</b>
<b>Liabilities</b>							
Due to banks	266,890	-	-	-	-	-	<b>266,890</b>
Due to customers	775,940	481,730	197,584	24,789	444,155	-	<b>1,924,198</b>
Debt securities in issue and other borrowed funds	384	2,865	342	660	45,461	146,919	<b>196,631</b>
<b>Total liabilities</b>	<b>1,043,214</b>	<b>484,595</b>	<b>197,926</b>	<b>25,449</b>	<b>489,616</b>	<b>146,919</b>	<b>2,387,719</b>
<b>At 31<sup>st</sup> December 2008</b>							
<b>Total assets</b>	758,714	21,735	460,368	25,297	70,164	1,164,928	<b>2,501,206</b>
<b>Total liabilities</b>	1,053,879	628,399	198,769	52,112	490,984	-	<b>2,424,144</b>

#### 4.5 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 30 September 2009. Included in the table are the Group's assets and liabilities at carrying amounts, classified by currency.



*(Amounts in thousand of Euro)*

<b>At 30<sup>th</sup> September 2009</b>	<b>EUR</b>	<b>USD</b>	<b>Other</b>	<b>Total</b>
<b>Assets</b>				
Cash & cash equivalents	51,548	87	255	<b>51,890</b>
Loans and advances to banks	315,654	60,384	10,629	<b>386,667</b>
Loans and advances to customers (net of impairment)	1,913,924	29,962	4,913	<b>1,948,799</b>
Financial assets at fair value through profit or loss	4,959	-	-	<b>4,959</b>
Available-for-sale securities	27,994	-	1,529	<b>29,523</b>
Held-to-maturity securities	10,535	-	-	<b>10,535</b>
<b>Total assets</b>	<b>2,324,614</b>	<b>90,433</b>	<b>17,326</b>	<b>2,432,373</b>
<b>Liabilities</b>				
Due to banks	262,049	-	4,841	<b>266,890</b>
Due to customers	1,814,049	98,072	12,077	<b>1,924,198</b>
Debt securities in issue and other borrowed funds	196,631	-	-	<b>196,631</b>
<b>Total liabilities</b>	<b>2,272,729</b>	<b>98,072</b>	<b>16,918</b>	<b>2,387,719</b>
<b>At 31<sup>th</sup> December 2008</b>	<b>EUR</b>	<b>USD</b>	<b>Other</b>	<b>Total</b>
<b>Total assets</b>	<b>2,320,196</b>	<b>160,674</b>	<b>20,336</b>	<b>2,501,206</b>
<b>Total liabilities</b>	<b>2,232,643</b>	<b>165,769</b>	<b>25,732</b>	<b>2,424,144</b>

#### 4.6 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.

A parallel upward shift in the yield curves of 1% is expected to reduce the Group's profits in one year by an amount of € 3.02 million. On the other hand a parallel downward shift in the yield curves of 1% is expected to reduce the Group's loss in one year by an amount of € 3.02 million.

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



(Amounts in thousand of Euro)

At 30th September 2009	Effective Interest rate	Floating	1-3 months	3-12 months	1 to 2 years	Over 2 years	Non-interest	Total
<b>Assets</b>								
Cash & cash equivalents	0.5%	-	32,548	-	-	-	19,342	<b>51,890</b>
Loans and advances to banks	1.0%	-	358,918	-	-	-	27,749	<b>386,667</b>
Loans and advances to customers (net of impairment)	5.3%	1,172,430	106,171	142,686	288,070	219,170	20,272	<b>1,948,799</b>
Financial assets at fair value through profit or loss	2.8%	-	1,994	905	-	-	2,060	<b>4,959</b>
Available-for-sale securities	1.5%	-	6,007	13,502	-	-	10,014	<b>29,523</b>
Held-to-maturity securities	5.8%	-	-	10,535	-	-	-	<b>10,535</b>
<b>Total assets</b>		<b>1,172,430</b>	<b>505,638</b>	<b>167,628</b>	<b>288,070</b>	<b>219,170</b>	<b>79,437</b>	<b>2,432,373</b>
<b>Liabilities</b>								
Due to banks	0.4%	4,068	262,822	-	-	-	-	<b>266,890</b>
Due to customers	2.8%	-	1,693,467	220,949	502	-	9,280	<b>1,924,198</b>
Debt securities in issue and other borrowed funds	3.7%	-	80,537	-	-	-	116,094	<b>196,631</b>
<b>Total liabilities</b>		<b>4,068</b>	<b>2,036,826</b>	<b>220,949</b>	<b>502</b>	<b>0</b>	<b>125,374</b>	<b>2,387,719</b>
<b>At 31<sup>st</sup> December 2008</b>								
<b>Total assets</b>		1,239,117	520,353	148,796	293,799	223,702	75,439	<b>2,501,206</b>
<b>Total liabilities</b>		20,000	2,032,238	370,228	1,678	-	-	<b>2,424,144</b>

#### 4.7 Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors.

The Group's objective is to measure the loss from the above causes and to set the right control procedures for all its operations.

Through continuous reports, regarding the Group's exposure to operational risk, the Board, is informed of this type of risk, and decides about the strategy that must be adopted, in order to prevent any financial losses, that arise from operational events.

In this framework, the Group, is in the process, of developing a loss database for operational risk, which is a necessary assumption for implementing the Standardized Approach. Nevertheless, in the present stage, the Group, is going to implement, the Basic Indicator method, for the computation of its operational risk charge.

#### 4.8 Stress testing

The Group implements, several stress testing scenarios, in order to assess the impact of extreme financial events, to the Group's portfolio value.

The Group, runs stress tests, on a regular basis, with scenarios that concern the various types of risk, that the Group is being exposed (credit risk, market risk, liquidity risk). The Risk Management Division, analyses the results of these tests, and proposes appropriate policies.

#### 4.9 Capital adequacy

The capital adequacy of the Group, is monitored on a monthly basis, and is submitted to the Bank of Greece, every three months.

The Group applies the rules set by the Bank of Greece, regarding the adequacy of its capital. The regulation framework, that applies to the Greek Banking system, is the same as in the European Union.

The Bank of Greece, as a regulator, requires the Group to maintain a prescribed ratio of regulatory capital to total risk-weighted assets of at least 8%. The capital adequacy ratio, is the ratio of total regulatory capital to total risk weighted assets of on and off balance sheet items, arising from credit risk, market risk, operational risk and securitized positions.



Regulatory capital must be covered by at least half of Tier I capital and the rest must be covered by Tier II capital. Tier I capital is computed according to Basel II. There are no significant differences compared to the Basel I computation method applied until 2007. In this period Group entered in subordinated loans agreement resulting to a reduce of Tier II by 19%.

(Amounts in thousand of Euro)

	30.09.2009	31.12.2008
Upper Tier I	107,798	155,056
Lower Tier I	40,146	-
Deductions	(43,749)	(4,572)
<b>Total Tier 1</b>	<b>104,195</b>	<b>150,484</b>
Upper Tier II		638
Lower Tier II	64,014	77,847
Deductions	(3,602)	(4,572)
<b>Total Tier II</b>	<b>60,412</b>	<b>73,913</b>
<b>Regulatory capital</b>	<b>164,607</b>	<b>224,397</b>
<b>Risk-weighted assets</b>		
Credit Risk	1,555,113	1,643,500
Market risk	22,388	22,500
Operational Risk	140,613	140,613
Securitized Exposures	187,550	48,038
<b>Total risk-weighted assets</b>	<b>1,905,664</b>	<b>1,854,651</b>
<b>Indices (in %)</b>		
Tier 1 CAD	5.47	8.11
Total CAD	8.64	12.10

Bank of Greece knows that at 30 September 2009 the capital adequacy ratio is below 8% in parent company (Aspis Bank). Group was in discussions with Bank of Greece for the actions that will be taken in order to raise the rate above the minimum limit. Among these actions are the increase of share capital by € 120 million that will be completed by the end of the year and Bank's participation in the support framework through the valuation of the preference shares.

## 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.

(Amounts in thousand of Euro)

	Carrying amount		Fair value	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
<b>Financial assets</b>				
Loans and advances to banks	386,667	260,875	386,667	260,875
Loans and advances to customers (net of impairment)	1,948,799	2,135,704	2,047,681	2,195,201
Investment securities held to maturity	10,535	3,210	11,111	3,092
<b>Financial liabilities</b>				
Deposits from banks	266,890	176,183	266,890	176,183
Deposits from customers	1,924,198	1,986,128	1,939,211	2,001,251
Debt securities in issue & other borrowed funds	196,631	261,833	196,631	261,833

For shares, bonds and mutual funds that are traded on a regulated market used their market value. For those securities not admitted on regulated market the acquisition cost is considered the best value. For loans and term deposits, the present value of future inflows and outflows was based on current interest rates in force.



Interest rates used for discounting cash flows were based on the curve of interest rates and are as follows:

Loans and due to customers (%)			
30.09.2009		31.12.2008	
EUR	0.43800	-	1.23600
USD	0.24563	-	1.26375
JPY	0.17563	-	0.79375
CHF	0.10083	-	0.69833
GBP	0.50313	-	1.10250
AUD	3.23000	-	4.91000
DKK	1.32500	-	1.89750
CAD	0.30000	-	1.50000
SEK	0.36250	-	1.09500
EUR	2.6920	-	3.1260
USD	0.4363	-	2.0038
JPY	0.6913	-	1.0563
CHF	0.3400	-	1.0950
GBP	2.1663	-	3.0738
AUD	4.6500	-	4.8625
DKK	4.4925	-	4.9725
CAD	2.0467	-	2.4667
SEK	2.2900	-	2.6688

The table below analyzes the financial instruments at valuation. Levels that are appointed are:

- First level: Market prices from regulated stock markets
- Second level: inputs out of market prices of the first level but identifiable
- Third level: prices not arising from the market

30.09.2009	First Level	Second Level	Third Level	Total
Investment securities	27,642	-	1,881	29,523
Financial assets through profit and loss	4,959	-	-	4,959

31.12.2008	First Level	Second Level	Third Level	Total
Investment securities	17,857	-	1,763	19,620
Financial assets through profit and loss	2,471	-	-	2,471

The third level of investment securities includes the participation to a Private Equity Fund and in other non listed shares (DIAS, TEIRESIAS etc.)

## 6. Operating segments

The Group operates and is organized in the following business segments:

- Corporate Banking: This segment includes banking services to large corporate operating in the commercial and industrial sector, banking services to shipping, participation in funding facilities through syndicated loans and corporate bonds.
- Shipping: This segment includes services to shipping companies
- Asset Management and Stock brokerage: This segment includes stock brokerage services and asset management services
- Leasing: This segment includes services relating to financial and operating leasing of property and equipment
- Notes issuers: This segment includes Special Purpose Enterprises which have issued debt securities for funding purposes
- Credit Card: This segment includes credit card loans under VISA and MASTER trade marks.
- Retail Banking: This segment includes retail banking facilities such as loans, deposits and other to individuals, households and small/medium companies
- Treasury: This segment includes Treasury activity



(Amounts in thousand of Euro)

30.09.2009	Corporate Banking	Shipping	Asset management & stock brokerage	Leasing	Notes issuers	Credit card	Retail Banking	Treasury	Other	Total
Interest income	4,423	945	254	4,622		2,848	80,589	2,294	54	96,029
Interest expense	(514)	(104)	(5)	(915)	(4,240)	(16)	(67,404)	(5,474)	-	(78,672)
Commissions & other earnings	572	114	2,713	4,853	27,636	1,523	9,473	(9,886)	62	37,060
Inter-segment revenue	(476)	(117)	(52)	(277)	(7)	(276)	670	535	-	-
Operating income	4,005	838	2,910	8,283	23,389	4,079	23,328	(12,531)	116	54,417
Profit/(loss) before tax	1,127	246	(8,241)	66	23,326	(2,967)	(61,858)	(8,343)	116	(56,528)
Income tax										14,490
Profit/(loss) after tax										(42,038)
Total assets	144,186	42,978	13,263	105,374	2,874	74,685	1,793,008	299,623	100,183	2,576,174
Total liabilities	6,706	8,030	21,271	17,485	607	242	1,990,145	378,506	24,347	2,447,339
Fixed assets additions	1	1	28	4,116		126	2,142	33	494	6,941
Depreciation	22	24	208	4,013		237	4,767	31	-	9,302
Loss from impairment of loans & advances	2,487	31	7,183	1,204		4,047	22,328	-	-	37,280

(Amounts in thousand of Euro)

30.09.2008	Corporate Banking	Shipping	Asset management & stock brokerage	Leasing	Notes issuers	Credit card	Retail Banking	Treasury	Other	Total
Interest income	7,596	1,774	537	5,283	1	2,057	94,525	12,742	575	125,090
Interest expense	(1,237)	(242)	(6)	(1,962)	2,878	(52)	(79,171)	(12,267)		(92,059)
Commissions & other earnings	781	48	3,754	5,857	(1)	1,354	13,697	(1,187)	76	24,379
Inter-segment revenue	(607)	(81)	(77)	(203)	379	(195)	2,192	(1,408)		-
Operating income	6,533	1,499	4,208	8,975	3,257	3,164	31,243	(2,120)	651	57,410
Profit/(loss) before tax	4,089	147	(1,540)	1,265	3,189	(1,274)	(39,151)	(2,909)	652	(35,532)
Income tax										8,289
Profit/(loss) after tax										(27,243)
Total assets	184,063	54,466	26,608	115,589	171	47,006	1,914,970	561,583	75,300	2,979,756
Total liabilities	28,020	33,607	6,679	56,912	99,348	1,709	2,485,078	63,936	16,743	2,792,032
Fixed assets additions	2	7	15	3,476	-	43	3,001	5	-	6,549
Depreciation	21	47	242	4,291	3	173	4,286	29	-	9,092
Loss from impairment of loans & advances	2,185	130	360	865	-	1,804	7,734	-	-	13,078

## 7. Net interest income

(Amounts in thousand of Euro)

	From 1st January to		From 1st July to	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
<b>Interest income</b>				
Loans and advances to customers	92,850	110,746	31,337	38,695
Money market	2,599	14,015	749	5,282
Available for sale	323	84	203	83
Investment securities	240	84	57	28
Trading securities	17	161	9	0
<b>Total</b>	<b>96,029</b>	<b>125,090</b>	<b>32,355</b>	<b>44,088</b>
<b>Interest expense</b>				
Deposits from banks and customers	(72,785)	(80,212)	(20,352)	(30,203)
Subordinated liabilities	(5,887)	(11,847)	(1,674)	(4,082)
<b>Total</b>	<b>(78,672)</b>	<b>(92,059)</b>	<b>(22,026)</b>	<b>(34,285)</b>
<b>Net interest income</b>	<b>17,357</b>	<b>33,031</b>	<b>10,329</b>	<b>9,803</b>



## 8. Fee and commission income

(Amounts in thousand of Euro)

	From 1st January to		From 1st July to	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
Loans and letters of guarantees	6,352	8,808	1,592	2,719
Management and custodian fees	2,448	2,413	1,077	595
Brokerage transactions	1,654	2,146	543	595
Credit cards	1,565	1,416	422	500
Transfers and similar	638	1,305	229	434
Imports-exports	364	727	106	231
Property	113	188	41	56
Other	785	1,134	145	367
<b>Total</b>	<b>13,919</b>	<b>18,137</b>	<b>4,155</b>	<b>5,497</b>

## 9. Net trading income

(Amounts in thousand of Euro)

	From 1st January to		From 1st July to	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
Profit from disposals of bond loans	27,638	-	27,638	-
Trading portfolio	2,476	(2,227)	1,137	(740)
Foreign exchange	721	832	220	170
Available for Sale	(13,017)	-	(13,024)	-
Derivatives	(31)	20	(1)	13
<b>Total</b>	<b>17,787</b>	<b>(1,375)</b>	<b>15,970</b>	<b>(557)</b>

The Group repurchased Subordinated bond loans (Subordinated lower Tier 2) amount of € 50,250 thousands issued from Aspis Jersey 100% subsidiary. For these bonds Aspis Bank had provided guarantee to the Group. The acquisition of these bonds was approved by the Bank of Greece and the benefit from this was € 27,638 thousands.

Following the decision of the Commission for the Supervision of Private Insurance received at 21 September 2009 for the revocation of operating license of the Aspis Pronia AEGA, the Bank has impaired the value of the possessed shares of this company with acquisition value € 13,142 thousands (7,317,593 shares). This impairment affected Bank's profit and loss account by € 13,070 thousand and it was posted in "Available for sale" in the caption "net trading income/(expenses)". The same caption also includes gain from sale of other available for sale securities of total amount € 53 thousand.

## 10. Other operating income

(Amounts in thousand of Euro)

	From 1 <sup>st</sup> January to		From 1 <sup>st</sup> July to	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
Leasing commissions	4,916	5,974	1,744	1,908
Leases	93	46	59	7
Profit from disposal of PPE	90	692	35	3
Dividend income	62	76	62	66
Safekeeping commissions	35	147	9	19
Other	612	1,162	(1,006)	328
<b>Total</b>	<b>5,808</b>	<b>8,097</b>	<b>903</b>	<b>2,331</b>



## 11. Staff expenses

(Amounts in thousand of Euro)

	From 1 <sup>st</sup> January to		From 1 <sup>st</sup> July to	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
Wages and salaries	27,754	26,871	10,387	8,490
Social security obligations	5,607	5,838	1,862	1,904
Contribution to defined contribution plans	1,556	2,591	451	437
Contribution to defined benefit plans	329	365	109	122
Indemnification	62	8,486	1	449
<b>Total</b>	<b>35,308</b>	<b>44,151</b>	<b>12,810</b>	<b>11,402</b>

The average number of employees for the Group was 1,052 for 30 September 2009 (30.09.2008: 1,083).

## 12. Other expenses

(Amounts in thousand of Euro)

	From 1 <sup>st</sup> January to		From 1 <sup>st</sup> July to	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
Rentals and other property expenses	7,038	7,183	2,229	2,476
Third party fees	4,454	5,058	1,884	1,666
Subscription fees	2,941	2,517	1,056	832
Other	2,927	2,157	2,046	577
Other taxes	1,706	1,818	647	629
Marketing expenses	1,507	2,461	239	744
Telecommunication and postal charges	1,332	1,535	471	523
Credit card expenses	1,223	1,171	511	444
Maintenance expenses	939	840	300	327
Traveling & accommodation expenses	731	792	205	188
Consumables	503	414	168	144
Financial consulting fees	459	190	338	5
Insurance premium	456	485	195	231
<b>Total</b>	<b>26,216</b>	<b>26,621</b>	<b>10,289</b>	<b>8,786</b>

## 13. Impairment on loans and advances

(Amounts in thousand of Euro)

	From 1 <sup>st</sup> January to		From 1 <sup>st</sup> July to	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
Impairment on loans and advances	35,924	12,353	20,744	2,045
Impairment on other assets	85	-	-	-
Impairment on letters of guarantee	1,271	725	424	242
<b>Total</b>	<b>37,280</b>	<b>13,078</b>	<b>21,168</b>	<b>2,287</b>

## 14. Income tax expense

(Amounts in thousand of Euro)

	30.09.2009	30.09.2008
Current year	-	-
Prior year taxes	(355)	(300)
Income tax	(341)	(324)
Deferred tax	15,186	8,913
<b>Total</b>	<b>14,490</b>	<b>8,289</b>
Deferred tax from temporary differences	18,073	8,913
Effect of application of lower tax rates	(2,887)	-
	<b>15,186</b>	<b>8,913</b>

**Reconciliation of effective tax rate**

	<b>30.09.2009</b>		<b>30.09.2008</b>	
<b>Loss before income tax</b>		<b>(56,528)</b>		<b>(35,532)</b>
Income tax using corporate tax rate	25%	14,132	25%	8,883
Non-deductible expenses	4%	(2,097)	5%	(1,861)
Tax exempt income	-1%	563	0%	14
Effect of permanent differences	-8%	4,573	1%	(194)
Prior year taxes	1%	(355)	1%	(300)
Effect of application of lower tax rates	5%	(2,887)	0%	-
Recognition of tax losses for which no deferred tax asset has been recognized	0%	-	-2%	882
Other differences	-1%	561	-2%	864
<b>Total</b>		<b>-26%</b>		<b>14,490</b>
			<b>-23%</b>	<b>8,289</b>

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 are 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 SA	2008
ASPIS Leasing SA	2006 – 2008
ASPIS Insurance Brokerage SA	2007 – 2008
ASPIS International Mutual Funds Management SA	2007 – 2008
ASPIS Credit SA	2007 – 2008

The tax audit of the Bank for the fiscal years 2005, 2006 and 2007, was concluded in September 2009, and resulted in additional tax amounting to € 852 thousand. Due to the fact that the Bank's management established provisions for open tax years amounting to € 500 thousand on 31 December 2008 (30 September 2009: € 700 thousand), the Bank had an additional tax charge of € 352 thousand (third quarter: € 152 thousand). No provision for open tax years was formed for the fiscal years 2008 and 2009 because the Bank has tax losses. Tax losses for 2007 and 2008 can offset future taxable profits until 2012 and 2013 respectively. The total amount recognized for the Group includes an additional provision of € 3 thousand for open tax years of ASPIS International Mutual Funds Management SA.

Permanent differences mainly relate to the impairment loss of shares of Aspis Pronoia S.A. amounting to € 8,240 thousand, formed up to 31 December 2008, for which no deferred tax was computed.

**15. Basic and diluted earnings per share**

Basic earnings per share was calculated in accordance with the weighted average number of shares in circulation at the beginning of the year plus the addition of shares that were issued during the period, based on months issued, less the weighted average numbers of shares which were held by the Bank during the period.

During the period ended on 30 September 2009, the Bank decreased its share capital by an amount of € 135,176 thousand and a specific reserve by an equivalent amount was formed, reducing the nominal value of its shares from € 2.71 to € 0.60 without affecting the number of shares (64,064 thousand).

	<b>From 1<sup>st</sup> January to</b>		<b>From 1<sup>st</sup> July to</b>	
	<b>30.09.2009</b>	<b>30.09.2008</b>	<b>30.09.2009</b>	<b>30.09.2008</b>
Profit/(Loss) of the period	(41,950)	(27,190)	(11,477)	(7,751)
Weighted average number of shares during the period	64,064	64,064	64,064	64,064
Basic and diluted earnings/(loss) per share (in Euro)	(0.6548)	(0.4244)	(0.1791)	(0.1210)

**16. Cash and cash equivalents***(Amounts in thousand of Euro)*

	<b>30.09.2009</b>	<b>31.12.2008</b>
Reserves with Central Bank	32,450	54,995
Cash in hand	19,440	24,331
<b>Total</b>	<b>51,890</b>	<b>79,326</b>

**17. Loans and advances to Banks***(Amounts in thousand of Euro)*

	<b>30.09.2009</b>	<b>31.12.2008</b>
Current accounts	141,944	65,149
Money market placements	216,974	177,138
Items in course of collection	27,749	18,588
<b>Total</b>	<b>386,667</b>	<b>260,875</b>

**18. Loans and advances to customers***(Amounts in thousand of Euro)*

	<b>30.09.2009</b>	<b>31.12.2008</b>
<b>Retail customers:</b>		
Housing	515,357	956,130
Securitized mortgage loans	508,753	126,511
Credit cards	57,287	54,223
Other consumer loans	87,857	79,467
<b>Total</b>	<b>1,169,254</b>	<b>1,216,331</b>
<b>Corporate customers:</b>		
Corporate bond loans	128,453	136,162
Corporate loans	564,093	658,351
Shipping	43,709	52,280
Finance leases	100,403	106,386
Local authorities & other organizations	14,978	2,951
<b>Total</b>	<b>851,636</b>	<b>956,130</b>
<b>Amounts due relating to brokerage transactions</b>	<b>20,590</b>	<b>20,018</b>
<b>Loans and advances</b>	<b>2,041,480</b>	<b>2,192,479</b>
Impairment allowance	(92,681)	(56,775)
<b>Loans and advances to customers net of impairment</b>	<b>1,948,799</b>	<b>2,135,704</b>

Financial leases are analyzed by maturity as follows:

*(Amounts in thousand of Euro)*

	<b>30.09.2009</b>	<b>31.12.2008</b>
Up to one year	21,913	22,517
One to five years	63,830	69,292
Over five years	28,787	33,638
	<b>114,530</b>	<b>125,447</b>
<b>Less: Deferred income</b>	<b>(14,127)</b>	<b>(19,061)</b>
<b>Total</b>	<b>100,403</b>	<b>106,386</b>

The net amount of receivables from financial leases during the year is analyzed as follows:

*(Amounts in thousand of Euro)*

	<b>30.09.2009</b>	<b>31.12.2008</b>
Up to one year	18,628	17,364
One to five years	57,978	60,749
Over five years	23,797	28,273
<b>Total</b>	<b>100,403</b>	<b>106,386</b>

**Movement in allowance for impairment:**
*(Amounts in thousand of Euro)*

	<b>30.09.09</b>	<b>31.12.2008</b>
<b>Allowance for impairment</b>		
Balance at 1 <sup>st</sup> January	56,775	38,907
Impairment loss for the period	35,924	18,254
Write-offs	(18)	(386)
<b>Total</b>	<b>92,681</b>	<b>56,775</b>

**19. Trading assets**
*(Amounts in thousand of Euro)*

	<b>30.09.2009</b>	<b>31.12.2008</b>
Corporate bonds	2,893	-
Shares	2,066	2,471
<b>Total</b>	<b>4,959</b>	<b>2,471</b>

In accordance with the recent amendments to IAS 39, the Bank reclassified in July 2008 shares listed in the Athens Stock Exchange and bonds out of the "Trading Securities" portfolio to the "Available for Sale Securities" portfolio amounting to € 6,703 thousand. This reclassification was made due to the current volatility on the financial markets. The revaluation of these shares and bonds for the period from 01.01.09 to 30.09.09, resulted to a profit of € 995 thousand, which has been recognized in the Available for Sale securities reserve, whereas if the Bank had not reclassified the above shares and bonds, the aforementioned amount would have had an impact on profit or loss account.

Regarding the "Trading Securities" portfolio for 2009, the amendments of IAS 39 were not applied by the Bank, as there are no reasons for applying it.

**20. Available for sale investments**
*(Amounts in thousand of Euro)*

	<b>30.09.2009</b>	<b>31.12.2008</b>
Mutual fund units	10,109	8,328
Listed shares	922	5,302
Corporate bonds	16,611	4,227
Non-listed equity securities	1,881	1,763
<b>Total</b>	<b>29,523</b>	<b>19,620</b>

After the decision by the Private Insurance Supervisory Committee held on 21 September 2009 regarding the recall of the operating license of Aspis Pronoia SA, the Bank has impaired all its shares of the aforementioned company of total cost € 13,143 thousand (7,317,593 shares). This impairment had an effect in the Bank's comprehensive income of € 4,830 thousand and is illustrated in "profit/loss of financial instruments" of profit and loss account, while an amount of total value € 8,240 thousand concerning the impairment which had been formed until 31 December 2008 was transferred from Bank's reserves to the same line as above (Note 9).

**21. Held-to-maturity securities**
*(Amounts in thousand of Euro)*

	<b>30.09.2009</b>	<b>31.12.2008</b>
Greek Government bonds	10,535	3,210
<b>Total</b>	<b>10,535</b>	<b>3,210</b>

**22. Property, plant and equipment***(Amounts in thousand of Euro)*

<b>Cost</b>	<b>Property and buildings</b>	<b>Leasehold improvements</b>	<b>Furniture and equipment</b>	<b>Total</b>
Balance at 1 <sup>st</sup> January 2008	6,985	26,797	58,423	<b>92,205</b>
Acquisitions	-	799	3,803	<b>4,603</b>
Disposals	-	-	(3)	<b>(3)</b>
Other movements/ write-offs	(10)	-	(1,256)	<b>(1,266)</b>
<b>Balance as at 31<sup>th</sup> December 2008</b>	<b>6,975</b>	<b>27,596</b>	<b>60,967</b>	<b>95,539</b>
Balance at 1 <sup>st</sup> January 2009	6,975	27,596	60,967	95,539
Acquisitions	269	789	2,975	4,033
Disposals	-	-	(495)	(495)
Other movements/ write-offs	-	-	(8)	(8)
<b>Balance as at 30<sup>th</sup> September 2009</b>	<b>7,244</b>	<b>28,385</b>	<b>63,439</b>	<b>99,069</b>
<b>Depreciation</b>	<b>Property and buildings</b>	<b>Leasehold improvements</b>	<b>Furniture and equipment</b>	<b>Total</b>
Balance at 1 <sup>st</sup> January 2008	895	13,934	24,204	<b>39,033</b>
Depreciation for the year	126	1,667	5,415	<b>7,208</b>
Other movements/ write-offs	-	-	(954)	<b>(954)</b>
<b>Balance as at 31<sup>th</sup> December 2008</b>	<b>1,021</b>	<b>15,601</b>	<b>28,665</b>	<b>45,287</b>
Balance at 1 <sup>st</sup> January 2009	1,021	15,601	28,665	<b>45,287</b>
Depreciation for the period	105	1,586	4,108	5,799
Other movements/ write-offs	-	-	(337)	(337)
<b>Balance as at 30<sup>th</sup> September 2009</b>	<b>1,126</b>	<b>17,187</b>	<b>32,436</b>	<b>50,749</b>
<b>Carrying amounts</b>	<b>Property and buildings</b>	<b>Leasehold improvements</b>	<b>Furniture and equipment</b>	<b>Total</b>
Balance at 1 <sup>st</sup> January 2008	6,090	12,863	34,219	<b>53,172</b>
<b>Balance as at 31<sup>th</sup> December 2008</b>	<b>5,954</b>	<b>11,995</b>	<b>32,302</b>	<b>50,251</b>
Balance at 1 <sup>st</sup> January 2009	5,954	11,995	32,302	50,251
<b>Balance as at 30<sup>th</sup> September 2009</b>	<b>6,118</b>	<b>11,198</b>	<b>31,003</b>	<b>48,320</b>



### 23. Intangible assets

(Amounts in thousand of Euro)

<b>Cost</b>	<b>Software</b>
Balance at 1 <sup>st</sup> January 2008	15,141
Acquisitions	4,252
<b>Balance as at 31<sup>th</sup> December 2008</b>	<b>19,393</b>
Balance at 1 <sup>st</sup> January 2009	19,393
Acquisitions	2,908
<b>Balance as at 30<sup>th</sup> September 2009</b>	<b>22,301</b>
<b>Amortization</b>	
Balance at 1 <sup>st</sup> January 2008	5,921
Charge for the year	5,002
<b>Balance as at 31<sup>th</sup> December 2008</b>	<b>10,923</b>
Balance at 1 <sup>st</sup> January 2009	10,923
Charge for the period	3,503
<b>Balance as at 30<sup>th</sup> September 2009</b>	<b>14,426</b>
<b>Carrying amounts</b>	
Balance at 1 <sup>st</sup> January 2008	9,220
<b>Balance as at 31<sup>th</sup> December 2008</b>	<b>8,470</b>
Balance at 1 <sup>st</sup> January 2009	8,470
<b>Balance as at 30<sup>th</sup> September 2009</b>	<b>7,875</b>

### 24. Deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

(Amounts in thousand of Euro)

	<b>30.09.2009</b>	<b>31.12.2008</b>
<b>Deferred tax assets</b>		
Finance lease		
Impairment for customer loans	5,776	860
Employee benefits	826	767
Commission income	551	595
Provisions	574	1,211
Tax loss	23,382	12,616
Other	(360)	170
<b>Total</b>	<b>30,749</b>	<b>16,219</b>
<b>Deferred tax liabilities</b>		
Finance lease	(111)	499
Property and equipment	(3,564)	3,753
Commission expense	(172)	176
Loans	(931)	-
Other	-	1,006
<b>Total</b>	<b>(4,778)</b>	<b>5,434</b>
<b>Net deferred tax asset</b>	<b>25,971</b>	<b>10,785</b>

**Movement in temporary differences during the period**
*(Amounts in thousand of Euro)*

<b>30.09.2009</b>	<b>Opening balance</b>	<b>Recognized in income</b>	<b>Closing balance</b>
Customer loans impairment	860	4,916	5,776
Employee benefits	767	59	826
Commission income	595	(44)	551
Finance lease	(499)	388	(111)
Property and equipment	(3,753)	189	(3,564)
Commission expense	(176)	4	(172)
Tax loss	12,616	10,766	23,382
Loans	(1,006)	75	(931)
Provisions	1,211	(637)	574
Other	170	(530)	(360)
<b>Total</b>	<b>10,785</b>	<b>15,186</b>	<b>25,971</b>

  

<b>31.12.2008</b>	<b>Opening balance</b>	<b>Recognized in income</b>	<b>Closing balance</b>
Customer loans impairment	1,818	(958)	860
Employee benefits	894	(127)	767
Commission income	817	(222)	595
Finance lease	(496)	(3)	(499)
Property and equipment	(4,923)	1,170	(3,753)
Commission expense	(188)	12	(176)
Tax loss	1,353	11,263	12,616
Loans	(658)	(348)	(1,006)
Provisions	0	1,211	1,211
Other	184	(14)	170
<b>Total</b>	<b>(1,199)</b>	<b>11,984</b>	<b>10,785</b>

The Bank is examining and has designed a plan of attaining adequate tax profits within the following 5 years in order to justify the offset of tax losses. Deferred tax asset regarding the tax of profits of 2008 that may be offset until 2013 amounts to € 12,260 thousand, while the respective deferred tax asset concerning the tax of profits of 2009 that may be offset until 2014 amounts to € 11,107 thousand. The amount of the deferred tax asset concerning tax losses of the Group includes also the offsetting of tax losses against tax profits for the period, amounting to € 341 thousand of Aspis Leasing.

**25. Other assets**
*(Amounts in thousand of Euro)*

	<b>30.09.2009</b>	<b>31.12.2008</b>
Receivables from Greek State and other public organizations	14,720	11,347
Guarantees and participations to other funds	10,850	9,919
Deposit Guarantee Fund	10,545	5,306
Property acquired in auctions	5,157	5,184
Advances	1,003	1,795
Accrued income	313	2,012
Other receivables	19,047	17,554
<b>Total</b>	<b>61,635</b>	<b>53,117</b>

According to Law 3714/2008 the amount of individual deposits guaranteed by the Deposit Guarantee Funds was increased from €20 thousand to €100 thousand per depositor. The additional contribution made by banks is subject to special assets group according to Law 3746/2008.

Property acquired through auctions refers to property mainly acquired through the enforcement of security over loans and advances.



"Receivables from Greek State and other public organizations" consist of payments for capital tax amounting to €1,668 thousand. This amount arises from the following:

- Payment of € 900 thousand for share capital increase of € 90,000 thousand with the issuance of preference shares which were to be retained by the Greek State according to the decision of extraordinary General Meeting of 23 January 2009. After the acquisition of these shares the aforementioned amount will be recognized in the share capital; otherwise this amount will be claimed by the Greek State.
- Payment of € 768 thousand for the increase of share capital according to the decision of extraordinary General Meeting of 23 July 2009.

The amount in "Other Receivables" is analyzed as follows: an amount of € 9,733 thousand expenses of housing loans for distribution, € 6,382 thousand temporary intermediate accounts and € 2,932 thousand other third party claims.

## 26. Due to customers

(Amounts in thousand of Euro)

	30.09.2009	31.12.2008
Term deposits	1,450,582	1,551,495
On demand and current accounts	303,030	275,611
Savings accounts	170,586	159,022
<b>Total</b>	<b>1,924,198</b>	<b>1,986,128</b>

From the amount of "Term deposits" the deposits which are expected to mature within the following 12 months amount to € 1,450 million.

## 27. Debt securities in issue and other borrowed funds

(Amounts in thousand of Euro)

	30.09.2009	31.12.2008
Securitized loans	133,753	123,968
Subordinated loans	50,000	100,250
Other Bonds	12,000	34,952
Accrued expense	962	3,172
Direct expenses	(84)	(509)
<b>Total</b>	<b>196,631</b>	<b>261,833</b>

Subordinated loans are analyzed as follows:

Aspis Finance plc. issued in February 2005 an amount of € 50,000 thousand due in 2015 with recall date February 2010 and maturity February 2015. Interest rate is 3 month Euribor plus 1.35% spread which if recalled increases by 1.30%.

All amounts are 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.

Issuer Apis Jersey Plc repurchased in August 2009 the subordinated loan due in 2017 and amounting to € 50,250 thousand. From the cancellation of the loan, a profit of € 27,638 thousand was incurred which was posted on income statement and specifically in caption "Profit / (Loss) from financial instruments".

## 28. Provisions

Movement in provisions:

(Amounts in thousand of Euro)

30.09.2009	Opening balance	Provision for the period	Usage of provisions	Closing balance
Restructuring plan	1,749	-	(810)	<b>939</b>
Contingent indemnification of labour legal disputes	1,000	-	-	<b>1,000</b>
Impairment on claims apart from Bank loans	1,846	510	(2,097)	<b>259</b>
Income tax for open tax years	545	3	(523)	<b>25</b>
Litigation claims	470	60	(219)	<b>311</b>
<b>Total</b>	<b>5,610</b>	<b>573</b>	<b>3,649</b>	<b>2,534</b>



31.12.2008	Opening balance	Provision for the period	Usage of provisions	Closing balance
Restructuring plan	-	1,749	-	1,749
Contingent indemnification of labour legal disputes	-	1,000	-	1,000
Impairment on claims apart from Bank loans	-	1,846	-	1,846
Income tax for open tax years	-	545	-	545
Litigation claims	-	470	-	470
<b>Total</b>	<b>-</b>	<b>5,610</b>	<b>-</b>	<b>5,610</b>

The provisions of the period amounting to € 573 thousand are recorded in the "Provisions" in the profit and loss account which also includes provisions of impairment of other claims amounting to € 2,266 thousand which are shown as a deduction in assets.

The amount designated for the restructuring plan relates to the actions that the Bank has started from 2008 in order to shut down certain branches considered unprofitable and to relocate them.

## 29. Other liabilities

(Amounts in thousand of Euro)

	30.09.2009	31.12.2008
Bank drafts & cheques payable	22,076	3,546
Payments DIAS	5,222	3,715
Tax obligations	2,117	2,034
State and Social Insurance liabilities	1,044	2,269
Accrued interest expense	653	777
Other liabilities	10,008	6,403
Other accrued expenses	11,416	8,280
<b>Total</b>	<b>52,536</b>	<b>27,024</b>

The "Other accrued expenses" are analyzed as follows: an amount of €6,954 thousand concerning accrued fees and social security obligations, an amount of € 3,983 thousand regarding commission income from housing loans to be amortized and an amount of € 479 thousand regarding deferred expenses.

## 30. Employee benefits

Employee benefits consist of:

(Amounts in thousand of Euro)

	30.09.2009	31.12.2008
Defined benefit obligation	4,081	3,835
Vacation not taken	50	50
<b>Total</b>	<b>4,131</b>	<b>3,885</b>
<b>Defined benefit obligations</b>		
Present value of unfunded obligations	3,532	3,209
Unrecognised actuarial gains and losses	549	626
<b>Recognized liability for defined benefit obligations</b>	<b>4,081</b>	<b>3,835</b>
<b>Movement in the liability for defined benefit obligations</b>		
	<b>30.09.2009</b>	<b>31.12.2008</b>
Defined benefit obligations at 1 January	3,835	3,604
Expense recognized in profit or loss (see below)	329	495
Benefits paid	(83)	(264)
<b>Total</b>	<b>4,081</b>	<b>3,835</b>
<b>Expense recognized in profit or loss</b>		
	<b>30.09.2009</b>	<b>31.12.2008</b>
Current service costs	215	326
Interest cost	131	159
Amortization of actuarial loss	(17)	-
Past service cost	-	10
<b>Total</b>	<b>329</b>	<b>495</b>
<b>Actuarial assumptions</b>		
	<b>30.09.2009</b>	<b>31.12.2008</b>
Discount rate	5.5%	5.5%
Future salary increases	4.0%	4.0%



### 31. Share capital

The extraordinary General Assembly of the Shareholders held on 23rd January 2009 decided the increase of the share capital for an amount of € 90,000 thousand which will be funded by the Greek State, according to the provisions of Law 3723/08 for enforcing liquidity of the banks. This share capital increase takes place via the issue of 33,210,332 preference shares of nominal value of € 2.71.

The extraordinary General Assembly of the Shareholders held on 23rd July 2009 decided the following:

- 1) To reduce the share capital by reducing a nominal value of shares from € 2.71 to 0.60. As a result, the share capital was decreased by € 135,176 thousand with a creation of special reserve of the same amount pursuant to the provisions of article 4, paragraph 4a of Law 2190/1920, as the latter was amended by the article 32 of Law 3763/2009. The aforementioned reserve can only be used for set off of future losses or for capitalization.
- 2) It decided to recall the decision of the extraordinary General Assembly of the Shareholders held on 23/1/2009, regarding the increase of share capital for an amount of € 90,000 thousand which was to be funded by the Greek State according to the provisions of Law 3723/08.
- 3) It also decided to increase the share capital with cash for an amount of € 76,887 thousand by issuing 128,128,108 new common, nominal shares of a nominal value of € 0.60. The aim is to collect € 120,000 thousand in funds. Any difference arising from the amount of € 76,887 thousand will be recorded in share premium. The offer price will be determined by the Bank's Board of Directors. This increase is expected to be completed within 2009 and will improve the Group's capital adequacy as well as sustain the Group's growth. The Bank has the right to participate to the state-aid program for the strengthening of the liquidity through the issuance of preference shares which will be retained by the Greek State until 31 December 2009 according to Law 3723/2008.

### 32. Reserves

(Amounts in thousand of Euro)

	<b>30.09.2009</b>	<b>31.12.2008</b>
Statutory reserve	796	883
Untaxed reserves	2,264	2,264
Available for sale reserve	(1,677)	(11,764)
Reserves for reduction of nominal value	135,176	-
Other reserves	6,599	6,365
<b>Total</b>	<b>143,158</b>	<b>(2,252)</b>

*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.

*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. In case tax free reserves are distributed a tax of € 566 thousand will be paid.

*Fair value reserve:* The fair value reserve includes the cumulative fair value changes of available-for-sale investments.

*Other reserves:* It includes other reserves.

### 33. Related-party transactions

The Group 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.

(Amounts in thousand of Euro)

	30.09.2009	31.12.2008
<b>(a) Senior management and Board of Directors</b>		
Loans and advances to customers	1,398	21,546
Due to customers	1,200	3,736
Other liabilities	134	92
<b>Income</b>		
Net interest income	(71)	528
Net commission income	1	32
<b>Expense</b>		
Staff costs	1,553	14,890
Other operating expenses	262	398
<b>(b) Other key management personnel and other parties</b>		
Loans and advances to customers	22,728	24,410
Other assets	3,112	944
Due to customers	49,967	58,932
Other liabilities	93	251
<b>Income</b>		
Net interest income	590	(1,097)
Net commission income	639	394
<b>Expense</b>		
Other operating expenses	2,301	3,820

The claims of Group from loans and letters of guarantee granted to Aspis Pronoia amounts to € 26,236 thousand for which an impairment of € 9,670 thousand has been established.

(Amounts in thousand of Euro)

	Company name	Loans	Deposits	Interest income	Interest expense	Other income	Other expenses	CCS	Stock brokerage	Other assets	Other liabilities
<b>Board of Directors &amp; Senior management</b>		<b>498</b>	<b>1,200</b>	<b>8</b>	<b>79</b>	<b>1</b>	<b>1,815</b>	-	<b>900</b>	-	<b>134</b>
	ASPIS PRONOIA S.A.	3,517	8,495	550	116	389	1,463	300	-	2,183	34
	ASPIS PRONOIA GEN.SECURITY LIFE S.A	-	9,673	11	243	220	350	269	-	905	2
	PROVISION S.A.	-	-	-	-	-	-	-	(12)	-	-
	ASPIS ESTIA S.A.	2,500	35	73	-	-	-	-	-	-	-
	ASPIS FUNDS	-	90	-	2	-	-	-	-	-	-
	COMMERCIAL VALUE S.A.	502	30,865	122	996	29	132	1,133	-	24	56
	E-VALLEY S.A.	-	35	-	-	-	-	-	-	-	-
	D.ATHENEOS INSURANCE GROUP	-	3	-	-	-	-	-	-	-	1
<b>Parent Company Group</b>		<b>6,519</b>	<b>49,196</b>	<b>756</b>	<b>1,357</b>	<b>638</b>	<b>1,945</b>	<b>1,702</b>	<b>(12)</b>	<b>3,112</b>	<b>93</b>
<b>Other related parties</b>		<b>11,875</b>	<b>759</b>	<b>1,203</b>	<b>12</b>	<b>1</b>	<b>356</b>	-	<b>4,334</b>	-	-
<b>Total</b>		<b>18,892</b>	<b>51,155</b>	<b>1,967</b>	<b>1,448</b>	<b>640</b>	<b>4,116</b>	<b>1,702</b>	<b>5,222</b>	<b>3,112</b>	<b>227</b>

### 34. Contingent liabilities and commitments

#### 34.1 Litigation

The Group 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 Group. For this reason provisions amounting to € 311 thousand have been formed. The Group has also formed a provision of € 1 million for contingent labour legal disputes (Note 28).



### 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

*(Amounts in Euro thousand)*

	30.09.2009	31.12.2008
Letters of guarantee	150,780	184,732
Letters of credit	902	1,306

The Group participates in the Company of innovator business participations NBGI Private Equity and has contractual obligation to pay the amount of € 5,000 thousand. The Group has paid until today an amount of GBP 1,884 thousand or € 2,072 thousand. The value of the specific participation which has been classified in "Available for sale securities" arises to the amount of € 1,529 thousand, according to the latest available evaluation of 31.12.2008.

### 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 lease payments under operating leases are as follows :

*(Amounts in Euro thousand)*

	30.09.2009	31.12.2008
Less than one year	6,259	6,853
Between one and five years	15,977	16,646
Over 5 years	10,989	8,218

## 35. Subsequent events

- According to the decision of the Bank's Board of Directors held on 10 October 2009, Mr Nikolaos Moustakis resigned from member of Board of Directors and his duties were assumed by Mr Stayros Androutsopoulos as independent non-executive Member.

- The Private Insurance Supervisory Committee recalled the operating license of the insurance companies Aspis Pronoia SA and Aspis Pronoia Gen. Security Life SA on 21 September 2009. The aforementioned companies participate with 19.70% in the share capital of the Bank. The Bank faced an outflow of deposits amounting to € 286.9 million from the date of recall of licenses of the above companies until the reporting date. The deposit outflow from 1 October 2009 until today is approximately € 139.9 million.



**Independent Auditors' Report**  
(Translated from the original in Greek)

To the Shareholders of  
ASPIS BANK S.A.

**Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of financial position of ASPIS BANK S.A. (the "Bank") as of 30 September 2009 and the statements of comprehensive income, changes in equity and cash flows for the nine-month period 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 interim consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, in accordance with IAS 34 Interim Financial Reporting. 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.

**Auditors' Responsibility**

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

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

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

**Opinion**

In our opinion, the interim consolidated financial statements give a true and fair view, of the interim consolidated financial position of the Bank as of 30 September 2009, and of its interim consolidated financial performance and its interim consolidated cash flows for the period then ended in accordance with IAS 34 Interim Financial Reporting.

We draw attention to the fact that we have not audited or reviewed the figures shown for 30 September 2008 which are included in the interim consolidated comprehensive income, changes in equity and cash flows for the period then ended and we do not express any opinion on them.

Emphasis of matter

Without qualifying our opinion we draw attention to Note 2.2 of the interim consolidated financial statements which refers to the fact that the capital adequacy ratio has marginally exceeded the minimum limit. As a result, the Bank has, instantly, decided to increase its share capital, as it is requested by the Bank of Greece, in order to continue its operations without any doubt.

Athens, 4 November 2009

KPMG Certified Auditors A.E.

Harry Sirounis  
Certified Auditor Accountant  
AM SOEL 19071