# Aspis Bank

## Condensed Interim Individual Financial Report for the period ended at 30th June 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 10th August 2009 and are available at the following web page: www.aspisbank.gr

**Contents**

**Statement of Comprehensive Income**
*(Amounts in Euro thousand)*

| | Note | From 1st January to 30.06.2009 | 30.06.2008 | From 1st April to 30.06.2009 | 30.06.2008 |
|---|---|---|---|---|---|
| Interest income | | 56,601 | 74,396 | 26,133 | 38,182 |
| Interest expense and similar charges | | (52,533) | (54,748) | (23,037) | (28,753) |
| **Net interest income** | | **4,068** | **19,648** | **3,096** | **9,429** |
| Fee and commission income | | 10,129 | 11,893 | 5,704 | 5,646 |
| Fee and commission expense | | (227) | (233) | (111) | (135) |
| **Net fee and commission income** | | **9,902** | **11,660** | **5,593** | **5,511** |
| Net trading income / (expense) | | 1,781 | (684) | 782 | 158 |
| Other operating income | | 667 | 1,813 | 228 | 562 |
| **Total operating income** | | **16,418** | **32,437** | **9,699** | **15,660** |
| Staff expenses | | (21,216) | (31,478) | (10,858) | (20,336) |
| Depreciation and amortization | | (3,504) | (3,078) | (1,750) | (1,723) |
| Other operating expenses | **8** | (14,832) | (16,968) | (8,740) | (10,204) |
| Impairment on loans and advances | **10** | (15,427) | (10,038) | (10,028) | (8,038) |
| Other provisions | | (250) | - | (250) | - |
| **Total operating expenses** | | **(55,229)** | **(61,562)** | **(31,626)** | **(40,301)** |
| **Loss before income tax** | | **(38,811)** | **(29,125)** | **(21,927)** | **(24,641)** |
| Income tax | **7** | 7,328 | 7,295 | 4,123 | 6,172 |
| **Loss for the period** | | **(31,483)** | **(21,830)** | **(17,804)** | **(18,469)** |
| Changes in fair value of Available for Sale securities transfered to profit or loss | | 7 | - | 12 | - |
| Changes in fair value of Available for Sale securities | | 1,163 | (4,894) | 1,415 | (765) |
| **Other comprehensive income after tax** | | **1,170** | **(4,894)** | **1,427** | **(765)** |
| **Total comprehensive income after tax** | | **(30,313)** | **(26,724)** | **(16,377)** | **(19,234)** |
| Basic and diluted earnings/(loss) per share (in Euro) | | (0.4914) | (0.3408) | (0.2779) | (0.2883) |

| D.I.Stavropoulos | C.G.Sorotos | N.G.Voutychtis | N.D.Dalianis |
|---|---|---|---|
| ID No.P.562836 | ID No.AZ.096924 | ID No.AE.107507 | ID No.AZ.118237 |
| CHAIRMAN OF THE BOARD OF DIRECTORS | VICE CHAIRMAN OF THE BOARD OF DIRECTORS | CHIEF FINANCIAL OFFICER | OEE.Lic.Reg.No: 0015073/4-07-01 A΄CI HEAD OF ACCOUNTING |

The notes on pages 7 to 14 form an integral part of this condensed interim individual financial report

**Statement of Financial Position**

*(Amounts in Euro thousand)*

| Assets | Note | 30.06.2009 | 31.12.2008 |
|---|---|---|---|
| Cash & cash equivalents | | 102,675 | 79,323 |
| Loans and advances to banks | | 180,811 | 237,424 |
| Loans and advances to customers (net of impairment) | 10 | 1,986,481 | 1,974,414 |
| Investment securities | | | |
| - Available-for- sale | 17 | 436,410 | 22,120 |
| - Held-to-maturity | | 10,415 | 3,210 |
| Investment in subsidiaries and associates | 16 | 30,550 | 30,549 |
| Property and equipment | 9 | 42,979 | 44,876 |
| Intangible assets | 9 | 5,213 | 5,282 |
| Deferred tax asset | | 18,087 | 10,560 |
| Other assets | 11 | 106,053 | 52,337 |
| **Total assets** | | **2,919,674** | **2,460,095** |

| Liabilities | | 30.06.2009 | 31.12.2008 |
|---|---|---|---|
| Due to banks | | 9,780 | 156,183 |
| Due to customers | | 2,216,611 | 1,993,094 |
| Debt securities in issue | | 140,596 | 141,568 |
| Other borrowed funds | 17 | 409,937 | - |
| Provisions/Other liabilities | 12 | 32,748 | 29,110 |
| Employee benefits | | 3,847 | 3,672 |
| **Total liabilities** | | **2,813,519** | **2,323,627** |

| Equity | | 30.06.2009 | 31.12.2008 |
|---|---|---|---|
| Share capital | | 173,614 | 173,614 |
| Share premium | | 17,053 | 17,053 |
| Reserves | | (2,255) | (3,425) |
| Accumulated deficit | | (82,257) | (50,774) |
| **Equity attributable to Bank equity holders** | | **106,155** | **136,468** |
| | | | |
| **Total liabilities and Equity** | | **2,919,674** | **2,460,095** |

The notes on pages 7 to 14 form an integral part of this condensed interim individual financial report

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

| | Share Capital | Share Premium | Reserves | Retained Earnings | Total |
|---|---|---|---|---|---|
| **Balance as at 1st January 2008** | **173,614** | **17,053** | **2,730** | **4,383** | **197,780** |
| **Other comprehensive income** | | | | | |
| Loss for the period | - | - | - | (21,830) | (21,830) |
| Changes in fair value of available for Sale securities | - | - | (4,894) | - | (4,894) |
| **Total comprehensive income after tax** | **-** | **-** | **(4,894)** | **(21,830)** | **(26,724)** |
| **Transactions with owners** | | | | | |
| Prior year dividends paid | - | - | - | (1,281) | (1,281) |
| Reserve appropriation | - | - | 1,651 | (1,651) | - |
| Other tranfers | - | - | - | (1) | (1) |
| **Total transactions with owners** | **-** | **-** | **1,651** | **(2,933)** | **(1,282)** |
| **Balance as at 30th June 2008** | **173,614** | **17,053** | **(513)** | **(20,380)** | **169,774** |

| | Share Capital | Share Premium | Reserves | Retained Earnings | Total |
|---|---|---|---|---|---|
| **Balance as at 1st January 2009** | **173,614** | **17,053** | **(3,425)** | **(50,774)** | **136,468** |
| **Other comprehensive income** | | | | | |
| Loss for the period | - | - | - | (31,483) | (31,483) |
| Changes in fair value of available for Sale securities | - | - | 1,163 | - | 1,163 |
| Changes in fair value of available for Sale securities transfered to profit or loss | - | - | 7 | - | 7 |
| **Total comprehensive income after tax** | **-** | **-** | **1,170** | **(31,483)** | **(30,313)** |
| **Balance as at 30th June 2009** | **173,614** | **17,053** | **(2,255)** | **(82,257)** | **106,155** |

The notes on pages 7 to 14 form an integral part of this condensed interim individual financial report

**Cash Flow Statement**

*(Amounts in Euro thousand)*

| | 30.06.2009 | 30.06.2008 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Loss before income tax | (38,811) | (29,125) |
| **Adjustments for non-cash items** | | |
| Depreciation and amortisation | 3,504 | 3,078 |
| Impairment losses | 15,427 | 10,038 |
| Other provisions | 250 | - |
| Defined benefit obligation | 199 | 222 |
| Other non-cash items | 2,476 | 2,309 |
| (Gains)/losses from valuation of Trading and Available for Sale securities | (471) | (48) |
| (Gains)/losses on the sale of property and equipment | (3) | - |
| | **(17,429)** | **(13,526)** |
| **Changes in operations** | | |
| Net (increase)/decrease in available for sale securities | (410,253) | (394) |
| Net (increase)/decrease in derivative financial instruments | - | (7) |
| Net (increase)/decrease in loans and advances to customers | (27,494) | (104,622) |
| Net (increase)/decrease in other assets | (59,142) | (5,968) |
| Net increase/decrease in due to banks | (146,403) | (34,305) |
| Net increase/decrease in due to customers | 223,517 | 171,708 |
| Net increase/decrease in other liabilities | 2,655 | 15,799 |
| **Net cash inflow/(outflow) from operating activities** | **(434,549)** | **28,685** |
| **Cash flows from investing activities** | | |
| Sale of investments | - | 162 |
| Sales of property and equipment | 13 | 30 |
| Purchases of investments | (7,103) | - |
| Purchases of property, equipment and intangible assets | (1,548) | (2,411) |
| Dividends received | - | 10 |
| **Net cash inflow/(outflow) from investing activities** | **(8,638)** | **(2,209)** |
| **Cash flows from financing activities** | | |
| Net proceeds from issue/(repayment) of debt securities | 410,035 | 108 |
| Prior year dividends paid | - | (1,281) |
| **Net cash inflow/(outflow) from financing activities** | **410,035** | **(1,173)** |
| **Net increase/(decrease) in cash and cash equivalents** | **(33,152)** | **25,303** |
| **Cash and cash equivalents as at 1st January** | **316,748** | **566,904** |
| Foreign exchange differences on cash and cash equivalents | (110) | (12,171) |
| **Cash and cash equivalents as at 30th June** | **283,486** | **580,036** |
| **Cash and cash equivalents consists of:** | | |
| Cash and balances with Central Bank | 102,675 | 193,049 |
| Due to banks | 180,811 | 386,987 |
| | **283,486** | **580,036** |

The notes on pages 7 to 14 form an integral part of this condensed interim individual financial report

## 1. General information

ASPIS BANK S.A. (the "Bank") operates as a banking institution since 1992. According to article 4 of the Bank's Article of Association, its objective is to engage on its own account or on behalf of third parties all banking operations allowed by the current regulatory framework.

The Bank is incorporated, domiciled and operates in Greece. The Bank maintains its head office in 4 Othonos st., 105 57 Athens, Greece, is registered in the Societe Anonyme Registry under no. 26699/06/B/92/12 and its shares are listed in Athens Stock Exchange.

The Bank and its subsidiaries (the "Group") engage in retail and wholesale banking, asset management, stock brokerage, leasing, insurance brokerage and other services.

The Bank's internet address is: www.aspisbank.gr

## 2. Statement of compliance

This condensed interim individual financial report has been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" and should be read in conjunction with the Bank's annual financial statements for the year ended 31 December 2008. Where necessary, comparatives have been adjusted to reflect changes in presentation in the current period. For more information investor can also see note 13.

The amounts in the condensed interim individual financial report are expressed in thousand of Euro, unless otherwise indicated.

This Condensed Interim Individual Financial Report has been approved by the Board of Directors of the Bank at 10 August 2009.

## 3. Principal accounting policies

For the preparation of the Condensed Interim Individual Financial Reports of the period the accounting policies and method applied are consistent with those of the annual financial statements of the Bank for the year ended 31 December 2008.

**New I.F.R.S., amendments and interpretations that are mandatory for accounting periods beginning on or after 1 January 2009:**

(a) IFRS 8 Operating Segments

IFRS 8 replaces IFRS 14: "Segment reporting". The new Standard requires a management approach for disclosures regarding the adequacy of other Bank'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. All owner changes in equity should be presented in the statements of changes in equity, separately from "non-owner change" 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 also applied for the condensed interim financial report of 30 June 2009. Comparative figures are restated in accordance with the revised standard.

(c) IFRS 2 Share based payment: "vesting conditions and cancellations" – Revised 2008

This amendment clarifies that only service conditions and performance conditions are vesting conditions, while all other features need to be included in the fair value at grant date.

(d) IFRIC 13 Customer Loyalty Programmes

IFRIC 13 applies to customer loyalty programmes. This interpretation is applicable to credit card customer loyalty programmes, nevertheless, its adoption will not have a significant impact on the Bank's financial position.

**New I.F.R.S. amendments and interpretations that are mandatory for accounting periods beginning on or after 1 January 2009 and have not been adopted by the Bank**

(a) IAS 32 Financial Instruments - Amendment

The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met.

(b) Amendment IAS 27 "Consolidated and Separate Financial Statements" and IFRS 1 "First implementation of International Financial Standards" as far as concerns the cost value of participation in subsidiaries, joint ventures and associates companies.

With this amendment that was issued on 22 May 2008 by the Council, the cost of shares in subsidiaries, associates and joint ventures in the Bank's separate financial statements is not affected by distributions of profit for periods prior to the acquisition date of these shares. Those distributions will be recognized in profit or loss as dividend income. Additionally, with this amendment, changes were also made to IAS 36 - Impairment of Assets, which indicates the impairment of shares according to the effect in the Banks' equity due to distribution of dividends in investees.

Concerning the first time adoption of IFRS , alternative ways of determining cost of shares in subsidiaries, associates and joint ventures are provided, based on their fair value or their cost according to previous accounting standards.

(c) I.A.S. 39. Financial instruments: Recognition and Measurement

Eligible Hedged Items Amendment to I.A.S. 39. Amendment to I.A.S. 39 clarifies hedge accounting issues and, in particular, inflation and one-sided risk of a hedged item. An entity shall apply those amendments to I.A.S. 39 for annual periods beginning on or after 1 July 2009.

(d) IFRIC 15 Agreements for the Construction of Real Estate

An entity shall apply I.F.R.I.C. 15 "Agreements for the Construction of Real Estate" for annual periods beginning on or after 1 January 2009.This Interpretation applies to the accounting for income from the sale of real estate.

(e) I.F.R.I.C. 16 Hedges of a Net Investment in a Foreign Operation

This Interpretation applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and wishes to qualify for hedge accounting in accordance with I.A.S. 39. This interpretation does not apply to Bank's activities.

(f) IAS 23 Borrowing Cost – Revised 2008

In the revised standard, the previous benchmark treatment of recognizing borrowing costs as an expense has been eliminated. Instead, borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets form part of the costs of these assets.

**New I.F.R.S., amendments and interpretations issued but not yet applied:**

(a) IFRS 3: "Business Combinations" – Revised 2008 and subsequent amendments in IAS 27, 28 and 31 for investment in associates, subsidiaries and joint ventures:

The revised standard introduces significant amendments for the application of the acquisition method for business combinations. Among other changes the standard introduces the possibility of minority interests being measured at fair value. Furthermore, the revised standard requires that the acquirer of a subsidiary recognizes the assets acquired and liabilities assumed as a transaction with owners of the business and any difference should be recognized in equity. The revised IFRS 3 applies for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009, while no consolidation adjustments are required for the period before the revised standard will become effective.

(b) I.F.R.I.C. 17 Distribution of non-cash assets to owners

Effective for annual periods beginning on or after 1 July 2009. This interpretation, issued on 27 November 2008, provides guidance to an entity in order to recognize and subsequently measure a liability arising from the distribution of non-cash assets to owners. The Bank is in the process of evaluating the potential effects of this interpretation.

(c) I.F.R.I.C. 18 "Transfer of assets from customers"

Effective for annual periods beginning on or after 1 July 2009. This interpretation, issued on 29 January 2009, clarifies the accounting treatment for agreements under which an entity receives from a customer an item of property, plant and equipment that the entity must then use to serve conventional obligations to him. The interpretation applies also, in cases where the entity receives cash from customers to construct or to buy an item of property, plant and equipment to be used as defined above. This interpretation does not apply to the Bank.

## 4. Critical accounting estimates and judgments

The preparation of the Financial Report in accordance with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of Bank's accounting policies as well as 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. Deviations resulting from the revision of the accounting estimates are recognised in the period in which estimates are revised and in future periods affected.

The most significant estimates and assumptions made for the preparation of this condensed interim financial report are the calculation of impairment losses of loans, the fair value of financial instruments and recovery of the deferred tax asset.

Due to the on going financial turmoil the Bank has revised its estimates for impairment on loans and advances and has recognised increased loan loss provisions.

## 5. Financial risk management

The Bank's goals in monitoring exposure to financial risks and methods used by management to control these risks are the same with those applied in the annual financial statements for the year ended 31 December 2008.

## 6. Operating segments

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

- Corporate Banking: This segment includes the banking services to large corporates operating in the commercial and industrial sector, participation in funding facilities through syndicated loans and corporate bonds.
- Shipping: This segment includes the banking services to shipping companies
- Asset Management and Stock brokerage: This segment includes stock brokerage services
- 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 facilities to individuals, households and small/medium size companies
- Treasury: This segment includes Treasury activity

*(Amounts in Euro thousand)*

| **30.06.2009** | **Corporate Banking** | **Shipping** | **Asset management & stock brokerage** | **Credit card** | **Retail Banking** | **Treasury** | **Other** | **Total** |
|---|---|---|---|---|---|---|---|---|
| *Interest income* | *4,398* | *732* | *152* | *1,484* | *44,880* | *4,955* | | *56,601* |
| *Interest expense* | *(384)* | *(66)* | *(31)* | *(10)* | *(48,076)* | *(3,966)* | | *(52,533)* |
| *Commissions & other earnings* | *400* | *280* | *1,084* | *1,172* | *7,633* | *1,781* | | *12,350* |
| *Inter-segment revenue* | *(978)* | *(74)* | *(53)* | *(215)* | *4,120* | *(2,800)* | | *-* |
| Operating income | **3,436** | **872** | **1,152** | **2,431** | **8,557** | **(30)** | **-** | **16,418** |
| Profit/(loss) before tax | 764 | 300 | (294) | (959) | (37,926) | (446) | (250) | **(38,811)** |
| Income tax | | | | | | | | **7,328** |
| Profit/(loss) after tax | | | | | | | | **(31,483)** |
| Total assets | 269,472 | 38,085 | 15,951 | 57,645 | 1,683,498 | 739,759 | 115,264 | **2,919,674** |
| Total liabilities | 16,192 | 19,137 | 6,910 | | 2,737,233 | 9,780 | 24,267 | **2,813,519** |
| Fixed assets additions | 1 | 1 | 32 | 126 | 1,357 | 31 | | **1,548** |
| Depreciation | 13 | 32 | 68 | 153 | 3,217 | 21 | | **3,504** |
| Loss from impairment of loans & advances | 2,284 | 11 | | 1,554 | 11,578 | | | **15,427** |

*(Amounts in Euro thousand)*

| **30.06.2008** | **Corporate Banking** | **Shipping** | **Asset management & stock brokerage** | **Credit card** | **Retail Banking** | **Treasury** | **Other** | **Total** |
|---|---|---|---|---|---|---|---|---|
| *Interest income* | 7,928 | 1,426 | 398 | 1,377 | 55,042 | 8,225 | - | 74,396 |
| *Interest expense* | (942) | (162) | (36) | (39) | (45,139) | (8,430) | - | (54,748) |
| *Commissions & other earnings* | 715 | 76 | 1,676 | 915 | 10,070 | (683) | 20 | 12,789 |
| *Inter-segment revenue* | (5,898) | (955) | (391) | (965) | 12,763 | (4,554) | | 0 |
| Operating income | 1,803 | 385 | 1,647 | 1,288 | 32,736 | (5,442) | 20 | **32,437** |
| Profit/(loss) before tax | 446 | (592) | (1,686) | (2,168) | (19,153) | (5,992) | 20 | **(29,125)** |
| Income tax | | | | | | | | **7,295** |
| Profit/(loss) after tax | | | | | | | | **(21,830)** |
| Total assets | 289,709 | 51,382 | 22,334 | 47,638 | 1,802,002 | 421,011 | 250,854 | **2,884,930** |
| Total liabilities | 12,378 | 12,179 | 6,373 | - | 2,342,776 | 333,804 | 7,646 | **2,715,156** |
| Fixed assets additions | 1 | 6 | 15 | 43 | 1,480 | - | 866 | **2,411** |
| Depreciation | 14 | 33 | 72 | 144 | 2,796 | 19 | - | **3,078** |
| Loss from impairment of loans & advances | 919 | 131 | 1,181 | 1,237 | 6,570 | - | - | **10,038** |

## 7. Income Tax

Due to the method under which the tax obligations are ultimately concluded in Greece, the Bank remains contingently liable for additional tax and penalties for its open tax years. Because of the method under which the tax obligation is ultimately concluded in Greece, the Bank remains contingently liable for additional taxes and penalties for its open tax years (2005 to 2008). Given the tax losses in years 2007 and 2008, the Bank's management estimates that the additional tax charge in case of a tax audit of the Bank is not expected to exceed € 700 thousand. Tax losses for 2007 and 2008 can offset future taxable profits until 2012 and 2013 respectively. The Bank is under a tax audit for the years 2005, 2006 and 2007 which is estimated to be completed within 2009.

Effective tax rate for the Bank, for the period ending at 30th June 2009, is the same as at 31st December 2008 (18%).

## 8. Other operating expenses

*(Amounts in Euro thousand)*

| | **From 1st January to** | | **From 1st April to** | |
|---|---|---|---|---|
| | **30.06.2009** | **30.06.2008** | **30.06.2009** | **30.06.2008** |
| Property expenses | 4,627 | 4,557 | 2,305 | 2,372 |
| Third party fees | 2,105 | 3,120 | 1,466 | 2,443 |
| Financial consulting fees | 84 | 114 | 82 | 112 |
| Telecommunication and postal charges | 827 | 977 | 456 | 694 |
| Other taxes | 990 | 1,132 | 603 | 737 |
| Subscription fees | 1,819 | 1,608 | 989 | 920 |
| Insurance premium | 124 | 130 | 58 | 40 |
| Traveling & accommodation expenses | 648 | 757 | 366 | 428 |
| Maintenance expenses | 580 | 470 | 335 | 335 |
| Marketing expenses | 1,256 | 1,654 | 951 | 1,095 |
| Consumables | 326 | 258 | 168 | 133 |

| | | | | |
|---|---|---|---|---|
| Credit card expenses | 712 | 726 | 406 | 458 |
| Other expenses | 734 | 1,465 | 555 | 437 |
| **Total** | **14,832** | **16,968** | **8,740** | **10,204** |

## 9. Property, equipment and intangible assets

During the six month period of 2009 (30.06.2008) , the Bank acquired:

Property and equipment € 1,117 thousand (30.06.2008: €1,545 thousand)

Intangible assets € 431 thousand (30.06.2008: € 866 thousand)

During the same period, the disposals/write-offs of property, plant and equipment amounted to € 10 thousand (30.06.2008: € 30 thousand)

## 10. Impairment losses on loans and advances to customers

The Bank taking into consideration the potential effects of the international credit crisis on the repayment ability of Greek companies and individuals, has made more prudent provisions for loan losses, charging the current period income statement by € 15.42 million (The corresponding charge for the six month period ended 30th June 2008 amounted to € 10.04 million).

The movement of impairment loss on loans for the period is as follows:

*(Amounts in Euro thousand)*

| | **30.06.2009** | **31.12.2008** |
|---|---|---|
| Opening balance | 54,554 | 37,403 |
| Charge for the period | 15,427 | 17,217 |
| Loans written off during the period | - | (66) |
| **Closing balance** | **69,981** | **54,554** |

## 11. Other assets

*(Amounts in Euro thousand)*

| | **30.06.2009** | **31.12.2008** |
|---|---|---|
| Guarantees and participations to other funds | 9,530 | 9,540 |
| Deposit Guarantee Fund | 10,545 | 5,306 |
| Foreclosed assets | 5,156 | 5,184 |
| Advances | 1,641 | 1,795 |
| Receivables from Greek State and other public organizations | 7,861 | 11,169 |
| Accrued income | 3,477 | 5,387 |
| Receivables from Special Purpose Entities | 47,219 | - |
| Other receivables | 20,624 | 13,956 |
| **Total** | **106,053** | **52,337** |

## 12. Provisions/ Other liabilities

*(Amounts in Euro thousand)*

| | **30.06.2009** | **31.12.2008** |
|---|---|---|
| Tax obligations | 1,460 | 1,826 |
| Bank drafts & cheques payable | 8,928 | 3,546 |
| Accrued interest expenses | 662 | 754 |
| State and Social Insurance liabilities | 1,371 | 2,184 |
| Other accrued expenses | 7,742 | 8,280 |
| Other provisions | 3,622 | 5,346 |
| Other liabilities | 8,963 | 7,174 |
| **Total** | **32,748** | **29,110** |

Provisions amounting to € 3,622 thousand refer to: € 2,922 thousand for restructuring and € 700 thousand for tax audits of the Bank.

## 13. Reclassification of assets and liabilities

Certain amounts concerning prior year of 2008 have been reclassified in order to be comparable to the current presentation. The reclassification in the statement of financial position relates to the transfer of total amount of € 5,908 thousand from "Other assets" to "Loans and advances to customers".

The reclassification in the "Other Liabilities" relates to the transfer of total amount of € 17,443 thousand from "Accrued interest expense" to "Due to customers" (€ 15,187 thousand) and "Debt Securities in issue" (€ 2,256 thousand) respectively.

## 14. Contingent liabilities and commitments

After consultation with legal counsel, management believes that there are no litigation claims which could have a material adverse effect on the financial position of the Bank.

The assets of the Bank are free from pledges.

As at 30th June 2009 the Bank's contingent liabilities arising from letters of guarantee and letters of credit issued are as follows:

*(Amounts in Euro thousand)*

| | **30.06.2009** | **31.12.2008** |
|---|---|---|
| Letters of guarantee | 187,687 | 210,102 |
| Letters of credit | 1,311 | 1,306 |

The commitments of the Bank arising from lease contracts refer mainly to buildings used for its branches and other operating units. The future minimum lease payments under operating leases for 30th June 2009 are as follows:

*(Amounts in Euro thousand)*

| | **30.06.2009** | **31.12.2008** |
|---|---|---|
| Less than one year | 6,919 | 6,588 |
| Between one and five years | 15,727 | 16,080 |
| More than five years | 9,151 | 8,188 |

## 15. Related Party transactions

The balances and the results of the transactions of the Bank with related parties for the six month period ended 30th June 2009 are set out below:

*(Amounts in Euro thousand)*

| **(a) Senior management and Board of Directors** | **30.06.2009** | **31.12.2008** |
|---|---|---|
| Loans and advances to customers | 1,157 | 21,546 |
| Deposits from customers | 2,134 | 3,552 |
| Other liabilities | 106 | 81 |

| | **30.06.2009** | **30.06.2008** |
|---|---|---|
| **Income** | | |
| Net interest income | (45) | 429 |
| Net commission income | - | 32 |
| **Expense** | | |
| Staff costs | 985 | 12,522 |
| Other operating expenses | 169 | 218 |

| **(b ) Balances and transaction with subsidiaries** | **30.06.2009** | **31.12.2008** |
|---|---|---|
| Available-for-sale securities | 418,073 | 2,500 |
| Loans and advances to customers | 186,901 | 69,557 |

| | | |
|---|---|---|
| Other assets | 51,026 | 5,001 |
| Due to customers | 11,098 | 9,296 |
| Subordinated liabilities and hybrid issues | 140,250 | 140,250 |
| Other borrowed funds | 409,936 | 0 |
| Other liabilities | 1,158 | 2,257 |

| | **30.06.2009** | **30.06.2008** |
|---|---|---|
| **Income** | | |
| Interest income | 4,498 | 2,124 |
| Commission income | 1,217 | 944 |
| Net trading results | - | |
| Other income | 37 | 43 |
| **Expense** | | |
| Interest expense | 3,156 | 5,063 |
| Other expense | 195 | 231 |

| **(c) Other key management personnel and other parties:** | **30.06.2009** | **31.12.2008** |
|---|---|---|
| Loans and advances to customers | 24,402 | 24,410 |
| Other assets | 1,676 | - |
| Due to customers | 48,804 | 58,932 |
| Other liabilities | 55 | 58 |

| | **30.06.2009** | **30.06.2008** |
|---|---|---|
| **Income** | | |
| Net interest income | 397 | (615) |
| Net commission income | 331 | 74 |
| **Expense** | | |
| Other operating expenses | 1,352 | 1,365 |

The outstanding Letters of Guarantee issued to related parties as at 30th June 2009 amounted to € 27,222 thousand.

## 16. Investments in subsidiaries

The Bank's investment in subsidiaries is set out below:

*(Amounts in Euro thousand)*

| | **Country of incorporation** | **Ownership percentage** | **30.06.2009** | **31.12.2008** |
|---|---|---|---|---|
| Aspis Leasing | Greece | 100% | 21,694 | 21,694 |
| Aspis AE Insurance Brokerage | Greece | 100% | 616 | 616 |
| Aspis International AEDAK | Greece | 55% | 8,166 | 8,166 |
| Aspis Stegastika A.E.E.S.T.A | Greece | 100% | 60 | 60 |
| Aspis Finance Plc | United Kingdom | 100% | 14 | 13 |
| Aspis Jersey Ltd | Jersey Islands | 100% | - | - |
| **Total** | | | **30,550** | **30,549** |

The Bank's ownership interest in the subsidiaries listed above has not changed during the period.

In October 2008, Aspis Stegastika SA was founded a Special Purpose Entity (SPE) (Registered: Athens Municipality, 4 Othonos Str, 105 57 Athens, Main activity: Bonds management services for bonds issued by organizations other than banks) with a share capital of € 60 thousand. The Bank participates with 100% ownership interest on the share capital of the entity. The SPE remains dormant up to the date.

In February 2009 Byzantium II Finance Plc, a Special Purpose Entity (S.P.E) for mortgage loans securitisation was founded.

## 17. Securitisation of mortgage loans

On February 2009, the issuance of € 377 million bond loans (maturity: 15 October 2053, 3 month Euribor plus 0,25% spread), through Bank's subsidiary Byzantium II Finance Plc was completed. The Bonds are collaterized with mortgage loans of total value € 424 million of the Bank. The Bonds rated as AAA by the credit rating agency Fitch have been retained by the Bank and will be used for refinancing purposes through repos agreements.

Byzantium II issued additional Notes for € 33.25 million (maturity: 15 October 2053, 3 month Euribor plus 3% spread) purchased from the Bank aiming to establish reserves for protection against losses. These Notes are unrated and classified in "Available for Sale portfolio".

As of 30 June 2009 the above bonds are included in "Available for Sale portfolio" with a total value of € 406.98 million and the respective liability of € 409.93 million is classified in "Other borrowed funds".

The Bank granted a loan to Byzantium II of € 30.5 million in order to retain reserves for the protection against losses arising from the potential off-set of receivables with obligations of the borrowers.

## 18. Subsequent events

The extraordinary General Assembly of the Shareholders held on 23rd July 2009 decided the following:
1) It was approved to reduce the nominal value of common shares from € 2,71 to € 0,60 with a creation of special reserve of total amount € 135,15 million 2) It was approved the increase of the share capital with cash of an amount of € 76,87 million and the issuance of 128,128,108 new common, nominal shares of a nominal value of € 0.60, in favor of the existing common Shareholders, in proportion of 2 new shares for each existing. Bank's intention is to withdraw a total amount of € 120 million. 3) It was approved the recall of the decision of the extraordinary General Assembly of the Shareholders held on 23/1/2009, regarding the participation of the Bank to the state–aid program for the strengthening of the liquidity of the Greek economy, according to Law 3723/08, through the issuance of preference shares.