Aspis Bank

Annual Financial Report

(For the year ended 31 December 2008)

According to the article 4, Law 3556/2007

The attached annual report

is available on the web site of ASPIS Bank at www.aspisbank.gr

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I. Declaration of Board of Directors members (according to article 4, par. 2, Law 3556/2007)

To the best of our knowledge, the attached consolidated and stand-alone financial statements that have been prepared in accordance with applicable accounting standards, present fairly the assets, liabilities, equity and the results for the year ended 31.12.2008 of ASPIS BANK SA and the Group of companies included in the consolidated accounts, as provided in article 4, paragraph 3 of Law 3556/2007.

Furthermore, to the best of our knowledge, the Board of Directors annual report present fairly the information required by article 4, paragraph 2 of Law 3556/2007.

Athens, 23 March 2009

Chairman of the Board of Directors	Vice Chairman of the Board of Directors and Chief Executive Officer	Member of the Board of Directors
....	....	....
D.I. Stavropoulos	C. Sorotos	N. Mallouchos

II. Board of Directors annual report

Overview of the period 1st January 2008 to 31 December 2008

The year 2008 and particularly its second half was an extremely challenging year for the international financial system. The unprecedented intensity of the crisis which hit the Greek banking system in 2008 was reflected in the Group's balance sheet. In 2008, losses after tax and minority interest were €48.1 million (Group level) €52.2 million (Bank level). The slowdown in credit expansion, the temporary effective cease of operations in the interbank market, accompanied by the increase in funding cost, are the most important external factors negatively impacting the Group's profitability. The Bank's management in a timely manner and effectively increased provisions to further strengthen its balance sheet. Apart from the balance sheet strengthening in 2008, the ASPIS BANK Group took a series of further actions aimed at its immunization against the ongoing crisis and its return to a profitable base, the most important of which are the following:

- Provisions, as a result of the readjustment of provisioning policies in 2008, formation of increased loan loss provisions (2.60% of gross loans against 1.7% in year-end 2007).
- Limitation of credit lines which had been granted to large corporates.
- Extensive reorganization of the Bank at a level of operations and procedures and redefining its business model.

The transformation of the Bank is a lengthy process, with its overall benefits being long-term and thus not reflected in the bottom line results of the Bank in a short period. The first outcome of the above actions will emerge in 2009.

Apart from the balance sheet strengthening in 2008, the ASPIS BANK Group took a series of further actions aimed at its immunization against the ongoing crisis and its return to a profitable base, the most important of which are the following:

- The Bank changed its business model to reflect its emphasis on two distinct business lines: Retail Banking and SME - Commercial Banking. In the new business model, powers of authorities and the operations of these two sectors are clearly distinguished, with branches focusing on retail banking activities and the newly established Business Centers, the first of which was started operations at the end of 2008, concentrating on small and medium-sized enterprises. In parallel, the ASPIS Premium Banking unit started operations to provide special services to high income clients. This unit offers advisory investment services and a full range of investment products and deposits of the Bank and other investment management companies.
- As part of its effects to boost its liquidity, the Bank started in the fourth quarter of 2008 and completed in February 2009 the second securitization of residential mortgage loans, amounting to €424 million. The special purpose company Byzantium II Finance Plc to which the residential loans were transferred, issued FRNs of €410.25 million, the 89% of which, i.e. €377 million, received credit rating of AAA by Fitch Ratings. The FRNs meet the eligibility criteria of the European Central Bank and the Bank will make full use of this to cover its refinancing needs.
- In 2008 a special unit was established in order to control and manage all operating expenses of the Bank. This unit has been charged with the implementation of the Bank's plan for the restriction and rationalization of operating expenses including, inter alia, the full renegotiation of contracts with third parties (suppliers, landlords etc.).

Review of Group's Results and Financial Figures

Taking into account the market conditions as described above the evolution of the balance sheet and income statement for the year, on a consolidated basis, was as follows:

As at December 2008 total assets had decreased by 11% compared to December 2007, to € 2.6 billion and loans net of provisions had decreased by 4% to €2.1 billion. Despite the slower credit expansion, credit cards and consumer loans increased by 20% compared to December 2007, which is the higher than the market rate. Corporate loans decreased by 5% compared to December 2007. Loans to professionals and small / medium businesses, which account for 68.5 % of total loans to enterprises remained at the same level as at the end of 2007 (€656 million in 2008 versus €651 million for 2007).
The quality of the loan portfolio deteriorated following the trend of the market given the economic problems of enterprises and individuals. As at December 2008, loans overdue for more than 90 days, accounted for 8,7% of total loans to customers (7% as at December 2007). The Bank, aiming to prevent its assets against future increased credit losses has made increased provisions for loans impairment (2.6% of loan portfolio compared to 1.7% for 2007).
The total equity of the Group amounted to €163 million at the end of December 2008. Despite the accumulated losses which have a negative effect in Group's equity, the total capital adequacy ratio has been maintained at satisfactory levels.

Specifically, as at December 2008 consolidated CAD was 12.1 % (Tier I ratio 8.1%) whereas the respective CAD for the Bank was 13.1% (Tier I ratio 7.3%)

At the end of December 2008 customer deposits amounting to €2.0 billion, accounting for 82% of the Bank's total funding sources, have been reduced by 10% compared to December 2007. The reduction of customer deposits was mainly due to the crisis which reached its peak in December 2008. The majority of lost deposits have been recovered during the first two months of 2009.

The fact that customer deposits and particularly time deposits remain the main source of financing the Bank's activities, creates for ASPIS Bank a higher cost of funds compared to other Greek Banks with lower ratios of time to total deposits and with higher spread deposits offered to customers in their south-east operations. The result of the increased cost of funding there was the depression in the net interest margin and the reduction of net interest income which amounted to €40 million (€56 million for 2007). On the asset side, the interest income from loans which remains the main source of income for the Bank increased by 16%. Total interest income increased by 13% (€166 million compared to €146 million for 2007).

Net commission and fee income decreased by 18% to €24 million, mainly due to the adverse conditions in capital markets which resulted in reduced commissions earned through asset management and stock brokerage activity.

Trading losses amounted to €2.6 million due to negative fair value changes in stocks and bond portfolio.

Total operating expenses increased to €109 million versus €78 million in 2007. Specifically, personnel expenses increased to €56 million versus €37 million in 2007, mainly due to the large-scale restructuring and re-organisation of the Bank at all levels as well as to compensations paid to senior management members that left the Bank. Administrative expenses increased to €40 million versus €32 million in 2007 mainly because of increased promotion and advertising cost and the cost of upgrading the information systems of the Bank. Depreciation increased to €12 million versus €10 million in 2007 mainly due to the increased cost of the Bank's new core banking IT system - Finacle. The upgrade of the Bank's core IT systems as well as the Bank's operational restructuring led to higher administrative costs for 2008 but are expected to have significant long-term benefits for the Group.

Prospects

The adverse conditions with which the international markets are confronted will not impede ASPIS Bank's growth track. The Bank's strategic planning has been already repositioned so that the Bank effectively manages the new challenges, improve its financial results and efficiently exploit its adequate liquidity. In this framework, the Bank's new strategy will be based on the following pillars:

- Focus on consumer credit and Small Medium Enterprises (SME) financing growth. The further penetration of this market segment will be supported by the increased utilization of alternative sales network and the further exploitation of synergies between the Bank and the Group's insurance companies. A customer base of over one million insurance policy-holders provides a sufficient target group for the marketing of consumer credit and SME financing products. This effort will be also facilitated by the Bank's 73-branch network and the further expansion of the Intermediaries Network that the Bank developed during the past few years. The newly established Business Centers, the first of which was started operations at the end of 2008, concentrating on small and medium-sized enterprises.
- Further strengthening of the Bank's liquidity and reduction of cost of funds through (a)increase in deposits in line with the increase in loans, and (b) use of state aid for financing banking activity. The target of the Bank is to maintain high liquidity, with the respective liquidity index exceeding 20%.
- Further strengthening of capital adequacy
- Immediate implementation of the program rationalization of operational expenditure of the Bank with a view to saving approximately €2.6 million in annual basis.

To achieve the above objectives, the Bank has implemented during the three months of 2009 the following:

Capital Adequacy

- Following the approval by the Extraordinary General Meeting of 23.1.2009, the Bank will increase its share capital pursuant to article 1 of Law 3723/2008 by an amount of up to €90 million with the issue of preferred shares which will be acquired by the Greek State. Such increase will further strengthen the capital adequacy ratio, which is expected to reach higher levels in 2009 compared to the existing ones, and will ensure the smooth growth of the Bank's operations. According to initial estimates, the total capital adequacy ratio is expected at 17.7% with Tier I ratio at 12.3% (on a consolidated basis).

Liquidity

- Strengthening of the deposit base with an emphasis on attracting deposits up to €200.000 to ensure greater granularity and substantially eliminate the Bank's exposure to high-cost institutional time deposits. The first results of this action became evident in early 2009 as customer deposits, during the first two months of 2009, increased by €180 million or 9% compared to year-end 2008.
- The Bank stated its intention to participate in the program of the Greek State for the strengthening of the liquidity of the financial system. In particular, following the participation in the Greek State's capital equity support plan via the issue of preference shares, the Bank intends to participate in the second phase of this plan and receive special bonds issued by the Greek State of €150 million.
- The Bank is also considering a bond issue guaranteed by the Greek State.

Loan portfolio quality improvement

- Given the still unstable and worsening economic conditions and with a view to optimum management and restriction of credit risk, the Bank has already centralized and improved credit procedures by centralizing all approval authorities, establishing a special unit to oversee cheques posted as collateral and established a special monitoring committee for impaired loans.
- Furthermore, a new software application is scheduled to be launched within 2009 with a view to optimizing recovery procedures of loans in arrears and foreclosed loans

Active reduction of operating cost

The Bank's plan for operating cost reduction, which is already being implemented, includes:

- Optimum use of existing human resources to cover operational needs
- Relocation of administrative units of the Bank and branches to owned or lower-cost sites.

Further actions

- Following the operation of the first Business Center, the Bank aims to operate four (4) additional such centers in 2009 which will support expansion efforts in the field of small and medium-sized enterprises.

- In February 2009, the branch network expanded, with a new branch established in Ilion Attica. In addition, the Bank schedules to open seven (7) new branches.

The implementation of the new strategy will continue unhindered and complementary actions will be taken, if necessary, so that its results will become evident in the Bank's profit and loss accounts in 2009.

Important events during 2008 and up to the date of annual financial report

- ASPIS BANK S.A. announces that on 16-01-2008, following the Athens Stock Exchange (ATHEX) approval, the 584.651 new common registered shares of the Bank, resulting from its recent share capital increase of 1.584.404,21 euro, due to the exercise of stock option rights by the members of BoD and the executives of the Bank, amounting 100 in total, and at a price of 2,71 Euro per share, will be listed for trading at the ATHEX, in accordance with the decision of the Extraordinary General Meeting of its shareholders of 4/09/2002 and its Board of Directors resolution of 05/12/2007. The above share capital increase constitutes an adjustment of the 5 article of the Articles of association, was certified by the Board of Directors of the Bank on 27/12/2007 following the decisions of the aforesaid General Meeting, was approved by the Ministry of Development decision No. K2-115 and was registered in the Companies Register with the relevant announcement number K2-18685
- The Ordinary General Meeting of Shareholders held on 17.04.2008 resolved on the distribution of € 0.02 dividend per share and new Board of Directors was elected.
- The Extraordinary General Meeting of Shareholders held on 13.06.2008 approved the increase of the total number of members of the Board of Directors by one (1) additional member and elected Mr Christos Sorotos as member.

- On 2.7.2008 the Board of Directors appointed Mr Christos Sorotos as Vice President & Managing Director.
- The Extraordinary General Meeting of Shareholders held on 30.07.2008 announced that the new Board of Directors of ASPIS BANK S.A. was reconstituted as a body.
- On 30.09.2008 the Board of Directors elected new Board of Directors
- On 23.10.2008 the Board of Directors elected new Board of Directors
- Due to the Bank's organisational restructuring, the resigned management members received compensation that currently amounts to €9.5 million
- On the Extraordinary General Meeting of Shareholders held on 23.01.2009 It was decided to increase the Bank's share capital up to the amount of 90 million (90.000.000) euros, pursuant to the provisions of Law 3723/2008, by removing the right of pre-emption of existing shareholders, and by issuing new preferred-distribution and redeemable shares, with issue price of 2.71 euros per preferred share, according to the provisions of Law 3723/2008, in conjunction with the provisions of Law 3601/2007 and the authority decisions of the Bank of Greece, such as decision no. 2587/20.8.2007 of the Director of the Bank of Greece. It was also decided that in the event that the share capital cannot be completed by issuing redeemable preferred shares covered by the State of Greece, the capital may be increased by the sum of coverage.
- The second securitization of residential mortgage loans, amounting to €424 million was completed on 13.02.2009. The special purpose company Byzantium II Finance Plc to which the residential loans were transferred, issued FRNs of €410.25 million, the 89% of which, i.e. €377 million, received credit rating of AAA by Fitch Ratings. The FRNs meet the eligibility criteria of the European Central Bank and the Bank will make full use of this to cover its refinancing needs.

Risks

The main risks for 2009 focus on the effects of the global economic crisis and on the inflationary pressures on Greek economy, which could consequently affect the Group's operations. Specifically, the main risks that could arise consist of reduced demand for the Bank's loan products, increased funding cost to finance the Bank's operations and deterioration of the Bank's borrowers ability to meet their payment obligations.

The Bank monitors the following risks:

- Credit Risk
- Liquidity Risk
- Market Risk, and
- Operational Risk

The Board of Directors, in order to promote stability and ensure continuance of the Group's operations has established an effective risk management framework, which enables the Bank to detect and analyse all types of risks which it is exposed to.

The Risk Management Division operates as an independent unit in the Bank, reporting directly to senior management. It is responsible for the continuous improvement of the existing risk management methods, for detecting and analysing risks through quantitative methods, as well as for developing new quantitative tools which will enhance the Bank's risk management framework.

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

Credit risk

Credit risk management is critical to the Bank's risk management framework. Credit risk, is the risk of financial loss to the Bank, if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credits and credit limits assigned to individuals or corporates are the main sources of credit risk. Credit risk may also arise from investment activities, transactions on derivatives and on 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.

Finally, in 2008 the Overdue Loans Committee has been established, with sole purpose the monitoring of loans in arrears in order to make decisions and take corrective action for the recovery of such loans.

Liquidity risk

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

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

In addition, the Bank monitors on a daily basis, the "Liquidity Index" and the "Assets Liabilities Gap" as defined according to the Decree of Governor of Bank of Greece 2560/05 with regard to the adequacy of liquidity of Banking Institutions.

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 Risk Management Division 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 Group applies stress tests on its securities portfolio.
Specifically, the Group uses extreme value theory for concluding on changes in the Group's securities portfolio when extreme events occur. The VaR model implemented by the Risk Management Division, is based upon a 99 percent confidence level and assumes a 10-day holding period. For the purpose of VaR calculation the securities portfolios of the Bank are included, consisting of shares, mutual funds and bonds classified either as available for sale, held to maturity or trading. In addition the Risk Management Division, implements a wide range of stress tests to model the financial impact of a variety of exceptionalmarket scenarios on individual portfolios and the Group's overall position. As at 31 December 2008, VaR for the securities' portfolio was Euro 967 thousands and Euro 41,6 thousands for the Group's foreign exchange position. The Group, as at 31 December 2008, held a long position of Euro 1,77 million, against several currencies.
With respect to 31 December 2007, VaR was equal to Euro 1,68 million for the securities' portfolio, and Euro 19,6 thousands for the Group's foreign exchange position. The Group, as at 31 December 2007, held a short position of Euro 448 thousands, against several currencies.

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 manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.
Through continuous reports of the Risk Management Division, regarding the Group's exposure to operational risk, the Board, is informed about 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 Approach, for the computation of its operational risk charge.

Treasury shares

Neither the Bank nor the consolidated subsidiaries hold treasury shares.

Supplementary report of the Board of Directors, article 4 para.7 & 8 Law 3556/2007

1) Bank's share capital structure

ASPIS BANK ATE share capital amounts to one hundred and seventy three million six hundrend and thirteen thousand five hundred and eighty six EURO and 34 cents (173,613,586,34) divided into sixty four million sixty four thousand fifty four (64,064,054) ordinary shares at a par value of EURO 2.71 each. These shares are listed in the Athens Stock Exchange.

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

- Each share has one vote in the General Shareholders Meeting

- No shareholder may participate or vote in the General Shareholders Meeting if he/she does not submit a certification from the Central Depository Fund that prove that he is a shareholder in accordance with paragraph 1 of article 51 of Law 2396/1996 .This certification must be submitted within five (5) days before the General Shareholders Meeting. Those shareholders who do not abide to this rule may participate if the Assembly allows them to.

- To earn dividend from the Bank's annual net profit as follows:

i) At least 35% of profit after tax and after allocation of legal reserve is defined as minimum dividend and any additional amounts depends on the General Shareholders Meeting. Each shareholder is entitled to a dividend as long as he is registered in the shareholders register when the decision for distribution of dividend is made.

ii) The dividend must be paid within two months after the date that the financial statements are approved by the General Shareholders Meeting. The terms and method of payment are announced in the press. If a shareholder does not collect his dividend within five years after the decision to distribute a dividend is made by the General Shareholders Meeting then this amount is written off in favor of the Greek State.

- Preference right for each share capital increase in cash.

- Right to receive a copy of the financial statements along with the auditors report and Report of the Board of Directors.

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

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

2) Restrictions to transfer of shares of the Bank

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

3) Significant direct and indirect holdings as per Law 3556/2007

The most significant direct holdings in accordance with Law 3556/2007 as of 31.12.08 are:

Shareholder	**Number of shares**	**Percentage of Share Capital**
Commercial Value EMK	9,317,348	14.628%
Ασπις Pronia AEGA	5,824,551	9.092%
Commercial Value AAE	9,490,317	14.814%
Ασπις Pronia AEGA EMK	3,629,325	5.665%

<u>Changes in the participation in the Bank's share capital during the year</u>

During 2008 the following significant changes in participations in the Bank's share capital (as determined by article 9 to 11, Law 3556/ 2007) took place:

- At January 17, 2008, Aspis Holdings Public Company Ltd reduced its participation in the Bank (direct and indirect) below 5%, at 4.9984% due to exercise of stock options and the listing of new shares issued under the share capital increase of the Bank.
- At July 16, 2008, the participation of certain mutual funds managed by Aspis International MFSA, in the Bank's share capital amounting to 1.014%.
- According to provision of article 10 of Law 3556/2007, at July 25, 2008 the voting rights that could be exercised by an authorized individual (Mr Ch.Sorotos) in the Extraordinary General Meeting of the Shareholders of the Bank, held at July 30, 2008 amounted to 60.47% of total voting rights, i.e.38,742,907 voting rights.

4) Shares held with control rights

None.

5) Limits to voting rights

None.

6) Shareholders agreement with Bank

None that the Bank is aware of.

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

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

8) Board of Directors authority for issuing new shares or purchasing own shares

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

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

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

None

10) Agreements with Board of Directors members and the Bank's personnel

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

Significant events after the balance sheet date

- In order to strengthen Group's liquidity, the Bank concluded in February 2009 the securitisation of €424 million residential mortgages.
- The extraordinary General Meeting of the Bank's shareholders, held in January 23, 2009, approved the participation of the Bank to the state-aid program for the strengthening of the liquidity of the Greek economy, according to Law 3723/2008, and specifically through the issuance of preference shares (amounting up to €90 million), according to the specific provisions of the aforementioned law.

Related party transactions

The transactions of the Bank and the Group with related parties (members of Board of Directors, management, Group companies and other related parties), their balances as at 31 December 2008, as well as income and expenses items resulting from these transactions during the year, are disclosed in Notes 33 and 35 of the attached annual consolidated and stand-alone financial statements respectively.

All transactions with related parties are on an arm's length basis in the course of the normal operations of the Group.

	Company name	VAT	Loans	Deposits	Interest income	Interest expense	Other income	CCS	Collateral value	Stock brokerage receivables	Stock brokerage liabilities
Board of Directors & Senior management			241	2,318	10	48	-	-	4,821	900	31
Other related parties			163	1,392	10	50	-	-	70	2,328	1
Former senior management			576	23	12	12	-	3	-	-	-
	ASPIS PRONOIA S.A.	94006538	2,257	3,239	160	212	280	525	3,639	-	-
	ASPIS ACCOMMODATION & TOUR. S.A.	94392525	-	2	-	-	-	-		-	-
	ASPIS PRONOIA GEN. SECURITY LIFE S.A.	94428803	8	9,522	22	457	205	102	-	-	-
	PROVISION S.A.	94399157	-	5	-	-	-	-	-	-	12
	ASPIS GROUP S.A.	94353550	-	13	1	-	-	-	-	-	-
	ASPIS ESTIA S.A.	94317525	2,500	1	145	2	3	-	2,500	-	-
	ASPIS FUNDS	94006538	-	78	-	13	-	-	-	-	-
	COMMERCIAL VALUE S.A.	94059010	3,774	39,216	74	1,411	61	1,020	5,358	-	-
	C.V. ASSET VALUE	94059010	-	5,682	-	452	-	-	-	-	-
	PRONOIA COMMERCIAL S.A.	99359542	-	1	-	-	-	-	-	2,006	-
	E-VALLEY S.A.	99759039	-	35	-	-	-	-	-	-	-
	KYVELI - ASTIKES EKMETALEFSIS	99938804	-	1	-	-	-	-	-	-	-
	D. ATHENEOS INSURANCE GROUP	94101880	-	3	-	-	-	-	-	-	-
	TIME S.A.	999631375	11,374	15	836	-	3	-	45,587	-	-
	TRAM JOINT-VENTURE	999802840	-	3	-	-	-	-	-	-	-
	ASPIS REAL ESTATE S.A.	95556706	-	9	-	-	-	-	300	-	-
	BRIGHT MARITIME CORPORATION	98061660	-	-	-	-	-	-	-	-	-
	ASPIS CAPITAL S.A.	999397515	-	3	-	-	-	-	-	-	-
	ASPIS MORTGAGE COM S.A.	94009922	-	3	-	-	-	-	-	-	-
	GEK S.A.	94005751	-	126	-	96	-	1	1	-	-
	TERNA S.A.	94035480	-	79	64	-	28	9,387	14,569	-	-
	MONASTIRIOU S.A.	99758111	5,900	643	195	14	-	6	5,906	-	-
	NIKAS S.A.	999400966	3,648	45	116	-	-	-	4,314	-	-
	DROMON S.A.	941382210	1,440	92	54	-	-	-	-	-	-
	IOLKOS S.A.	999211922	-	-	-	-	-	-	-	-	-
	PETROS PETROPOULOS S.A.	94043269	3,990	2	51	-	3	245	7,000	-	-
	OIKOFARMA PELOPONISOU S. A.	82959870	2,678	2	112	-	-	-	2,635	-	-
	MEDOLIO S.A.	95555654	2,149	73	79	-	-	3	2,186	-	-
Total Group companies			**39,718**	**58,893**	**1,909**	**2,657**	**583**	**11,289**	**93,995**	**2,006**	**12**
	ASPIS INTERNATIONAL M.F.S.A.	94286937	-	2,390	-	474	1	352	-	-	-
	ASPIS INTER-(Fund) M.F.S.A.	11111111	-	-	-	-	-	-	-	-	-
	ASPIS LEASING S.A..	94318896	44,486	4,508	2,553	87	25	25,000	4,500	-	-
	ASPIS BROKERAGE S.A.	94473614	-	56	-	8	-	-	-	-	-
	ASPIS CREDIT S.A.	999398444	6,000	2,342	359	29	-	18	11,500	-	-
	ASPIS FINANCE PLC	999999999	-	-	-	-	-	-	-	-	-
Total subsidiaries			**50,486**	**9,296**	**2,912**	**598**	**26**	**25,370**	**16,000**	**5,234**	**44**
TOTAL			**91,184**	**71,922**	**4,853**	**3,365**	**609**	**36,662**	**114,886**	**5,234**	**44**

The amount of € 9.5 million approximately has been paid, as compensations, to certain executives who have resigned during 2008.

III. Information according to article 10, Law 3401/2005

During 2008 the following corporate announcements have been made (all announcements are available on the web site http://www.aspisbank.gr/category/greek/507/index.html):

Date	Announcement
31/12/2008	Report of the Board of Directors of Aspis Bank S.A.
31/12/2008	Aspis Bank S.A. announces that it's affiliated companies have accepted the statements of account regarding the accomplishment of their tax unaudited Financial Years
30/12/2008	Invitation to the extraordinary General Meeting of the Shareholders
03/12/2008	Withdrawal of Mr. D. Nikoletopoulos from the Bank
27/11/2008	Press Release / Earnings for 9months 2008
27/11/2008	The Board of Directors of Aspis Bank SA resolved to propose to the General Shareholder's Meeting to call for a share capital increase of € 210 Mil.
20/11/2008	Reply to the Athens Stock Exchange letter regarding to comments of the increase of Bank's Shares Capital and discussions with other Banks for strategic cooperation
12/11/2008	Press release / appointment of new managing director of Aspis International M.F.M.C.
12/11/2008	Aspis Bank SA announces its participation in the action to enhance the liquidity of small and very small enterprises
24/10/2008	Aspis Bank SA announces that Mr G.Galanakis member of the Bank's BoD resigned. The new BoD will be composed of six members
23/10/2008	Mr A. Smyrnis is appointed as compliance Officer in place of Mr S.Gouglias
14/10/2008	Announcement - Comments on published information
01/10/2008	Resignation of Mr. E. Stratigis independent non-executive member because of the multiple commitments
28/08/2008	Press release / earnings For 1st Half 2008
27/08/2008	Appointment of Mr N. Voytychtis as Head Of Financial Services
31/07/2008	Resolutions of the extraordinary general meeting of July, 30 2008
31/07/2008	Incorporation in body of the new Board of Directors
29/07/2008	Percentage of Mr Soroto's rights of vote in the extraordinary general meeting of Shareholders
16/07/2008	Participation percentage of Aspis International M.F.M.C. in Aspis Bank S.A.
04/07/2008	Invitation to the extraordinary general meeting of the Shareholders
03/07/2008	Re-incorporation in body of the new Board Of Directors
03/07/2008	Announcement of the services that will fall under the new managing director
20/06/2008	Incorporation in body of the new Board Of Directors
13/06/2008	Resolutions of the extraordinary general meeting Of June, 13 2008
13/06/2008	Press release / resolutions of the extraordinary general meeting of the Shareholders of Aspis Bank S.A.
30/05/2008	Announcement of Mr.Konstantinos Karatzas resignation
29/05/2008	Earnings for Q1 2008
23/05/2008	Announcement of president and CEO Mr K. Karatzas' letter on Aspis Bank Web Site
22/05/2008	Invitation to the extraordinary general meeting of the Shareholders
05/05/2008	Announcement of Aspis Holdings Public Company Ltd regarding the acquisition of 20% of the share capital of Aspis Bank SA from Commercial Value in cash
17/04/2008	Press release of the annual general meeting of Aspis Bank's Shareholders
17/04/2008	Incorporation in body of the Board Of Directors
17/04/2008	Resolutions of the annual general Shareholder's meeting of the 17th April 2008
14/04/2008	Announcement regarding the payment of dividend
01/04/2008	Announcement of the new organization chart of the Bank
31/03/2008	Corporate presentation of Aspis Bank S.A. at the Association Of Greek Institutional Investors
26/03/2008	Invitation of the shareholders to the annual ordinary general meeting
20/03/2008	Financial results for the Financial Year 2007
17/03/2008	Change of announcement date of the operating results of the Year 2007
29/02/2008	Corporate actions schedule of Aspis Bank for the Year 2007
28/02/2008	Clarifications on publishments of capital
17/01/2008	Announcement of Aspis Holdings Public Company Ltd for the change of its Shareholding
16/01/2008	Announcement Of The Share Capital Of The Bank For The Investors
16/01/2008	Asps Bank S.A. announces that its executives liable persons acquired shares under the Stock Option Plan
11/01/2008	Listing of shares from the exercise of stock option rights (Stock Option Plan)
09/01/2008	Information document as regards the listing of shares as a result of the exercise of stock option rights to the company's executives
02/01/2008	Clarifications on publishments regarding the "Search of Strategic Alliance"

IV. Availability of Financial Statements and Board of Directors report

The annual financial report consisting of:

- Declaration of Board of Directors members (according to article 4, par. 2, Law 3556/2007)
- Board of Directors annual and supplementary report
- Information according to article 10 Law 3401/2005
- Consolidated and stand alone financial statements for the year ended 31 December 2008 and Auditor's reports
- Financial data and information for the period from 1 January 2008 to 31 December 2008
- Condensed financial data and information for interim periods

are available at http://www.aspisbank.gr

V. Consolidated financial statements for the year 31 December 2008 and Auditor's report

Aspis Bank

Consolidated Financial Statements
As at 31 December 2008

In accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union

These financial statements have been approved by the Board of Directors of Aspis Bank S.A. on 23, March 2009 and are available at the following web page: www.aspisbank.gr

Contents

Consolidated Income Statement

Amounts in Euro thousand

	Note	31.12.2008	31.12.2007
Interest income		166,074	146,411
Interest expense and similar charges		(125,763)	(90,544)
Net interest income	**7**	**40,311**	**55,867**
Fee and commission income	**8**	24,376	29,352
Fee and commission expense		(634)	(458)
Net fee and commission income		**23,742**	**28,894**
Net trading income / (expense)	**9**	(2,562)	2,380
Dividend income		223	46
Other operating income	**10**	11,274	10,110
Total operating income		**72,988**	**97,297**
Staff expenses	**11**	(56,417)	(36,662)
Depreciation and amortization	**22-23**	(12,211)	(9,687)
Other operating expenses	**12**	(40,478)	(31,818)
Impairment on loans and advances	**19**	(18,254)	(3,444)
Other provisions		(4,867)	-
Total operating expenses		**(132,227)**	**(81,611)**
Profit/(loss) before income tax		**(59,239)**	**15,686**
Income tax	**13**	10,963	(8,540)
Net profit/(loss) for the period		**(48,276)**	**7,146**
Attributable to shareholders of the Bank		(48,068)	6,931
Attributable to minority interest		(208)	215
Basic and diluted earnings per share (in Euros)	**14**	(0.75)	0.11

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 attached notes on pages 7 to 40 form part of these consolidated financial statements

Consolidated Balance Sheet

Amounts in Euro thousand

Assets	Σημείωση	2008	2007
Cash & cash equivalents	15	79,326	93,121
Loans and advances to banks	18	260,875	495,814
Loans and advances to customers	19	2,129,804	2,213,854
Trading securities	16	2,471	11,144
Derivatives	17	-	13
Investment securities			
- Available for sale	20	19,620	20,683
- Held to maturity	21	3,210	3,279
Property and equipment	22	50,251	53,172
Intangible assets	23	8,470	9,220
Deferred tax asset	24	10,785	-
Other assets	25	59,017	44,143
Total assets		**2,623,829**	**2,944,443**

Liabilities		2008	2007
Due to banks		176,183	213,661
Due to customers	26	1,970,941	2,182,104
Debt securities in issue and other borrowed funds	27	258,661	278,040
Current tax liability		526	534
Deferred tax liability	24	-	1,199
Other liabilities	28	50,993	40,589
Employee benefits	29	3,885	3,654
Total liabilities		**2,461,189**	**2,719,781**

Equity		2008	2007
Share capital	30	173,614	173,614
Share premium		17,053	17,053
Reserves	31	(2,252)	3,896
Accumulated Deficit		(66,662)	(10,963)
Equity attributable to Bank equity holders		**121,753**	**183,600**
Minority interest		1,325	1,533
Hybrid capital		39,562	39,529
Total equity		**162,640**	**224,662**
Total liabilities and equity		**2,623,829**	**2,944,443**

The attached notes on pages 7 to 40 form part of these consolidated financial statements

Cosnolidated Statement of Changes in Equity

Amounts in Euro thousand

	Share Capital	Share Premium	Reserves	Retained Earnings	Attributable to Bank Shareholders	Minority Interest	Hybrid Capital	Total
Opening balance as at 1st January 2007	**172,029**	**17,078**	**(89)**	**(5,748)**	**183,270**	**1,319**	**-**	**184,589**
Profit for the period	-	-	-	6,931	6,931	215	-	7,146
Changes in fair value of Available for Sale securities	-	-	(2,565)	-	(2,565)	-	-	(2,565)
Changes in fair value of cash flow hedge	-		(57)	-	(57)	-	-	(57)
Total recognized income			**(2,622)**	**6,931**	**4,309**	**215**	**-**	**4,524**
Prior year dividends paid	-	-		(3,809)	(3,809)	-	-	(3,809)
Transfers from retained earnings to reserves	-	-	6,602	(6,600)	2	-	-	2
Other transfers	-	-	5	(5)	-	(1)	-	(1)
Hybrid capital issues	-	-	-	-	-	-	39,529	39,529
Dividend to hybrid securities holders	-	-	-	(1,732)	(1,732)	-	-	(1,732)
Share capital increase	1,585	(25)	-	-	1,560	-	-	1,560
Balance as at 31th December 2007	**173,614**	**17,053**	**3,896**	**(10,963)**	**183,600**	**1,533**	**39,529**	**224,662**
Balance as at 1st January 2008	**173,614**	**17,053**	**3,896**	**(10,963)**	**183,600**	**1,533**	**39,529**	**224,662**
Loss for the period	-	-		(48,068)	(48,068)	(208)		(48,276)
Changes in fair value of Available for Sale securities	-	-	(8,000)	-	(8,000)	-	-	(8,000)
Impairment of Available for Sale securities recognized in profit/(loss) statement	-	-	194	-	194	-	-	194
Total recognized income	**-**	**-**	**(7,806)**	**(48,068)**	**(55,874)**	**(208)**	**-**	**(56,082)**
Prior year dividends paid	-	-	-	(1,281)	(1,281)	-	-	(1,281)
Transfers from retained earnings to reserves	-	-	1,651	(1,651)	-	-	-	-
Dividend to hybrid securities holders	-	-	-	(4,699)	(4,699)	-	33	(4,666)
Other transfers	-	-	7	-	7	-	-	7
Balance as at 31th December 2008	**173,614**	**17,053**	**(2,252)**	**(66,662)**	**121,753**	**1,325**	**39,562**	**162,640**

The attached notes on pages 7 to 40 form part of these consolidated financial statements.

Consolidated Cash Flow Statement

Amounts in Euro thousand

	31.12.2008	31.12.2007
Cash flows from operating activities		
Profit/(loss) before tax	(59,239)	15,686
Adjustments for non-cash items		
Depreciation and amortisation	12,211	9,687
Impairment losses	18,254	3,444
Other provisions	4,867	-
Defined benefit obligation	496	536
Other non-cash items	5,563	4,655
(Gains)/losses from valuation of Trading and Available for Sale securities	234	(1,239)
(Gains)/losses on the sale of investments, property and equipment	(649)	-
	(18,263)	**32,769**
Changes in operations :		
Net (increase)/decrease in trading securities	(1,132)	(6,701)
Net (increase)/decrease in derivative financial instruments	13	84
Net (increase)/decrease in loans and advances to customers	66,183	(357,743)
Net (increase)/decrease in other assets	(10,042)	(7,241)
Net increase/decrease in due to banks	(37,478)	117,707
Net increase/decrease in due to customers	(211,163)	243,239
Payment of prior year taxes	-	(5,178)
Net increase/decrease in other liabilities	1,772	14,107
Net cash inflow/(outflow) from operating activities	**(210,110)**	**31,043**
Cash flows from investing activities		
Sale of investments	162	29,622
Sales of property and equipment	963	36
Purchases of property and equipment	(8,854)	(35,924)
Dividends received	223	46
Net cash inflow/(outflow) from investing activities	**(7,506)**	**(6,220)**
Cash flows from financing activities		
Net proceeds from issue/(repayment) of debt securities	(19,379)	24,304
Issue of hybrid capital	-	39,529
Dividends paid to hybrid securities holders	(4,699)	(1,732)
Prior year dividends paid	(1,248)	(3,792)
Proceeds from the issue of shares	-	1,560
Net cash inflow/(outflow) from financing activities	**(25,326)**	**59,869**
Net increase/(decrease) in cash and cash equivalents	**(242,942)**	**84,692**
Cash and cash equivalents as at 1st January	**588,935**	**518,573**
Foreign exchange differences on cash and cash equivalents	(5,792)	(14,330)
Cash and cash equivalents as at 31th December 2008	**340,201**	**588,935**
Cash and cash equivalents consists of:		
Cash and balances with Central Bank	79,326	93,121
Due from banks	260,875	495,814

The attached notes on pages 7 to 40 form part of these consolidated financial statements.

1. General Information

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

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

- Accepting, with or without interest, all types of deposits or other returnable funds denominated in Euro 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 business receivables.
- Providing business-related information, including credit rating services.
- Providing safe-deposit box services.
- Representing third parties that have or pursue objectives similar to those mentioned above and in general engaging in any type of action, transaction, work or activity pursuant to the above or contributing to the advancement of the objectives of the Bank, as stated in the Articles of Association.
- Actively participating, as a member, in organized stock markets, having received a relevant license from the Bank of Greece.

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

2. Basis of preparation

2.1 Statement of compliance

The consolidated financial statements of the Bank and its subsidiaries (the "Group") have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The consolidated financial statements were approved by the Board of Directors on 23 March 2009.

2.2 Basis of measurement

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

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

2.3 Functional and presentation currency

These consolidated 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 consolidated financial statements are:

- The impairment loss on loans and advances to customers
- The fair value measurement for financial instruments
- The recovery of the recognised differed tax asset
- The income tax computation
- The classification of financial instruments .

3. Significant accounting policies

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

3.1 Basis of consolidation

3.1.1 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. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

3.1.2 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.

3.1.3 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.

3.1.4 Translations eliminated on consolidation

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

3.2 Foreign currency transactions

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.

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

3.4 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.

3.5 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.

3.6 Dividends

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

3.7 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 apportined between the finance expense and the reduction of the outstanding liability.

3.8 Income tax expense

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

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

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

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

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

3.9 Financial instruments

(a) 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 derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

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.

(c) Offsetting

Financial assets and liabilities are set off 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

The 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, minus any reduction 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 determination of fair values of financial assets and financial liabilities is 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 bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

The Group considers evidence of impairment at both a specific asset and collective level. All individually significant financial assets and held to maturity investment securities 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 appropriate.

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, the impairment loss is reversed through profit or loss.

3.10 Cash and cash equivalents

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

3.11 Trading assets

Trading assets are those assets and liabilities 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 and liabilities are not reclassified subsequent to their initial recognition, with the exception of:

(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 Group 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 Group has transferred, since 1.07.08, all its securities out of "held for trading" portfolio to the "available for sale" portfolio.

3.12 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 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 as a hedge of the change in fair value of a recognised asset or liability, changes in the fair value of the derivative 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 that could affect profit or loss, the effective portion of changes in the fair value of the derivative are recognised directly in equity. The amount recognised in equity is removed and included in profit or loss in the same period as the hedged cash flows affect profit or loss under the same income statement line item as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

3.13 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 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.

3.14 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 not designated as another category of financial assets. Unquoted 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. Foreign exchange gains or losses on available-for-sale debt security investments are recognised in profit or loss.

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, and which are not designated at fair value through profit or loss or available-for-sale. 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.

3.15 Property and equipment

Items of property and equipment are stated at cost or deemed 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 assets' useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

3.16 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).

3.17 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.

3.18 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 from 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.

3.19 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 and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Group has approved a formal and detailed restructuring plan, and the restructuring either has commenced or has been announced. Future operating costs are not provided for.

3.20 Employee benefits

(a) Defined contribution plans

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

(b) Defined benefit plans

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

All actuarial gains and losses 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 buy the employees and the obligation can be measured reliably.

3.21 Share capital

(a) Share issue costs

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

(b) Dividends on ordinary shares

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

(c) 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.

3.22 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.

3.23 Segment reporting

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

3.24 New standards and interpretations

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2008, and have not been applied in preparing these financial statements:

- **International Financial Reporting Standard 8** «Operating Segments» (Regulation 1358/21.11.2007) Effective for annual periods beginning on or after 1.1.2009

This standard replaces IAS 14 «Segment reporting». Its adoption by the Group will have a impact on the Group's disclosures relating to operating segments.

- **Amendment of International Accounting Standard 23** «Borrowing costs» (Regulation 1260/10.12.2008) Effective for annual periods beginning on or after 1.1.2009

On 29 March 2007, the Board issued the revised IAS 23, which removed the option of immediately recognizing as an expense all borrowing costs that relate to assets that have a substantial period of time to be ready for use or sale. Such borrowing costs are capitalized as part of the cost of the asset.

Its adoption will not have a substantial impact on Group's financial statements.

- **Amendment of International Financial Reporting Standard 2** «Share based payements» (Regulation

1261/16.12.2008)
Effective for annual periods beginning on or after 1.1.2009

This amendment issued on 17 January 2008 clarifies that the vesting conditions are distinguished to:

i. Service conditions which are further distinguished to:

• vesting conditions that require to complete a specified period of service and

• conditions that require performance targets

ii. Conditions that are not connected to service.

In addition for each of the above categories non-vesting conditions are taken into account in measuring the grant date fair value of the share-based payment and respective accounting treatment. The adoption of this standard by the European Union and the Group, is not expected to have a significant impact on the financial statement.

● **Amendment of International Accounting Standard 1** «Presentation of financial statements» (Regulation 1274/17.12.2008)
Effective for annual periods beginning on or after 1.1.2009

On 6 September 2007, the Board published the revised version of IAS 1. The most significant changes are the following:

i. Introduction of a statement of comprehensive income. This statement includes the profit or loss of the period and all non-owner changes in equity. Entities may present a separate income statement, but all non-owner changes in equity must be presented in an additional statement.

ii. The statement of changes in equity, will include transactions between the entity and the equity holders.

iii. In the instances where a new accounting standard is retrospectively implemented or items are restated, the comparative figures must include the opening and closing balance sheet of the prior year.

The adoption of this Standard by the European Union and the Group will affect the presentation of financial statements.

● **Amendment of International Accounting Standard 32** – «Financial instruments: Presentation» and IAS 1 «Presentation of Financial Statements» (Regulation 53/21.1.2009)
Effective for annual periods beginning on or after 1.1.2009

With the implementation of the above amendment, issued on 14 February 2008, the financial instruments which gives the holder the right to require from the issuer to repurchase or repay may be recognized in equity under certain conditions and with the exception to the definition of financial liability. A similar exception under certain condition is provided also in cases of financial instruments where the holder is entitled to a proportionate share of the issuer's equity, only in cases of liquidation. This amendment requires additional disclosures on the financial statements.

This amendment has not been yet endorsed by the European Union.

The Group is examining whether there will be an impact from the adoption of the above amendment in the financial statements.

● **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.

This amendment has not been yet endorsed by the European Union.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.

● **Improvements to International Accounting Standards** (Regulation 70/23.1.2009)

As part of the improvements of International Accounting Standards, the Board issued on 22 May 2008, not urgent but necessary amendments to various standards. The majority of these are effective for annual periods beginning on or after 1.1.2009.

The adoption of these improvements will not have a substantial impact on the Group's financial statements.

● **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.

• **Amendment of International Financial Reporting Standard 1** «First time adoption of International Financial Reporting Standards»
Effective for annual periods beginning on or after 1.7.2009.

On 27 November 2008 published a revised edition with a change in the structure of this standard. The purpose of this change was to improve information and to facilitate implementation of future amedments. This revised edition does not apply to the Group's financial statements.

This amendment has not been yet endorsed by the European Union.

• **Amendment of International Accounting Standard 39** «Financial Instruments: Recognition and Measurement» concerning eligible hedged items.
Effective for annual periods beginning on or after 1.7.2009.

This amendment issued on 31 July 2008 provides clarifications regarding the application of hedge accounting. It is classified that as hedged items in fair value hedge or cash flow hedge can be defined as:

• The partial change in fair value or cash flows of financial instruments

• The change in cash flows related to inflation (under conditions)

• The increase or decrease of cash flow of fair value in relation to a specific reference value (one-sided risk).

The Group is examining whether there will be an impact from the adoption of the above interpretation in the financial statements.

• **Interpretation 15** «Agreements for the construction of real estate»
Effective for annual periods beginning on or after 1.1.2009

This interpretation issued on 3 July 2008 provides guidance as how to determine whether an agreement for the construction of real estate or agreements with buyers before the completion of real estate construction is within the scope of IAS 11 (construction contracts) or in accordance with IAS 18 Revenue (as contracts provide services or sell goods).

The adoption of this interpretation will have no impact on the financial statements since it does not apply to the Group.

This amendment has not been yet endorsed by the European Union.

• **Interpretation 17** «Distribution of non-cash assets to owners»
Effective for annual periods beginning on or after 1.7.2009

This interpretation, issued on 27 November 2008, provides guidance to an entity in order to recognize and subsequent measure a liability arising from the distribution of non-cash assets to owners. The Group examines the impact of this interpretation on the financial statements.

This amendment has not been yet endorsed by the European Union.

• **Interpretation 18** «Transfer of assets from customers»
Effective for annual periods beginning on or after 1.7.2009

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 them. 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. The Group is examining whether there will be an impact from the adoption of this interpretation.

4. Financial Risk Management

4.1 Introduction and overview

The Group's Risk Management Division monitors the following risks:

• Credit Risk
• Liquidity Risk
• Market Risk, and
• Operational Risk

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 capital.

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 Assets-Liabilities Committee (ALCO) for the Group, and an Audit Committee, which are responsible for developing and monitoring the risk management policies of the Group in their specified areas.

Specifically, the Assets-Liabilities Committee, define the Group's strategy in relation to financial and qualitative indicators, as well as macroeconomic and financial developments, and determine the acceptable limits for various types of risks, exercising the appropriate pricing policy on products and services.

The main duties of the Audit Committee, are the supervision and annual assessment of the Bank's and Group' s Internal Audit System efficiency and effectiveness. Moreover, the Audit Committee, hands in proposals, for tackling any problems that might be detected, and supervise the proper implementation of the Board of Directors' decisions.

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 Group faces through quantitative methods, of all Group risks, as well as for developing new quantitative tools, which will enhance the Group'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 and credit limits give 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 of the Group's profitability, by monitoring the level of expected and unexpected financial loss. By using historical data and informational systems, the Group 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 deterioration of the credit wealthiness of borrowers. The Group assesses these loans on an individual bases and records a loan impairment, equal to the difference of the carrying amount of the loan and the present value of the recoverable amount using the effective rate of the loan

b) Collectively impaired

These are loans and advances to customers which the Group has 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 due according to the contractual terms of the loan agreements. These loans are examined for impairment, on a collective basis. The portfolio are 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. The 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.

(Amounts in Euro thousand)

31 December	Loans and advances to customers 2008	Loans and advances to customers 2007	Loans and advances to credit institutions 2008	Loans and advances to credit institutions 2007	Investment securities 2008	Investment securities 2007
Individually impaired						
Grade 6	863	896				
Grade 7	41,578	31,850				
Grade 8	1,631	3,058				
Grade 9	18,083	15,510				
Grade 10	17,661	12,367				
Gross amount	**79,816**	**63,681**	**0**	**0**	**0**	**0**
Impairment loss	(29,281)	(19,422)				
Carrying amount	**50,535**	**44,259**	**0**	**0**	**0**	**0**

31 December	Loans and advances to customers 2008	Loans and advances to customers 2007	Loans and advances to credit institutions 2008	Loans and advances to credit institutions 2007	Investment securities 2008	Investment securities 2007
Collectively impaired						
Grade 7	2,285	2,636				
Grade 8	2,612	5,388				
Grade 9	3,097	5,859				
Grade 10	15,244	9,056				
Gross amount	**23,238**	**22,939**	**0**	**0**	**0**	**0**
Impairment loss	(14,494)	(12,198)				
Carrying amount	**8,744**	**10,741**	**0**	**0**	**0**	**0**

31 December	Loans and advances to customers 2008	Loans and advances to customers 2007	Loans and advances to credit institutions 2008	Loans and advances to credit institutions 2007	Investment securities 2008	Investment securities 2007
More than 30 days past due						
Grade 2	97,987	71,930				
Grade 3	57,567	39,869				
Grade 4	31,338	26,692				
Grade 5	16,224	15,769				
Grade 6	6,275	5,359				
Grade 7	766	551				
Gross amount	**210,157**	**160,170**	**0**	**0**	**0**	**0**
Impairment loss	(3,027)	(861)				
Carrying amount	**207,130**	**159,309**	**0**	**0**	**0**	**0**
More than 30 days past due comprises:						
31-90 days	119,899	87,785				
91-180 days	60,367	55,144				
180 days +	26,864	16,380				
Carrying amount	**207,130**	**159,309**	**0**	**0**	**0**	**0**

31 December	Loans and advances to customers 2008	Loans and advances to customers 2007	Loans and advances to credit institutions 2008	Loans and advances to credit institutions 2007	Investment securities 2008	Investment securities 2007
Less than or equal to 30 days past due						
Grade 1	816,809	965,798	260,875	495,814	22,830	23,962
Grade 2	436,749	496,048				
Grade 3	204,277	156,084				
Grade 4	117,900	113,077				
Grade 5	161,535	144,434				
Grade 6	136,098	130,530				
Gross amount	**1,873,368**	**2,005,971**	**260,875**	**495,814**	**22,830**	**23,962**
Impairment loss	(9,973)	(6,426)				
Carrying amount	**1,863,395**	**1,999,545**	**260,875**	**495,814**	**22,830**	**23,962**
Total carrying amount	**2,129,804**	**2,213,854**	**260,875**	**495,814**	**22,830**	**23,962**

Set out below is an analysis of the gross and net of allowance for impairment amounts of 31 December 2008 and 2007 by risk grade:

(Amounts in Euro thousand)	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
31 December 2008	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
Individually impaired						
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	403				
Total	**79,816**	**50,536**	**0**	**0**	**0**	**0**

	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
31 December 2008	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
Collectively impaired						
Grade 7	2,285	1,294				
Grade 8	2,612	1,110				
Grade 9	3,097	1,307				
Grade 10	15,244	5,032				
Total	**23,238**	**8,743**	**0**	**0**	**0**	**0**

	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
31 December 2008	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
More than 30 days past due						
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				
Total	**210,157**	**207,130**	**0**	**0**	**0**	**0**
More than 30 days past due comprises:						
31-90 days	120,941	119,899				
91-180 days	61,523	60,367				
180 days +	27,693	26,864				
Total	**210,157**	**207,130**	**0**	**0**	**0**	**0**

	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
31 December 2008	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
Less than or equal to 30 days past due						
Grade 1	816,809	813,020	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				
Total	**1,873,368**	**1,863,395**	**260,875**	**260,875**	**22,830**	**22,830**
Grand total	**2,186,579**	**2,129,804**	**260,875**	**260,875**	**22,830**	**22,830**

(Amounts in Euro thousand)

	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
31 December 2007	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
Individually impaired						
Grade 6	896	805				
Grade 7	31,850	29,336				
Grade 8	3,058	3,058				
Grade 9	15,510	9,682				
Grade 10	12,367	1,379				
Total	**63,681**	**44,260**	**0**	**0**	**0**	**0**
	Loans and advances to customers		**Loans and advances to credit institutions**		**Investment securities**	
31 December 2007	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
Collectively impaired						
Grade 7	2,636	1,828				
Grade 8	5,388	3,501				
Grade 9	5,859	2,600				
Grade 10	9,056	2,812				
Total	**22,939**	**10,741**	**0**	**0**	**0**	**0**
	Loans and advances to customers		**Loans and advances to credit institutions**		**Investment securities**	
31 December 2007	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
More than 30 days past due						
Grade 2	71,930	71,878				
Grade 3	39,869	39,823				
Grade 4	26,692	26,454				
Grade 5	15,769	15,458				
Grade 6	5,359	5,285				
Grade 7	551	410				
Total	**160,170**	**159,308**	**0**	**0**	**0**	**0**
More than 30 days past due comprises:						
31-90 days	88,080	87,784				
91-180 days	55,549	55,144				
180 days +	16,541	16,380				
Total	**160,170**	**159,308**	**0**	**0**	**0**	**0**
	Loans and advances to customers		**Loans and advances to credit institutions**		**Investment securities**	
31 December 2007	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
Less than or equal to 30 days past due						
Grade 1	965,798	963,937	495,814	495,814	23,962	23,962
Grade 2	496,048	494,318				
Grade 3	156,084	155,116				
Grade 4	113,077	112,548				
Grade 5	144,434	143,709				
Grade 6	130,530	129,917				
Total	**2,005,971**	**1,999,545**	**495,814**	**495,814**	**23,962**	**23,962**
Grand total	**2,252,761**	**2,213,854**	**495,814**	**495,814**	**23,962**	**23,962**

4.2.2 Collateral

The Group as part of its risk management policy receives collateral in order to protect its receivables. The major categories of collateral against loans and advances to customers are in the form of cheques, prenotices over property and other guarantees, such as cash collateral. The table below shows collateral held for the Group's credit risk.

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Retail customers:		
Mortgages	1,080,467	1,108,158
Credit cards	54,093	44,402
Other consumer loans	79,229	66,432
Total	**1,213,789**	**1,218,992**
Corporate clients:		
Corporate bonds	134,681	102,045
Corporate loans	656,476	739,454
Shipping loans	52,280	57,955
Finance leases	106,384	101,903
Local authorities & other organizations	2,951	3,617
Total	**952,772**	**1,004,974**
Amounts for securities transaction	**20,018**	**28,795**
Loans and advances	**2,186,579**	**2,252,761**
Impairment loss	(56,775)	(38,907)
Loans and advances after provisions	**2,129,804**	**2,213,854**
Collaterals		
Retail client:	1,702,377	1,577,196
Corporate client:	1,496,161	1,387,830
Total collaterals amount	**3,198,538**	**2,965,026**

Loans to retail customers, in their majority, are collateralized in the form of mortgage interests over property. As far as, loans to corporate clients is concerned, their collaterals, are in the form of cheques, mortgage interests over property, and other collateral types, such as cash, securities and machinery.

The following table describes the collaterals held against corporate clients, expressed in thousands of Euros and per collateral type.

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Cheques	263,664	265,037
Property	323,617	221,553
Others	908,880	901,240
Total	**1,496,161**	**1,387,830**

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 Risk Management Division 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 Group applies stress tests on its securities portfolio.
Specifically, the Group uses extreme value theory for concluding on changes in the Group's securities portfolio when extreme events occur. The VaR model implemented by the Risk Management Division, is based upon a 99 percent confidence level and assumes a 10-day holding period. For the purpose of VaR calculation the securities portfolios of the Bank are included, consisting of shares, mutual funds and bonds classified either as available for sale, held to maturity or trading. In addition the Risk Management Division, implements a wide range of stress tests to model the financial impact of a variety of exceptional
market scenarios on individual portfolios and the Group's overall position. As at 31 December 2008, VaR for the securities' portfolio was Euro 967 thousands and Euro 41,6 thousands for the Group's foreign exchange position. The Group, as at 31 December 2008, held a long position of Euro 1,77 million, against several currencies.

With respect to 31 December 2007, VaR was equal to Euro 1,68 million for the securities' portfolio, and Euro 19,6 thousands for the Group's foreign exchange position. The Group, as at 31 December 2007, held a short position of Euro 448 thousands, against several currencies.

(Amounts in Euro thousand)

Investment risk (in millions of Euro)	**2008**	**2007**
Securities' value	23,161	27.14
VaR	967	1.68
Currency risk (in thousand of Euro)	**2008**	**2007**
Foreign exchange position	1,771	(448)
VaR	41.6	19.6

4.4 Liquidity risk

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

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'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.

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

The two mandatory indices, set by the Bank of Greece, the Net Liquid Assets index and the Assets minus Liabilities index, are monitored on a daily basis.

The net Liquid Asset index , was as follows:

(Amounts in Euro thousand)

	2008	2007
At 31 December	**15.36%**	**24.16%**
Average for the period	21.17%	22.23%
Maximum for the period	26.10%	24.16%
Minimum for the period	13.53%	18.16%

In February 2009 the Bank 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 Euro thousand)

At 31 December 2008	Up to 1 month	1-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Total
Assets							
Cash & cash equivalents	79,314	12	-	-	-	-	**79,326**
Trading securities	-	-	-	-	2,471	-	**2,471**
Loans and advances to Banks	260,875	-	-	-	-	-	**260,875**
Loans and advances to customers	406,238	15,823	460,368	25,297	57,150	1,164,928	**2,129,804**
Available for sale investments	12,287	-	-	-	7,333	-	**19,620**
Held to maturity investments	-	-	-	-	3,210	-	**3,210**
Total assets	**758,714**	**15,835**	**460,368**	**25,297**	**70,164**	**1,164,928**	**2,495,306**
Liabilities							
Due to banks	176,183	-	-	-	-	-	**176,183**
Due to customers	877,696	486,072	198,769	52,112	356,291	-	**1,970,941**
Subordinated liabilities and hybrid issues	-	123,968	-	-	134,693	-	**258,661**
Total liabilities	**1,053,879**	**610,040**	**198,769**	**52,112**	**490,984**	**-**	**2,405,785**

At 31 December 2007	Up to 1 month	1-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Total
Total assets	1,101,004	592	486,516	18,150	115,905	1,115,741	**2,837,908**
Total liabilities	1,365,461	393,771	90,294	211,474	612,805	-	**2,673,805**

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 31 December 2008. Included in the table are the Group 's assets and liabilities at carrying amounts, categorized by currency

(Amounts in Euro thousand)

At 31 December 2008	EUR	USD	Other	Total
Assets				
Cash & cash equivalents	78,675	433	218	**79,326**
Trading securities	2,471	-	-	**2,471**
Loans and advances to banks	126,143	123,768	10,964	**260,875**
Loans and advances to customers	2,085,722	36,336	7,746	**2,129,804**
Available for sale investments	18,075	137	1,408	**19,620**
Held to maturity investments	3,210	-	-	**3,210**
Total assets	**2,314,296**	**160,674**	**20,336**	**2,495,306**
Liabilities				
Due to banks	162,897	-	13,286	**176,183**
Due to customers	1,792,726	165,769	12,446	**1,970,941**
Subordinated liabilities and hybrid issues	258,661	-	-	**258,661**
Total liabilities	**2,214,284**	**165,769**	**25,732**	**2,405,785**
Net off-balance sheet position	**(14)**	**(11)**	**25**	**-**

At 31 December 2007	EUR	USD	Other	Total
Total assets	**2,579,204**	**225,474**	**33,230**	**2,837,908**
Total liabilities	**2,416,457**	**219,405**	**37,943**	**2,673,805**
Net off-balance sheet position	**1,431**	**(932)**	**(499)**	**-**

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.

The Risk Management Division' s 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 EUR 3.14 million. On the other hand, a decrease of rates by 1% will lead to an increase in the Group's profits in one year by an amount of EUR 3.14 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 re pricing or maturity dates :

(Amounts in Euro thousand)

31 December 2008	Effective Interest rate	Floating	1-3 months	3-12 months	1 to 2 years	Over 2 years	Non-interest	Total
Assets								
Cash & cash equivalents	2.1%	-	54,888	-	-	-	24,438	**79,326**
Trading securities	-	-	-	-	-	-	2,471	**2,471**
Loans and advances to banks	2.9%	-	241,866	-	-	-	19,009	**260,875**
Loans and advances to customers	6.7%	1,239,117	213,483	145,576	293,799	223,702	14,127	**2,129,804**
Available for sale investments	3.4%	-	4,216	10	-	-	15,394	**19,620**
Held to maturity investments	3.5%	-	-	3,210	-	-	-	**3,210**
Total assets		**1,239,117**	**514,453**	**148,796**	**293,799**	**223,702**	**75,439**	**2,495,306**
Liabilities								
Due to banks	3.3%	20,000	156,183	-	-	-	-	**176,183**
Due to customers	5.3%	-	1,723,003	246,260	1,678	-	-	**1,970,941**
Subordinated liabilities and hybrid issues	7.5%	-	134,693	123,968	-	-	-	**258,661**
Total liabilities	**-**	**20,000**	**2,013,879**	**370,228**	**1,678**	**-**	**-**	**2,405,785**

31 December 2007	Floating	1-3 months	3-12 months	1 to 2 years	Over 2 years	Non-interest	Total
Total assets	1,628,019	602,171	57,393	113,352	372,178	64,795	2,837,908
Total liabilities	12,000	2,254,470	401,001	6,303	31	-	2,673,805

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 manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

Through continuous reports of the Risk Management Division, regarding the Group's exposure to operational risk, the Board, is informed about 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 Approach, for the computation of its operational risk charge.

4.8 Stress testing

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

The Risk Management Division, run 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 weighted assets of on and off balance sheet items, arising from credit risk, market risk, operational risk and the Group's 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.

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Upper Tier I	155,056	224,492
Lower Tier I	-	-
Deductions	(4,572)	(16,547)
Total Tier 1	**150,484**	**207,945**
Upper Tier II	638	-
Lower Tier II	77,847	99,305
Deductions	(4,572)	(7,328)
Total Tier II	**73,913**	**91,977**
Regulatory capital	**224,397**	**299,922**
Risk-weighted assets		
Credit risk	1,643,500	1,827,363
Market risk	22,500	-
Operational risk	140,613	-
Securitized Exposures	48,038	19,104
Total risk-weighted assets	**1,854,651**	**1,846,467**
Indices (in %)		
Tier 1 CAD	8.11	11.26
Total CAD	12.10	16.24

5. Fair values of financial assets and liabilities

The following table summarizes 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 Euro thousand)

	Carrying amount		Fair value	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Financial assets				
Loans and advances to banks	260,875	495,814	260,875	495,814
Loans and advances to customers	2,129,804	2,213,854	2,189,301	2,206,529
Investment securities held to maturity	3,210	3,279	3,092	3,113
Financial liabilities				
Deposits from banks	176,183	213,661	176,183	213,661
Deposits from customers	1,970,941	2,182,104	1,986,064	2,092,619
Debt securities in issue	258,661	278,040	258,661	278,040

6. Business segments

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

- Corporate Banking: This segment includes banking services to large corporates operating in the commercial and industrial sector, banking services to shipping, participation in funding facilities through syndicated loans and corporate bonds, leasing operations and other.
- Asset Management and Stock brokerage: This segment includes stock brokerage services, mutual funds management and insurance brokerage services
- Retail Banking: This segment includes retail banking facilities such as loans, deposits and other to individuals, households and small/medium companies

(ποσά σε χιλιάδες Ευρώ)

	Corporate Banking		Retail Banking		Asset management & stock brokerage		Total	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Interest income	22,835	18,694	142,603	126,668	636	1,049	**166,074**	**146,411**
Interest expense	(3,803)	(3,150)	(121,936)	(87,394)	(24)	-	**(125,763)**	**(90,544)**
Commissions & other earnings	9,185	6,937	18,467	26,011	5,025	8,482	**32,677**	**41,430**
Operating income	28,217	22,481	39,134	65,285	5,637	9,531	**72,988**	**97,297**
Profit/(loss) before tax	9,206	7,668	(66,270)	6,170	(2,175)	1,848	**(59,239)**	**15,686**
Profit/(loss) after tax	7,423	3,450	(53,945)	2,865	(1,754)	831	**(48,276)**	**7,146**
Total assets	308,578	363,057	2,294,934	2,548,605	20,317	32,781	**2,623,829**	**2,944,443**
Total liabilities	100,001	118,949	2,351,753	2,567,351	9,435	33,481	**2,461,189**	**2,719,781**
Fixed assets additions	4,489	7,108	4,311	28,952	54	81	**8,854**	**36,141**
Depreciation	5,629	4,261	6,405	5,248	177	178	**12,211**	**9,687**
Loss from impairment of loans & advances	2,571	1,482	14,557	1,954	1,126	8	**18,254**	**3,444**

7. Net interest Income

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Interest income		
Loans and advances to customers	146,448	126,520
Money market	16,789	16,603
Investment securities	2,676	3,017
Trading securities	161	271
Total	**166,074**	**146,411**

	31.12.2008	31.12.2007
Interest expense		
Deposits from banks and customers	(109,732)	(76,022)
Subordinated liabilities	(16,031)	(14,522)
Total	**(125,763)**	**(90,544)**
Net interest income	**40,311**	**55,867**

8. Fee and commission income

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Loans and letters of guarantees	12,012	13,131
Brokerage transactions	2,701	4,016
Funds transfers and similar	1,642	1,974
Imports-exports	889	1,254
Management and custodian fees	3,205	4,437
Credit cards	2,018	1,671
Deposits	-	500
Property	229	302
Other	1,680	2,067
Total	**24,376**	**29,352**

9. Net trading income

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Foreign exchange	703	1,159
Trading portfolio	(3,023)	(1)
Available for Sale	(258)	-
Derivatives	16	1,222
Total	**(2,562)**	**2,380**

The charge in the Income Statement from the Available for Sale securities portfolio consists of (in €'000):

Write-off of investment	(64)
Transfer from AFS reserve to Income Statement due to the write-off of investment	(194)

10. Other operating income

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Leases	65	73
Safekeeping commissions	160	96
Leasing commissions	7,674	7,650
Profit from disposal of PPE	755	-
Other operating income	2,620	2,291
Total	**11,274**	**10,110**

11. Personnel expenses

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Wages and salaries	36,633	25,680
Indemnification	8,618	552
Social security obligations	7,384	7,222
Contribution to defined contribution plans	3,286	2,672
Contribution to defined benefit plans	496	536
Total	**56,417**	**36,662**

The average number of persons employed by the Group during 2008 was 1,075 (2007: 1,037).

12. Other expenses

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Rents/Leases	7,291	6,813
Third party fees	6,504	6,617
Telecommunication expenses	2,498	2,227
Other taxes	2,792	2,545
Subscription fees	2,720	2,347
Maintenance expenses	971	788
Third party expenses	2,167	1,563
Traveling & accommodation expenses	982	978
Marketing expenses	2,682	2,251
Credit card expenses (VISA)	1,802	1,335
Professional fees	1,167	1,385
Other expenses	8,902	2,969
Total	**40,478**	**31,818**

13. Income tax expense

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Current year	(476)	(395)
Prior year taxes	(545)	(5,178)
Prior year offset losses	-	92
Deferred tax	11,984	(3,059)
Total	**10,963**	**(8,540)**

Deffered tax - current tax rate 25%	12,504	
Effect of application of future tax rates	(520)	
	11,984	

Reconciliation of effective tax rate

		31.12.2008		31.12.2007
Profit before income tax		**(59,239)**		**15,686**
Income tax using corporate tax rate	25%	14,810	25%	3,922
Non-deductible expenses	5%	(2,794)	3%	472
Tax exempt income	5%	2,855	-	(4)
Prior year taxes	1%	(545)	33%	5,178
Prior year offset losses	-	-	-	(92)
Other differences	6%	(3,363)	(6%)	(936)
Total	**19%**	**10,963**	**55%**	**8,540**

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	2005 – 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

Because of the method under which the tax obligations are ultimately concluded in Greece, the Group remains contingently liable for additional taxes and penalties for its open tax years. It is noted that the tax audit of the Bank for the fiscal years 2003 and 2004, concluded in 2007, resulted in additional taxes amounting to €5.2 million, of which €2.3 million refer to a one-off, specific tax charge related to tax non-deductability of a provision formed upon acquisition of a foreign branch by the Bank in 2003. 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 €545 thousand. Tax losses for 2007 and 2008 can offset future taxable profits until 2012 and 2013 respectively.

14. Earnings per share

Basic and diluted earnings per share at 31 December 2008 are calculated based on profit/(loss) after tax for the years attributable to the equity holders of € (48,276) thousand (2007: € 7,146 thousand) with a weighted average number of ordinary shares outstanding, during the year ended 31 December 2008 of 64,064,054 (2007: 63,487,261).

15. Cash and cash equivalents

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Cash in hand	24,331	25,837
Reserves with Central Bank	54,995	67,284
Total	**79,326**	**93,121**

16. Trading securities

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Bonds	-	6,843
Equities	2,471	4,301
Total	**2,471**	**11,144**

In accordance with the recent amendments to IAS 39, the Bank reclassified shares listed in the Athens 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 01.07.08 to 31.12.08, resulted to a fair value loss of € 1,301 thousand, which has been recognized in the Available for Sale securities reserve. The respective devaluation of the pre mentioned securities amounting to € 722 thousand for the period 01.01.08 to 30.06.08 is still included in the "Net trading income" for the year.

17. Derivatives assets/liabilities

(Amounts in Euro thousand)

	Fair value 2008		Fair value 2007	
	Assets	Liabilities	Assets	Liabilities
Futures – bonds	-	-	13	-
Total	**0**	**0**	**13**	**0**

18. Loans and advances to Banks

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Current accounts	65,149	33,677
Money market placements	177,138	461,893
Items in course of collection	18,588	244
Total	**260,875**	**495,814**

19. Loans and advances to customers

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Retail customers:		
Housing	1,080,467	1,108,158
Credit cards	54,093	44,402
Other consumer loans	79,229	66,432
Total	**1,213,789**	**1,218,992**
Corporate customers:		
Corporate bonds	134,681	102,045
Corporate loans	656,476	739,454
Shipping loans	52,280	57,955
Finance leases	106,384	101,903
Local authorities & other organizations	2,951	3,617
Total	**952,772**	**1,004,974**

Amounts due relating to brokerage transactions	**20,018**	**28,795**
Loans and advances	**2,186,579**	**2,252,761**
Impairment allowance	(56,775)	(38,907)
Loans and advances to customers net of impairment	**2,129,804**	**2,213,854**

Financial leases are analyzed by maturity as follows:

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Up to one year	22,517	9,056
One to five years	69,290	83,683
Over five years	33,638	26,789
	125,445	**119,528**
Less: Deferred income	**(19,061)**	**(17,625)**
Total	**106,384**	**101,903**

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

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Up to one year	17,364	3,693
One to five years	60,747	74,008
Over five years	28,273	24,202
Total	**106,384**	**101,903**

(Amounts in Euro thousand)

Allowance for impairment	**2008**	**2007**
Balance at 1st January	38,907	35,896
Impairment loss for the year	18,254	3,444
Write-offs	(386)	(433)
Balance at 31th December	**56,775**	**38,907**

20. Available for sale investments

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Mutual fund units	8,328	10,740
Listed equity securities	5,640	9,041
Corporate bonds	4,227	56
Non-listed equity securities	1,425	846
Total	**19,620**	**20,683**

21. Held to maturity securities

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Greek Government bonds	3,210	3,279
Total	**3,210**	**3,279**

22. Property and equipment

(Amounts in Euro thousand)

Cost	**Property and buildings**	**Leasehold improvements**	**Furniture and equipment**	**Total**
Balance as at 1st January 2007	6,985	25,874	33,237	**66,096**
Acquisitions	-	954	26,511	**27,465**
Write-offs	-	(31)	(1,325)	**(1,356)**
Balance as at 31th December 2007	**6,985**	**26,797**	**58,423**	**92,205**
Balance at 1st January 2008	6,985	26,797	58,423	92,205
Acquisitions	-	799	3,801	4,601
Disposals	-	-	(3)	(3)
Write-offs	(10)	-	(1,256)	(1,265)
Balance as at 31th December 2008	**6,975**	**27,596**	**60,966**	**95,537**
Depreciations	**Property and buildings**	**Leasehold improvements**	**Furniture and equipment**	**Total**
Balance as at 1st January 2007	756	11,905	21,433	34,094
Depreciation for the year	139	2,041	3,862	6,042
Write-offs	-	(12)	(1,091)	(1,103)
Balance as at 31th December 2007	**895**	**13,934**	**24,204**	**39,033**
Balance as at 1st January 2008	895	13,934	24,204	**39,033**
Depreciations for the year	127	1,667	5,415	7,209
Write-offs	(1)	-	(954)	(955)
Balance as at 31th December 2008	**1,020**	**15,601**	**28,665**	**45,287**
Carrying amounts	**Property and buildings**	**Leasehold improvements**	**Furniture and equipment**	**Total**
Balance at 1st January 2007	6,229	13,969	11,804	**32,002**
Balance as at 31th December 2007	**6,090**	**12,863**	**34,219**	**53,172**
Balance at 1st January 2008	6,090	12,863	34,219	53,172
Balance as at 31th December 2008	**5,955**	**11,995**	**32,301**	**50,251**

23. Intangible assets

(Amounts in Euro thousand)

Cost	Purchased software
Balance as at 1st January 2007	7,237
Acquisitions	8,676
Disposals/ other movements	(772)
Balance as at 31th December 2007	**15,141**
Balance as at 1st January 2008	15,141
Acquisitions	4,252
Balance as at 31th December 2008	**19,393**
Amortization	
Balance at 1st January 2007	3,048
Amortization for the year	3,645
Disposals/ other movements	(772)
Balance as at 31th December 2007	**5,921**
Balance at 1st January 2008	5,921
Amortization for the year	5,002
Balance as at 31th December 2008	**10,923**
Carrying amounts	
Balance at 1st January 2007	4,189
Balance as at 31th December 2007	**9,220**
Balance at 1st January 2008	9,220
Balance as at 31th December 2008	**8,470**

24. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Deferred tax assets		
Finance lease	-	909
Impairment for customer loans	860	1,816
Employee benefits	767	895
Other provisions	1,211	-
Commission income	595	817
Tax loss	12,616	1,354
Other	170	-
Total	**16,219**	**5,791**
Deferred tax liabilities		
Finance lease	499	(1,402)
Property and equipment	3,753	(4,923)

Commission expense	176	(6)
Loans	1,006	(658)
Other	-	(1)
Total	**5,434**	**(6,990)**
Net deferred tax asset/(liability)	**10,785**	**(1,199)**

Movement in temporary differences during the year

(Amounts in Euro thousand)

2008	Opening balance	Recognized in income	Closing balance
Customer loans impairment	1,818	(958)	**860**
Employee benefits	894	(127)	**767**
Commission income	817	(222)	**595**
Finance lease	(496)	(3)	**(499)**
Property, plant 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)**
Other provisions	0	1,211	**1,211**
Other	184	(14)	**170**
Total	**(1,199)**	**11,984**	**10,785**

2007	Opening balance	Recognized in income	Closing balance
Customer loans impairment	2,262	(446)	**1,816**
Employee benefits	777	118	**895**
Commission income	890	(73)	**817**
Finance lease	(242)	(253)	**(495)**
Property and equipment	(2,264)	(2,659)	**(4,923)**
Commission expense	(19)	13	**(6)**
Tax loss	422	932	**1,354**
Loans	-	(658)	**(658)**
Other	34	(33)	**1**
Σύνολο	**1,860**	**(3,059)**	**(1,199)**

25. Other assets

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Guarantees and participations to other funds	9,919	7,664
Deposit Guarantee Fund	5,306	68
Property acquired in auctions	5,184	1,834
Advances	1,795	1,656
Receivables from Greek State and other public organizations	11,347	4,818
Accrued income	7,912	9,471
Other receivables	17,554	18,632
Total	**59,017**	**44,143**

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.

26. Due to customers

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
On demand and current accounts	275,594	355,543
Savings accounts	159,015	229,766
Term deposits	1,536,332	1,596,795
Total	**1,970,941**	**2,182,104**

27. Debt securities issued

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Subordinated loans	100,250	100,250
Securitized loans	123,968	148,563
Other Bonds	34,952	29,928
Direct expenses	(509)	(701)
Total	**258,661**	**278,040**

Subordinated loans are analyzed as follows:

(1) Aspis Jersey plc - Issuer. Month of issue April 2007, recall date April 2012, maturity April 2017. Interest rate is euribor 3 month plus 1.24% spread which if recalled increases by 1.30%. Amount issued is EUR 50,250 thousand.

(2) Aspis Finance plc. – Issuer. Month of issue February 2005, recall Date February 2010, Maturity February 2015. Interest rate is euribor 3 month plus 1.35% spread which if recalled increases by 1.30%. Amount issued EUR 50 ,000 thousand.

All amounts shown above are depicted at amortized cost. Direct costs are amortized to the income statement based on the effective rate.

28. Other liabilities

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Tax obligations	2,034	2,021
Bank drafts & cheques payable	3,546	1,704
Accrued interest expense	19,136	12,377
State and Social Insurance liabilities	2,269	1,507
Other accrued expenses	8,280	4,940
Provisions	5,610	420
Other liabilities	10,118	17,620
Total	**50,993**	**40,589**

Provisions amounting to €5,610 thousand refer to: €3,000 thousand for the Group restructuring €1,846 impairment for receivables other than loans and €545 thousand for tax audited years. A provision amounting to € 219 thousand has been formed for claims and legal actions arising in the ordinary course of business .

29. Employee benefits

Employee benefits consist of:

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Recognized liability for defined benefit obligations	3,835	3,604
Vacation not taken	50	50
Total	**3,885**	**3,654**
Defined benefit obligations		
Present value of unfunded obligations	3,209	4,024
Unrecognised actuarial gains and losses	626	(420)
Recognized liability for defined benefit obligations	**3,835**	**3,604**

Movement in the liability for defined benefit obligations	**31.12.2008**	**31.12.2007**
Liability for defined benefit obligations at 1 January	3,604	3,128
Expense recognized in profit or loss (see below)	495	536
Benefits paid	(264)	(60)
Total	**3,835**	**3,604**

Expense recognized in profit or loss	**31.12.2008**	**31.12.2007**
Current service costs	326	382
Interest on obligation	159	150
Amortization of actuarial loss	-	4
Past service cost	10	-
Total	**495**	**536**

Actuarial assumptions	**31.12.2008**	**31.12.2007**
Discount rate	5.5%	4.3%
Future salary increases	4.0%	5.0%

30. Share Capital

At 31 December 2008, the share capital comprised 64,064,054 ordinary shares with a par value of € 2.71 per share.

31. Reserves

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Statutory reserve	883	725
Untaxed reserves	2,264	2,265
Available for sale reserve	(11,764)	(3,959)
Other reserves	6,365	4,865
Total	**(2,252)**	**3,896**

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.

Available-for-sale reserve: This reserve includes the cumulative net charge in the fair value of available-for-sale investments.

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

32. Dividends

The Annual General Meeting of the Bank's shareholders, held on April 17, 2008, approved among others the payment of dividend amounting to € 1,281 thousand or €0.02 per share. Due to the accumulated losses the Bank is not allowed to pay any dividends for 2008.

33. Related parties

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 Euro thousand)

(a) Board of Directors	**31.12.2008**	**31.12.2007**
Loans and advances to customers	21,546	15,934
Deposits from customers	3,736	11,151
Other liabilities	92	57
Income		
Net interest income	509	266
Net commission income	33	64
Expenses		
Staff costs	15,564	4,012
Other operating expenses	452	342
(b) Transactions with other parties	**31.12.2008**	**31.12.2007**
Loans and advances to customers	24,410	18,071
Other assets	944	467
Amounts due to customers	58,932	47,879
Other liabilities	251	313
Income		
Net interest income	(1,334)	(528)
Net commission income	553	669
Expenses		
Other operating expenses	4,721	3,377

The amount of € 9,5 million approximately has been paid, as compensations, to certain executives who have resigned during 2008.

	Company name	VAT	Loans	Deposits	Interest income	Interest expense	Other income	CCS	Collateral value	Stock brokerage receivables	Stock brokerage liabilities
Board of Directors & Senior management			241	2,318	10	48	-	-	4,821	900	31
Other related parties			163	1,392	10	50	-	-	70	2,328	1
Former senior management			576	23	12	12	-	3	-	-	-
	ASPIS PRONOIA S.A.	94006538	2,257	3,239	160	212	280	525	3,639	-	-
	ASPIS ACCOMMODATION & TOUR. S.A.	94392525	-	2	-	-	-	-	-	-	-
	ASPIS PRONOIA GEN. SECURITY LIFE S.A.	94428803	8	9,522	22	457	205	102	-	-	-
	PROVISION S.A.	94399157	-	5	-	-	-	-	-	-	12
	ASPIS GROUP S.A.	94353550	-	13	1	-	-	-	-	-	-
	ASPIS ESTIA S.A.	94317525	2,500	1	145	2	3	-	2,500	-	-
	ASPIS FUNDS	94006538	-	78	-	13	-	-	-	-	-
	COMMERCIAL VALUE S.A.	94059010	3,774	39,216	74	1,411	61	1,020	5,358	-	-
	C.V. ASSET VALUE	94059010	-	5,682	-	452	-	-	-	-	-
	PRONOIA COMMERCIAL S.A.	99359542	-	1	-	-	-	-	-	2,006	-
	E-VALLEY S.A.	99759039	-	35	-	-	-	-	-	-	-
	KYVELI - ASTIKES EKMETALEFSIS	99938804	-	1	-	-	-	-	-	-	-
	D. ATHENEOS INSURANCE GROUP	94101880	-	3	-	-	-	-	-	-	-
	TIME S.A.	999631375	11,374	15	836	-	3	-	45,587	-	-
	TRAM JOINT-VENTURE	999802840	-	3	-	-	-	-	-	-	-
	ASPIS REAL ESTATE S.A.	95556706	-	9	-	-	-	-	300	-	-
	BRIGHT MARITIME CORPORATION	98061660	-	-	-	-	-	-	-	-	-
	ASPIS CAPITAL S.A.	999397515	-	3	-	-	-	-	-	-	-
	ASPIS MORTGAGE COM S.A.	94009922	-	3	-	-	-	-	-	-	-
	GEK S.A.	94005751	-	126	-	96	-	1	1	-	-
	TERNA S.A.	94035480	-	79	64	-	28	9,387	14,569	-	-
	MONASTIRIOU S.A.	99758111	5,900	643	195	14	-	6	5,906	-	-
	NIKAS S.A.	999400966	3,648	45	116	-	-	-	4,314	-	-
	DROMON S.A.	941382210	1,440	92	54	-	-	-	-	-	-
	IOLKOS S.A.	999211922	-	-	-	-	-	-	-	-	-
	PETROS PETROPOULOS S.A.	94043269	3,990	2	51	-	3	245	7,000	-	-
	OIKOFARMA PELOPONISOU S. A.	82959870	2,678	2	112	-	-	-	2,635	-	-
	MEDOLIO S.A.	95555654	2,149	73	79	-	-	3	2,186	-	-
Total Group companies			**39,718**	**58,893**	**1,909**	**2,657**	**583**	**11,289**	**93,995**	**2,006**	**12**
	ASPIS INTERNATIONAL AEDAK	94286937	-	2,390	-	474	1	352	-	-	-
	ASPIS INT-L AEDAK (ΔΙΑΧ. ΧΑΡΤΟ	11111111	-	-	-	-	-	-	-	-	-
	ASPIS LEASING S.A..	94318896	44,486	4,508	2,553	87	25	25,000	4,500	-	-
	ASPIS A.E. ΜΕΣΙΤΕΙΑΣ ΑΣΦΑΛΙΣΕ	94473614	-	56	-	8	-	-	-	-	-
	ASPIS CREDIT S.A.	999398444	6,000	2,342	359	29	-	18	11,500	-	-
	ASPIS FINANCE PLC	999999999	-	-	-	-	-	-	-	-	-
Σύνολο θυγατρικών			**50,486**	**9,296**	**2,912**	**598**	**26**	**25,370**	**16,000**	**-**	**-**
TOTAL			**91,184**	**71,922**	**4,853**	**3,365**	**609**	**36,662**	**114,886**	**5,234**	**44**

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. A provision amounting to € 219 thousand has been formed for this purpose.

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)

	31.12.2008	31.12.2007
Letters of guarantee	184,732	210,182
Letters of credit	1,306	10,118

34.3 Operating leases

The Group's commitments from lease contracts refer mainly to buildings used for its branches and other operating units. There is an annual increase in leasing contracts according to the general price index. The average lease period is 9 years.

The future minimum payments under operating leases are as follows:

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Up to 1 year	6,853	6,564
From 1 to 5 years	16,646	17,039
Over 5 years	8,218	6,767

35. Post Balance Sheet events

- In order to strengthen Group's liquidity, the Bank concluded in February 2009 the securitisation of €424 million residential mortgages.
- The extraordinary General Meeting of the Bank's shareholders, held in January 23, 2009, approved the participation of the Bank to the state-aid program for the strengthening of the liquidity of the Greek economy, according to Law 3723/2008, and specifically through the issuance of preference shares (amounting up to €90 million), according to the specific provisions of the aforementioned law.

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

To the Shareholders of
ASPIS BANK A.T.E.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of ASPIS BANK A.T.E. (the "Bank") which comprise the consolidated balance sheet as at 31 December 2008, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view, of the consolidated financial position of the Bank as of 31 December 2008, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Report on other legal and regulatory requirements

We verified that the contents of the Board of Directors' Report are consistent and correspond with the accompanying Financial Statements within the scope set by articles 37, 43a and 107 of C.L. 2190/1920

Athens, 23 March 2009

KPMG Certified Auditors AE

Nick Vouniseas
Certified Auditor Accountant
AM SOEL 18701

VI. Financial statements for the year ended 31 December 2008 and Auditor's report

Aspis Bank

Financial Statements
As at 31 December 2008

In accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union

These financial statements have been approved by the Board of Directors of Aspis Bank S.A. on 23, March 2008 and are available at the following web page: www.aspisbank.gr

Contents

Financial Statement as at 31.12.2008

Income Statement

Amounts in thousand of EUR

	Note	31.12.2008	31.12.2007
Interest income		151,881	131,859
Interest expense and similar charges		(119,178)	(82,920)
Net interest income	**7**	**32,703**	**48,939**
Fee and commission income	**8**	22,997	26,504
Fee and commission expense		(470)	(351)
Net fee and commission income		**22,527**	**26,153**
Net trading income /(expense)	**9**	(2,215)	2,819
Dividend income		223	46
Other operating income	**10**	3,650	4,609
Total operating income		**56,888**	**82,566**
Staff expenses	**11**	(53,899)	(33,623)
Depreciation and amortization	**23-24**	(6,529)	(5,316)
Other operating expenses	**12**	(37,819)	(29,939)
Impairment on loans and advances	**19**	(17,217)	(3,050)
Other provisions		(4,846)	-
Total operating expenses		**(120,310)**	**(71,928)**
Profit/(loss) before income tax		**(63,422)**	**10,638**
Income tax	**13**	11,197	(7,626)
Net profit/(loss) for the period		**(52,225)**	**3,012**
Basic and diluted earnings/(loss) per share (in Euros)	**14**	(0.82)	0.05

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 attached notes on pages 7 to 39 form part of these financial statements.

Balance Sheet

Amounts in Euro thousand

Assets	Note	2008	2007
Cash & cash equivalents	15	79,323	93,119
Loans and advances to banks	18	237,424	473,786
Loans and advances to customers	19	1,968,506	2,043,186
Trading securities	16	-	7,756
Derivatives	17	-	13
Investment securities			
- Available for sale	21	22,120	23,183
- Held to maturity	22	3,210	3,279
Investment in subsidiaries and associates	20	30,549	30,492
Property and equipment	23	44,876	47,806
Intangible assets	24	5,282	4,590
Deferred tax asset	25	10,560	-
Other assets	26	58,245	43,456
Total assets		**2,460,095**	**2,770,666**

Liabilities		31.12.2008	31.12.2007
Due to banks		156,183	201,660
Due to customers	27	1,977,907	2,190,797
Debt securities in issue and other borrowed funds	28	139,312	139,092
Deferred tax liability	25	-	1,138
Other liabilities	30	3,672	3,456
Employee benefits	29	46,553	36,743
Total liabilities		**2,323,627**	**2,572,886**

Equity		31.12.2008	31.12.2007
Share capital	31	173,614	173,614
Share premium		17,053	17,053
Reserves	32	(3,425)	2,730
Retained earnings/(losses)		(50,774)	4,383
Equity attributable to Bank equity holders		**136,468**	**197,780**
Total liabilities and equity		**2,460,095**	**2,770,666**

The attached notes on pages 7 to 39 form part of these financial statements.

Statement of Changes in Equity

(Amounts in Euro thousand)

	Share Capital	Share Premium	Reserves	Retained Earnings	Total
Opening balance as at 1st January 2007	**172,029**	**17,078**	**(1,250)**	**11,782**	**199,639**
Profit for the period	-	-	-	3,012	3,012
Changes in fair value of available for Sale securities	-	-	(2,565)	-	(2,565)
Changes in fair value of cash flow hedge	-	-	(57)	-	(57)
Total recognized income	-	-	**(2,622)**	**3,012**	**390**
Prior year dividends paid	-	-	-	(3,809)	(3,809)
Transfers from retained earnings to reserves	-	-	6,602	(6,602)	
Share capital increase	1,585	(25)	-	-	1,560
Balance as at 31th December 2007	**173,614**	**17,053**	**2,730**	**4,383**	**197,780**
Balance as at 1st January 2008	**173,614**	**17,053**	**2,730**	**4,383**	**197,780**
Loss for the period	-			(52,225)	(52,225)
Changes in fair value of available for Sale securities	-		(8,000)		(8,000)
Changes in fair value of cash flow hedge	-		194		194
Total recognized income	**-**	**-**	**(7,806)**	**(52,225)**	**(60,031)**
Prior year dividends paid				(1,281)	(1,281)
Transfers from retained earnings to reserves			1,651	(1,651)	-
Balance as at 31th December 2008	**173,614**	**17,053**	**(3,426)**	**(50,774)**	**136,468**

The attached notes on pages 7 to 39 form part of these financial statements.

Cash Flow Statement

Amounts in Euro thousand

	31.12.2008	31.12.2007
Cash flows from operating activities		
Profit/(loss) before tax	(63,422)	10,638
Adjustments for non-cash items		
Depreciation and amortisation	6,529	5,316
Impairment losses	17,217	3,050
Other provisions	4,846	-
Defined benefit obligation	443	476
Other non-cash items	4,137	1,661
(Gains)/losses on the sale of investments, property and equipment	(61)	(1,093)
	(30,311)	**20,048**
Changes in operations		
Net (increase)/decrease in trading securities	(505)	(6,171)
Net (increase)/decrease in derivative financial instruments	13	84
Net (increase)/decrease in loans and advances to customers	57,529	(390,339)
Net (increase)/decrease in other assets	(10,794)	1,888
Net increase/decrease in due to banks	(45,478)	117,716
Net increase/decrease in due to customers	(212,890)	245,907
Net increase/decrease in other liabilities	3,004	8,820
Net cash inflow/(outflow) from operating activities	**(239,432)**	**(2,047)**
Cash flows from investing activities		
Sale of investments	162	29,622
Sales of property and equipment	36	36
Purchases of property and equipment	(4,327)	(28,986)
Dividends received	223	46
Net cash inflow/(outflow) from investing activities	**(3,906)**	**718**
Cash flows from financing activities		
Net proceeds from issue/(repayment) of debt securities	220	89,393
Issue of shares	-	1,560
Prior year dividends paid	(1,248)	(3,792)
Net cash inflow/(outflow) from financing activities	**(1,028)**	**87,161**
Net increase/(decrease) in cash and cash equivalents	**(244,366)**	**85,832**
Cash and cash equivalents as at 1st January	**566,905**	**495,403**
Foreign exchange differences on cash and cash equivalents	(5,792)	(14,330)
Cash and cash equivalents as at 31th December 2008	**316,747**	**566,905**
Cash and cash equivalents consists of:		
Cash and balances with Central Bank	79,323	93,119
Due to banks	237,424	473,786
	316,747	**566,905**

The attached notes on pages 7 to 39 form part of these financial statements.

1. General Information

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

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

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

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The financial statements were approved by the Board of Directors on 23 March 2009.

2.2 Basis of measurement

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

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

The preparation of financial statements 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 Bank in the preparation of the financial statements are:

- The impairment loss on loans and advances to customers
- The fair value measurement for financial instruments
- The recovery of the recognised differed tax asset
- The income tax computation
- The classification of financial instruments

3. Significant accounting policies

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

3.1 Foreign currency transactions

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.

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

3.3 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.

3.4 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.

3.5 Dividends

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

3.6 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 apportionately between the finance expense and the reduction of the outstanding liability.

3.7 Income tax expense

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

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

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or

liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

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

3.8 Financial instruments

(a) Recognition

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

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

(c) Offsetting

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Bank 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

The 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, minus any reduction 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 determination of fair values of financial assets and financial liabilities is 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 Bank 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 Bank uses proprietary models, which usually are developed from recognized valuation models.

(f) Identification and measurement of impairment

At each balance sheet date the Bank 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 Bank on terms that the Bank would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the bank.

The Bank considers evidence of impairment at both a specific asset and collective level. All individually significant financial assets and held to maturity investment securities 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 Bank 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 appropriate.

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, the impairment loss is reversed through profit or loss.

3.9 Cash and cash equivalents

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

3.10 Trading assets

Trading assets are those assets and liabilities that the Bank 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 and liabilities are not reclassified subsequent to their initial recognition, with the exception of:

(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 its securities out of "held for trading" portfolio to the "available for sale" portfolio.

3.11 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 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 as a hedge of the change in fair value of a recognised asset or liability, changes in the fair value of the derivative 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 that could affect profit or loss, the effective portion of changes in the fair value of the derivative are recognised directly in equity. The amount recognised in equity is removed and included in profit or loss in the same period as the hedged cash flows affect profit or loss under the same income statement line item as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

3.12 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 Bank does not intend to sell immediately or in the near term.

In cases where the Bank 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 Bank 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 Bank'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.

3.13 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 not designated as another category of financial assets. Unquoted 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 Bank 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 Bank has the positive intent and ability to hold to maturity, and which are not designated at fair value through profit or loss or available-for-sale. 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 Bank from classifying investment securities as held to maturity for the following two financial years

3.14 Investment in subsidiaries and associates

They are carried at cost less impairment losses

3.15 Property and equipment

Items of property and equipment are stated at cost or deemed 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 assets' useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

3.16 Investment property

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

3.17 Intangible assets

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

Amortisation is charged to the income statement on a straight-line basis over the estimated useful life of the software which is between 4 to 15 years.

3.18 Deposits, debt securities issued and subordinated liabilities

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

The Bank 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 from 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.

3.19 Provisions

A provision is recognised if, as a result of a past event, the Bank 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 recognised when the Bank has approved a formal and detailed restructuring plan, and the restructuring either has commenced or has been announced. Future operating costs are not provided for.

3.20 Employee benefits

(a) Defined contribution plans

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

(b) Defined benefit plans

The Bank has a defined benefit plan whereby it is required, by law, to pay to retiring employees a lump sum. The amount of the payment varies depending upon the employee's length of service and salary on the date of retirement. The Bank's obligation in respect of this defined benefit plan is measured by estimating the present value amount of future benefit that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine it present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on Greek State bonds that have maturity dates approximating the terms of the Bank's obligations. The calculation is performed by 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 Bank's obligation in respect of the plan, to the extent that any cumulative unrecognised actuarial gain or loss exceeds 10% of the greater of the present value of the defined benefit obligation and the fair value of the plan assets, that portion is recognised in the income statement over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

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

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

(c) Termination benefits

Termination benefits are recognised as an expense when the Bank 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 buy the employees and the obligation can be measured reliably.

3.21 Share capital

(a) Share issue costs

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

(b) Dividends on ordinary shares

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

(c) 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.

3.22 Financial guarantees

Financial guarantees are contracts that require the Bank 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.

3.23 Segment reporting

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

3.24 New standards and interpretations

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2008, and have not been applied in preparing these financial statements:

● **International Financial Reporting Standard 8** «Operating Segments» (Regulation 1358/21.11.2007)
Effective for annual periods beginning on or after 1.1.2009

This standard replaces IAS 14 «Segment reporting». Its adoption by the European Union and by the Bank will have a impact on the Bank's disclosures relating to operating segments.

● **Amendment of International Accounting Standard 23** «Borrowing costs» (Regulation 1260/10.12.2008)
Effective for annual periods beginning on or after 1.1.2009

On 29 March 2007, the Board issued the revised IAS 23, which removed the option of immediately recognizing as an expense all borrowing costs that relate to assets that have a substantial period of time to be ready for use or sale. Such borrowing costs are capitalized as part of the cost of the asset.

● Its adoption will not have a substantial impact on Bank's financial statements.

● **Amendment of International Financial Reporting Standard 2** «Share based payements» (Regulation 1261/16.12.2008)
Effective for annual periods beginning on or after 1.1.2009

This amendment issued on 17 January 2008 clarifies that the vesting conditions are distinguished to:

i. Service conditions which are further distinguished to:

• vesting conditions that require to complete a specified period of service and

• conditions that require performance targets

ii. Conditions that are not connected to service.

In addition for each of the above categories non-vesting conditions are taken into account in measuring the grant date fair value of the share-based payment and respective accounting treatment. The adoption of this standard by the European Union and the Bank, is not expected to have a significant impact on the financial statement.

● **Amendment of International Accounting Standard 1** «Presentation of financial statements» (Regulation 1274/17.12.2008)
Effective for annual periods beginning on or after 1.1.2009

On 6 September 2007, the Board published the revised version of IAS 1. The most significant changes are the following:

i. Introduction of a statement of comprehensive income. This statement includes the profit or loss of the period and all non-owner changes in equity. Entities may present a separate income statement, but all non-owner changes in equity must be presented in an additional statement.

ii. The statement of changes in equity, will include transactions between the entity and the equity holders.

iii. In the instances where a new accounting standard is retrospectively implemented or items are restated, the comparative figures must include the opening and closing balance sheet of the prior year.

The adoption of this Standard by the European Union and the Bank will affect the presentation of financial statements.

● **Amendment of International Accounting Standard 32** – «Financial instruments: Presentation» and IAS 1 «Presentation of Financial Statements» (Regulation 53/21.1.2009)
Effective for annual periods beginning on or after 1.1.2009

With the implementation of the above amendment, issued on 14 February 2008, the financial instruments which gives the holder the right to require from the issuer to repurchase or repay may be recognized in equity under certain conditions and with the exception to the definition of financial liability. A similar exception under certain condition is provided also in cases of financial instruments where the holder is entitled to a proportionate share of the issuer's equity, only in cases of liquidation. This amendment requires additional disclosures on the financial statements.

This amendment has not been yet endorsed by the European Union.

The Bank is examining whether there will be an impact from the adoption of the above amendment in the financial statements.

● **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 acquitition 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.

This amendment has not been yet endorsed by the European Union.

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.

● **Improvements to International Accounting Standards** (Regulation 70/23.1.2009)

As part of the improvements of International Accounting Standards, the Board issued on 22 May 2008, not urgent but necessary amendments to various standards. The majority of these are effective for annual periods beginning on or after 1.1.2009.

The adoption of these improvements will not have a substantial impact on the Bank's financial statements.

● **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.

● **Amendment of International Financial Reporting Standard 1** «First time adoption of International Financial Reporting Standards»
Effective for annual periods beginning on or after 1.7.2009.

On 27 November 2008 published a revised edition with a change in the structure of this standard. The purpose of this change was to improve information and to facilitate implementation of future amedments. This revised edition does not apply to the Bank's financial statements.

This amendment has not been yet endorsed by the European Union

● **Amendment of International Accounting Standard 39** «Financial Instruments: Recognition and

Measurement» concerning eligible hedged items.
Effective for annual periods beginning on or after 1.7.2009.

This amendment issued on 31 July 2008 provides clarifications regarding the application of hedge accounting. It is classified that as hedged items in fair value hedge or cash flow hedge can be defined as:

• The partial change in fair value or cash flows of financial instruments

• The change in cash flows related to inflation (under conditions)

• The increase or decrease of cash flow of fair value in relation to a specific reference value (one-sided risk).

The Bank is examining whether there will be an impact from the adoption of the above interpreation in the financial statements.

• **Interpretation 15** «Agreements for the construction of real estate»
Effective for annual periods beginning on or after 1.1.2009

This interpretation issued on 3 July 2008 provides guidance as how to determine whether an agreement for the construction of real estate or agreements with buyers before the completion of real estate constraction is within the scope of IAS 11 (construction contracts) or in accordance with IAS 18 Revenue (as contracts provide services or sell goods).

The adoption of this interpretation will have no impact on the financial statements since it does not apply to the Bank.

This amendment has not been yet endorsed by the European Union

• **Interpretation 17** «Distribution of non-cash assets to owners»
Effective for annual periods beginning on or after 1.7.2009

This interpretation, issued on 27 November 2008, provides quidance to an entity in order to recognize and subsequent measure a liability arising from the distribution of non-cash assets to owners. The bank examines the impact of this interpretation on the financial statements.

This amendment has not been yet endorsed by the European Union

• **Interpretation 18** «Transfer of assets from customers»
Effective for annual periods beginning on or after 1.7.2009

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 them. 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. The Bank is examining whether there will be an impact from the adoption of this interpretation.

4. Financial Risk Management

4.1 Introduction and overview

The Bank monitors the following risks:

• Credit Risk
• Liquidity Risk
• Market Risk, and
• Operational Risk

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

The Board of Directors in order to promote stability and continue its operations has established an effective risk management operations framework, that enables the Bank 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 Bank and a Risk Audit Committee, which are responsible for developing and monitoring the risk management policies of the Bank in their specified areas.

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 Bank's risk management framework, in terms of the credible measurement of credit risk. Credit risk, is the risk of financial loss to the Bank, if a customer or counterparty to a financial instrument fails to meet its contractual obligations.
Credits and credit limits give 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 Bank 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 deterioration of the credit wealthiness of borrowers. The Group assesses these loans on an individual bases and records a loan impairment, equal to the difference of the carrying amount of the loan and the present value of the recoverable amount using the effective rate of the loan

b) Collectively impaired

These are loans and advances to customers which the Bank 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 following exposures, are based in their book value, exactly as they appear in the Bank's balance sheet.

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 table also shows the evaluation of the Bank's credit risk for amounts due from credit institutions and for investment securities.

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

(Amounts in Euro thousand)

31 December	Loans and advances to customers 2008	Loans and advances to customers 2007	Loans and advances to credit institutions 2008	Loans and advances to credit institutions 2007	Investment securities 2008	Investment securities 2007
Individually impaired						
Grade 6	863	898	-	-	-	-
Grade 7	31,462	20,652	-	-	-	-
Grade 8	1,631	3,058	-	-	-	-
Grade 9	18,083	15,510	-	-	-	-
Grade 10	17,661	12,368	-	-	-	-
Gross amount	**69,700**	**52,486**	**0**	**0**	**0**	**0**
Impairment loss	(27,243)	(18,202)				
Carrying amount	**42,457**	**34,284**	**0**	**0**	**0**	**0**

31 December	Loans and advances to customers 2008	Loans and advances to customers 2007	Loans and advances to credit institutions 2008	Loans and advances to credit institutions 2007	Investment securities 2008	Investment securities 2007
Collectively impaired						
Grade 7	1,849	2,255	-	-	-	-
Grade 8	2,612	5,388	-	-	-	-
Grade 9	3,097	5,859	-	-	-	-
Grade 10	15,244	9,056	-	-	-	-
Gross amount	**22,802**	**22,558**	**0**	**0**	**0**	**0**
Impairment loss	(14,494)	(12,198)				
Carrying amount	**8,308**	**10,360**	**0**	**0**	**0**	**0**

31 December	Loans and advances to customers 2008	Loans and advances to customers 2007	Loans and advances to credit institutions 2008	Loans and advances to credit institutions 2007	Investment securities 2008	Investment securities 2007
More than 30 days past due						
Grade 2	88,232	62,604	-	-	-	-
Grade 3	53,944	36,840	-	-	-	-
Grade 4	30,855	26,208	-	-	-	-
Grade 5	10,369	5,845	-	-	-	-
Grade 6	6,275	5,359	-	-	-	-
Grade 7	766	551	-	-	-	-
Grade 8	-	-	-	-	-	-
Grade 9	-	-	-	-	-	-
Grade 10	-	-				
Gross amount	**190,441**	**137,407**	**0**	**0**	**0**	**0**
Impairment loss	(2,844)	(578)				
Carrying amount	**187,597**	**136,829**	**0**	**0**	**0**	**0**
Over 30 days past due comprises:						
31-90 days	110,144	78,458	-	-	-	-
91-180 days	51,072	42,475	-	-	-	-
180 days +	26,381	15,896	-	-	-	-
Carrying amount	**187,597**	**136,829**	**0**	**0**	**0**	**0**

31 December	Loans and advances to customers 2008	Loans and advances to customers 2007	Loans and advances to credit institutions 2008	Loans and advances to credit institutions 2007	Investment securities 2008	Investment securities 2007
Less than or equal to 30 days past due						
Grade 1	774,133	847,406	237,424	473,786	25,330	26,462
Grade 2	346,174	415,267	-	-	-	-
Grade 3	204,277	206,933	-	-	-	-
Grade 4	117,900	113,077	-	-	-	-
Grade 5	161,535	154,926	-	-	-	-
Grade 6	136,098	130,530	-	-	-	-
Gross amount	**1,740,117**	**1,868,139**	**237,424**	**473,786**	**25,330**	**26,462**
Impairment loss	(9,973)	(6,426)				
Carrying amount	**1,730,144**	**1,861,713**	**237,424**	**473,786**	**25,330**	**26,462**
Total carrying amount	**1,968,506**	**2,043,186**	**237,424**	**473,786**	**25,330**	**26,462**

Set out below is an analysis of the gross and net of allowance for impairment amounts of 31 December 2008 and 2007 by risk grade.

(Amounts in Euro thousand)	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
31 December 2008	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
Individually impaired						
Grade 6	863	613	-	-	-	-
Grade 7	31,462	31,253	-	-	-	-
Grade 8	1,631	1,081	-	-	-	-
Grade 9	18,083	9,108	-	-	-	-
Grade 10	17,661	403	-	-	-	-
Total	**69,700**	**42,458**	**0**	**0**	**0**	**0**

	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
31 December 2008	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
Collectively impaired						
Grade 7	1,849	858	-	-	-	-
Grade 8	2,612	1,110	-	-	-	-
Grade 9	3,097	1,307	-	-	-	-
Grade 10	15,244	5,034	-	-	-	-
Total	**22,802**	**8,309**	**0**	**0**	**0**	**0**

	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
31 December 2008	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
Over 30 days past due						
Grade 2	88,232	87,614	-	-	-	-
Grade 3	53,944	53,102	-	-	-	-
Grade 4	30,855	29,713	-	-	-	-
Grade 5	10,369	10,289	-	-	-	-
Grade 6	6,275	6,133	-	-	-	-
Grade 7	766	746	-	-	-	-
Total	**190,441**	**187,597**	**0**	**0**	**0**	**0**
Over 30 days past due comprises:						
31-90 days	111,186	110,144	-	-	-	-
91-180 days	52,045	51,072	-	-	-	-
180 days +	27,210	26,381	-	-	-	-
Total	**190,441**	**187,597**	**0**	**0**	**0**	**0**

	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
31 December 2008	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
Less than or equal to 30 days past due						
Grade 1	774,133	770,343	237,424	237,424	25,330	25,330
Grade 2	346,174	344,756	-	-	-	-
Grade 3	204,277	202,706	-	-	-	-
Grade 4	117,900	116,994	-	-	-	-
Grade 5	161,535	160,292	-	-	-	-
Grade 6	136,098	135,051	-	-	-	-
Total	**1,740,117**	**1,730,142**	**237,424**	**237,424**	**25,330**	**25,330**
Grand total	**2,023,060**	**1,968,506**	**237,424**	**237,424**	**25,330**	**25,330**

(Amounts in Euro thousand)

31 December 2007	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
Individually impaired						
Grade 6	898	807	-	-	-	-
Grade 7	20,652	19,358	-	-	-	-
Grade 8	3,058	3,058	-	-	-	-
Grade 9	15,510	9,682	-	-	-	-
Grade 10	12,367	1,379	-	-	-	-
Total	**52,485**	**34,284**	**0**	**0**	**0**	**0**

31 December 2007	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
Collectively impaired						
Grade 7	2,255	1,447	-	-	-	-
Grade 8	5,388	3,501	-	-	-	-
Grade 9	5,859	2,600	-	-	-	-
Grade 10	9,056	2,812	-	-	-	-
Total	**22,558**	**10,360**	**0**	**0**	**0**	**0**

31 December 2007	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
Over 30 days past due						
Grade 2	62,604	62,552	-	-	-	-
Grade 3	36,840	36,794	-	-	-	-
Grade 4	26,208	25,970	-	-	-	-
Grade 5	5,845	5,818	-	-	-	-
Grade 6	5,359	5,285	-	-	-	-
Grade 7	551	410	-	-	-	-
Total	**137,407**	**136,829**	**0**	**0**	**0**	**0**
Over 30 days past due comprises:						
31-90 days	78,754	78,458	-	-	-	-
91-180 days	42,596	42,475	-	-	-	-
180 days +	16,057	15,896	-	-	-	-
Total	**137,407**	**136,829**	**0**	**0**	**0**	**0**

31 December 2007	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
Less than or equal to 30 days past due						
Grade 1	847,406	845,545	473,786	473,786	26,462	26,462
Grade 2	415,267	413,537	-	-	-	-
Grade 3	206,933	205,965	-	-	-	-
Grade 4	113,077	112,548	-	-	-	-
Grade 5	154,926	154,201	-	-	-	-
Grade 6	130,530	129,917	-	-	-	-
Total	**1,868,139**	**1,861,713**	**473,786**	**473,786**	**26,462**	**26,462**
Grand total	**2,080,589**	**2,043,186**	**473,786**	**473,786**	**26,462**	**26,462**

4.2.2 Collateral

The Bank as part of its risk management policy receives collateral in order to protect its receivables. The major categories of collateral against loans and advances to customers are in the form of cheques, pre notices over property and other guarantees, such as cash collateral. The table below shows collateral held for the Bank's credit risk.

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Retail customers:		
Mortgages	953,955	957,978
Credit cards	54,093	44,402
Other consumer loans	79,229	66,432
Total	**1,087,277**	**1,068,812**
Corporate clients:		
Subsidiaries	486	6,501
Subsidiaries – Corporate bonds	50,000	54,874
Corporate loans	675,529	758,032
Shipping loans	52,280	57,955
Corporate bonds	134,519	102,003
Local authorities & other organizations	2,951	3,617
Total	**915,765**	**982,982**
Amounts for securities transactions	**20,018**	**28,795**
Loans and advances	**2,023,060**	**2,080,589**
Impairment loss	(54,554)	(37,403)
Loans and advances after provisions	**1,968,506**	**2,043,186**
Collaterals		
Retail client:	1,281,334	1,210,901
Corporate client:	1,410,525	1,387,830
Total collaterals amount	**2,691,859**	**2,598,731**

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, such as cash, securities and machinery.
The following table describes the collaterals held against corporate clients, in thousands of euros and per collateral type.
types, such as cash, securities and machinery.

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Cheques	263,664	265,037
Property	322,015	221,553
Others	824,846	901,240
Total	**1,410,525**	**1,387,830**

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 Bank uses extreme value theory for concluding on changes in Bank's securities portfolio when extreme events occur. The VaR model used by the Bank, is based upon a 99 percent confidence level and assumes a 10-day holding period. For the purpose of VaR calculation the securities portfolios of the Bank are included, consisting of shares, mutual funds and bonds classified either as available for sale, held to maturity or trading. As at 31 December 2008, VaR for the securities' portfolio was Euro 967 thousands and Euro 41,6 thousands for the Bank's foreign exchange position. The Bank, as at 31 December 2008, held a long position of Euro 1,77million, against several currencies.

With respect to 31 December 2007, VaR was equal to Euro 1,68 million for the securities' portfolio, and Euro 19,6 thousands for the Bank's foreign exchange position. The Bank, as at 31December 2007, held a short position of Euro 448 thousands, against several currencies.

(Amounts in Euro thousand)

Investment risk	**2008**	**2007**
Securities' value	23,161	27,142
VaR	967	1,683
Currency risk	**2008**	**2007**
Foreign exchange position	1,771	(448)
VaR	41.6	19.6

4.4 Liquidity risk

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

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

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

The two mandatory indices, set by the Bank of Greece, the Net Liquid Assets index and the Assets minus Liabilities index, are monitored on a daily basis.

The Net Liquid Assets index, was as follows:

	2008	**2007**
At 31 December	**15,36%**	**24,16%**
Average for the period	21,17%	22,23%
Maximum for the period	26,10%	24,16%
Minimum for the period	13,53%	18,16%

In February 2009 the Bank 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 Bank's assets and liabilities into relevant maturity groupings based on the remaining periods to repayment of:

(Amounts in Euro thousand)

At 31 December 2008	Up to 1 month	1-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Total
Cash & cash equivalents	79,311	12					**79,323**
Loans and advances to Banks	237,424						**237,424**
Loans and advances to customers	406,228	393	460,086	24,635	34,638	1,042,526	**1,968,506**
Available for sale investment securities	14,415				7,705		**22,120**
Held to maturity investment securities					3,210		**3,210**
Total assets	**737,378**	**405**	**460,086**	**24,635**	**45,553**	**1,042,526**	**2,310,583**
Liabilities							
Due to banks	156,183						**156,183**
Due to customers	884,602	486,072	198,770	52,112	356,351		**1,977,907**
Debt securities & other borrowed funds					99,750	39,562	**139,312**
Total liabilities	**1,040,785**	**486,072**	**198,770**	**52,112**	**456,101**	**39,562**	**2,273,402**

At 31 December 2007	Up to 1 month	1-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Total
Total assets	1,083,904	238	485,824	37,658	66,786	969,912	**2,644,322**
Total liabilities	1,362,153	393,771	90,294	62,912	582,890	39,529	**2,531,549**

4.5 Currency risk

The Bank takes on exposure to the effects of fluctuations in the prevailing exchange rates on its financial position and cash flows. The Board of Directors set limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily. The table below summarises the Bank's exposure to foreign currency exchange risk at 31 December 2007. Included in the table are the Bank's assets and liabilities at carrying amounts, categorized by currency.

(Amounts in Euro thousand)

At 31 December 2008	EUR	USD	Other	Total
Assets				
Cash & cash equivalents	78,672	433	218	**79,323**
Loans and advances to banks	102,692	123,768	10,964	**237,424**
Loans and advances to customers	1,924,424	36,336	7,746	**1,968,506**
Available for sale investments	20,575	137	1,408	**22,120**
Held to maturity investments	3,210			**3,210**
Total assets	**2,129,573**	**160,674**	**20,336**	**2,310,583**
Liabilities				
Due to banks	142,897		13,286	**156,183**
Due to customers	1,799,692	165,769	12,446	**1,977,907**
Subordinated liabilities and hybrid issues	139,312			**139,312**
Total liabilities	**2,081,901**	**165,769**	**25,732**	**2,273,402**

Net off-balance sheet position	**(14)**	**(11)**	**25**	**-**

At 31 December 2007	EUR	USD	Other	Total
Total assets	**2,381,244**	**225,474**	**37,604**	**2,644,322**
Total liabilities	**2,266,272**	**227,334**	**37,943**	**2,531,549**
Net off-balance sheet position	**1,431**	**(932)**	**(499)**	**-**

4.6 Interest rate risk

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

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

A parallel upward shift in the yield curves of 1% is expected to reduce the Bank's profits in one year by an amount of EUR 4.06 million. On the other hand a decrease of rates by 1% will lead to an increase in the Bank's profits in one year by an amount of EUR 4.06 million.

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

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

(Amounts in Euro thousand)

31 December 2008	Effective Interest rate	Floating	1-3 months	3-12 months	1 to 2 years	Over 2 years	Non-interest	Total
Assets								
Cash & cash equivalents	2.1%	-	54,888	-	-	-	24,435	**79,323**
Loans and advances to banks	2.9%	-	218,415	-	-	-	19,009	**237,424**
Loans and advances to customers	6.7%	1,041,867	263,210	142,788	288,621	218,575	13,445	**1,968,506**
Available for sale investment securities	3.4%	-	6,717	10	-	-	15,393	**22,120**
Held to maturity investment securities	3.5%	-	-	3,210	-	-	-	**3,210**
Total assets		**1,041,867**	**543,230**	**146,008**	**288,621**	**218,575**	**72,282**	**2,310,583**
Liabilities								
Due to banks	3.3%	-	156,183	-	-	-	-	**156,183**
Due to customers	5.3%	-	1,729,969	246,260	1,678	-	-	**1,977,907**
Debt securities & other borrowed funds	7.5%	-	139,312	-	-	-	-	**139,312**
Total liabilities		**-**	**2,025,464**	**246,260**	**1,678**	**-**	**-**	**2,273,402**

31 December 2007	Floating	1-3 months	3-12 months	1 to 2 years	Over 2 years	Non-interest	Total
Total assets	1,440,744	601,213	57,393	113,352	370,216	61,404	**2,644,322**
Total liabilities	-	2,277,924	247,291	6,303	31	-	**2,531,549**

4.7 Operational Risk

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

The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Bank's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

Through continuous reports, regarding the Bank'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 Bank, 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 Bank, is going to implement, the Basic Indicator method, for the computation of its operational risk charge.

4.8 Stress testing

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

The Bank, runs stress tests, on a regular basis, with scenarios that concern the various types of risk, that the Bank 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 Bank, is monitored on a monthly basis, and is submitted to the Bank of Greece, every three months.

The Bank 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 Bank 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.

Regulatory capital must be covered by at least half of Tier I capital and the rest must be covered by Tier II capital.

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Upper Tier I	132,710	197,460
Lower Tier I	-	-
Deductions	(4,396)	(11,917)
Total Tier I	**128,314**	**185,543**
Upper Tier II	39,562	-
Lower Tier II	66,355	136,217
Deductions	(4,396)	(7,328)
Total Tier II	**101,521**	**128,889**
Regulatory capital	**229,835**	**314,432**
Risk-weighted assets		
Credit Risk	1,553,250	1,828,859
Market risk	10,150	
Operational Risk	140,613	
Securitized Exposures	48,038	14,021
Total risk-weighted assets	**1,752,051**	**1,842,880**
Indices (in %)		
Tier 1 CAD	7.32	10.06
Total CAD	13.12	17.06

5. Fair values of financial assets and liabilities

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

(Amounts in Euro thousand)

	Carrying amount		Fair value	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Financial assets				
Loans and advances to banks	237,424	473,786	237,424	473,786
Loans and advances to customers	1,968,506	2,043,186	2,036,991	2,030,236
Investment securities held to maturity	3,210	3,279	3,092	3,113
Investment in subsidiaries	30,549	30,492	30,549	30,492
Financial liabilities				
Due to banks	156,183	201,660	156,183	201,660
Due to customers	1,977,907	2,190,797	1,993,030	2,188,600
Subordinated liabilities and hybrid instruments	139,312	139,092	139,312	139,092

6. Segment reporting

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

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

(Amounts in Euro thousand)

	Corporate Banking		Retail Banking		Asset management & stock brokerage		Total	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Interest income	18,860	11,947	132,385	118,863	636	1,049	**151,881**	**131,859**
Interest expense	(1,435)	(858)	(117,719)	(82,062)	(24)	-	**(119,178)**	**(82,920)**
Commissions & other earnings	1,454	762	20,223	28,885	2,508	3,980	**24,185**	**33,627**
Operating income	18,879	11,851	34,889	65,686	3,120	5,029	**56,888**	**82,566**
Profit/(loss) before tax	9,323	3,335	(70,396)	6,959	(2,349)	344	**(63,422)**	**10,638**
Profit/(loss) after tax	7,677	943	(57,968)	1,972	(1,934)	97	**(52,225)**	**3,012**
Total assets	245,133	255,789	2,194,944	2,483,955	20,018	30,922	**2,460,095**	**2,770,666**
Total liabilities	54,664	73,142	2,264,454	2,487,839	4,509	11,905	**2,323,627**	**2,572,886**
Fixed assets additions	7	13	4,303	28,805	17	168	**4,327**	**28,986**
Depreciation	35	13	6,425	5,249	69	54	**6,529**	**5,316**
Loss from impairment of loans & advances	1,534	1,088	14,578	1,954	1,105	8	**17,217**	**3,050**

7. Net interest income

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Interest income		
Loans and advances to customers	134,742	113,030
Money market	14,050	15,372
Investment securities	2,928	3,186
Trading securities	161	271
Total	**151,881**	**131,859**

	31.12.2008	31.12.2007
Interest expense		
Deposits from banks and customers	(108,845)	(75,163)
Subordinated liabilities	(10,333)	(7,757)
Total	**(119,178)**	**(82,920)**
Net interest income	**32,703**	**48,939**

8. Fee and commission income

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Loans and letters of guarantees	11,621	12,317
Brokerage transactions	2,701	4,016
Transfers and similar	1,642	1,974
Imports-exports	889	1,254
Management and custodian fees	2,761	2,511
Credit cards	2,018	1,671
Deposits	-	500
Property	229	302
Other	1,136	1,959
Total	**22,997**	**26,504**

9. Net trading income

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Foreign exchange	767	1,151
Trading portfolio	(724)	(154)
Available for Sale	(258)	-
Securitized loans	(2,016)	1,676
Derivatives	16	146
Total	**(2,215)**	**2,819**

The charge in the Income Statement from the Available for Sale securities portfolio consists of (in €'000):

Write-off of investment (64)

Transfer from AFS reserve to Income Statement due to the write-off of investment (194)

10. Other operating income

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Rents/Leases	96	149
Safekeeping commissions	160	96
Leasing commissions	1,119	2,389
Profit from disposal of PPE	10	(36)
Other operating income	2,265	2,011
Total	**3,650**	**4,609**

11. Personnel expenses

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Wages and salaries	34,687	23,512
Indemnification	8,575	283
Social security obligations	6,988	6,807
Contribution to defined contribution plans	3,206	2,545
Contribution to defined benefit plans	443	476
Total	**53,899**	**33,623**

The average number of employees for 2008 was 1.027 (2007: 987).

12. Other expenses

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Rents/Leases	7,513	6,915
Third party fees	5,367	6,041
Telecommunication expenses	2,387	2,065
Other taxes	2,597	2,359
Subscription fees	2,547	2,161
Maintenance expenses	866	678
Third party expenses	2,322	1,653
Traveling & accommodation expenses	897	814
Marketing expenses	2,674	2,233
Credit card expenses (VISA)	1,802	1,335
Professional fees	1,083	539
Other expenses	7,764	3,146
Total	**37,819**	**29,939**

13. Income tax expense

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Current year		-
Prior year taxes	(500)	(4,880)
Deferred tax	11,697	(2,746)
Total	**11,197**	**(7,626)**

Deffered tax - current tax rate 25%	12,209
Effect of application of future tax rates	(512)
	11,697

Reconciliation of effective tax rate

		31.12.2008		31.12.2007
Profit before income tax		**(63,422)**		**10,638**

Income tax using corporate tax rate	25%	15,856	25%	2,660
Non-deductible expenses	4%	(2,631)	2%	223
Tax exempt income	5%	2,855	-	-
Prior year taxes	1%	(500)	46%	4,880
Other differences	7%	(4,383)	(1%)	(137)
Total	**18%**	**11,197**	**72%**	**7,626**

Because of the method under which the tax obligations are ultimately concluded in Greece, the Group remains contingently liable for additional tax and penalties for its open tax years. Because of the method under which the tax obligation are ultimately concluded in Greece, the Bank remains contingently liable for additional taxes and penalties for its open tax years (2005 to 2007). It is noted that the tax audit of the Bank for the fiscal years 2003 and 2004, concluded in 2007, resulted in additional taxes amounting to €4.8 million, of which €2.3 million refer to a one-off, specific tax charge related to tax non-deductability of a provision formed upon acquisition of a foreign branch by the Bank in 2003. 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 €500 thousand. Tax losses for 2007 and 2008 can offset future taxable profits until 2012 and 2013 respectively.

14. Earnings per share

The calculation of basic earnings per share at 31 December 2008 was based on the profit after tax for the years attributable to ordinary shareholders of € (52,225) thousand (2007: € 3,012 thousand) and a weighted average number of ordinary shares outstanding, during the year ended 31 December 2008 of 64,064,054 (2007: 63,487,261).

15. Cash and cash equivalents

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Cash	24,329	25,835
Reserves with Central Bank	54,994	67,284
Total	**79,323**	**93,119**

16. Trading assets

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Bonds	-	6,843
Equities	-	913
Total	**-**	**7,756**

In accordance with the recent amendments to IAS 39, the Bank reclassified shares listed in the Athens 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 01.07.08 to 31.12.08, resulted to a fair value loss of € 1,301 thousand, which has been recognized in the Available for Sale securities reserve. The respective devaluation of the pre mentioned securities amounting to € 722 thousand for the period 01.01.08 to 30.06.08 is still included in the "Net trading income" for the year.

17. Derivative assets/ liabilities

(Amounts in Euro thousand)

	Fair value 2008		Fair value 2007	
	Assets	Liabilities	Assets	Liabilities
Futures – bonds	-	-	13	-
Total	**0**	**0**	**13**	**0**

18. Loans and advances to banks

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Current accounts	41,699	11,649
Money market placements	177,138	461,894
Items in course of collection	18,587	243
Total	**237,424**	**473,786**

19. Loans and advances to customers

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Retail customers:		
Housing	953,955	957,978
Credit cards	54,093	44,402
Other consumer	79,229	66,432
Total	**1,087,277**	**1,068,812**
Corporate customers:		
Subsidiaries	486	6,501
Corporate bonds – subsidiaries	50,000	54,874
Corporate loans	675,529	758,032
Shipping	52,280	57,955
Corporate bonds	134,519	102,003
Local authorities & other organizations	2,951	3,617
Total	**915,765**	**982,982**
Amounts due relating to brokerage transactions	**20,018**	**28,795**
Loans and advances	**2,023,060**	**2,080,589**
Impairment allowance	(54,554)	(37,403)
Loans and advances to customers net of impairment	**1,968,506**	**2,043,186**

Allowance for impairment	**2008**	**2007**
Balance at 1st January	37,403	34,785
Impairment loss for the year	17,217	3,050
Write-offs	(66)	(432)
Balance at 31th December	**54,554**	**37,403**

20. Investments in subsidiaries and associates

(Amounts in Euro thousand)

	Country of incorporation	2008	Ownership percentage	2007
Aspis Leasing	Greece	21,693	100%	21,693
Aspis AE Insurance Brokerage	Greece	616	100%	616
Aspis International AEDAK	Greece	8,166	55%	8,166
Aspis Stegastika A.E.E.S.T.A	Greece	60	100%	-
Aspis Finance plc	United Kingdom	13	100%	17
Aspis Jersey plc	Jersey Islands	-	100%	-
Total		**30,549**		**30,492**

21. Available for sale investments

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Mutual fund units	8,328	10,740
Listed equity securities	5,640	9,041
Corporate bonds	6,727	2,556
Non-listed equity securities	1,425	846
Total	**22,120**	**23,183**

22. Held-to-maturity securities

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Greek Government bonds	3,210	3,279
Total	**3,210**	**3,279**

23. Property and equipment

(Amounts in Euro thousand)

Cost	Property and buildings	Leasehold improvements	Furniture and equipment	Total
Balance as at 1st January 2007	6,985	25,329	26,508	**58,822**
Acquisitions	-	954	24,106	**25,060**
Write-offs	-	(30)	(645)	**(676)**
Balance as at 31th December 2007	**6,985**	**26,252**	**49,969**	**83,207**
Balance at 1st January 2008	6,985	26,252	49,969	83,207
Acquisitions	-	799	1,937	2,736
Write-offs	(10)	-	(375)	(384)
Balance as at 31th December 2007	**6,976**	**27,051**	**51,531**	**85,558**
Depreciations	**Property and buildings**	**Leasehold improvements**	**Furniture and equipment**	**Total**
Balance as at 1st January 2007	757	11,462	19,109	**31,328**
Depreciation for the year	138	2,011	2,563	4,713
Write-offs	-	(12)	(629)	(640)

Balance as at 31th December 2007	**895**	**13,461**	**21,044**	**35,400**
Balance as at 1st January 2008	895	13,461	21,044	**35,400**
Depreciations for the year	127	1,643	3,860	5,630
Write-offs	(1)	-	(347)	(348)
Balance as at 31th December 2008	**1,020**	**15,105**	**24,557**	**40,682**
Carrying amounts	**Property and buildings**	**Leasehold improvements**	**Furniture and equipment**	**Total**
Balance at 1st January 2007	6,229	13,867	7,399	**27,495**
Balance as at 31th December 2007	**6,090**	**12,791**	**28,925**	**47,806**
Balance at 1st January 2008	6,090	12,791	28,925	47,806
Balance as at 31th December 2008	**5,955**	**11,946**	**26,974**	**44,876**

24. Intangible assets

(Amounts in Euro thousand)

Cost	**Purchased software**
Balance as at 1st January 2007	2,703
Acquisitions	3,927
Balance as at 31th December 2007	**6,630**
Balance as at 1st January 2008	6,630
Acquisitions	1,591
Balance as at 31th December 2008	**8,221**
Amortization	
Balance at 1st January 2007	1,436
Amortization for the year	604
Balance as at 31th December 2007	**2,040**
Balance at 1st January 2008	2,040
Amortization for the year	899
Balance as at 31th December 2008	**2,939**
Carrying amounts	
Balance at 1st January 2007	1,267
Balance as at 31th December 2007	**4,590**
Balance at 1st January 2008	4,590
Balance as at 31th December 2008	**5,282**

25. Deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Deferred tax assets		
Impairment for customer loans	874	1,910
Employee benefits	725	852
Commission income	581	817
Other provisions	1,211	-
Tax loss	12,260	882
Total	**15,651**	**4,461**
Deferred tax liabilities		
Property and equipment	(4,086)	(4,923)
Commission expense	-	(18)
Loans	(1,006)	(658)
Total	**(5,092)**	**(5,599)**
Net deferred tax asset/(liability)	**10,559**	**(1,138)**

Movement in temporary differences during the year

(Amounts in Euro thousand)

2008	**Opening balance**	**Recognized in income**	**Closing balance**
Customer loans impairment	1,910	(1,036)	**874**
Employee benefits	852	(127)	**725**
Commission income	817	(223)	**594**
Property and equipment	(4,923)	837	**(4,086)**
Commission expense	(18)	5	**(13)**
Loans	(658)	(348)	**(1,006)**
Other provisions	-	1,211	**1,211**
Tax loss	882	11,378	**12,260**
Σύνολο	**(1,138)**	**11,697**	**10,559**

2007	**Opening balance**	**Recognized in income**	**Closing balance**
Customer loans impairment	2,259	(349)	**1,910**
Employee benefits	741	111	**852**
Commission income	890	(73)	**817**
Property, plant and equipment	(2,262)	(2,661)	**(4,923)**
Commission expense	(20)	2	**(18)**
Loans	-	(658)	**(658)**
Tax loss	-	882	**882**
Σύνολο	**1,608**	**(2,746)**	**(1,138)**

26. Other assets

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Guarantees and participations to other funds	9,540	7,283
Deposit Guarantee Fund	5,306	68
Property acquired in auctions	5,184	1,834
Advances	1,795	1,657
Receivables from Greek State and other public organizations	11,169	4,790
Accrued income	11,295	12,370
Other receivables	13,956	15,454
Total	**58,245**	**43,456**

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.

27. Due to customers

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
On demand and current accounts	279,010	364,037
Savings accounts	159,015	229,766
Term deposits	1,539,882	1,596,994
Total	**1,977,907**	**2,190,797**

28. Subordinated liabilities and hybrid issues

This account relates to the subordinated liability from the proceeds from the issuance of subordinated floating rate notes by the Bank's subsidiary Aspis Finance plc. and hybrid securities issued by Aspis Jersey plc. The proceeds of these notes are loaned to the Bank:

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Hybrid issues	40,000	40,000
Subordinated loans	100,250	100,250
Direct expenses	(938)	(1,158)
Total	**139,312**	**139,092**

a) Hybrid notes

1. Aspis Jersey plc. Issued in April 2007 an amount of € 15,000 thousand at Euribor three month plus a spread of 3.95% which if recalled on April 2017 will be increased by 1%
2. Aspis Jersey plc. Issued in April 2007 an amount of € 25,000 thousand at Euribor three month plus a spread of 4.50% The issuer has the option not to pay interest. The issuer can recall.

b) Subordinated loans

1. Aspis Jersey plc. Issued in April 2007 an amount of € 50,250 thousand with recall date April 2012 at Euribor plus 1.24% which if recalled on April 2017 will be increased by 1.30%.
2. Aspis Finance plc. Issue in February 2005 an amount of € 50 million due in 2015 with recall date February 2010 and maturity February 2015. Interest rate is Euribor 3 month 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.

The Bank has met all its payment obligations regarding interest, capital or any other term of the aforementioned securities.

29. Other liabilities

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Tax obligations	1,826	1,854
Bank drafts & cheques payable	3,546	6,959
Accrued interest expenses	18,197	11,768
State and Social Insurance liabilities	2,184	1,418
Other accrued expenses	8,280	6,442
Other provisions	5,346	-
Other liabilities	7,174	8,302
Total	**46,553**	**36,743**

Provisions amounting to €5,346 thousand refer to: €3,000 thousand for the Bank restructuring, €1,846 for impairment of receivables other than loans and €500 thousand for tax audits of the Bank.

30. Employee benefits

Employee benefits consist of:

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Recognized liability for defined benefit obligations	3,622	3,406
Vacation not taken	50	50
Total	**3,672**	**3,456**
Defined benefit obligations		
Present value of unfunded obligations	3,020	3,737
Unrecognised actuarial gains and losses	602	(331)
Recognized liability for defined benefit obligations	**3,622**	**3,406**

Movement in the liability for defined benefit obligations	**31.12.2008**	**31.12.2007**
Liability for defined benefit obligations at 1 January	3,406	2,964
Expense recognized in profit or loss (see below)	443	476
Benefits paid	(227)	(34)
Total	**3,622**	**3,406**

Expense recognized in profit or loss	**31.12.2008**	**31.12.2007**
Current service costs	292	335
Interest on obligation	150	140
Amortization of actuarial loss	1	1
Total	**443**	**476**

Actuarial assumptions	**31.12.2008**	**31.12.2007**
Discount rate	5.5%	4.3%
Future salary increases	4.0%	5.0%

31. Share capital

At 31 December 2008, the share capital comprised 64,064,054 (2007: 64,064,054) ordinary shares with a par value of € 2.71 per share.

32. Reserves

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Statutory reserve	649	499
Untaxed reserves	1,908	1,908
Available for sale reserve	(11,764)	(3,959)
Other reserves	5,782	4,282
Total	**(3,425)**	**2,730**

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 € 477 thousand will be paid.

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

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

33 . Dividends

The Annual General Meeting of the Bank's shareholders, held on April 17, 2008, approved among others the payment of dividend amounting to € 1,281 thousand or €0.02 per share. Due to the accumulated losses the Bank is not allowed to pay any dividends for 2008.

34. Securitizations

The Bank has transferred housing loans securitized to a special purpose vehicle of an amount of EUR 250 million in November 2003. These loans as at 31 December 2008 amount to € 126,717 thousand.

35. Related-party transactions

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

(a) Board of Directors	31.12.2008	31.12.2007
Loans and advances to customers	21,546	15,934
Deposits from customers	3,552	10,184
Other liabilities	81	48
Income		
Net interest income	523	284
Net commission income	33	64
Expenses		
Staff costs	15,221	3,044
Other operating expenses	452	341

(b) Balances and transaction with subsidiaries:	31.12.2008	31.12.2007
Available-for-sale securities	2,500	2,500
Loans and advances to customers	69,557	79,943
Other assets	5,001	3,408
Due to customers	9,296	28,883
Subordinated liabilities and hybrid issues	140,250	140,250
Other liabilities	2,257	2,142
Income		
Interest income	3,916	3,692
Commission income	1,548	2,143
Net trading results	0	1,676
Other income	95	85
Expenses		
Interest expense	10,231	7,787
Other expense	446	337

(c) Other key management personnel and other parties:	31.12.2008	31.12.2007
Loans and advances to customers	24,410	18,071
Due to customers	58,932	46,912
Other liabilities	58	78
Income		
Net interest income	(1,334)	(528)
Net commission income	553	194
Expenses		
Other operating expenses	4,091	2,782

The amount of € 9,5 million approximately has been paid, as compensations, to certain executives who have resigned during 2008.

	Company name	VAT	Loans	Deposits	Interest income	Interest expense	Other income	CCS	Collateral value	Stock brokerage receivables	Stock brokerage liabilities
Board of Directors & Senior management			241	2,318	10	48	-	-	4,821	900	31
Other related parties			163	1,392	10	50	-	-	70	2,328	1
Former senior management			576	23	12	12	-	3	-	-	-
	ASPIS PRONOIA S.A.	94006538	2,257	3,239	160	212	280	525	3,639	-	-
	ASPIS ACCOMMODATION & TOUR. S.A.	94392525	-	2	-	-	-	-	-	-	-
	ASPIS PRONOIA GEN. SECURITY LIFE S.A.	94428803	8	9,522	22	457	205	102	-	-	-
	PROVISION S.A.	94399157	-	5	-	-	-	-	-	-	12
	ASPIS GROUP S.A.	94353550	-	13	1	-	-	-	-	-	-
	ASPIS ESTIA S.A.	94317525	2,500	1	145	2	3	-	2,500	-	-
	ASPIS FUNDS	94006538	-	78	-	13	-	-	-	-	-
	COMMERCIAL VALUE S.A.	94059010	3,774	39,216	74	1,411	61	1,020	5,358	-	-
	C.V. ASSET VALUE	94059010	-	5,682	-	452	-	-	-	-	-
	PRONOIA COMMERCIAL S.A.	99359542	-	1	-	-	-	-	-	2,006	-
	E-VALLEY S.A.	99759039	-	35	-	-	-	-	-	-	-
	KYVELI - ASTIKES EKMETALEFSIS	99938804	-	1	-	-	-	-	-	-	-
	D. ATHENEOS INSURANCE GROUP	94101880	-	3	-	-	-	-	-	-	-
	TIME S.A.	999631375	11,374	15	836	-	3	-	45,587	-	-
	TRAM JOINT-VENTURE	999802840	-	3	-	-	-	-	-	-	-
	ASPIS REAL ESTATE S.A.	95556706	-	9	-	-	-	-	300	-	-
	BRIGHT MARITIME CORPORATION	98061660	-	-	-	-	-	-	-	-	-
	ASPIS CAPITAL S.A.	999397515	-	3	-	-	-	-	-	-	-
	ASPIS MORTGAGE COM S.A.	94009922	-	3	-	-	-	-	-	-	-
	GEK S.A.	94005751	-	126	-	96	-	1	1	-	-
	TERNA S.A.	94035480	-	79	64	-	28	9,387	14,569	-	-
	MONASTIRIOU S.A.	99758111	5,900	643	195	14	-	6	5,906	-	-
	NIKAS S.A.	999400966	3,648	45	116	-	-	-	4,314	-	-
	DROMON S.A.	941382210	1,440	92	54	-	-	-	-	-	-
	IOLKOS S.A.	999211922	-	-	-	-	-	-	-	-	-
	PETROS PETROPOULOS S.A.	94043269	3,990	2	51	-	3	245	7,000	-	-
	OIKOFARMA PELOPONISOU S. A.	82959870	2,678	2	112	-	-	-	2,635	-	-
	MEDOLIO S.A.	95555654	2,149	73	79	-	-	3	2,186	-	-
Total Group companies			**39,718**	**58,893**	**1,909**	**2,657**	**583**	**11,289**	**93,995**	**2,006**	**12**
	ASPIS INTERNATIONAL M.F.S.A.	94286937	-	2,390	-	474	1	352	-	-	-
	ASPIS INTER-(Fund) M.F.S.A.	11111111	-	-	-	-	-	-	-	-	-
	ASPIS LEASING S.A..	94318896	44,486	4,508	2,553	87	25	25,000	4,500	-	-
	ASPIS BROKERAGE S.A.	94473614	-	56	-	8	-	-	-	-	-
	ASPIS CREDIT S.A.	999398444	6,000	2,342	359	29	-	18	11,500	-	-
	ASPIS FINANCE PLC	999999999	-	-	-	-	-	-	-	-	-
Total subsidiaries			**50,486**	**9,296**	**2,912**	**598**	**26**	**25,370**	**16,000**	**5,234**	**44**
TOTAL			**91,184**	**71,922**	**4,853**	**3,365**	**609**	**36,662**	**114,886**	**5,234**	**44**

36. Contingent liabilities and commitments

36.1 Litigation

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

36.2 Credit commitments

The contractual amounts of the Bank's off-balance sheet financial instruments that commit to extend credit to customers are as follows

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Letters of guarantee	210,102	210,182
Letters of credit	1,306	10,118

36.3 Operating leases

The Bank’s commitments from lease contracts refer mainly to buildings used for its branches and other operating units. The future minimum lease payments under operating leases are as follows :

(Amounts in Euro thousand)

	31.12.2008	31.12.2007
Up to 1 year	6,588	6,396
From 1 to 5 years	16,080	16,332
Over 5 years	8,188	6,767

37. Post Balance Sheet events

- In order to strengthen Group’s liquidity, the Bank concluded in February 2009 the securitisation of €424 million residential mortgages.

- The extraordinary General Meeting of the Bank's shareholders, held in January 23, 2009, approved the participation of the Bank to the state-aid program for the strengthening of the liquidity of the Greek economy, according to Law 3723/2008, and specifically through the issuance of preference shares (amounting up to €90 million), according to the specific provisions of the aforementioned law.

KPMG Ορκωτοί Ελεγκτές ΑΕ
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Ελλάς
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Independent Auditors' Report
(Translated from the original in Greek)

To the Shareholders of
ASPIS BANK A.T.E.

Report on the Financial Statements

We have audited the accompanying financial statements of ASPIS BANK A.T.E. (the "Bank") which comprise the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Opinion

In our opinion, the financial statements give a true and fair view, of the financial position of the Bank as at 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Athens, 23 March 2009

KPMG Certified Auditors AE

Nick Vouniseas
Certified Auditor Accountant
AM SOEL 18701

VII. Financial data and Information for the period from 1st January 2008 to 31 December 2008

ASPIS BANK S.A.

Reg. No 26699/06/B/92/12
4th Othonos str, 105 57 Athens
Financial Statements and Information for the period from January 1 ,2008 to December 31, 2008
(In accordance with Codified Law 2190/20 article 135, regarding organizations that prepare annual financial statements, consolidated or not, in accordance with International Accounting Standards, I.A.S.)

The financial information listed below is aiming to provide an overview of the financial position and financial results of ASPIS BANK SA and its Group. Consequently readers are advised to visit the web-site of the Bank (www.aspisbank.gr) where the consolidated financial statements under IFRS are available ,as well as the auditors report, before any investment decision or transaction with the Bank is entered into.

Information of Aspis Bank	
Registered office:	4 Othonos Street, 105 57 Athens
Supervising authority:	Ministry of Development/ Bank of Greece
Company's web-site:	www.aspisbank.gr
Certified Auditor:	Nickolaos Vouniseas
Audit Firm:	KPMG Certified Auditors SA
Auditor's report:	Unqualified opinion
Date of approval of the Financial Statements by the Board of Directors (from which the financial statements and Information were derived):	23/03/2009

Members of the Board of Directors	
Dionisios-Ioannis Stavropoulos	Chairman (Executive Member)
Christos G. Sorotos	Vice Chairman & Managing Director (Executive Member)
Nicholaos E. Mallouchos	Executive Member
Demetrios G. Goumas	Non-executive, Independent member
Spiridon M. Desyllas	Non-executive, Independent member
Vasilios M. Dalakides	Non-executive, Independent member

BALANCE SHEET
Amounts in euro thousand

	Group		Bank	
	31.12.2008	**31.12.2007**	**31.12.2008**	**31.12.2007**
ASSETS				
Cash and balances with Central Bank	79,326	93,121	79,323	93,119
Due from banks	260,875	495,814	237,424	473,786
Loans and advances to customers (net of provisions)	2,129,804	2,213,854	1,968,506	2,043,186
Derivative financial assets	-	13	-	13
Financial instruments at fair value through profit or loss	2,471	11,144	-	7,756
Available for sale investment securities	19,620	20,683	22,120	23,183
Held to maturity investment securities	3,210	3,279	3,210	3,279
Investment in subsidiaries	-	-	30,549	30,492
Property and equipment	50,251	53,172	44,876	47,806
Intangible assets	8,470	9,220	5,282	4,590
Other assets	69,802	44,143	68,805	43,456
TOTAL ASSETS	**2,623,829**	**2,944,443**	**2,460,095**	**2,770,666**
EQUITY AND LIABILITIES				
Share capital	173,614	173,614	173,614	173,614
Share premium	17,053	17,053	17,053	17,053
Other reserves	(68,914)	(7,067)	(54,199)	7,113
Total shareholders equity	**121,753**	**183,600**	**136,468**	**197,780**
Minority interests	1,325	1,533	-	-
Hybrid capital	39,562	39,529	-	-
TOTAL EQUITY	**162,640**	**224,662**	**136,468**	**197,780**
Due to banks	176,183	213,661	156,183	201,660
Due to customers	1,970,941	2,182,104	1,977,907	2,190,797
Debt securities and other borrowed funds	258,661	278,040	139,312	139,092
Other liabilities	55,404	45,976	50,225	41,337
TOTAL LIABILITIES	**2,461,189**	**2,719,781**	**2,323,627**	**2,572,886**
TOTAL EQUITY AND LIABILITIES	**2,623,829**	**2,944,443**	**2,460,095**	**2,770,666**

INCOME STATEMENT
Amounts in euro thousand

	Group		Bank	
	From 1st January to		From 1st January to	
	31.12.2008	**31.12.2007**	**31.12.2008**	**31.12.2007**
Net interest income	40,311	55,867	32,703	48,939
Net fee and commission income	23,742	28,894	22,527	26,153
Dividend Income	223	46	223	46
Net trading profit/(loss)	(2,562)	2,380	(2,215)	2,819
Other income	11,274	10,110	3,650	4,609
Impairment losses on loans and advances	(18,254)	(3,444)	(17,217)	(3,050)
Other provisions	(4,867)	-	(4,846)	-
Staff costs	(56,417)	(36,662)	(53,899)	(33,623)
Depreciation and amortization	(12,211)	(9,687)	(6,529)	(5,316)
General administrative and other expenses	(40,478)	(31,818)	(37,819)	(29,939)
PROFIT/(LOSS) BEFORE TAX	**(59,239)**	**15,686**	**(63,422)**	**10,638**
Income tax	10,963	(8,540)	11,197	(7,626)
PROFIT/(LOSS) AFTER TAX	**(48,276)**	**7,146**	**(52,225)**	**3,012**
Transferred to				
Equity holders of the bank	(48,068)	6,931	-	3,012
Minority interests	(208)	215		
Basic and diluted earnings per share (in euro)	(0.75)	0.11	(0.82)	0.05
Proposed divident per share (in euro)	-	-	-	0.02

Consolidated Companies
1. Aspis International MF SA, Registered: Athens Municipality, 23-25 Lekka Str, 105 62 Athens, Main activity: Mutual Funds Management
2. Aspis Insurance Brokerage SA, Registered: Athens Municipality, 22 Omirou Str, 105 72 Athens, Main activity: Insurance brokerage
3. Aspis Leasing SA, Registered: Athens Municipality, 26-28 Mitropoleos Str, 105 63 Athens, Main activity: Leasing
4. Aspis Credit SA (subsidiary in percentage 99,95% of Aspis Leasing SA), Registered: Athens Municipality, 26-28 Mitropoleos Str, 105 63 Athens, Main activity: Operating lease
5. Byzantium Finance Plc , Registered: London UK, Main activity: S.P.V (for assets securitization)
6. Aspis Finance Plc , Registered: London UK, Main activity: S.P.V (for the issue of Lower Tier II Bond)
7. Aspis Jersey Plc , Registered: Jersey UK, Main activity: S.P.V (for the issue of Tier I and Lower Tier II Bonds)

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

CASH FLOW STATEMENT
Amounts in euro thousand

	Group		Bank	
	From 1st January to		From 1st January to	
	31.12.2008	**31.12.2007**	**31.12.2008**	**31.12.2007**
Cash flow from operating activities	(210,110)	31,043	(239,432)	(2,047)
Cash flow from investing activities	(7,506)	(6,220)	(3,906)	718
Cash flow from financing activities	(25,326)	59,869	(1,028)	87,161
Net increase/(decrease) in cash and cash equivalents for the period	**(242,942)**	**84,692**	**(244,366)**	**85,832**
Effect of exchange rates changes on cash and cash equivalents	(5,792)	(14,330)	(5,792)	(14,330)
Net increase/(decrease) in cash flow	**(248,734)**	**70,362**	**(250,158)**	**71,502**
Cash and cash equivalents at the beginning of the year	588,935	518,573	566,905	495,403
Cash and cash equivalents at the end of the year	340,201	588,935	316,747	566,905

Notes to the Financial data and information

1. The consolidated Financial statement include the following companies (all fully consolidated):
ASPIS BANK SA, Athens , ASPIS INTERNATIONAL MF SA , Athens, ASPIS CREDIT SA, Athens, ASPIS BROKERAGE SA,Athens, ASPIS LEASING SA, Athens, BYZANTIUM FINANCE PLC, London UK*, ASPIS FINANCE PLC, London UK, ASPIS JERSEY, Jersey UK
*SPV for securitization of loans
The Bank's holding in the subsidiaries listed above has not changed during the period.The method of consolidation has not changed during the period.
2. Tax authorities have not performed a tax audit for the following fiscal years:
Aspis Bank SA from 2005 to 2008, Aspis Leasing SA from 2006 to 2008, Aspis Insurance Brokerage SA from 2007 to 2008, Aspis International MF SA from 2007 to 2008, Aspis Credit SA from 2007 to 2008. A provision amounting to € 545 thousand has been formed for this purpose.
3. The outcome of pending lawsuits is not expected to have significant impact on the Group's financial position. A provision amounting to € 219 thousand has been formed for this purpose. Other provisions formed by the Bank and the Group amounting to € 4,846 thousand refer to : € 3,000 thousand for the Group restructuring and € 1,846 thousand impairment of receivables other than loans.
4. The total number of employees as at 31.12.2008 was 994 (2007:997) for the Bank and 1,041 (2007:1,046) for the Group.
5. Related party transactions between the Bank and it's Directors and Senior Management for the period are as follows (€΄000):
Compensations € 15,221 (2007:3,044), receivables € 21,546 (2007:15,934), liabilities € 3,633 (2007:10,232)
Related party transactions between the Bank and its subsidiaries and other related parties for the period are as follows (€΄000):
Receivables € 101,468 (2007:119,856), liabilities € 210,793 (2007:228,498), revenues € 4,778 (2007:9,942), expenses €14,768 (2007:16,625), letters of guarantee issued € 36,663 (2007:27,868)
Related party transactions between the Group and its Directors and Senior Management for the period are as follows (€΄000):
Compensations € 15,564 (2007:4,012), receivables € 21,546 (2007:15,934), liabilities € 3,828 (2007:11,208)
Related party transactions between the Group and other related parties for the period are as follows (€΄000):
Receivables € 25,354 (2007:34,472), liabilities € 59,183 (2007:58,432), revenues € 542 (2007:2,821), expenses € 4,975 (2007:10,082), letters of guarantee issued € 11,293 (2007:15,498)
6. The amount of € 7,806 recognized directly in equity, refer to a loss from the fair value change of Available for Sale securities.
7. In accordance with the recent amendments to IAS 39, the Bank in 01.07.08 reclassified shares listed in the Athens 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 01.07.08 to 31.12.08, resulted to a fair value loss of € 1,301 thousand, which has been recognized in the Available for Sale securities reserve. The respective devaluation of the pre mentioned securities amounting to € 722 thousand for the period 01.01.08 to 30.06.08 is still included in the "Net trading income" for the period.
8. Neither the Bank nor the Group hold treasury shares.
9. The same accounting policies and methods of computation as those in the annual consolidated financial statements for the year ended 31 December 2007 have been followed.

STATEMENT OF CHANGES IN EQUITY
Amounts in euro thousand

	Group		Bank	
	From 1st January to		From 1st January to	
	31.12.2008	**31.12.2007**	**31.12.2008**	**31.12.2007**
Equity at the beginning of the year	**224,662**	**184,589**	**197,780**	**199,639**
Profit/(Loss) for the year after tax	(48,276)	7,146	(52,225)	3,012
Dividends paid	(1,281)	(3,809)	(1,281)	(3,809)
Net income/(expense) recognised directly on equity	(7,806)	(2,621)	(7,806)	(2,622)
Increase /(decrease) of share capital	-	1,560	-	1,560
Other transfers	7	-	-	-
Hybrid capital changes	(4,666)	37,797	-	-
Equity at the end of the year	**162,640**	**224,662**	**136,468**	**197,780**

Athens, 23 March 2009

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

VIII. Condensed financial data and information for interim periods

Period 1.1.2007-31.03.2008
Period 1.1.2007-30.06.2008
Period 1.1.2007-30.09.2008

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

CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1st JANUARY 2008 to 31st MARCH 2008

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

(IN OOOS EUR)

	GROUP		BANK	
BALANCE SHEET ITEMS	31/03/2008	31/12/2007	31/03/2008	31/12/2007
ASSETS				
Cash and balances with Central Bank	140,897	93,121	140,892	93,119
Due to Banks	526,612	495,814	503,422	473,786
Loans and advances to customers net of provision	2,225,863	2,213,854	2,057,672	2,043,186
Derivative financial assets	17	13	17	13
Held for traiding investments	10,072	11,144	6,835	7,756
Available for Sale securities	16,794	20,683	19,294	23,183
Investment securities	3,307	3,279	3,307	3,279
Investment in subsidiaries and associates	0	0	30,491	30,492
Property,plant and equipment	52,600	53,172	47,247	47,806
Intangible assets	9,075	9,220	4,798	4,590
Other assets	55,259	44,143	54,562	43,456
TOTAL ASSETS	3,040,496	2,944,443	2,868,537	2,770,666
LIABILITIES				
Share capital	173,614	173,614	173,614	173,614
Other	2,626	9,986	16,675	24,166
Total shareholders equity	176,240	183,600	190,289	197,780
Minority interests	1,522	1,533	0	0
Hybrid issues	39,537	39,529	0	0
Total Equity	217,299	224,662	190,289	197,780
Due from banks	220,511	213,661	213,511	201,660
Due to customers	2,274,158	2,182,104	2,277,520	2,190,797
Debt securities and other borrowed funds	276,831	278,040	139,146	139,092
Provisions/Other liabilities	51,697	45,976	48,071	41,337
Total other liabilities	2,823,197	2,719,781	2,678,248	2,572,886
TOTAL LIABILITIES	3,040,496	2,944,443	2,868,537	2,770,666

	GROUP		BANK	
CASH FLOW STATEMENTS	1/1-31/3/2008	1/1-31/3/2007	1/1-31/3/2008	1/1-31/3/2007
Cash flows from operating activities	102,414	-38,463	92,529	-50,462
Cash flows from investing activities	-1,920	15,412	-1,004	17,651
Cash flows from financing activities	-8,568	-9,767	-764	-659
Net increase/(decrease) of cash/cash equivalents of the period	91,926	-32,818	90,761	-33,470
Effect of exchange rate fluctuations on cash and cash equivalents	-13,352	-1,579	-13,352	-1,579
Net increase/(decrease) of cash flows	78,574	-34,397	77,409	-35,049
Cash and cash equivalents at the start of the period	588,935	518,573	566,905	495,403
Cash and cash equivalents at the end of the period	667,509	484,176	644,314	460,354

	GROUP		BANK	
CONSOLIDATED INCOME STATEMENT	1/1-31/3/2008	1/1-31/3/2007	1/1-31/3/2008	1/1-31/3/2007
Net interest income	12,037	14,242	10,219	12,467
Net commission income	6,511	7,039	6,149	6,401
Income from securities	0	0	0	0
Net tradind income	-955	434	-842	817
Other income	2,840	2,406	1,251	1,117
Impairment losses on loans and advances	2,044	1,129	2,000	1,050
Other expenses	21,707	17,963	19,261	15,610
Income from participations	0			
PROFIT/(-LOSSES) BEFORE TAX	-3,318	5,029	-4,484	4,142
PROFIT/(-LOSSES) AFTER TAX	-2,247	4,110	-3,361	3,264
Transferred to				
Equity holders of the bank	-2,235	3,897	-3,361	3,264
Minorities interests	-12	213	0	0
Basic and diluted earnings per share	-0.04	0.06	-0.05	0.05

	GROUP		BANK	
STATEMENT OF CHANGES IN EQUITY	31/03/2008	31/03/2007	31/03/2008	31/03/2007
At January 1/1/2007 and 1/1/2006	224,662	184,589	197,780	199,639
Profit/(Losses) period after taxes	-2,247	4,110	-3,361	3,264
Expenses for capital increase				
Cashflow hedge		87		87
Income posted directly in equity	-4,129	-3,015	-4,129	-3,015
Other	8			
Hybrid movements	-995			
Equity at the end of period	217,299	185,771	190,289	199,975

NOTES TO THE FINANCIAL STATEMENTS

1-Group companies(full consolidation)

		tax unaudited periods
ASPIS BANK SA,Athens	Parent	2005-2007
ASPIS INTERNATIONAL MFSA ,Athens	55%	2006-2007
ASPIS LEASING SA,Athens	100%	2006-2007
ASPIS BROKERAGE SA,Athens	100%	2003-2007
ASPIS CREDIT SA,Athens	99,95%%	2006-2007
BYZANTIUM FINANCE PLC,London UK	*	
ASPIS FINANCE PLC,London UK	100%	
ASPIS JERSEY ,Jersey UK	100%	

*SPV for securitization of loans

2-Claims that have been made against the Bank and the Group will not have any significant effect in the future results.
The relevant provision amount is € 420 thousand.No provision was made for additional taxes for the above open tax years.

3-The number of staff employed at 31/3/2008(31/3/2007) was (978) for the Bank and(1.030) for the group.

4-The Related Parties balances of receivables and payables at 31/03/2008 were € 123,173 thousand and € 213,524 thousands respectively.
The relevant income and expenses amounted to € 2,142 thousand and € 4,018 thousands.The group transactions with the related parties as of 31/03/2008 are the following.Receivables € 37,177 thousands,Payables € 47,959 thousands,Income € 640 thousands and expenses €1,727 thousands.Guarrantees issued € 14,674 thousands
The transactions with the members of the management at 31/03/2008 were the following.Staff costs € 573 thousnds,receivables € 18,754 thousands and payables €6,096 thousands.
The relevant group transactions as at 31/03/2008 were the following.Staff costs € 663 thousnds,receivables € 18,754 thousants and payables € 7,006 thousands.

5-The regognized amount directly in the equity represents a change in the fair value of AFS securities

6-The Bank and the Group are not shareholders of own-shares

Athens,/5/2008

THE CHAIRMAN OF THE BOARD OF DIRECTORS AND MANAGING DIRECTOR
CONSTANTINE V.KARATZAS
ID.No I.013419/71

THE MEMBER OF THE BOARD OF DIRECTORS
LOUKAS M.KYRIAKOPOULOS
ID No A.045522

THE GENERAL MANAGER OF CAPITAL MARKETS AND CHIEF FINANCIAL OFFICER
DIOMEDES H. NIKOLETOPOULOS
ID No 123387

THE CHIEF FINANCIAL OFFICER
EVANGELOS V.STATHOPOULOS
ID.NoS.045074/95
OEE.Lic.Reg.No 523/24-5-99 A'CL

AUDITOR	Nick Vouniseas SOEL Reg.No 18701
AUDIT COMPANY	KPMG Kyriacou Certified Auditors SA 3 Stratigou Tombra Street GR-15343 Athenes,Greece,Tel+302106062100
AUDITORS REPORT	N/A
DATE OF APROVAL FROM THE BoD	

ASPIS BANK SA

Reg. No 26699/06/B/92/12
4th Othonos str,105 57 Athens
Financial data and information for the period from 1 January 2008 to 30 June 2008
As stipulated by the Decision 6/448/11-10-2007 and 1/448/24-07-2008 of the Capital Market Commission

The financial information listed below is aiming to provide an overview of the financial position and financial results of ASPIS BANK SA and its Group. Consequently readers are advised to visit the web-site of the Bank (www.aspisbank.gr) where the condensed consolidated interim financial statements under IFRS are available ,as well as the auditors limited review report, before any investment decision or transaction with the Bank is entered into.

Company's web-site	www.aspisbank.gr
Issue Date of Auditor's report	28/08/2008
Certified Public Auditor	Nick Vouniseas
Audit Firm	KPMG Certified Auditors SA
Auditor's report	Unqualified opinion

BALANCE SHEET
Amounts in euro thousands

	Group		Bank	
	30 Jun 2008	**31 Dec 2007**	**30 Jun 2008**	**31 Dec 2007**
ASSETS				
Cash and balances with Central Bank	193,050	93,121	193,049	93,119
Due from banks	410,552	495,814	386,987	473,786
Loans and advances to customers (net of provisions)	2,308,212	2,213,854	2,137,770	2,043,186
Derivative financial assets	20	13	20	13
Financial instruments at fair value through profit or loss	9,851	11,144	6,703	7,756
Available for sale investment securities	16,678	20,683	19,178	23,183
Held to maturity investment securities	3,155	3,279	3,154	3,279
Investment in subsidiaries	-	-	30,491	30,492
Property and equipment	52,026	53,172	46,687	47,806
Intangible assets	9,629	9,220	5,012	4,590
Other assets	56,384	44,143	55,879	43,456
TOTAL ASSETS	**3,059,557**	**2,944,443**	**2,884,930**	**2,770,666**
EQUITY AND LIABILITIES				
Share capital	173,614	173,614	173,614	173,614
Share premium	17,053	17,053	17,053	17,053
Other reserves	(34,556)	(7,067)	(20,893)	7,113
Total shareholders equity	**156,111**	**183,600**	**169,774**	**197,780**
Minority interests	1,534	1,533	-	-
Hybrid capital	39,529	39,529	-	-
TOTAL EQUITY	**197,174**	**224,662**	**169,774**	**197,780**
Due to banks	181,728	213,661	166,631	201,660
Due to customers	2,358,247	2,182,104	2,362,505	2,190,797
Debt securities and other borrowed funds	271,047	278,040	139,200	139,092
Other liabilities	51,361	45,976	46,820	41,337
TOTAL LIABILITIES	**2,862,383**	**2,719,781**	**2,715,156**	**2,572,886**
TOTAL EQUITY AND LIABILITIES	**3,059,557**	**2,944,443**	**2,884,930**	**2,770,666**

INCOME STATEMENT FOR THE PERIOD
Amounts in euro thousands

	Group			
	1 Jan -30 Jun 2008	**1 Jan -30 Jun 2007**	**1 Apr - 30 Jun 2008**	**1 Apr - 30 Jun 2007**
Net interest income	23,228	27,721	11,191	13,479
Net fee and commission income	12,338	14,448	5,827	7,409
Dividend Income	10	13	10	13
Net trading profit/(loss)	(818)	1,133	137	700
Other income	5,756	4,782	2,916	2,375
Impairment losses on loans and advances	(10,791)	(1,970)	(8,747)	(841)
Staff costs	(32,749)	(17,465)	(21,023)	(8,679)
Depreciation and amortization	(5,706)	(4,519)	(2,959)	(2,346)
General administrative and other expenses	(17,835)	(13,304)	(10,601)	(6,299)
PROFIT/(LOSS) BEFORE TAX	**(26,567)**	**10,839**	**(23,249)**	**5,811**
Income tax	7,128	(7,148)	6,057	(6,229)
PROFIT/(LOSS) AFTER TAX	**(19,439)**	**3,691**	**(17,192)**	**(418)**
Transferred to				
Equity holders of the bank	(19,440)	3,537	(17,205)	(360)
Minorities interests	1	154	13	(58)
Basic and diluted earnings per share (in euro)	(0.3034)	0.0557	(0.2686)	(0.0057)

	Bank			
	1 Jan -30 Jun 2008	**1 Jan -30 Jun 2007**	**1 Apr - 30 Jun 2008**	**1 Apr - 30 Jun 2007**
Net interest income	19,648	24,427	9,429	11,960
Net fee and commission income	11,660	13,169	5,511	6,768
Dividend Income	10	13	10	13
Net trading profit/(loss)	(684)	1,439	158	622
Other income	1,803	2,129	552	1,012
Impairment losses on loans and advances	(10,038)	(1,730)	(8,038)	(680)
Staff costs	(31,478)	(16,031)	(20,336)	(7,792)
Depreciation and amortization	(3,078)	(2,612)	(1,723)	(1,303)
General administrative and other expenses	(16,968)	(12,429)	(10,204)	(6,367)
PROFIT/(LOSS) BEFORE TAX	**(29,125)**	**8,375**	**(24,641)**	**4,233**
Income tax	7,295	(6,352)	6,172	(5,474)
PROFIT/(LOSS) AFTER TAX	**(21,830)**	**2,023**	**(18,469)**	**(1,241)**
Basic and diluted earnings per share (in euro)	(0.3408)	0.0319	(0.2883)	(0.0195)

CASH FLOW STATEMENT FOR THE PERIOD
Amounts in euro thousands

	Group		Bank	
	1 Jan - 30 Jun 2008	**1 Jan - 30 Jun 2007**	**1 Jan - 30 Jun 2008**	**1 Jan - 30 Jun 2007**
Cash flows from operating activities	39,134	(120,510)	28,685	(138,368)
Cash flows from investing activities	(4,797)	24,748	(2,209)	28,439
Cash flows from financing activities	(7,499)	71,674	(1,173)	85,495
Net increase/(decrease) in cash/cash equivalents for the period	**26,838**	**(24,088)**	**25,303**	**(24,434)**
Effect of exchange rate changes on cash and cash equivalents	(12,171)	12	(12,171)	10
Net increase/(decrease) of cash flows	**14,667**	**(24,076)**	**13,132**	**(24,424)**
Cash and cash equivalents at the beginning of the period	588,935	518,573	566,904	495,403
Cash and cash equivalents at the end of the period	603,602	494,497	580,036	470,979

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD
Amounts in euro thousands

	Group		Bank	
	30 Jun 2008	**30 Jun 2007**	**30 Jun 2008**	**30 Jun 2007**
Opening balance as at 1 Jan 2008	**224,662**	**184,589**	**197,780**	**199,639**
Profit/(Loss) for the period after taxes	(19,439)	3,691	(21,830)	2,023
Dividends paid	(1,281)	(3,808)	(1,281)	(3,808)
Net income/(expense) recognised directly on equity	(4,894)	(2,744)	(4,894)	(2,744)
Cash flow hedge	-	36	-	36
Other transfers	(1)	-	(1)	-
Hybrid capital changes	(1,873)	39,515	-	-
Closing Balance as at 30 June	**197,174**	**221,279**	**169,774**	**195,146**

NOTES TO THE FINANCIAL DATA AND INFORMATION

1. The consolidated Financial statement include the following companies (all fully consolidated):
ASPIS BANK SA, Athens , ASPIS INTERNATIONAL MFSA , Athens, ASPIS CREDIT SA, Athens, ASPIS LEASING SA, Athens, ASPIS BROKERAGE SA, Athens, BYZANTIUM FINANCE PLC, London UK*, ASPIS FINANCE PLC, London UK, ASPIS JERSEY, Jersey UK
*SPV for securitization of loans
The Bank's holding in the subsidiaries listed above has not changed during the period.The method of consolidation has not changed during the period.
2. The outcome of pending lawsuits is not expected to have significant impact on the Group's Financial Statements. The relevant provision amount is € 240 thousand, whereas other provisions booked amount to € 329 thousand. No provision has been made for unaudited tax years.
3. The total number of employees as at 30.06.2008 was 1,053 (2007:993) for the Bank and 1,104 (2007:1,044) for the group.
4. Related party transactions between the Bank and it's Directors and Senior Management for the period are as follows (€΄000):
Compensation € 12,522, receivables € 23,790, liabilities € 5,167
Related party transactions between the Bank and its subsidiaries and other related parties for the period are as follows (€΄000):
Receivables € 122,046 liabilities € 230,271, revenues € 4,293, expenses € 20,682, letters of guarantees issued € 32,971
Related party transactions between the Group and its Directors and Senior Management for the period are as follows (€΄000):
Compensation € 12,732, receivables € 23,790, liabilities € 5,330
Related party transactions between the Group and other related parties for the period are as follows (€΄000):
Receivables € 43,586, liabilities € 73,293, revenues € 1,412, expenses € 15,949, letters of guarantees issued € 12,601
5. The amount of € 4,894 recognized directly in equity, refers to a loss from the fair value change of Available for Sale securities.
6. Neither the Bank nor the Group hold treasury shares.
7. The same accounting policies and methods of computation as those in the annual consolidated financial statements for the year ended 31 December 2007 have been followed.

Athens, 28 August 2008

D.I.Stavropoulos ID No.P.562836 **CHAIRMAN OF THE BOARD OF DIRECTORS**	C.G.Sorotos ID No.AZ.096924 **VICE CHAIRMAN OF THE BOARD OF DIRECTORS & CHIEF EXECUTIVE OFFICER**	D.I.Nikoletopoulos ID No.F.123387 **GENERAL MANAGER OF CAPITAL MARKETS & CHIEF FINANCIAL OFFICER**	N.G.Voutychtis ID No.AE.107507 **HEAD OF FINANCIAL SERVICES**

ASPIS BANK S.A.

Reg. No 26699/06/B/92/12
4th Othonos str,105 57 Athens
Financial data and information for the period from 1 January 2008 to 30 September 2008
As stipulated by the Decision 6/448/11-10-2007 and 1/448/24-07-2008 of the Capital Market Commission

The financial information listed below is aiming to provide an overview of the financial position and financial results of ASPIS BANK SA and its Group. Consequently readers are advised to visit the web-site of the Bank (www.aspisbank.gr) where the condensed consolidated interim financial statements under IFRS are available ,as well as the auditors limited review report if required, before any investment decision or transaction with the Bank is entered into.

Company's web-site	www.aspisbank.gr
Date of approval from the BoD	25/11/2008
Certified Public Auditor	Nick Vouniseas
Audit Firm	KPMG Certified Auditors SA
Auditor's report	Not required

BALANCE SHEET
Amounts in euro thousand

	Group		Bank	
	30 Sept 2008	**31 Dec 2007**	**30 Sept 2008**	**31 Dec 2007**
ASSETS				
Cash and balances with Central Bank	132,876	93,121	132,870	93,119
Due from banks	448,924	495,814	425,802	473,786
Loans and advances to customers (net of provisions)	2,236,127	2,213,854	2,066,395	2,043,186
Derivative financial assets	9	13	9	13
Financial instruments at fair value through profit or loss	2,807	11,144	-	7,756
Available for sale investment securities	23,384	20,683	25,884	23,183
Held to maturity investment securities	3,182	3,279	3,182	3,279
Investment in subsidiaries	-	-	30,491	30,492
Property and equipment	51,084	53,172	45,520	47,806
Intangible assets	8,523	9,220	5,129	4,590
Other assets	72,839	44,143	71,672	43,456
TOTAL ASSETS	**2,979,756**	**2,944,443**	**2,806,955**	**2,770,666**
EQUITY AND LIABILITIES				
Share capital	173,614	173,614	173,614	173,614
Share premium	17,053	17,053	17,053	17,053
Other reserves	(43,912)	(7,067)	(30,154)	7,113
Total shareholders equity	**146,755**	**183,600**	**160,513**	**197,780**
Minority interests	1,416	1,533	-	-
Hybrid capital	39,553	39,529	-	-
TOTAL EQUITY	**187,724**	**224,662**	**160,513**	**197,780**
Due to banks	84,483	213,661	64,483	201,660
Due to customers	2,366,532	2,182,104	2,370,994	2,190,797
Debt securities and other borrowed funds	264,728	278,040	139,256	139,092
Other liabilities	76,290	45,976	71,709	41,337
TOTAL LIABILITIES	**2,792,032**	**2,719,781**	**2,646,442**	**2,572,886**
TOTAL EQUITY AND LIABILITIES	**2,979,756**	**2,944,443**	**2,806,955**	**2,770,666**

INCOME STATEMENT FOR THE PERIOD
Amounts in euro thousand

	Group			
	1 Jan -30 Sept 2008	**1 Jan -30 Sept 2007**	**1 Jul - 30 Sept 2008**	**1 Jul - 30 Sept 2007**
Net interest income	33,031	41,451	9,803	13,730
Net fee and commission income	17,657	21,319	5,318	6,871
Dividend Income	76	46	66	33
Net trading profit/(loss)	(1,375)	1,066	(558)	(67)
Other income	8,021	6,501	2,265	1,719
Impairment losses on loans and advances	(13,078)	(2,437)	(2,286)	(467)
Staff costs	(44,151)	(26,214)	(11,402)	(8,749)
Depreciation and amortization	(9,092)	(7,029)	(3,386)	(2,510)
General administrative and other expenses	(26,621)	(21,919)	(8,787)	(8,615)
PROFIT/(LOSS) BEFORE TAX	**(35,532)**	**12,784**	**(8,965)**	**1,945**
Income tax	8,289	(7,393)	1,161	(245)
PROFIT/(LOSS) AFTER TAX	**(27,243)**	**5,391**	**(7,805)**	**1,700**
Transferred to				
Equity holders of the bank	(27,191)	5,126	(7,752)	1,584
Minorities interests	(53)	265	(54)	116
Basic and diluted earnings per share (in euro)	(0.4253)	0.0800	(0.1218)	0.03

	Bank			
	1 Jan -30 Sept 2008	**1 Jan -30 Sept 2007**	**1 Jul - 30 Sept 2008**	**1 Jul - 30 Sept 2007**
Net interest income	26,925	35,795	7,277	11,368
Net fee and commission income	16,892	19,565	5,231	6,396
Dividend Income	76	46	66	33
Net trading profit/(loss)	(1,187)	1,806	(503)	367
Other income	2,396	2,893	593	764
Impairment losses on loans and advances	(12,213)	(2,050)	(2,175)	(320)
Staff costs	(42,288)	(24,179)	(10,810)	(8,148)
Depreciation and amortization	(4,784)	(3,946)	(1,706)	(1,334)
General administrative and other expenses	(24,633)	(20,576)	(7,665)	(8,147)
PROFIT/(LOSS) BEFORE TAX	**(38,817)**	**9,354**	**(9,693)**	**979**
Income tax	8,465	(6,891)	1,171	(539)
PROFIT/(LOSS) AFTER TAX	**(30,352)**	**2,463**	**(8,522)**	**440**
Basic and diluted earnings per share (in euro)	(0.4738)	0.0400	(0.1300)	0.01

CASH FLOW STATEMENT FOR THE PERIOD
Amounts in euro thousand

	Group		Bank	
	1 Jan - 30 Sept 2008	**1 Jan - 30 Sept 2007**	**1 Jan - 30 Sept 2008**	**1 Jan - 30 Sept 2007**
Cash flows from operating activities	(11,303)	(205,014)	(16,166)	(235,411)
Cash flows from investing activities	(5,785)	23,257	(2,800)	27,016
Cash flows from financing activities	(3,433)	56,076	(1,117)	81,938
Net increase/(decrease) in cash/cash equivalents for the period	**(20,521)**	**(125,681)**	**(20,083)**	**(126,457)**
Effect of exchange rate changes on cash and cash equivalents	(1,281)	(9,189)	(1,281)	(9,189)
Net increase/(decrease) of cash flows	**(21,802)**	**(134,870)**	**(21,364)**	**(135,646)**
Cash and cash equivalents at the beginning of the period	603,602	518,573	580,036	495,403
Cash and cash equivalents at the end of the period	581,800	383,703	558,672	359,757

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD
Amounts in euro thousand

	Group		Bank	
	30 Sept 2008	**30 Sept 2007**	**30 Sept 2008**	**30 Sept 2007**
Opening balance as at 1 January	**224,662**	**184,589**	**197,780**	**199,639**
Profit/(Loss) for the period after taxes	(27,243)	5,391	(30,352)	2,463
Dividends paid	(1,281)	(3,808)	(1,281)	(3,808)
Net income/(expense) recognised directly on equity	(5,633)	(4,056)	(5,633)	(4,056)
Cash flow hedge	-	(58)	-	(58)
Other transfers	23	-	-	-
Hybrid capital changes	(2,804)	39,521	-	-
Closing Balance as at 30 September	**187,724**	**221,579**	**160,513**	**194,180**

NOTES TO THE FINANCIAL DATA AND INFORMATION

1. The consolidated Financial statement include the following companies (all fully consolidated):
ASPIS BANK SA, Athens , ASPIS INTERNATIONAL MFSA , Athens, ASPIS CREDIT SA, Athens, ASPIS LEASING SA, Athens, ASPIS BROKERAGE SA, Athens, BYZANTIUM FINANCE PLC, London UK*, ASPIS FINANCE PLC, London UK, ASPIS JERSEY, Jersey UK
*SPV for securitization of loans
The Bank's holding in the subsidiaries listed above has not changed during the period.The method of consolidation has not changed during the period.
2. The outcome of pending lawsuits is not expected to have significant impact on the Group's Financial Statements. The relevant provision amount is € 240 thousand, whereas other provisions booked amount to € 175 thousand. A provision of € 300 thousand has been made for tax audit contingency.
3. The total number of employees as at 30.06.2008 was 1,017 (2007:993) for the Bank and 1,066 (2007:1,044) for the Group.
4. Related party transactions between the Bank and it's Directors and Senior Management for the period are as follows (€'000):
Compensations € 14,617, receivables € 21,697, liabilities € 2,814
Related party transactions between the Bank and its subsidiaries and other related parties for the period are as follows (€'000):
Receivables € 95,567, liabilities € 209,132, revenues € 1,396, expenses € 9,428, letters of guarantees issued € 36,780
Related party transactions between the Group and its Directors and Senior Management for the period are as follows (€'000):
Compensations € 14,890, receivables € 21,697, liabilities € 2,992
Related party transactions between the Group and other related parties for the period are as follows (€'000):
Receivables € 19,748, liabilities € 52,477, revenues € 394, expenses € 4,917, letters of guarantees issued € 11,410
5. The amount of € 5,633 recognized directly in equity, refers to a loss from the fair value change of Available for Sale securities.
6. In accordance with the recent amendments to IAS 39, the Bank reclassified shares listed in the Athens Exchange and bonds out of the "Trading Securities" portfolio to the "Available for Sale Securities" portfolio amounting to € 6,665 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 01.07.08 to 30.09.08, resulted to a fair value loss of € 289 thousand, which has been recognized in the Available for Sale securities reserve. The respective devaluation of the pre mentioned securities amounting to € 726 thousand for the period 01.01.08 to 30.06.08 is still included in the "Net trading income" for the period.
7. Neither the Bank nor the Group hold treasury shares.
8. The same accounting policies and methods of computation as those in the annual consolidated financial statements for the year ended 31 December 2007 have been followed.

Athens, 26 November 2008

D.I.Stavropoulos	C.G.Sorotos	D.I.Nikoletopoulos	N.G.Voutychtis
ID No.P.562836	ID No.AZ.096924	ID No.F.123387	ID No.AE.107507
CHAIRMAN OF THE BOARD OF DIRECTORS	**VICE CHAIRMAN OF THE BOARD OF DIRECTORS & CHIEF EXECUTIVE OFFICER**	**GENERAL MANAGER OF CAPITAL MARKETS & CHIEF FINANCIAL OFFICER**	**HEAD OF FINANCIAL SERVICES**