



ASPIS BANK S.A.

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008**

In accordance with International Financial Reporting Standards (IFRS)

The attached condensed interim financial statements are available on the web site of ASPIS Bank at
www.aspisbank.gr

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Interim Income Statement

Amounts in thousand of Euros (unless otherwise stated)

	Note	<u>From 1st January to</u>		<u>From 1st July to</u>	
		30.09.2008	30.09.2007	30.09.2008	30.09.2007
Interest and similar income		114,215	94,707	39,818	33,479
Interest expense and similar charges		(87,290)	(58,913)	(32,542)	(22,112)
Net interest income		26,925	35,795	7,277	11,368
Fee and commission income		17,256	19,814	5,361	6,488
Fee and commission expense		(364)	(249)	(130)	(92)
Net fee and commission income		16,892	19,565	5,231	6,396
Net trading income / expense		(1,187)	1,806	(503)	367
Dividend income		76	46	66	33
Other operating income		2,396	2,893	593	764
Total operating income	6	45,102	60,105	12,664	18,928
Staff expenses		(42,288)	(24,179)	(10,810)	(8,148)
Depreciation and amortization		(4,784)	(3,946)	(1,706)	(1,334)
Other operating expenses	13	(24,633)	(20,576)	(7,665)	(8,147)
Impairment on loans and advances	12	(12,213)	(2,050)	(2,175)	(320)
Total operating expenses		(83,919)	(50,750)	(22,357)	(17,949)
Profit/(loss) before income tax	6	(38,817)	9,354	(9,692)	979
Income tax	7	8,465	(6,891)	1,171	(539)
Net profit/(loss) for the period	6	(30,352)	2,463	(8,522)	440
Basic and diluted earnings per share (in Euros)	8	(0.4738)	0.0400	(0.1300)	0.0100

The notes on pages 7 to 11 form an integral part of these condensed interim financial statements

Interim Balance Sheet
Amounts in thousand of Euros

ASSETS	Note	30.09.2008	31.12.2007
Cash & cash equivalents		132,870	93,119
Loans and advances to banks		425,802	473,786
Loans and advances to customers		2,066,395	2,043,186
Trading securities	9	-	7,756
Derivatives		9	13
Investment securities	9		
- Available for sale		25,884	23,183
- Held to maturity		3,182	3,279
Investment in subsidiaries and associates		30,491	30,492
Property and equipment	10	45,520	47,806
Intangible assets	10	5,129	4,590
Deferred tax asset		7,627	-
Other assets		64,045	43,456
Total assets		2,806,955	2,770,666
LIABILITIES			
Due to banks		64,483	201,660
Due to customers		2,370,994	2,190,797
Debt securities in issue and other borrowed funds		139,256	139,092
Other liabilities	14	68,095	37,881
Employee benefits		3,615	3,456
Total liabilities		2,646,442	2,572,886
EQUITY			
Share capital		173,614	173,614
Share premium		17,053	17,053
Reserves		(1,253)	2,730
Retained earnings/(losses)		(28,901)	4,383
Equity attributable to Bank equity holders		160,513	197,780
Total liabilities and equity		2,806,955	2,770,666

Interim Statement of Changes in Equity

Amounts in thousand of Euros

	Share Capital	Share Premium	Reserves	Retained Earnings	Total
Opening balance as at 1st January 2007	172,029	17,078	(1,249)	11,782	199,639
Profit for the period				2,464	2,464
Changes in fair value of Available for Sale securities			(4,056)		(4,056)
Changes in fair value of cash flow hedge			(57)		(57)
Total recognized income & expenses			(5,363)	14,245	197,989
Prior year dividends paid				(3,809)	(3,809)
Transfers from retained earnings to reserves			6,602	(6,602)	0
Balance as at 30th September 2007	172,029	17,078	1,239	3,835	194,181
Opening balance as at 1st July 2007	172,029	17,078	1,239	3,835	194,181
Profit for the period				548	548
Changes in fair value of Available for Sale securities			1,492		1,492
Changes in fair value of cash flow hedge					
Total recognized income & expenses			1,492	548	2,039
Share capital increase	1,584	(25)			1,560
Balance as at 31st December 2007	173,614	17,053	2,730	4,383	197,780
Opening balance as at 1st January 2008	173,614	17,053	2,730	4,383	197,780
Profit/(loss) for the period				(30,352)	(30,352)
Changes in fair value of Available for Sale securities			(5,633)		(5,633)
Total recognized income & expenses			(5,633)	(30,352)	(35,985)
Prior year dividends paid				(1,281)	(1,281)
Transfers from retained earnings to reserves			1,651	(1,651)	-
Other transfers					
Balance as at 30th September 2008	173,614	17,053	(1,253)	(28,901)	160,513

The notes on pages 7 to 11 form an integral part of these condensed interim financial statements

Interim Cash Flow Statement
Amounts in thousand of Euros

	Nine months ended	
	<u>30.09.2008</u>	<u>30.09.2007</u>
Cash flows from operating activities		
Profit/(loss) before tax	(38,817)	9,354
Adjustments for non-cash items		
Depreciation and amortisation	4,784	3,945
Impairment losses	12,213	2,050
Defined benefit obligation	332	357
Other non-cash items	7,139	(1,147)
(Gains)/losses from valuation of Trading and Available for Sale securities	(115)	(824)
(Gains)/losses on the sale of investments, property and equipment	-	-
	<u>(14,464)</u>	<u>13,735</u>
Changes in operating assets and liabilities		
Net (increase)/decrease in trading securities	(900)	(7,331)
Net (increase)/decrease in derivative financial instruments	(4)	(13)
Net (increase)/decrease in loans and advances to customers	(35,358)	(274,276)
Net (increase)/decrease in other assets	(18,887)	(24,255)
Net increase/decrease in due to banks	(137,177)	4,615
Net increase/decrease in due to customers	180,197	54,015
Net increase/decrease in other liabilities	10,427	(1,901)
Net cash inflow/(outflow) from operating activities	<u>(16,166)</u>	<u>(235,411)</u>
Cash flows from investing activities		
Sale of investments	162	30,151
Sales of property and equipment	36	-
Purchases of property and equipment	(3,074)	(3,090)
Dividends received	76	(45)
Net cash inflow/(outflow) from investing activities	<u>(2,800)</u>	<u>27,016</u>
Cash flows from financing activities		
Net proceeds from issue/(repayment) of debt securities	164	85,733
Prior year dividends paid	(1,281)	(3,795)
Net cash inflow/(outflow) from financing activities	<u>(1,117)</u>	<u>81,938</u>
Net increase/(decrease) in cash and cash equivalents	<u>(20,083)</u>	<u>(126,457)</u>
Cash and cash equivalents as at 1 January 2008	580,036	495,403
Foreign exchange differences on cash and cash equivalents	(1,281)	(9,189)
Cash and cash equivalents as at 30 September 2008	<u>558,672</u>	<u>359,757</u>
Consists of:		
Cash and balances with Central Bank	132,870	65,425
Due from banks	425,802	294,332
	<u>558,672</u>	<u>359,757</u>

The notes on pages 7 to 11 form an integral part of these condensed interim financial statements



1. General information

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

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

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

ASPIS Bank is rated B+ according to the most recent rating by Fitch.

2. Basis of preparation of the condensed interim financial statements

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" and should be read in conjunction with the Bank's annual financial statements for the year ended 31 December 2007. Where necessary, comparatives have been adjusted to reflect changes in presentation in the current period.

The functional currency for the Bank is Euro. The amounts in the condensed interim financial statements are expressed in thousand of euros, unless otherwise indicated.

These condensed interim financial statements have been approved by the Board of Directors of the Bank at 25 November 2008.

3. Principal accounting policies

The Bank has applied the same accounting policies and methods of computation as those in the annual financial statements for the year ended 31 December 2007.

4. Critical accounting estimates and judgments

The preparation of financial statements according to IFRS requires management to make judgments, estimates and assumptions that affect the application of the Bank's accounting policies as well as the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Deviations resulting from the revision of the accounting estimates are recognised in the period in which estimates are revised and in future periods affected.

The most significant estimates and assumptions made for the preparation of these condensed interim financial statements are the calculation of loan impairment losses, the fair value of financial instruments and the calculation of income tax.

5. Financial risk management

The Bank's goals in monitoring exposure to financial risks and the methods used by management to control these risks are the same with those applied in the annual financial statements for the year ended 31 December 2007.

6. Business segments

The Bank and the Group are organized in the following business segments:

- 1) Corporate Banking – This segment includes retail banking facilities to large and shipping companies.
- 2) Retail Banking - This segment includes retail banking facilities to individuals, households and small/medium companies.
- 3) Asset management and stock brokerage.

<i>(Amounts in thousand of Euros)</i>	Corporate Banking		Retail Banking		Asset management & stock brokerage		Total	
	30.09.08	30.09.07	30.09.08	30.09.07	30.09.08	30.09.07	30.09.08	30.09.07
Operating Income	11,134	3,545	31,273	53,175	2,695	3,385	45,102	60,105
Profit/(loss) before tax	787	2,705	(39,060)	6,157	(544)	492	(38,817)	9,354
Profit/(loss) after tax	614	712	(30,542)	1,621	(424)	130	(30,352)	2,463
Total assets	301,276	216,275	2,481,080	2,204,124	24,599	30,097	2,806,955	2,450,496
Total liabilities	65,851	26,670	2,574,619	2,214,928	5,972	14,719	2,646,442	2,256,316
Fixed assets additions	146	2	2,912	3,070	15	17	3,073	3,090
Depreciation	27	11	4,703	3,863	54	72	4,784	3,946
Loss from impairment of loans & advances	765	146	11,343	1,896	105	8	12,213	2,050

7. Income Tax

The income tax rate for legal entities in Greece is 25% for 2007 and 2008. The effective tax rate for the Bank for 2007 was 25.8 %, excluding additional taxes paid in 2007 as a result of the tax audit of prior Fiscal years. The tax allowance for the nine month period ended 30 September 2008, amounts to €8,465 thousand, results mainly from deferred tax asset on the taxable losses for the period.

The Bank has not been audited by the tax authorities from the fiscal years 2005 to 2007. Consequently the Bank remains contingently liable for additional taxes and penalties that might be assessed by the tax authorities for the unaudited fiscal years. The outcome of such a tax audit cannot be reliably estimated at this stage. A provision of € 300 thousand has been made for tax audit contingency.

8. Earnings per share

Basic earnings per share is calculated by dividing the net profit/(loss) attributable to ordinary shareholders by the weighted average number of shares in issue during the period, excluding the average number of ordinary shares purchased by the Bank and held as treasury shares.

No diluted earnings per share are calculated since there are no diluted potential ordinary shares.

9. Investment securities

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.

10. Tangible and intangible assets

During the nine month period, the Bank acquired:

Property and equipment € 1,877 thousand

Intangible assets € 1,197 thousand

During the same period, the disposals/write-offs of property, plant and equipment amounted to € 36 thousand.

11. Contingent liabilities and commitments

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

The assets of the Bank are free from pledges.

As at 30 September 2008 the Bank's contingent liabilities arising from letters of guarantee and letters of credit issued amounted to €227,894 thousand (31 December 2007: €210,182 thousand) and €7,789 thousand (31 December 2007: €10,179 thousand) respectively.

The commitments of the Bank arising from lease contracts refer mainly to buildings used for its branches and other operating units. The future minimum lease payments under operating leases for 30 September 2008 are as follows (thousand of Euros):

Up to 1 year	6,714
1 to 5 years	15,654
Over 5 years	6,342

12. Impairment losses on loans and advances to customers

The Bank taking into consideration the potential effects of the international credit crisis on the repayment ability of Greek companies and individuals, has made more prudent provisions for loan losses, charging the current period income statement by €12 million approximately. The corresponding charge for the six month period ended 30 September 2007 amounted to € 2 million approximately.

The movement of loan loss provision for the period is as follows (amounts in thousand euros):

	<u>30.09.2008</u>	<u>31.12.2007</u>
Opening balance	37,403	34,785
Charge for the period	12,213	3,050
Amounts recovered during the period	-	49
Loans written off during the period	(65)	(481)
Closing balance	49,552	37,403

13. Other operating expenses

Amounts in thousand of Euros

	From 1st January to	
	<u>30.09.2008</u>	<u>30.09.2007</u>
Third party fees	3,989	4,626
Rents/Leases	5,574	5,093
Other Taxes	1,898	1,563
Telecommunication expenses	1,837	1,283
Subscription fees	1,820	1,559
Other expenses	9,514	6,452
Closing balance	24,633	20,576

14. Other liabilities
Amounts in thousand of Euros

	<u>30.09.2008</u>	<u>31.12.2007</u>
Tax obligations	1,384	1,854
Bank drafts & cheques payable	29,811	6,959
Accrued interest expenses	18,127	11,768
State and Social Insurance liabilities	906	1,501
Other accrued expenses	7,416	6,788
Other liabilities	10,451	9,011
Closing balance	68,095	37,881

15. Related party transactions

The balances and the results of the transactions of the Bank with related parties as at and for the nine month period ended 30 September 2008 are set out below (amounts in thousand of Euros):

	<u>30.09.2008</u>	<u>31.12.2007</u>
A. Directors and Senior Management		
Loans, advances and other receivables	21,697	15,982
Deposits and other liabilities	2,814	10,184
B. Subsidiaries and oother related parties		
Loans, advances and other receivables	95,567	103,922
Deposits and other liabilities	209,132	218,266
	<u>30.09.2008</u>	<u>30.09.2007</u>
A. Directors and Senior Management		
Staff expenses	14,617	3,517
Net interest income/(expense)	540	3
Net commission income	32	50
Operating expenses	398	36
B. Subsidiaries and other related parties		
Net interest income/(expense)	(5,730)	(2,624)
Net commission income	1,396	1,775
Operating expenses	3,698	2,882

The outstanding Letters of Guarantee issued to related parties as at 30.09.08 amounted to € 39,780 thousand.

The amount of €9.1 million approximately has been paid, as compensations, to certain executives who have resigned during the period, in the course of the reorganization of the Bank. These are included in 'Staff expenses' above.

16. Investments in subsidiaries

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

Company name	Activity	% Holding	Country
ASPIS International AEDAK	Mutual funds management	55	Greece
ASPIS Leasing SA	Finance leases	100	Greece
ASPIS Insurance Brokerage SA	Insurance brokerage	100	Greece
ASPIS Credit SA	Operating leases	99.95	Greece
ASPIS Jersey Ltd	Issue of debt securities	100	Jersey
ASPIS Finance Plc	Issue of debt securities	100	UK
Byzantium Finance Plc	SPV	-	UK

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



17. Dividends

The Bank's Annual General Shareholders' Meeting, held on April 17, 2008 approved the distribution of dividend of €1,281 thousand, or €0.02 per share.

18. Subsequent events

No significant post Balance Sheet events.

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