



ASPIS BANK S.A.

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

In accordance with International Financial Reporting Standards (IFRS)

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

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Consolidated Interim Income Statement
Amounts in thousand of Euros

	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		125,090	106,187	44,088	37,487
Interest expense and similar charges		(92,060)	(64,736)	(34,286)	(23,757)
Net interest income		33,031	41,451	9,803	13,730
Fee and commission income		18,137	21,654	5,496	6,992
Fee and commission expense		(480)	(334)	(178)	(120)
Net fee and commission income		17,657	21,319	5,318	6,871
Net trading income / expense		(1,375)	1,066	(558)	(67)
Dividend income		76	46	66	33
Other operating income		8,021	6,501	2,265	1,719
Total operating income	6	57,409	70,383	16,895	22,286
Staff expenses		(44,151)	(26,214)	(11,402)	(8,749)
Depreciation and amortization		(9,092)	(7,029)	(3,386)	(2,510)
General operating expenses	13	(26,621)	(21,919)	(8,787)	(8,615)
Impairment on loans and advances	12	(13,078)	(2,437)	(2,286)	(467)
Total operating expenses		(92,942)	(57,599)	(25,860)	(20,341)
Profit/(loss) before income tax	6	(35,532)	12,784	(8,965)	1,945
Income tax	7	8,289	(7,393)	1,161	(245)
Net profit/(loss) for the period	6	(27,243)	5,391	(7,805)	1,700
Attributable to shareholders of the Bank		(27,191)	5,126	(7,752)	1,584
Attributable to minority interest		(53)	265	(54)	116
Basic and diluted earnings per share (in Euros)		(0.4253)	0.08	(0.1218)	0.03

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

Consolidated Interim Balance Sheet

Amounts in thousand of Euros

ASSETS	Note	30.09.2008	31.12.2007
Cash & cash equivalents		132,876	93,121
Loans and advances to banks		448,924	495,814
Loans and advances to customers		2,236,127	2,213,854
Trading securities	9	2,807	11,144
Derivatives		9	13
Investment securities	9		
- Available for sale		23,384	20,683
- Held to maturity		3,182	3,279
Property and equipment	10	51,084	53,172
Intangible assets	10	8,523	9,220
Deferred tax asset		7,714	-
Other assets		65,124	44,143
Total assets		2,979,756	2,944,443
LIABILITIES			
Due to banks		84,483	213,661
Due to customers		2,366,532	2,182,104
Debt securities in issue and other borrowed funds		264,728	278,040
Other liabilities	14	72,444	42,322
Employee benefits		3,845	3,654
Total liabilities		2,792,032	2,719,781
EQUITY			
Share capital		173,614	173,614
Share premium		17,053	17,053
Reserves		(18,610)	3,896
Retained earnings/(losses)		(25,302)	(10,963)
Equity attributable to Bank equity holders		146,755	183,600
Minority interest		1,416	1,533
Hybrid capital		39,553	39,529
Total equity		187,724	224,662
Total liabilities and equity		2,979,756	2,944,443

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Consolidated Interim Statement of Changes in Equity
Amounts in thousand of Euros

	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				5,120	5,120	271		5,391
Changes in fair value of Available for Sale securities			(4,056)		(4,056)			(4,056)
Changes in fair value of cash flow hedge			(57)		(57)			(57)
Total recognized income & expenses			(4,203)	(628)	184,276	1,590	0	185,866
Prior year dividends paid				(3,808)	(3,808)			(3,808)
Transfers from retained earnings to reserves			6,602	(6,602)				
Other transfers			(104)		(104)	104		
Hybrid capital issues					0		39,521	39,521
Balance as at 30th September 2007	172,029	17,078	2,295	(11,038)	180,364	1,694	39,521	221,579
Opening balance as at 1st July 2007	172,029	17,078	2,295	(11,038)	180,364	1,694	39,521	221,579
Profit for the period				1,811	1,811	(56)		1,755
Changes in fair value of Available for Sale securities			1,491		1,491			1,491
Changes in fair value of cash flow hedge			1		1			1
Total recognised income & expenses			1,492	1,811	3,303	(56)		3,247
Other transfers			110	(5)	105	(105)	8	8
Share capital increase	1,585	(25)			1,560			1,560
Dividend to hybrid securities holders				(1,732)	(1,732)			(1,732)
Balance as at 31st December 2007	173,614	17,053	3,897	(10,964)	183,600	1,533	39,529	224,662
Opening balance as at 1st January 2008	173,614	17,053	3,897	(10,964)	183,600	1,533	39,529	224,662
Profit/(loss) for the period				(27,190)	(27,190)	(53)		(27,243)
Changes in fair value of Available for Sale securities			(5,633)		(5,633)			(5,633)
Total recognised income & expenses			(5,633)	(27,190)	(32,823)	(53)		(32,876)
					0			0
Prior year dividends paid				(1,281)	(1,281)			(1,281)
Transfers from retained earnings to reserves			1,651	(1,651)	0			0
Other transfers				64	64	(64)	23	23
Dividend to hybrid securities holders				(2,804)	(2,804)			(2,804)
Balance as at 30th September 2008	173,614	17,053	(86)	(43,826)	146,755	1,416	39,552	187,724

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

Consolidated Interim Cash Flow Statement
Amounts in thousand of Euros

	Nine months ended	
	30.09.2008	30.09.2007
Cash flows from operating activities		
Profit/(loss) before tax	(27,243)	12,784
Adjustments for non-cash items		
Depreciation and amortisation	9,092	7,029
Impairment losses	13,078	2,437
Defined benefit obligation	365	394
Other non-cash items	(11,623)	7,985
(Gains)/losses from valuation of Trading and Available for Sale securities	(56)	(950)
(Gains)/losses on the sale of investments, property and equipment	-	-
	(16,387)	29,679
Changes in operating assets and liabilities		
Net (increase)/decrease in trading securities	(503)	(7,729)
Net (increase)/decrease in derivative financial instruments	(4)	(13)
Net (increase)/decrease in loans and advances to customers	(35,286)	(253,693)
Net (increase)/decrease in other assets	19,324	(26,750)
Net increase/decrease in due to banks	(129,178)	4,806
Net increase/decrease in due to customers	184,428	57,198
Net increase/decrease in other liabilities	(33,697)	(8,512)
Net cash inflow/(outflow) from operating activities	(11,303)	(205,014)
Cash flows from investing activities		
Sale of investments	162	30,151
Sales of property and equipment	526	-
Purchases of property and equipment	(6,549)	(6,849)
Dividends received	76	(45)
Net cash inflow/(outflow) from investing activities	(5,785)	23,257
Cash flows from financing activities		
Net proceeds from issue/(repayment) of debt securities	(279)	21,108
Issue of hybrid capital	-	38,763
Dividends paid to hybrid securities holders	(1,873)	-
Prior year dividends paid	(1,281)	(3,795)
Net cash inflow/(outflow) from financing activities	(3,433)	56,076
Net increase/(decrease) in cash and cash equivalents	(20,521)	(125,681)
Cash and cash equivalents as at 1st January 2008	603,602	518,573
Foreign exchange differences on cash and cash equivalents	(1,281)	(9,189)
Cash and cash equivalents as at 30 September 2008	581,800	383,703
Consists of:		
Cash and balances with Central Bank	132,876	65,429
Due from banks	448,924	318,274
	581,800	383,703

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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 consolidated interim financial statements

These condensed consolidated 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 Group's annual consolidated 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 Group is Euro. The amounts in the condensed consolidated interim financial statements are expressed in thousand of euros, unless otherwise indicated.

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

3. Principal accounting policies

The Group has applied the same accounting policies and methods of computation as those in the annual consolidated 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 Group'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 consolidated 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 Group'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 consolidated 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.

	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
<i>(Amounts in thousand of Euros)</i>								
Operating Income	18,134	8,330	34,600	55,300	4,675	6,753	57,409	70,383
Profit/(loss) before tax	648	2,535	(36,013)	8,396	(167)	1,853	(35,532)	12,784
Profit/(loss) after tax	497	1,069	(27,612)	3,541	(128)	781	(27,243)	5,391
Total assets	367,191	321,740	2,583,253	2,278,775	29,312	34,321	2,979,756	2,634,836
Total liabilities	113,759	125,585	2,662,785	2,271,757	15,488	15,915	2,792,032	2,413,257
Fixed assets additions	1,712	4,729	4,821	3,072	15	48	6,548	7,849
Depreciation	4,253	3,001	4,703	3,863	136	165	9,092	7,029
Loss from impairment of loans & advances	1,629	533	11,343	1,896	105	8	13,077	2,437

7. Income Tax

The income tax rate for legal entities in Greece is 25% for 2007 and 2008. The effective tax rate for the Group for 2007 was 21.4%, excluding additional taxes paid in 2007 as a result of the tax audit of prior fiscal years for certain companies of the Group. The tax allowance for the nine month period ended 30 September 2008, amounting to € 8,289 thousand, results mainly from deferred tax asset on the taxable losses for the period.

The companies of the Group have not been audited by tax authorities for the following fiscal years:

ASPIS BANK	2005-2007
ASPIS Leasing	2006-2007
ASPIS Insurance Brokerage	2003-2007
ASPIS International AEDAK	2006-2007
ASPIS Credit	2006-2007

The Group 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 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 Group 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 first semester of 2008, the Group acquired:

Property and equipment	€3,450 thousand
Intangible assets	€3,099 thousand

During the same period, the disposals/write-offs of property, plant and equipment amounted to € 241 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 Group.

The assets of the Group are free from pledges.

As at 30 September 2008 the Group's contingent liabilities arising from letters of guarantee and letters of credit issued amounted to €205,524 thousand (31 December 2007: €210,182 thousand) and €7,789 thousand (31 December 2007: €10,179 thousand) respectively.

The commitments of the Group 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 Euros):

Up to 1 year	6,976
1 to 5 years	16,608
Over 5 years	6,370

12. Impairment losses on loans and advances to customers

The Group, 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 €13.1 million approximately. The corresponding charge for the nine month period ended 30 September 2007 amounted to €2.4 million approximately.

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

	<u>30.09.2008</u>	<u>31.12.2007</u>
Opening balance	38,907	35,896
Charge for the period	13,078	3,444
Amounts recovered during the period	-	49
Loans written off during the period	(65)	(482)
Closing balance	51,920	38,907

13. Other operating expenses

Amounts in thousand of Euros

	<u>30.09.2008</u>	<u>From 1st January to 30.09.2007</u>
Third party fees	5,185	4,963
Rents/Leases	5,400	5,037
Other Taxes	2,039	1,708
Telecommunication expenses	1,916	1,415
Subscription fees	1,967	1,717
Other expenses	10,114	7,078
Closing balance	26,621	21,919

14. Other liabilities

Amounts in thousand of Euros

	<u>30.09.2008</u>	<u>31.12.2007</u>
Tax obligations	2,125	2,555
Bank drafts & cheques payable	29,811	1,704
Accrued interest expenses	17,664	12,377
State and Social Insurance liabilities	929	1,606
Other accrued expenses	7,862	6,457
Other liabilities	14,052	17,623
Closing balance	72,444	42,322

15. Related party transactions

The balances and the results of the transactions of the Group 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	15,933
Deposits and other liabilities	2,992	11,208

B. Other related parties

Loans, advances and other receivables	19,748	18,538
Deposits and other liabilities	52,477	48,192

	<u>30.09.2008</u>	<u>30.09.2007</u>
A. Directors and Senior Management		
Staff expenses	14,890	4,017
Net interest income/(expense)	528	(14)
Net commission income	32	50
Operating expenses	398	36

B. Other related parties

Net interest income/(expense)	(1,097)	(1,292)
Net commission income	394	218
Operating expenses	3,820	3,104

The outstanding Letters of Guarantee issued to related parties as at 30.09.08 amounted to € 11,410 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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