



ASPIS BANK S.A.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 September 2006

In accordance with International Financial Reporting Standards - IFRS

These interim consolidated financial statements are available at the following web page:
www.aspisbank.gr



Table of contents

Consolidated Interim Profit and Loss Account	3
Consolidated Balance Sheet	4
Consolidated Cash Flow Statement	5
Consolidated Statement of Changes in Shareholder's Equity.....	6
1. General Information.....	7
2. Basis of preparation.....	7
3. Significant Accounting Principles.....	7
4. Estimates.....	8
5. Financial Risk Management.....	8
6. Segment Reporting.....	8
7. Income Tax.....	9
8. Property, plant and equipment.....	9
9. Intangible Assets.....	9
10. Related parties	9
11. Contingent liabilities and commitments.....	10
12. Subsequent events.....	11
13. Changes in previously published financial statements.....	11

**Consolidated Income Statement***(In thousands of Euro)*

	Notes	FROM 1 JANUARY TO		FROM 1 JULY TO	
		30/9/2006	30/9/2005	30/9/2006	30/9/2005
Interest income		87,106	76,746	31,382	26,450
Interest expense		<u>(46,710)</u>	<u>(38,485)</u>	<u>(17,147)</u>	<u>(12,386)</u>
Net interest income		40,396	38,260	14,235	14,064
Commission income		19,898	19,159	5,213	4,985
Commission expense		<u>(459)</u>	<u>(647)</u>	<u>(140)</u>	<u>(120)</u>
Net commission income		19,439	18,512	5,073	4,866
Net trading income		1,222	3,983	424	1,152
Dividends		49	44	49	44
Other income		<u>5,892</u>	<u>4,132</u>	<u>1,654</u>	<u>1,318</u>
Total Operating Income	6	66,998	64,932	21,435	21,444
Staff costs		(28,345)	(26,841)	(9,663)	(8,800)
Depreciation and amortization		(6,274)	(6,075)	(2,055)	(2,049)
Other expenses		(20,400)	(21,766)	(6,801)	(6,523)
Impairment losses on loans and advances		<u>(2,153)</u>	<u>(2,165)</u>	(515)	<u>(583)</u>
Total Operating Expenses		(57,172)	(56,847)	(19,034)	(17,955)
Profit before tax	6	9,826	8,085	2,401	3,489
Income tax	7	(2,082)	<u>(2,183)</u>	(466)	(1,590)
Profit after tax	6	7,744	5,902	1,935	1,899
Attributable to:					
Equity holders of the Bank		7,767	5,944	1,915	1,887
Minority interests		<u>(23)</u>	<u>(42)</u>	<u>20</u>	<u>12</u>
Basic and diluted earnings per share		0,15	0,12	0,03	0,04

The attached notes form part of these consolidated interim financial statements.

**Consolidated Balance Sheet***(In thousands of Euro)*

<u>ASSETS</u>	Notes	30/9/2006	31/12/2005
Cash and balances with Central Bank		57,265	66 322
Due from banks		292,172	362 309
Trading investments		7,513	4 556
Derivative financial assets		54	1 355
Due from customers		1,745,729	1 622 042
Investment securities		52,961	68 766
Property, plant and equipment	8	30,478	28 680
Intangible assets	9	3,042	3 976
Other assets		<u>49,442</u>	<u>42 218</u>
TOTAL ASSETS		<u>2,238,656</u>	<u>2 200 224</u>
<u>LIABILITIES</u>			
Due to banks		102,437	222 730
Due to customers		1,719,599	1 570 451
Derivative financial liabilities		5	145
Debt securities in issue and other borrowed funds		260,191	250 618
Other liabilities		28,992	39,016
Employee defined benefit obligations		<u>3,482</u>	<u>2 352</u>
TOTAL LIABILITIES		<u>2,114,706</u>	<u>2 085 312</u>
EQUITY			
Share capital		132,330	143 561
Share premium		5,019	5 584
Reserves		(3,388)	(2 859)
Accumulated deficit		<u>(11,338)</u>	<u>(32 540)</u>
Equity attributable to the Bank's equity holders		122,613	113 746
Minority interest		1,337	<u>1 166</u>
TOTAL EQUITY		<u>123,950</u>	<u>114 912</u>
TOTAL LIABILITIES AND EQUITY		<u>2,238,656</u>	<u>2 200 224</u>

The attached notes form part of these consolidated interim financial statements.

**Consolidated Cash Flow Statement***(In thousands of Euro)*

	1/1-30/9/2006	1/1-30/9/2005
Operating activities		
Profit before taxes	9,826	8,084
Adjustments for non-cash items		
Depreciation	6,274	6,075
Impairment losses on loans	2,153	2,165
Changes in provisions	923	447
Other non-cash items	483	(4,434)
Fair value (gain)/loss of trading instruments	(811)	(1,007)
(Gain)/Loss on the sale of investments, property and equipment		-
	18,848	11,330
Changes in operating assets and liabilities		
Due from banks over 3 months	-	
Trading securities	3,050	(3,468)
Derivative financial instruments	5	
Loans and advances to customers	(125,839)	(138,193)
Other assets	(263)	(13,450)
Deposits from banks	(120,293)	3,580
Derivative financial instruments		(41)
Deposits from customers	149,148	(12,728)
Other liabilities	<u>(7,039)</u>	<u>22,310</u>
Cash flow from operating activities	(82,383)	(130,659)
Investing activities		
Proceeds from sale of investments	17,058	-
Proceeds from sale of property and equipment	1,064	3,007
Acquisition of property and equipment	<u>(7,231)</u>	<u>(6,813)</u>
Cash flow from investing activities	10,891	(3,806)
Financial activities		
Debt securities transactions	2,213	32,346
Share capital expenses	<u>(564)</u>	-
Cash flow from financial activities	<u>1,649</u>	<u>32,346</u>
Increase/(decrease) in cash flows	<u>(69,843)</u>	<u>(102,119)</u>
Effect of exchange rate fluctuations on cash and cash equivalents	(9,351)	(260)
Net increase/decrease in cash flows	(79,194)	(102,379)
Cash and cash equivalents starting period	428,631	434,754
Cash and cash equivalents at the end of the period	349,437	332,375
Cash and cash equivalents consists of:		
Cash and balances with Central bank	57,265	84,926
Due from banks	<u>292,172</u>	<u>247,449</u>
	349,437	332,375



Consolidated Statement of Changes in Equity

For the period ended 30 September 2006

(In thousands of Euro)

	Share Capital	Share Premium	Reserves	Available for sale reserve	Retained earnings	Accumulated deficit	Minority interest	Total
Balance at 1 January 2005	143,021	5,590	4,522	(8,878)	(43,550)	100,705	1,310	102,015
Valuation of available for sale securities	-	-	-	713	-	713	-	713
Other	-	-	-	-	100	100	(100)	-
Profit for the period	-	-	-	-	5,944	5,944	(42)	5,902
Balance at 30 September 2005	143,021	5,590	4,522	(8,165)	(37,506)	107,462	1,169	108,630
Balance at 1 October 2005	143,021	5,590	4,522	(8,165)	(37,506)	107,462	1,169	108,630
Valuation of available for sale securities	-	-	-	650	-	650	-	650
Share capital increase (net)	540	(6)	-	-	-	534	-	534
Cash flow hedge	-	-	134	-	-	134	-	134
Other differences	-	-	-	-	(100)	(100)	(3)	(103)
Profit for the period	-	-	-	-	5,285	5,285	-	5,285
F/X differences	-	-	-	-	(219)	(219)	-	(219)
Balance at 31 December 2005	143,561	5,584	4,656	(7,515)	(32,540)	113,746	1,166	114,912
Balance at 1 January 2006	143,561	5,584	4,656	(7,515)	(32,540)	113,746	1,166	114,912
Valuation of available for sale securities	-	-	-	1,866	-	1,866	-	1,866
Share capital increase expenses	-	(564)	-	-	-	(564)	-	(564)
Cash flow hedge	-	-	(58)	-	-	(58)	-	(58)
Other movements	(11,231)	-	(2,337)	-	13,424	(144)	194	50
Profit for the period	-	-	-	-	7,767	7,767	(23)	7,744
Balance at 30 September 2006	132,330	5,019	2,262	(5,649)	(11,349)	122,613	1,337	123,950



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 Société 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 Société Anonyme Registry under no. 26699/06/B/92/12. The Bank was established for a ninety-nine (99) years term from the date it was registered in the Société Anonyme Registry.

The Group operates in Greece in private, corporate and stock exchange sectors and other financial services sectors.

2. Basis of preparation

The condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 «Interim Financial Reporting». The condensed interim consolidated financial statements do not include all the information required for full annual financial statements and they should be examined in accordance with the annual consolidated financial statements for the year ended 31 December 2005.

The interim consolidated financial statements are presented in Euro, rounded to the nearest thousand.

The interim consolidated financial statements were authorized for issuance from Board of Directors on 9 /11/ 2006.

3. Significant Accounting Principles

The interim consolidated financial statements for 30/09/2006 have been prepared with the same accounting policies that were adopted in the annual financial statements for the year ended 31 December 2005.

The accounting policies that were disclosed as well as the amendments and interpretations of these policies which have been adopted and will be mandatory applied for the periods starting from 1 January 2006 and onwards are the following:

- **IAS 19 (amendment) «Employee benefits» (applied from 1 January 2006)**

The Group has the option of an alternative recognition approach for actuarial gains or losses. At this moment the Group does not intend to change the accounting policy adopted for recognition of actuarial gains or losses and does not participate in multi-employer pension plans. Therefore the adoption of the amendment will only impact the format and the extent of disclosures presented in the accounts.



- **IAS 39 (amendment) «Cash Flow Hedge Accounting of Forecast Transactions» (applied from 1 January 2006)**

This amendment has not been adopted by the Group.

- **IAS 39 and IFRS 4 (amendment) «Financial Guarantees» (applied from 1 January 2006)**

This amendment requires issued financial guarantees which are not considered as insurance contracts to be initially recorded, at the higher price of a) the unamortized balance of fees received and accrued and b) the expenditure required to settle the commitment at the balance sheet date. This amendment did no impact on the Group's financial position.

- **Interpretation 4 «Determining whether an Arrangement contains a lease» (applied from 1 January 2006)**

This interpretation has no effect on the Group.

- **Interpretation 5 «Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds» (applied from 1 January 2006)**

This interpretation has no effect on the Group.

4. Estimates

The preparation of interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The underlying assumptions that have been adopted by the Group for the estimation of particular accounting values and the sources of uncertainty affecting these estimations for the preparation of the interim consolidated financial statements are the same with those applied for the preparation of the annual consolidated financial statements for the year ended 31 December 2005.

5. Management of Financial Risks

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 2005.

6. Segment Reporting

The Group is organized into three business segments:

- 1) Corporate Banking
- 2) Retail Banking
- 3) Brokerage Transactions



From 1 January to

(In thousands of Euro)

	Corporate Banking		Retail Banking		Brokerage Transactions		Total	
	30/9/2006	30/9/2005	30/9/2006	30/9/2005	30/9/2006	30/9/2005	30/9/2006	30/9/2005
Segment revenue (external customers)	10,189	7,854	50,435	51,188	6,374	5,890	66,998	64,932
Segment revenue (transactions with other segments)	(4,323)	(3,835)	4,766	4,019	(443)	(184)	0	0
Total revenue	5,866	4,019	55,201	55,207	5,931	5,706	66,998	64,932
Segment result before tax	1,593	2,230	6,682	4,736	1,551	1,119	9,826	8,085
Segment result after tax	1,256	1,627	5,265	3,459	1,223	816	7,744	5,902

7. Income tax

The Group's effective tax rate was 21,2% for the period ended at 30 September 2006 (27% for the year ended 31 December 2005 and 27% for the period ended 30 September 2005).

- The income tax rate was reduced from 32% to 29% from 1 January 2006.

8. Property, plant and equipment

For the period ended 30 September 2006 the Group acquired fixed assets of value EUR 4,492 thousand .

Management decided to allocate the software cost that is related to hardware to property, plant and equipment. The acquisition cost of this software was EUR 6,445 thousand in 30 September 2006 and the respective accumulated amortization was EUR 4,826 thousand.

9. Intangible assets

Apart from the reallocation of software which is stated in note 8 the Group acquired during the period ended 30 September 2006 intangible assets of EUR2,740 thousand.

10. Related parties

All of the Group's transactions are neutral, performed under the normal course of business and Bank's daily activities.

The balances of the related parties transactions as at 30 September 2006 are set out in the table below (In thousands of Euro):



a) *Board of Directors and Senior Management:*

	30/9/2006	31/12/2005
Staff costs	2,559	4,102
Loans and advances to customers	7,335	4,078
Deposits from customers	14,155	11,948
Net interest income	(66)	171
Net commission income	57	20
Administrative expenses	34	44

b) *Balances and transactions with other related parties:*

	30/9/2006	31/12/2005
Loans and advances to customers	19,582	22,378
Other assets	1,349	687
Deposits from customers	66,810	39,813
Other liabilities	187	241
Net interest income	(821)	459
Net commission income	1,052	1,277
Other operating expenses	2,896	3,637

11. Contingent liabilities and commitments

11.1 Litigation

Management, after consultation with legal counsel believe that, the ultimate disposition of these matters is not expected to have a material adverse effect on the financial condition of the Group.

11.2 Credit commitments

	30/9/2006	31/12/2005
Letters of guarantee		
High risk	108,680	90,791
Other	108,972	106,435
Letter of credit	15,578	12,393

11.3 Tax matters

The tax authorities have audited and the Bank has settled all obligations up to the year ended 31 December 2002. The Group's subsidiaries have not been audited by the tax authorities for the following years:

Aspis Leasing	2003-2006
Aspis Brokerage	2003-2006
Aspis AEDAK	2002-2006
Aspis Credit	2004-2006



Because the manner in which income taxes are concluded in Greece, the Group remains contingently liable for additional taxes (or reduction of the tax losses that can be carried forward and offset against future tax profits) and penalties that might be assessed for the unaudited by the tax authorities' years.

11.4 Pledged assets

None of the Group's assets have been pledged.

11.5 Operating Leases

The Group'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 for 30 June 2006 are as follows (in thousands of Euro):

Up to 1 year	6,908
From 1 to 5 years	21,421
Over 5 years	<u>6,009</u>
	<u>34,338</u>

12. Subsequent events

On 24 July 2006 the Extraordinary General Meeting of the Shareholders approved the following:

-To increase share capital through a cash deposit where current shareholders may exercise a conversion right of 3 new shares for 10 shares held. The total number of shares to be issued under the share increase plan is 14, 649,093 ordinary shares with issue price 3, 60 Euro each. Total funds expected to be raised from the share capital increase amount to EUR 52 737 thousand.

-The above share capital increase will take place from 13/11/2006 to 27/11/2006.

13. Changes in previously published financial statements

The Group proceeded in the following changes:

a) *Income statement 30 September 2006*

(In thousands of Euro)

	Published	Change	Reported
Interest income	79,572	(2,826)	76,746
Met trading income	1,158	2,826	3,983

The amount of EUR 2,826 thousand concerns income from securitized loans.



b) Balance Sheet 31/12/2005

(In thousands of Euro)

	Published	Change	Reported
Other assets	56 616	(14 398)	42 218
Other liabilities	53 125	(14 398)	38 727

The change concerns the offsetting of amounts for the clearing of ETESEP account.

The changes above have no effect in the consolidated income statement.

c) Income tax 30 September 2006

Up to 30/06/2005(see note 10 to the financial statements)there was an estimate that there would be tax losses at year end.For information purposes to investors and taking into account that the actual effective rate is finally 27% that was verified on 31/12/2005,the group proceeded in changing the comparative figure for income tax(nine months period) from 882 th.to 2.183 th.and the profits after tax from 7.202 th to 5.902 th.Earnings per share changed from 0,15 to 0,12.The above changes affected the list of Equity movements for the comparative period(line current period results)..

