



ASPIS BANK S.A.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 June 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
Auditor's Report.....	12

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

	Notes	FROM 1 JANUARY TO		FROM 1 APRIL TO	
		30/6/2006	30/6/2005	30/6/2006	30/6/2005
Interest income		55 724	50 297	28 077	29 280
Interest expense		<u>(29 563)</u>	<u>(26 062)</u>	<u>(16 006)</u>	<u>(15 839)</u>
Net interest income		26 161	24 235	12 071	13 441
Commission income		14 685	13 410	7 708	5 725
Commission expense		<u>(319)</u>	<u>(527)</u>	<u>(166)</u>	<u>(366)</u>
Net commission income		14 366	12 883	7 542	5 359
Net trading income		798	1 858	463	1 245
Other income		<u>4 238</u>	<u>2 814</u>	<u>2 363</u>	<u>1 471</u>
Total Operating Income	6	45 563	41 790	22 439	21 516
Staff costs		(18 682)	(18 041)	(9 728)	(9 138)
Depreciation and amortization		(4 219)	(4 026)	(2 135)	(2 131)
Other expenses		(13 599)	(13 542)	(6 587)	(6 943)
Impairment losses on loans and advances		<u>(1 638)</u>	<u>(1 582)</u>	<u>(736)</u>	<u>(1 197)</u>
Total Operating Expenses		(38 138)	(37 191)	(19 186)	(19 409)
Profit before tax	6	7 425	4 599	3 253	2 107
Income tax	7	<u>(1 616)</u>	<u>(595)</u>	<u>(747)</u>	<u>(386)</u>
Profit after tax	6	5 809	4 004	2 506	1 721
Attributable to:					
Equity holders of the Bank		5 852	4 058	2 623	1 751
Minority interests		<u>(43)</u>	<u>(54)</u>	<u>(117)</u>	<u>(30)</u>
		5 809	4 004	2 506	1 721
Basic and diluted earnings per share		0.12	0.08	0.05	0.04

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

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

<u>ASSETS</u>	Notes	30/6/2006	31/12/2005
Cash and balances with Central Bank		82 842	66 322
Due from banks		337 562	362 309
Trading investments		6 894	4 556
Derivative financial assets		107	1 355
Due from customers		1 709 935	1 622 042
Investment securities		53 041	68 766
Property, plant and equipment	8	30 917	28 680
Intangible assets	9	2 819	3 976
Other assets		<u>43 620</u>	<u>42 218</u>
TOTAL ASSETS		<u>2 267 737</u>	<u>2 200 224</u>
<u>LIABILITIES</u>			
Due to banks		92 713	222 730
Due to customers		1 746 764	1 570 451
Derivative financial liabilities		10	145
Debt securities in issue and other borrowed funds		266 932	250 618
Current income tax liability		144	289
Other liabilities		35 223	38 727
Employee defined benefit obligations		<u>3 218</u>	<u>2 352</u>
TOTAL LIABILITIES		<u>2 145 004</u>	<u>2 085 312</u>
EQUITY			
Share capital		143 561	143 561
Share premium		5 535	5 584
Reserves		(836)	(2 859)
Accumulated deficit		<u>(26 686)</u>	<u>(32 540)</u>
Equity attributable to the Bank's equity holders		121 574	113 746
Minority interest		<u>1 159</u>	<u>1 166</u>
TOTAL EQUITY		<u>122 733</u>	<u>114 912</u>
TOTAL LIABILITIES AND EQUITY		<u>2 267 737</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)*

	1/1-30/6/2006	1/1-30/6/2005
Operating activities		
Profit before taxes	7 425	4 599
Adjustments for non-cash items		
Depreciation	4 219	4 026
Impairment losses on loans	1 638	1 582
Changes in provisions	616	308
Other non-cash items	13 722	531
Fair value (gain)/loss of trading instruments	(530)	(60)
(Gain)/Loss on the sale of investments, property and equipment	<u>(243)</u>	<u>-</u>
	26 847	10 986
Changes in operating assets and liabilities		
Due from banks over 3 months	-	(630)
Trading securities	(2 406)	(2 416)
Derivative financial instruments	1 135	(26)
Loans and advances to customers	(89 531)	(142 752)
Other assets	(6 372)	(27 577)
Deposits from banks	(130 017)	(46 047)
Deposits from customers	176 313	70 073
Other liabilities	<u>1 674</u>	<u>4 179</u>
Cash flow from operating activities	(22 357)	(134 210)
Investing activities		
Proceeds from sale of investments	16 875	-
Proceeds from sale of property and equipment	316	2 220
Acquisition of property and equipment	<u>(5 372)</u>	<u>(4 404)</u>
Cash flow from investing activities	11 819	(2 184)
Financial activities		
Debt securities issued	11 681	49 736
Share capital expenses	<u>(48)</u>	<u>-</u>
Cash flow from financing activities	11 633	49 736
<u>Net increase/(decrease) in cash flows</u>	<u>1 095</u>	<u>(86 658)</u>
Cash and cash equivalents at the start of the period	428 631	434 366
Effect of exchange rate fluctuations on cash and cash equivalents	(9 322)	(84)
Cash and cash equivalents at the end of the period	420 404	347 624
Cash and cash equivalents consists of:		
Cash and balances with Central bank	82 842	135 028
Due from banks	<u>337 562</u>	<u>212 596</u>
	420 404	347 624

**Consolidated Statement of Changes in Equity****For the period ended 30 June 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	-	-	-	957	-	957	-	957
Profit for the period	-	-	-	-	4 058	4 058	(54)	4 004
Balance at 30 June 2005	143 021	5 590	4 522	(7 921)	(39 492)	105 720	1 256	106 976
Balance at 1 July 2005	143 021	5 590	4 522	(7 921)	(39 492)	105 720	1 256	106 976
Valuation of available for sale securities	-	-	-	435	-	435	-	435
Share capital increase (net)	540	(6)	-	-	-	534	-	534
Cash flow hedge	-	-	134	-	-	134	-	134
Other differences	-	-	-	(29)	-	(29)	(11)	(40)
Profit for the period	-	-	-	-	7 171	7 171	(79)	7 092
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	-	-	-	2 051	-	2 051	-	2 051
Share capital increase expenses	-	(49)	-	-	-	(49)	-	(49)
Cash flow hedge	-	-	(43)	-	-	(43)	-	(43)
Other differences	-	-	15	-	2	17	36	53
Profit for the period	-	-	-	-	5 852	5 852	(43)	5 809
Balance at 30 June 2006	143 561	5 535	4 628	(5 464)	(26 686)	121 574	1 159	122 733



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 28 August 2006.

3. Significant Accounting Principles

The interim consolidated financial statements for 30/06/2006 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	
	30/6/2006	30/6/2005	30/6/2006	30/6/2005	30/6/2006	30/6/2005	30/6/2006	30/6/2005
Segment revenue (external customers)	7 081	7 021	33 982	31 025	4 500	3 744	45 563	41 790
Segment revenue (transactions with other segments)	(2 206)	(2 819)	2 530	3 212	(324)	(393)	-	-



Total revenue	4 875	4 202	36 512	34 237	4 176	3 351	45 563	41 790
Segment result before tax	1 528	598	4 756	4 128	1 141	(127)	7 425	4 599
Segment result after tax	1 195	520	3 720	3 594	894	(110)	5 809	4 004

7. Income tax

The Group's effective tax rate was 22% for the six month period ended at 30 June 2006 (27% for the year ended 31 December 2005 and 13% for the six month period ended 30 June 2005).

The reduction in the effective tax rate results from the following factors:

- The income tax rate was reduced from 32% to 29% from 1 January 2006.
- Management did not expect to show a tax profit for 2005.

8. Property, plant and equipment

For the six months period ended 30 June 2006 the Group acquired fixed assets of value EUR 3 486 thousand (30 June 2005: EUR 2 259 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 June 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 June 2006 intangible assets of EUR 1 886 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 June 2006 are set out in the table below (In thousands of Euro):

a) Board of Directors and Senior Management:

	30/6/2006	31/12/2005
Staff costs	1 928	4 102
Loans and advances to customers	689	1 870
Deposits from customers	12 758	11 277
Net interest income	(109)	53
Net commission income	4	20

b) Balances and transactions with other related parties:

	30/6/2006	31/12/2005
Loans and advances to customers	20 335	22 288
Other assets	1 434	777
Deposits from customers	92 123	39 813
Other liabilities	451	241



Net interest income	(428)	459
Net commission income	851	1 277
Other operating expenses	1 391	2 989

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

	30/6/2006	31/12/2005
Letters of guarantee		
High risk	92 640	90 791
Other	104 176	106 435
Letter of credit	18 761	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	3 206
From 1 to 5 years	22 426
Over 5 years	<u>5 653</u>
	<u>31 285</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.
- To decrease share capital with accumulated losses of EUR 11 231 thousand.
- To offset accumulated losses of EUR 2 350 thousand with the legal reserve.
- To adjust the creation of legal reserve from 20% to 5% of net profit in compliance with the Company Law 2190/1920.

13. Changes in previously published financial statements

The Group proceeded in the following changes:

a) *Income statement 30 June 2006*

(In thousands of Euro)

	Published	Change	Reported
Interest income	52 286	(1 989)	50 297
Interest expense	(26 099)	37	(26 062)
Commission income	14 175	(765)	13 410
Net trading income	842	1 016	1 858
Other expenses	(15 243)	1 701	(13 542)

The amount of EUR 1 989 thousand concerns income from securities loans. The amount of EUR 37 thousand concerns expense from revaluation of IRS.

b) *Balance Sheet*

(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.



Auditors' Review Report

To the Shareholders of Aspis Bank A.T.E.

We have reviewed the accompanying condensed consolidated financial statements ("financial statements") of Aspis Bank A.T.E. ("the Bank") that consist of the balance sheet as of 30 June 2006, the statements of income, changes in equity and cash flows for the six month period then ended, a summary of significant accounting policies and a selection of explanatory notes. The financial statements are the responsibility of the Bank's management. Our responsibility is to issue a report on these financial statements based on our review. Our review covers the financial information for the six month period and does not extend to a review of the information included in the income statement for the second quarter of 2006.

We conducted our review in accordance with the International Standard on Review Engagements 2400 as provided by the Greek Auditing Standards. This Standard requires us to plan and perform the review to obtain moderate assurance as to whether the financial statements are free of any material misstatement. A review is limited primarily to inquiries of Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the International Financial Reporting Standards adopted by the European Union applicable to interim financial reporting (IAS 34).

Without qualifying our review opinion we draw attention to note 11.3 to the condensed financial statements that explains that the tax obligations of the Bank and its subsidiaries have not yet been audited by the tax authorities for certain periods and accordingly its tax obligations are not considered final. The outcome of a tax audit can not presently be determined.

Athens, 28 August 2006
KPMG Kyriacou Certified Auditors A.E.

Nikolaos Vouniseas, Certified Auditor Accountant
AM SOEL 18701