



ASPIS BANK S.A.

INTERIM FINANCIAL STATEMENTS

30 June 2007

In accordance with International Financial Reporting Standards as adopted by the European Union for interim financial reporting (IAS 34)

These financial statements are posted in the following web page: www.aspisbank.gr



Table of contents

| | |
|---|----------|
| Interim Income Statement..... | 1 |
| Balance Sheet | 2 |
| Cash Flow Statement | 3 |
| Statement of Changes in Equity..... | 4 |
| 1. General Information..... | 5 |
| 2. Basis of preparation..... | 5 |
| 3. Significant Accounting Principles..... | 5 |
| 4. Estimates..... | 6 |
| 5. Management of Financial Risks | 6 |
| 6. Segment Reporting..... | 6 |
| 7. Income Tax..... | 7 |
| 8. Property, plant and equipment..... | 7 |
| 9. Intangible Assets..... | 7 |
| 10. Debt Securities Issued and other borrowed funds..... | 7 |
| 11. Related parties | 7 |
| 12. Contingent liabilities and commitments..... | 9 |
| 13. Dividends | 9 |

Report on review of Interim financial information

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

| | Notes | FROM 1 JANUARY TO | | FROM 1 APRIL TO | |
|---|----------|-------------------|-----------------|-----------------|-----------------|
| | | 30/6/2007 | 30/6/2006 | 30/6/2007 | 30/6/2006 |
| Interest income | | 61 228 | 48 254 | 31 499 | 24 932 |
| Interest expense | | <u>(36 801)</u> | <u>(24 345)</u> | <u>(19 539)</u> | <u>(12 862)</u> |
| Net interest income | | 24 427 | 23 909 | 11 960 | 12 070 |
| Commission income | | 13 326 | 13 844 | 6 847 | 7 174 |
| Commission expense | | <u>(157)</u> | <u>(231)</u> | <u>(79)</u> | <u>(126)</u> |
| Net commission income | | 13 169 | 13 613 | 6 768 | 7 048 |
| Net trading income | | 1 439 | 1 654 | 622 | 795 |
| Other income | | 2 129 | 2 087 | 1 012 | 1 258 |
| Dividend income | | <u>13</u> | <u>-</u> | <u>13</u> | <u>-</u> |
| Total Operating Income | 6 | 41 177 | 41 263 | 20 375 | 21 171 |
| Staff costs | | (16 031) | (17 427) | (7 792) | (8 980) |
| Depreciation and amortization | | (2 612) | (2 539) | (1 303) | (1 283) |
| General administrative and other expenses | | (12 429) | (12 659) | (6 367) | (6 906) |
| Impairment losses on loans and advances | | <u>(1 730)</u> | <u>(1 504)</u> | <u>(680)</u> | <u>(704)</u> |
| Total Operating Expenses | | (32 802) | (34 129) | (16 142) | (17 873) |
| Profit before income tax | 6 | 8 375 | 7 134 | 4 233 | 3 298 |
| Income tax | 7 | <u>(6 352)</u> | <u>(1 514)</u> | <u>(5 474)</u> | <u>(690)</u> |
| Profit / (loss) for the period | 6 | 2 023 | 5 620 | (1 241) | 2 608 |
| Basic and diluted earnings per share | | 0.03 | 0.11 | (0.02) | 0.05 |

The attached notes form an integral part of these interim financial statements.

Athens, 1 August 2007

President of the Board and Chief Executive

Vice-president of the Board

Chief Financial Officer

Konstantinos B. Karatzas
A.T. I013419

Loukas M. Kyriacopoulos
A.T. A045552

Evangelos B. Stathopoulos
A.T. S045074
Perm. Lisc. OEE 523 A Class



Balance Sheet

(In thousands of Euro)

| ASSETS | Notes | 30/6/2007 | 31/12/2006 |
|---|--------------|-------------------------|-------------------------|
| Cash and balances with Central Bank | | 81 852 | 74 214 |
| Trading investments | | 8 320 | 1 245 |
| Derivative financial assets | | 94 | 53 |
| Due from banks | | 389 127 | 421 189 |
| Due from customers | | 1 849 560 | 1 655 897 |
| Investment in subsidiaries | | 30 494 | 30 494 |
| Investment securities | | 25 468 | 59 242 |
| Property, plant and equipment | 8 | 27 320 | 27 495 |
| Intangible assets | 9 | 1 240 | 1 267 |
| Other assets | | <u>47 483</u> | <u>41 273</u> |
| TOTAL ASSETS | | <u>2 460 958</u> | <u>2 312 369</u> |
| LIABILITIES | | | |
| Derivative financial liabilities | | - | 3 |
| Due to banks | | 11 912 | 83 945 |
| Due to customers | | 2 074 437 | 1 944 891 |
| Debt securities in issue and other borrowed funds | 10 | 138 989 | 49 698 |
| Current income tax liability | | 877 | 634 |
| Other liabilities | | 36 369 | 30 545 |
| Employee benefits | | <u>3 228</u> | <u>3 014</u> |
| TOTAL LIABILITIES | | <u>2 265 812</u> | <u>2 112 730</u> |
| EQUITY | | | |
| Share capital | | 172 029 | 172 029 |
| Share premium | | 17 078 | 17 078 |
| Reserves | | 2 644 | (1 250) |
| Retained earnings | | <u>3 395</u> | <u>11 782</u> |
| TOTAL EQUITY | | <u>195 146</u> | <u>199 639</u> |
| TOTAL LIABILITIES AND EQUITY | | <u>2 460 958</u> | <u>2 312 369</u> |

The attached notes form an integral part of these interim financial statements.

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

| | 1/1-30/6/2007 | 1/1-30/6/2006 |
|---|------------------------|-----------------------|
| Operating activities | | |
| Profit before income taxes | 8 375 | 7 134 |
| Adjustments for non-cash items | | |
| Depreciation | 2 612 | 2 539 |
| Impairment losses on loans | 1 730 | 1 504 |
| Employee benefits | 238 | 590 |
| Other non-cash items | 1 315 | 11 839 |
| Fair value (gain)/loss of trading instruments | (624) | (500) |
| (Gain)/Loss on the sale of investments | <u>31</u> | <u>(16)</u> |
| | 13 677 | 23 090 |
| Changes in operating assets and liabilities | | |
| Trading securities | (6 916) | (2 406) |
| Derivative financial instruments | 4 | (86) |
| Loans and advances to customers | (195 393) | (91 104) |
| Other assets | (6 505) | (7 337) |
| Deposits from banks | (72 032) | (110 284) |
| Deposits from customers | 129 546 | 174 800 |
| Other liabilities | <u>(749)</u> | <u>9 603</u> |
| Cash flow from operating activities | (138 368) | (3 724) |
| Investing activities | | |
| Proceeds from sale of investments | 30 867 | 16 875 |
| Proceeds from sale of property and equipment | - | 16 |
| Acquisition of property and equipment and intangible assets | (2 441) | (2 794) |
| Dividends received | <u>13</u> | <u>-</u> |
| Cash flow from investing activities | 28 439 | 14 097 |
| Financial activities | | |
| Debt securities issued | 89 290 | (981) |
| Share capital expenses | - | (48) |
| Dividends paid | <u>(3 795)</u> | <u>-</u> |
| Cash flow from financing activities | 85 495 | (1 029) |
| Net increase/(decrease) in cash flows | <u>(24 434)</u> | <u>9 344</u> |
| Cash and cash equivalents at the start of the period | 495 403 | 397 501 |
| Effect of exchange rate fluctuations on cash and cash equivalents | <u>10</u> | <u>(9 322)</u> |
| Cash and cash equivalents at the end of the period | <u>470 979</u> | <u>397 523</u> |
| Cash and cash equivalents consists of: | | |
| Cash and balances with Central bank | 81 852 | 82 840 |
| Due from banks | <u>389 127</u> | <u>314 683</u> |
| | 470 979 | 397 523 |

**Statement of Changes in Equity****For the period ended 30 June***(In thousands of Euro)*

| | Share Capital | Share Premium | Reserves | Available for sale reserve | Retained earnings | Total |
|--|------------------|------------------|--------------|-------------------------------|----------------------|----------------|
| Balance at 1 January 2006 | 143 561 | 5 584 | 3 497 | (7 516) | (14 109) | 131 017 |
| Valuation of available for sale securities | - | - | - | 2 051 | - | 2 051 |
| Share capital increase expenses | - | (49) | - | - | - | (49) |
| Cash flow hedge | - | - | (43) | - | - | (43) |
| Other differences | - | - | 15 | - | - | 15 |
| Profit for the period | - | - | - | - | 5 620 | 5 620 |
| Balance at 30 June 2006 | 143 561 | 5 535 | 3 469 | (5 465) | (8 489) | 138 611 |
| Balance at 1 July 2006 | 143 561 | 5 535 | 3 469 | (5 465) | (8 489) | 138 611 |
| Valuation of available for sale securities | - | - | - | 4 071 | - | 4 071 |
| Share capital increase (net) | 39 699 | 11 543 | - | - | - | 51 242 |
| Cash flow hedge | - | - | (34) | - | - | (34) |
| Offset losses | (11 231) | - | (3 290) | - | 14 521 | - |
| Other | - | - | (1) | - | - | (1) |
| Profit for the period | - | - | - | - | 5 750 | 5 750 |
| Balance at 31 December 2006 | 172 029 | 17 078 | 144 | (1 394) | 11 782 | 199 639 |
| Balance at 1 January 2007 | 172 029 | 17 078 | 144 | (1 394) | 11 782 | 199 639 |
| Valuation of available for sale securities | - | - | - | (2 744) | - | (2 744) |
| Cash flow hedge | - | - | 36 | - | - | 36 |
| Reserves appropriation | - | - | 6 602 | - | (6 602) | - |
| Dividends paid | - | - | - | - | (3 808) | (3 808) |
| Profit for the period | - | - | - | - | 2 023 | 2 023 |
| Balance at 30 June 2007 | 172 029 | 17 078 | 6 782 | (4 138) | 3 395 | 195 146 |



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

2. Basis of preparation

The interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting”. The interim financial statements do not include all the information required for full annual financial statements and they should be examined in accordance with the annual financial statements for the year ended 31 December 2006.

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

The interim financial statements were authorized for issuance from Board of Directors on 1 August 2007.

3. Significant Accounting Principles

The interim financial statements for 30 June 2007 have been prepared with the same accounting policies that were adopted in the annual financial statements for the year ended 31 December 2006.

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 2007 and onwards are the following:

- ***IFRS 7: Financial Instruments: Disclosures and amendment to IAS 1 «Financial Statement Presentation and Capital Disclosures (effective 1 January 2007)»***

IFRS 7 requires the presentation of additional disclosures as well as quantitative and qualitative information on financial risks. It replaces IAS 30 “Disclosures for Banks and similar Financial Institutions” and the disclosure requirement of IAS 32 financial statements: “Presentation Disclosure”. The amendment to IAS 1 requires disclosures for the capital of a Company and the way this is managed. Disclosure requirements that are required under IFRS 7 and amendments to IAS 1 will be disclosed in the annual financial statements of the Bank as of 31 December 2007. The Bank believes that there will be no effect from applying IFRS 7 and IAS 1.



• **IFRS 8 «Operational Segments» (applicable as of 1 January 2009)**

This standard presentation and definition of segment results is based in accordance with internal management reports for the resources and the estimate its effectiveness. This standard has not been adopted up to now by the European Union. IFRS 8 will not have a material effect to the financial statements of the Bank.

• **IFRIC 11 “IFRS 2-Intragroup transaction on own shares” (applicable after 1 March 2007)**

This interpretation states that share based payments are valued at fair value even if the transaction refers to own shares from intragroup transaction. In addition the Interpretation sets the guidelines for accounting for such transactions, in the stand-alone financial statements of the subsidiary for stock options acquired from the parent company. This interpretation will not have any effect to the financial statements of the Bank.

• **IFRIC 12 Service Concession Agreements (applicable 1 January 2008)**

IFRIC 12 sets out the general principles on recognition and measuring the obligations and related rights in service concession agreements. This Interpretation will be adopted in 2008 but there will not be any material effect on the Bank. This Interpretation has not been adopted by the European Union but there will not be any material effect on the Bank.

4. Estimates

The preparation of interim 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 Bank for the estimation of particular accounting values and the sources of uncertainty affecting these estimations for the preparation of the interim financial statements are the same with those applied for the preparation of the annual financial statements for the year ended 31 December 2006.

5. Management of Financial Risks

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 2006.

6. Segment Reporting

The Bank 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 | |
|-------------------------------------|-------------------|-----------|----------------|-----------|------------------------|-----------|-----------|-----------|
| | 30/6/2007 | 30/6/2006 | 30/6/2007 | 30/6/2006 | 30/6/2007 | 30/6/2006 | 30/6/2007 | 30/6/2006 |
| Segment income (external customers) | 5 297 | 3 882 | 33 191 | 34 091 | 2 689 | 3 290 | 41 177 | 41 263 |
| Segment income (transactions with | (3 110) | (2 561) | 3 508 | 2 852 | (398) | (291) | - | - |



other segments)

| | | | | | | | | |
|---------------------------|-------|-------|--------|--------|-------|-------|--------|--------|
| Total income | 2 187 | 1 321 | 36 699 | 36 943 | 2 291 | 2 999 | 41 177 | 41 263 |
| Segment result before tax | 1 571 | 689 | 6 390 | 5 273 | 414 | 1 172 | 8 375 | 7 134 |
| Segment result after tax | 379 | 543 | 1 544 | 4 153 | 100 | 924 | 2 023 | 5 620 |

7. Income tax

The Bank's effective tax rate was 76% for the six month period ended at 30 June 2007 (34% for the year ended 31 December 2006 and 21% for the six month period ended 30 June 2006).

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

- The income tax rate was reduced from 29% to 25% from 1 January 2007.
- Prior year taxes of EUR 4 880 thousand. This amount was assessed by the tax authorities from reviewing financial periods for 2003 and 2004.

8. Property, plant and equipment

For the six months period ended 30 June 2007 the Bank acquired fixed assets of value EUR 2 188 thousand (30 June 2006: EUR 2 180 thousand)

9. Intangible assets

The Bank acquired during the period ended 30 June 2007 intangible assets of EUR 253 thousand (2006: EUR 614 thousand).

10. Debt Securities in Issue and Other Borrowed Funds

The Bank borrowed through Aspis Jersey Ltd the following:

- a) On 3 April 2007, an amount of EUR 15 million with a first redemption option on 3 April 2017. The interest rate is three-month Euribor plus 405 basis points until the redemption date, which increases to 505 basis points in the event that the security is not redeemed.
- b) On 3 April 2007, an amount of EUR 25 million with a first redemption option on 3 April 2017. The interest rate is three-month Euribor plus a 460 basis points until the redemption date.
- c) On 3 April 2007, an amount of EUR 50 250 thousand with expiry date 3 April 2017 and first redemption option on 3 April 2012. The interest rate is three-month Euribor plus 134 basis points until the redemption date, which increases to 260 basis points in the event that the security is not redeemed.

11. Related parties

All of the Bank'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 2007 are set out in the table below (In thousands of Euro):



a) *Subsidiaries*

| | 30/6/2007 | 31/12/2006 |
|---------------------------------|------------------|-------------------|
| Available-for-sale securities | 2 500 | 2 500 |
| Loans and advances to customers | 73 486 | 69 058 |
| Other assets | 3 729 | 3 375 |
| Deposits from customers | 7 055 | 6 860 |
| Other liabilities | 1 918 | 370 |
| Other debt securities | 140 250 | 50 000 |

| | 30/06/2007 | 30/06/2006 |
|--------------------|-------------------|-------------------|
| Interest income | 1 666 | 1 533 |
| Interest expense | 2 878 | 1 075 |
| Commission income | 1 135 | 988 |
| Net trading income | 802 | 1 162 |
| Other income | 41 | 51 |
| Other expenses | 137 | 97 |

b) *Board of Directors and Senior Management:*

| | 30/6/2007 | 31/12/2006 |
|---------------------------------|------------------|-------------------|
| Loans and advances to customers | 8 486 | 7 645 |
| Deposits from customers | 12 907 | 13 524 |
| Other liabilities | 102 | 92 |

| | 30/06/2007 | 30/06/2006 |
|--------------------------|-------------------|-------------------|
| Staff costs | 1 485 | 1 633 |
| Net interest income | (42) | (109) |
| Net commission income | 34 | 4 |
| Other operating expenses | 24 | - |

c) *Other related parties:*

| | 30/6/2007 | 31/12/2006 |
|---------------------------------|------------------|-------------------|
| Loans and advances to customers | 17 309 | 18 020 |
| Other assets | 384 | 415 |
| Deposits from customers | 58 914 | 95 500 |
| Other liabilities | 274 | 382 |

| | 30/06/2007 | 30/06/2006 |
|--------------------------|-------------------|-------------------|
| Net interest income | (975) | (428) |
| Net commission income | 79 | 839 |
| Other operating expenses | 2 017 | 1 206 |



12. Contingent liabilities and commitments

12.1 Litigation

Management, after consultation with legal counsel confirmed us that there is no litigation claim as at 30 June 2007 which would have a material adverse effect on the financial position of the Bank.

12.2 Credit commitments

(In thousands of Euro)

| | 30/6/2007 | 31/12/2006 |
|----------------------|-----------|------------|
| Letters of guarantee | 220 851 | 214 809 |
| Letter of credit | 15 817 | 23 517 |

12.3 Tax matters

Because of the manner in which income taxes are concluded in Greece, the Bank 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 by the tax authorities for the unaudited years. The Bank was audited by tax authorities for the year 2003 and 2004 and an amount of EUR 4 880 was assessed. Therefore, the Bank is contingent to pay additional taxes as a result of a tax audit for 2005 and 2006.

12.4 Pledged assets

The Bank does not have any pledged assets.

12.5 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 for 30 June 2007 are as follows (in thousands of Euro):

| | |
|-------------------|---------------|
| Up to 1 year | 6 371 |
| From 1 to 5 years | 18 807 |
| Over 5 years | <u>4 496</u> |
| | <u>29 674</u> |

13. Dividends

In the Annual Shareholders Meeting of the Bank held 10 May 2007 the Bank decided among other issues to pay a dividend of EUR 3 808 thousand or EUR 0.06 per share.



Report on Review of Interim Financial Information

(Translated from the original in Greek)

To the Shareholders of
ASPIS BANK A.E.

Introduction

We have reviewed the accompanying balance sheet of ASPIS BANK A.E. ("the Bank") as of June 30, 2007 and the related statements of income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes (the interim financial information). Bank's management is responsible for the preparation and presentation of this interim financial information in accordance with the International Financial Reporting Standards adopted by the European Union applicable to interim financial information (IAS 34). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as provided by Greek Auditing Standards. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Greek Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of June 30, 2007 is not prepared, in all material respects, in accordance with International Financial Reporting Standards adopted by the European Union applicable to interim financial information (IAS 34).

Emphasis of matter

Without qualifying our review opinion we draw attention to note 12.3 of the interim financial information that explains that the obligations of the Bank have not yet been audited by the tax authorities for 2005 and 2006 and accordingly its tax obligations are not considered final. The outcome of a tax audit can not presently be determined.

Athens, 10 August 2007

KPMG Kyriacou Certified Auditors AE

Nick Vouniseas
Certified Auditor Accountant
AM SOEL 18701