



Press Release of Financial Results of Geniki Group

Financial results of 1st semester 2013

- The operating income reached €26.7million, 44.4% lower y-o-y, mainly due to the lower net interest income (-54.9%). The aforementioned decrease in the net interest income is primarily due to the increase of the non-performing loans, as well as the decrease in the overall loans portfolio, driven by corporate loan repayments.
- In Q2 2013, the operating income increased compared to Q1 2013 by 21%, as result of an increase of loan spreads as well as the continuing decrease in the deposit cost, which was achieved without any significant change in the total deposits volume.
- The operating expenses amounted to €49.3 million,-17.7% y-o-y, as a result of the continuing aggressive cost containment policy applied on both administrative expenses (decreased by -29% in 1H 2013) and personnel expenses (decreased by -13% in the respective period). This significant decrease in the operating expenses is the result of Management's decision to review in detail all cost items, reassess and renegotiate all contracts with third party suppliers and use appropriate cost optimization and efficiency tools. It is expected that the decrease of the operating expenses, following the actions taken during the 1st semester 2013, will exceed 27% pro-forma on an annualized basis.
- In addition, the Bank is participating in the voluntary exit scheme offered by Piraeus Bank Group which terminates on 2/09/2013. The Management anticipates a strong participation in the scheme further improving the Bank's operating results in 2014.
- Results (before provisions and impairment of assets) amounted to €-22.6 million compared to €-11.9 million for the same period of 2012.
- Accumulated provisions decreased by €64.1million, in view of the gradual alignment of the accounting treatment to that of Piraeus Bank Group, positively affecting the financial results.
- Geniki Group's net profit in June 2013 amounted to €41.1 million, in comparison to a net loss of €56.5 million for the same period of the previous year.

Key Balance Sheet Figures as at June 30, 2013

- As at the end of June 2013, gross loans amounted to €3,056 billion (-4.5% in comparison to December 2012), of which corporate loans were 51% of the overall portfolio and retail loans 49% respectively. Net loans and advances amounted to €1,759 billion, 8% lower versus December 2012.
- The deposits amounted to €2,050billion, displaying a marginal increase compared to December 2012. The portfolio is constituted by sight and savings accounts at 42% and time deposit accounts at 58%.
- The loans to deposits ratio has improved to 86% compared to 94% as at the end of December 2012.

Loan Portfolio Quality

- During the 2nd quarter of 2013, the addition of new NPLs amounted to €20 million, compared to €40 million in the 1st quarter 2013, reflecting a progressive decrease in the NPLs formation.
- The ratio of non-performing loans 90+ to the overall loans portfolio amounted to 66% as at the end of June 2013 compared to 62% in December 2012.
- The coverage of the non-performing loans over 90 days reached 64% compared to 69% in December 2012, due to the reversal of the provisions. The 64% coverage ratio is particularly high, whereas the ratio of the accumulated provisions to total loans reached 42%, is also considered high.

%	December 2012	June 2013
NPLs coverage	69%	64%
Loans coverage	42%	42%

- The non-performing loans portfolio is displaying a slight decrease on the corporate segment, whereas on the retail banking there is an increase of 7% compared to December 2012.

Capital adequacy and liquidity

Both the capital adequacy ratio at 17.03%, compared to 14.70% in December 2012, and the liquidity ratio at 25.55% remain at levels which exceed the requirements of the Bank of Greece and, thus, Geniki Group continues being a self funded organization without any reliance on Eurosystem Funding.

Financial results for the six-month period ended on June 30, 2013

Amounts in € millions

	1 Mar to 30 Jun 2013	1 Mar to 30 Jun 2012	Change	1 Jan to 30 Jun 2013	1 Jan to 30 Jun 2012	Change
Net interest income	10.4	16.9		18.4	40.8	
Net fee & commission income	3.6	4.0		7.1	8.5	
Total net interest & commission income	14.0	20.8	-33.0%	25.5	49.3	-48.3%
Net income from financial instruments	0.5	-0.3		0.7	-1.5	
Other operating income & dividend income	0.4	0.1		0.5	0.2	
Total Net Operating Income	14.8	20.7	-28.1%	26.7	48.0	-44.4%
Personnel expenses**	-14.8	-16.2		-29.6	-34.0	
Administrative expenses & depreciation	-9.5	-12.3		-19.7	-25.9	
Total Net Operating Expenses	-24.4	-28.5	-14.6%	-49.3	-59.9	-17.7%
<i>Cost to Income ratio</i>	<i>174.3%</i>	<i>136.7%</i>		<i>193.6%</i>	<i>121.5%</i>	
Operating Profit/Losses before provisions	-9.5	-7.9	21.0%	-22.6	-11.9	89.4%
Provisions	78.9	-25.6		64.1	-71.2	
Impairment of assets	-0.3	-2.1		-0.3	-2.1	
GGB impairment	0.0	-0.6		0.0	-15.3	
Profits/Losses of the period before taxes	69.1	-36.1	-291.4%	41.1	-100.5	-140.9%
Profits/Losses of the period after taxes – Geniki Bank	27.0	15.1	78.7%	-0.97	-49.9	-98.1%
Profits/Losses of the period after taxes – Group	69.1	8.7	697.0%	41.1	-56.5	-172.8%

** In the above mentioned analysis of the results for the year 2012, a reformation has been made due to the retrospective implementation of the amended IAS 19.

Amounts in € millions

	30 Jun 2013	31 Dec 2012	Change
Loans and advances to customers	1.759	1.913	-8.0%
Due to customers	2.050	2.043	0.4%