2013 Financial Results of GENIKI Bank Group
Member of Piraeus Bank Group

- Further strengthening of Key Financial Ratios and the Balance Sheet
- Improved Operating Results and on course to return to profitability in 2014
- Preparing the implementation of the New Business Initiatives

- **Decline of net loss after taxes to €2.9 million in 2013 compared to €100.5 million loss in 2012. Excluding extraordinary costs, profit after taxes amounted to €28.3 million in 2013.**

- **Net operating results before provisions and extraordinary costs recorded a smaller loss amounting to €1.4 million in Q4,** compared to losses of €13.1 million, €9.5 million and €5 million in the previous three quarters respectively, in line with the Bank's positive trend towards returning to operating profitability in 2014.

- **Further improvement of the Core Tier I capital ratio of the Bank to 18.2% at the end of 2013,** the highest ratio in the Greek banking sector, compared to 14.7% at the end of 2012. No reliance of GENIKI Bank for capital on the Greek Government or the Hellenic Financial Stability Fund (HFSF).

- **Increase of deposits by 6% on a yearly basis and by 9% (+€190 million approx.) in the Q4 vs previous quarter**.

- **Decrease of the average deposit interest rate cost** by more than 100 bps in 2013 compared to 2012, and by 27 bps in Q4 compared to the previous quarter.

- **Further improvement of the already strong liquidity ratios of the Bank,** with Loan-to-Deposit Ratio down to 82% at the end of 2013, the lowest in the Greek market, compared to 94% at the end of Q3 2013. No reliance of GENIKI Bank for liquidity on the Greek Government or the Eurosystem.

- **Further decline of operating expenses by 18% on an annual basis**, excluding the impact of the Personnel Voluntary Exit Scheme, a result mainly due to the initiatives undertaken for the rationalization of operations and the containment of operating costs.

- **Maintenance the highest NPL coverage ratio in the Greek market**, standing at 63%, and the highest ratio of total provisions to gross loans standing at 42%.

- **Implementation of the new business initiatives aiming at** improving the organizational structure, processes, procedures, operating infrastructure and networks, strengthening and further updating management team and staff' skills, broadening the specialized products and services offering, further rationalizing the operating cost and developing new specialized services mainly in the areas of investment banking activities, corporate finance restructuring and NPL management services.

Statement by the Chief Executive Officer

”In a difficult but stabilizing domestic economic and financial environment and one year after its successful integration into the Piraeus Bank Group, GENIKI Bank advances toward the future with optimism and confidence. With the full support of Piraeus Bank Group, the decisive contribution of its staff and the trust of its clients, GENIKI Bank has further reinforced the already high capital adequacy ratio (Core Tier I at 18.2%), liquidity ratio (loans to deposits at 82%) and NPLs coverage (provisions to NPLs at 63%), shielding significantly its balance sheet against any future adverse macro or financial developments.

In parallel, the Bank is currently implementing a comprehensive program of financial restructuring and reforms, leading to a steady improvement of its operating result, with the aim of returning to operational profitability in 2014.

In full collaboration with Piraeus Bank, we are implementing a comprehensive business and operational restructuring of GENIKI Bank, based on a new business plan which is aiming at transforming GENIKI Bank into a specialized investment banking and NPL management financial institution.

Our primary objective is to focus our activities on providing effective NPL management services to third parties, advisory restructuring services and selective funding to viable but problematic corporate entities, selective investment, liquidity and risk management services to our corporate and household clients and mobilizing International resources to fund and restructure the corporate sector.

The stabilization of economic conditions in Greece, the clear improvement of the economic climate and of financial market expectations, regarding the country’s prospects and the Greek recovery during 2014, after six years of continuous economic recession and social stress, form a more favorable environment for the implementation of our new Business initiatives which aim at contributing significantly to the financial restructuring of Greek business and the restart of the Greek economy”.

Nikolaos Karamouzis
Chief Executive Officer

2013 Financial Results – GENIKI Bank Group

Despite the difficult economic environment in 2013 and one year after its successful integration into Piraeus Bank Group, GENIKI Bank has progressively improved its operating results and further strengthened its already robust capital adequacy, liquidity and NPLs ratios, shielding it against possible adverse or unfavorable market conditions. Without any reliance on the Greek Government, the Hellenic Financial Stability Fund or the Eurosystem for capital and liquidity, with strong financial ratios and significantly improved operating results, with optimism and self-confidence, GENIKI Bank is advancing toward the future with the twin aims of achieving its full financial and implementing its new business initiatives restructuring during 2014.

Net losses after taxes have decreased to €2.9 million in 2013, compared to losses of €100.5 million in 2012; excluding extraordinary costs, mainly associated with the Staff Voluntary Exit Scheme, GENIKI Bank Group's profits before taxes amounted to €28.3 million in 2013.

Specifically, in Q4 the Group further improved the operating result and - excluding the extraordinary costs – displayed a loss of €1.4 million compared to losses amounting to €13.1 million, € 9.5 million and € 5 million in Q1, Q2 and Q3 of 2013, respectively, **thus recording consider progress toward returning to operational profitability 2014.**

Net Interest Income for 2013 reached € 49.9 million, lower by 19% compared to 2012, mainly due to the decrease of the loans portfolio**.**

Despite the decline in Net Interest Income in 2013 compared to 2012, **an increase was recoded quarter-on-quarter.** This improvement is due to the Bank's re-pricing policy in respect of its loans portfolio, the improvement of collections from non-performing or denounced loans and the decline in deposits cost, as a result of the progressive de-escalation of the time deposits interest rates, as displayed below.

Time Deposits Interest Rate					
31/12/12	**31/03/13**	**30/06/13**	**30/09/13**	**31/12/13**	**Annual change in bps**
4.49%	**4.17%**	**3.86%**	**3.51%**	**3.03%**	
Quarterly change	**-32**	**-31**	**-35**	**-48**	**-146**

Overall, the average deposits interest rate cost as improved by 102 bps in 2013 compared to the end of 2012, and by 27 bps in Q4 2013 compared to the previous quarter, recording a higher interest-rate decrease compared to the sector as a whole.

Net Income from Fees and Commissions was lower by 17% in 2013 compared to 2012, mainly as a result of the decrease of the loan portfolio and the limited development of new business. The income from fees and commissions from commercial banking activities represents 63% of the total.

Operating Income for 2013, amounting to € 65.8 million, decreased by 32% compared to 2012. However, excluding the extraordinary income of 2012, the decrease is limited to 17%.

Operating Expenses – excluding extraordinary costs amounting to € 31.2 million, mainly related to the Staff Voluntary Exit Scheme – amounted to € 94.8 million, declining by 18% compared to 2012. This is due to the coordinated actions taken in 2013 aiming at the rationalization of operations and the reduction of costs.

Piraeus Bank Group announced a Voluntary Exit Scheme, valid offered from 19.7.2013 to 9.9.2013, in which 373 employees of GENIKI Bank Group participated. It is estimated that the high participation rate of employees in the scheme will further contribute to the accomplishment of positive operating results in 2014, despite selective hiring of staff mainly from the Piraeus Bank Group to fill critical operational positions. It is worth mentioning that the annual gains from the implementation of Staff Voluntary Exit Scheme is estimated at over € 15 million.

Within the framework of the reorganization of Piraeus Bank Group's branch network and the Bank's preparation for the implementation of the new business initiatives, 24 branches of GENIKI Bank closed during 2013 and their clients' portfolios were transferred into either other branches of GENIKI Bank or in to Piraeus Bank Group. Today, the network of GENIKI Bank consists of 80 branches all over Greece.

The **Stock of Accumulated Provisions** for covering NPLs decreased by €59.5 million on an annual basis, due to the reassessment of the credit risk management processes, positively affecting the final financial result. Despite the above adjustment, the level of NPL provisions is still maintain at relative high levels, €1.3 billion at the end of 2013, while the ratio of provisions-to-NPLs stood at 63%, the highest in the Greek market.

Key Balance Sheet figures as at December 31, 2013

The assets of GENIKI Bank Group amounted to €2,676 million, displaying a 1% decrease compared to December 2012. The breakdown of the balance sheet of the Group as at 31/12/2013 is displayed in the table below:

Assets ***(amounts in € millions)***	
Cash Reserves	48.87
Interbank Placements	536.30
Net Loans and Advances to customers	1,788.28
Securities portfolio	48.85
Derivatives	2.28
Other	251.04
Total	**2,675.62**

Liabilities ***(amounts in € millions)***	
Loans from ECB	121.50
Interbank deposits	1.29
Sight and Savings deposits	865.23
Time Deposits	1,302.53
Other	30.24
Capital	354.83
Total	**2,675.62**

As of the end of December 2013, gross loans amounted to €3,089 million, down by €224 million compared to December 2012, as a result mainly of repayments. The corporate loan portfolio amounting to €1,570 million represents 51% of total loans repayments. Retail loans represent 49% of the total portfolio, and housing loans and consumer loans represent 61% and 39% respectively of the retail portfolio.

Net loans (after provisions) amounted to € 1,788 million in 2013, a 6.5% decrease of compared to December 2012.

Deposits amounted to €2,168 million, a 6% increase compared to December 2012 and 9% compared to September 2013, marking an important improvement of the Bank's market share in terms of deposits.

Despite an important decrease in the number of branches (24 branches in 2013), the increase of the deposit base reaffirms the strong relation of the Bank with its traditional customers and their trust in its prospects.

Also, it is worth mentioning that the increase of deposits was achieved in parallel with the significant decrease of the time deposits interest rates (-146 bps yoy).

The composition of the Bank deposits portfolio is particularly favorable and it is constituted 40% by current and savings deposits and 60% by time deposits. Retail deposits represent 73% and corporate deposits 27% of the total deposits of GENIKI Bank.

Strong capital adequacy and liquidity ratios

In December 2013, Core Tier I ratio stood at 18.2%, compared to 14.7% in December 2012 and 17.6% in Q3 2013, still the highest in the Greek market. Also, the liquidity ratio, as defined by the Bank of Greece and Basel III, remains the best in the Greek market, reaching 30.06% compared to the minimum regulatory level of 20%, while the Loan/Deposit ratio has been further reduced to 82% in Q4 2013, the best in the banking sector.

GENIKI Bank holds capital adequacy and liquidity ratios which far exceed the requirements of the Bank of Greece and remains fully self-funded without reliance for capital and liquidity on the Eurosystem, the Greek Government or the Hellenic Financial Stability Fund.

It should be noted that, based on Basel III rules (forward looking fully loaded), Core Tier I ratio is estimated at 14.7%, one of the highest in the market.

Improved Quality of Loans Portfolio and Strong Coverage of NPLs

The net increase of the NPLs portfolio has been significantly limited in 2013, to €21 million, and continues to improve, which tend to confirm the high quality of the existing performing portfolio of GENIKI Bank after five years of economic recession. Despite the decrease of €59.5 million, due to the adjustment of the accounting estimations, accumulated provisions were maintained at the relative high level of €1.3 billion. The significant deceleration of new NPL generation and the high provisions stock indicate a strong balance sheet and the end of the cycle of new default-loans creation for GENIKI Bank.

In 2013, the corporate NPL portfolio remained stable. Retail NPL loans portfolio displayed an increase by 9.9%, mainly as a result of the continuous pressure on households' income. The average coverage ratio in the retail portfolio has been formed at 55%, with the non-collateralized loans (consumers and credit cards) ratio at 90%.

The credit exposures and related provisions concerning the NPLs per portfolio are displayed in the table below:

(amounts in €millions)

Category	Balance as at 31/12/2013	Accumulated provision as at 31/12/2013	Coverage ratio
Retail	**1,037.27**	**568.66**	**55%**
Housing	542.52	124.30	23%
Consumer loans - Credit Cards	494.75	444.35	90%
Professionals & Very Small Businesses	**282.35**	**248.57**	**88%**
Corporate	**743.14**	**476.49**	**64%**
Large Clients	353.66	220.11	62%
SMEs	389.48	256.38	66%
Total NPLs Portfolio	**2,062.76**	**1,293.72**	**63%**

**The amount of the accumulated provision of € 1,294 million is less from the total accumulated provision of € 1,300 million, by the amount related to the loans which are under monitoring even though they are not in default.*

The ratio of non-performing loans over 90 days to the total loans portfolio remains high and was at 67% in December 2013 compared to 62% in December 2012, mainly due to the decrease of the total loans portfolio of the Bank.

The coverage of the non-performing loans over 90 days stands at 63% from 69% in December 2012, mainly due to the downward adjustments of the stack of provisions in Q2 2013. The coverage ratio of 63% the highest in the Greek market, indicating maintenance of the strong buffer of the Bank against potential adverse and unfavorable developments. The ratio of the accumulated provisions to the total loans remained at 42%, also one of the higher ratios in the Greek market.

A Positive Business Perspective

With the highest capital-adequacy, liquidity and NPLs-coverage ratios in the Greek banking system, the best Loan/Deposit ratio and a high liquidity and capital buffers, today GENIKI Bank is well insulated against any major adverse macroeconomic and/or financial developments and well prepared to implement the new business initiatives.

At the same time, the strengthening of its management and staff with specialized and experienced professionals, the upgrading of its procedures, infrastructure, processes and networks, the implementation of a new organizational structure, the selective broadening of the products and services offering and the expansion into new business activities mainly in the areas of investment banking and NPL management, form a strong base to lead the bank to operational profitability and to a gradual transformation to a modern specialized investment banking and NPL management institution during 2014.

Our primary objective is to focus our activities on providing effective NPL management services to third parties, advisory restructuring services and selective funding to viable but problematic corporate entities, selective investment, liquidity and risk management services to our corporate and household clients and mobilizing International resources to fund and restructure the corporate sector.

To this end and with the Piraeus Bank Group's critical support, GENIKI Bank advances into the future with optimism and confidence in an improving financial environment and looks forward to contributing creatively to the development of Greek businesses and the Greek economy.

Financial Results of the year ending on December 31, 2013
Amounts in € millions

	QUARTERLY RESULTS				FULL YEAR RESULTS		
	1 Jan to 31 Mar 2013	1 Apr to 30 Jun 2013	1 Jul to 30 Sep 2013	1 Oct to 31 Dec 2013	2013	2012	Change %
Net interest income	8.0	10.4	14.3	17.2	49.9	61.9	
Net fees income	3.48	3.58	3.64	3.44	14.1	16.9	
Total net interest & commissions income	**11.5**	**14.0**	**17.9**	**20.6**	**64.0**	**78.8**	**-18.8%**
Net income from financial instruments	0.2	0.5	0.2	0.1	1.0	17.6	
Other income and income from Dividends	0.1	0.4	-0.2	0.4	0.8	0.1	
Total Net Operating Income	**11.8**	**14.8**	**17.9**	**21.2**	**65.8**	**96.5**	**-31.9%**
Personnel fees and expenses *	-14.8	-14.8	-14.3	-13.3	-57.1	-67.1	
Staff Voluntary Exit Scheme	-	-	-6.6	-22.8	-29.4	-	
Administrative expenses and depreciations	-10.2	-9.5	-9.0	-10.8	-39.5	-48.5	
Total Net Operating Expenses	**-25.0**	**-24.4**	**-29.9**	**-46.9**	**- 126.1**	**-115.6**	**9.0%**
Operating Profit/Loss before provisions	**-13.1**	**-9.5**	**-12.0**	**-25.7**	**-60.3**	**-19.1**	**215.4%**
Operating Profit/Loss before provisions and extraordinary results	***-13.1***	***-9.5***	***-5.0***	***-1.4***	***-29.0***	***-35.9***	***-19.2%***
Provisions	-14.8	78.9	-1.3	-3.8	58.9	-102.6	
Impairment of assets	0.0	-0.3	0.0	-1.2	-1.6	-7.4	
GGB impairment	0.0	0.0	0.0	0.0	0.0	-15.3	
Profit/Loss of the period before taxes	**-28.0**	**69.1**	**-13.3**	**-30.7**	**-2.9**	**-144.4**	
Profit/Loss of the period after taxes – GENIKI Bank	**-28.0**	**27.0**	**-13.9**	**-30.7**	**-45.5**	**-89.8**	**-49.3%**
Profit/Loss of the period after taxes - Group	**-28.0**	**69.1**	**-13.3**	**-30.7**	**-2.9**	**-100.5**	

**In the above analysis of the results for the year 2012, modifications have been introduced due to the retroactive implementation of the amended IAS 19.*

Key Balance Sheet figures Consolidated data (amounts in € millions)	31 Dec 2013	31 Dec 2012
Total Assets	2,676	2,650
Gross Loans	3,089	3,313
Accumulated provisions	1,300	1,399
Deposits	2,168	2,043
Total Equity	355	356

Financial Ratios	31 Dec 2013	31 Dec 2012
Core Tier I	18.2%	14.7%
Liquidity Ratio	30.1%	22.1%
Loans to Deposits Ratio	82%	94%
NPLs Coverage Ratio	63%	69%
Provisions to Gross Loans Ratio	42%	42%