

**Press Release**

**Overview of the financial results of Geniki Bank**

Geniki Group: Financial results for the six month period ended on June 30, 2012

**Main points of the financial results of the Group 01 January – 30 June 2012**

- Decrease of the operational cost by 11.76%
  - Significant decrease of the provision to 71.2 million EUR, despite the difficult economic environment
- Amounts in millions €

	1 Apr to 30 Jun 2011	1 Apr to 30 Jun 2012	Change	1 Jan to 30 Jun 2011	1 Jan to 30 Jun 2012	Change
Operating income	31.6	20.7	-34.72%	68.0	48.0	-29.39%
Operating expenses	-34.9	-29.7	-15.01%	-70.6	-62.3	-11.76%
Operating results before provisions	-3.3	-9.0		-2.7	-14.3	
Provisions	-98.3	-25.6		-196.6	-71.2	
Impairment of GGB	-80.6	-0.6		-80.6	-15.3	
Impairment of assets	-2.8	-2.1		-2.8	-2.1	
Result before taxes	-185.0	-37.3		-282.7	-102.9	
Net result – Geniki Bank	-180.1	13.9		-274.4	-52.3	
Net result - Group	-185.5	7.5		-284.1	-58.9	

	Dec 2011	Jun 2012	% change
Loans and advances to customers	2.621	2.154	-17,81%
Due to customers	1.828	2.022	10,62%

For the six-month period ended on June 30, 2012, the operating income amounted to 48 million EUR, displaying a decrease by 29.4% compared to 2011. This decrease is mainly due to the lower net interest income, which was strongly affected by the increase of the financing cost. The commissions income is significantly decreased due to the low activity in new banking products and mainly loans.

The operating expenses (excluding provisions and impairment of assets), amounted to 62.3 million EUR, show a decrease of 11.8% in comparison to the previous year. The Group continues to maintain a strict control over its costs. The cost reduction has been achieved through both operational and staff costs.

The operating results (before provisions and impairment of assets) amounted to -14.3 million EUR, compared to -2.7 million EUR of the previous year.

Despite the significantly deteriorating economic environment, the provisions for the non-performing loans, amounted to 71 million EUR, display a decrease of 64% compared to the 2011 related time period, confirming the strict risk policy adopted by the Bank in the last years.

The position of our Group for the Greek Government Bonds has been impaired, in total, by 79% on the nominal value, whereas the additional loss as at June 30, 2012, amounted to 15.3 million EUR.

The result before taxes is 102.9 million EUR loss, whereas the loss after taxes of the Group amounted to 58.9 million EUR, due to the recognition of the deferred tax (income) related to PSI.

The net loss for the Group amounted to 58.9 million EUR, compared to the net loss of 284.1 million EUR for the previous year.

As at June 30, 2012, the loans and the advances, amounted to 2,2 billion EUR, display a decrease of 17.8% compared to December 2011.

As at June 30, 2012, the deposits and the repos amounted to 2 billion EUR, display an increase of 10.6% compared to December 2011.

As at June 30, 2012, the network of the Bank is composed by 106 branches.

## **Capital adequacy**

According to Basel II (Standard method for credit risk, advanced method for operational risk), the capital adequacy ratio amounted to 7.06% compared to the ratio of 9.35 % for 2011.

## **Liquidity**

The ratio loans to deposits has been significantly improved from 167 % on June 2011 to 106% on June 2012, reducing the need for external financing.

## **Others events**

Geniki Bank announced that, on 19.10.2012, SOCIETE GENERALE entered into the definitive agreement with Piraeus Bank for the sale of its participation of 99,08% in Geniki Bank.

The acquisition has been accomplished on December 14, 2012 and Piraeus Bank was the controlling shareholder of Geniki Group.

## **Business perspective and risks**

For 2012, the Greek financial environment is characterized by the continuous effort of the Greek Government to manage the budget deficit and its effect on the Greek financial activity and the banking sector.

In this difficult economic environment, Geniki Group continues to enforce its relationship with its customers.

After the accomplishment of the acquisition from Piraeus Bank, Geniki Bank became a member of one of the most important, dynamic and innovating financial groups in Greece.

Consequently, Geniki Bank's customers will get the benefit of the access in a wider range of banking products and services as well as in a larger network of customers' service points.

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