



Q3 2013 Financial Results of Geniki Bank Group

Significant improvement of the Operating Result

Maintenance of Strong Financial Ratios

- **Further significant improvement of the operating result in Q3 compared to the previous quarters.** The operating loss, excluding extraordinary expenses, has been limited to €4,6 million, compared to €13,1 million and €9,5 million in Q1 and Q2 respectively.
- **Net interest income increased by 37% compared to the previous quarter.** Excluding the impact of the Staff Voluntary Exit Scheme, operating expenses are at the lowest level of the last six quarters.
- **The liquidity ratios of the Bank remained at very high levels, amongst the best in the Greek market,** with the loan/deposit ratio at 93% and the Bank of Greece liquidity ratio at 22.3%. The Bank has no dependence for liquidity on the Greek Government, the Hellenic Financial Stability Fund or the Bank of Greece.
- **The capital adequacy ratio of the Bank has been further strengthened. The Bank maintains the best Core Tier I ratio in the Greek market at 17.55%,** without any reliance for capital on the Hellenic Financial Stability Fund or the Greek Government.
- **The formation of new NPLs has significantly slowed down.** The Bank's **NPLs coverage ratio stands at 63%, the highest in the Greek Market,** signifying a very strong protection against adverse financial conditions.
- **Geniki Bank, almost one year after its acquisition from Piraeus Bank Group, maintains strong financial ratios and is looking to the future with optimism. The Bank is implementing a new business plan,** aiming at its progressive transformation into a private, independent, specialized investment financial institution.





Geniki Bank Group Q3 2013 Financial results

During Q3 2013 and almost one year following its acquisition from Piraeus Bank Group, despite the difficult financial environment, Geniki Bank has further improved its operating result, has maintained at high levels its capital adequacy and liquidity ratios and is protected against possible adverse and unfavorable market conditions. At the same time, the Bank has limited the increase of the Non Performing Loans (NPLs), as well as the operating costs. The Bank advances to the future, by designing a new course with no reliance on the Greek Government, the Hellenic Financial Stability Fund and the Bank of Greece for capital and liquidity.

In particular, the Bank has improved its operating result, excluding extraordinary expenses, displaying a loss amounting to €4,6 million in Q3 2013, compared to €13,1 million and €9,5 million in Q1 and Q2 2013 respectively, attesting its course to full financial restructuring.

Group Net Interest Income increased by 37% in Q3 2013 compared to the previous quarter. NII was positively affected by the increase of the spreads of the loan portfolio and the collection of interest from NPLs, as well as by the decrease of the term deposits' cost, compared to the first two quarters of the year.

Net income from fees & commissions has marginally increased by 2% in Q3 2013 compared to Q2. Approximately 92% of the total fee & commission income is generated from commercial banking activities.

Operating income increased by 28% in Q3 2013 compared to Q2 2013, mainly due to the increase of the net interest income.

Moreover, in Q3 2013, operating expenses, excluding the impact from the Staff Voluntary Exit Scheme, amounting to €6,6 million, have been formed at lower levels compared to the previous six quarters. It is estimated that, based on the actions already implemented within the nine-month period of 2013, the decrease of the operating expenses will exceed 38% pro-forma.

On 19.7.2013, Piraeus Bank Group announced a Voluntary Exit Scheme, in which all the staff of the Bank and its local subsidiaries was entitled. The program lasted from 19.7.2013 until 9.9.2013 and 365 employees from Geniki Bank participated. The Management estimates that the high participation of the employees to the Scheme will further contribute to the accomplishment of positive operating results in 2014. The annual positive impact is estimated to be over €15 million in the next years.





Within the framework of branch network reorganization of Piraeus Bank Group, six branches of Geniki Bank ceased their operations in Q3 and their clients' portfolio has been integrated into other branches of Geniki Bank and of Piraeus Bank Group.

In Q3 2013, provisions for Non Performing Loans reached €1,3 million. The accumulated provisions for NPLs have decreased by €63,5 million on an annual basis, due to the alignment, in Q2, of the accounting estimations of the Bank by €78,9 million, to the relevant estimations of Piraeus Bank Group, positively affecting the final result.

In the nine-month period of 2013, Geniki Bank Group's net losses after taxes amounted to €14,4 million compared to net losses of €85,3 million at the same period of the previous year. Excluding extraordinary expenses, the loss has been restrained to €7,4 million, significantly reduced compared to the previous year.

During Q3 2013, "GENIKI Leasing S.A." was acquired by "Piraeus Leasing S.A.". As a result, the loss of €14,4 million after taxes for the nine-month period of 2013 and of €55,5 million for Q3, was affected by the impairment of "GENIKI Leasing S.A." subsidiary by €42,2 million. However, there is a positive impact from the recycling of this amount to Other Comprehensive Income, deriving from the sale of the above company.

Key Balance Sheet figures as at 30 September, 2013

As at the end of September 2013, Gross Loans amounted to €3,1 billion. The corporate loan portfolio represents 49% of the overall portfolio and retail loans 51%. Net loans and advances amounted to €1,8 billion, displaying a decrease of 3,64% compared to December 2012.

Deposits stood approximately at €2 billion, displaying a slight decrease of 3% compared to December 2012, despite the significant decrease of the number of branches, certifying the strong relation of the Bank with its traditional clients and their confidence in the Bank's perspectives. The composition of the deposits portfolio is particularly satisfactory and is constituted by 42% sight and savings accounts and 58% time deposits.

The loan to deposit ratio stood at 93%, almost stable compared to December 2012 and remains the best in the Greek market.

Loan Portfolio Quality





Non Performing Loans portfolio displays a decrease by 2% in Q3 2013. This decrease is mainly due to the non consolidation of the Leasing subsidiary related loans, due to the sale of participation to Piraeus Bank Group on August 1st.

NPLs portfolio is displaying a slight improvement with regard to corporate loans, whereas, the retail loans show a small deterioration of 2% compared to Q2 2013.

The NPL to the total overall loan portfolio ratio remains high, at 66% at the end of September 2013 compared to 62% in December 2012.

The NPLs coverage stood at 63% from 69% on December 2012, due to the partial reversal of provisions in Q2 2013. The coverage ratio of 63% is considered particularly high, being the highest in the Greek market. Moreover, the accumulated provisions to total loans ratio stood at 41,3%, which is also the highest in the Greek market. The significant level of provisions attests to the restructuring of Geniki Bank loans' portfolio and enhances the Bank's ability to withstand any adverse development.

Strong capital adequacy and liquidity ratios

The capital adequacy ratio (CoreTier 1) stood at 17.55% in Q3 2013 compared to 14.70% in December 2012, still being the highest capital adequacy ratio in the Greek market. Also, the Bank of Greece liquidity ratio remains the best in the Greek market reaching 22.31%, compared to the minimum requirement of 20%.

Geniki Bank holds capital adequacy and liquidity ratios, which far exceed the requirements of the Bank of Greece and remains self-funded, without reliance on the European Central Bank and without any capital reinforcement from Greek Government or other official authority.

New business perspective

Almost one year after its acquisition from Piraeus Bank Group, Geniki Bank advances to the future with no reliance on the Greek Government, the Hellenic Financial Stability Fund and the Bank of Greece for capital





and liquidity, with a healthy balance sheet, significant improvement of its operating result, with strong financial ratios and loyal relations with its clients, who continue to show their confidence and trust.

Geniki Bank is in the process of transformation into a specialized investment financial institution with a new business plan for the development of its operations, which includes private funds raising from the markets. The business plan will be submitted to the competent authorities for approval upon its completion. The Bank will focus on providing services of high quality and portfolio management products and the attraction of deposits through the specialized branches network. In parallel the Bank will evolve its business model to the selective equity and debt financing of “healthy” companies, as well as funds raised from the international markets, to corporate finance advisory, to the management of international and local investment funds for the financing and the restructuring of companies, as well as to a full range of services for the effective management of Non Performing Loans. Through these services, Geniki Bank will continue to support the sustainability of the Greek companies and households, in favor of its shareholders, its clients and the Greek economy.





Financial results for the period ended on September 30, 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 Jan to 30 Sep 2013	1 Jan to 30 Sep 2012	Change %
Net interest income	8.0	10.4	14.3	32.7	51.9	
Net fee income	3.5	3.6	3.6	10.7	13.4	
Total net interest & commission income	11.5	14.0	17.9	43.4	65.3	-33.5%
Net income from financial instruments	0.2	0.5	0.2	0.9	-1.0	
Other income and expenses from dividends	0.1	0.4	0.2	0.8	0.2	
Total Net Operating Income	11.8	14.8	18.3	45.0	64.5	-30.2%
Personnel fees and expenses*	-14.8	-14.8	-20.9	-50.5	-50.1	
Administrative expenses & depreciation	-10.2	-9.5	-9.0	-28.7	-38.2	
Total Net Operating Expenses	-25.0	-24.4	-29.9	-79.2	-88.3	-10.3%
Operating Profit/Losses before provisions	-13.1	-9.5	-11.6	-34.2	-23.8	43.4%
Operating Profit/Losses excluding provisions and extraordinary expenses	-13.1	-9.5	-4.6	-27.2	-23.8	13.9%
Provisions	-14.8	78.9	-1.3	62.7	-88.0	
Impairment of assets	0.0	-0.3	-42.6	-42.9	-2.1	
GGB impairment	0.0	0.0	0.0	0.0	-15.3	
Profits/Losses of the period before taxes	-28.0	69.1	-55.5	-14.4	-129.3	-88.9%
Profits/Losses of the period after taxes – Geniki Bank	-28.0	27.0	-13.9	-14.9	-77.5	-80.8%
Profits/Losses of the period after taxes – Group	-28.0	69.1	-55.5	-14.4	-85.3	-83.1%

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





Key Balance Sheet figures	30 Sep 2013	31 Dec 2012
Consolidated data (amounts in € millions)		
Total Assets	2.526	2.650
Gross Loans	3.140	3.313
Accumulated Provisions	1.297	1.399
Deposits	1.985	2.043
Total Equity	384	356

Financial Ratios	30 Sep 2013	31 Dec 2012
CoreTier I	17.5%	14.7%
Liquidity Ratio	22.3%	22.1%
Loan to Deposit Ratio	93%	93%
NPLs Coverage Ratio	63%	69%
Provisions to Gross Loans Ratio	41%	42%

