GENIKI Bank

ANNUAL FINANCIAL REPORT
(According to the Law 3556/2007)
DECEMBER 2008

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GENIKI Bank

Report of the Directors

The Directors present their report together with the annual financial statements for the 12 months period ended 31 December 2008.

Activities

Geniki Bank Group provides financial services in the sectors of retail banking, corporate banking, investment banking and capital market services. The Group operates via branches, offices and subsidiary companies in Greece.

Financial results review

Operating income arrived at EUR 194m for the annual period to 31 December 2008, a 13.5% increase in comparison with 2007. On a like-for-like basis1, the increase in operating income is approximately 6%. This 6% increase is due to an increase of 8% in net interest income and an increase of 3% in net commission income. It should be noted that the increase is mainly attributable to the performance of the second half of the year.

Operating expenses (excluding provisions) amounted to EUR 163.7m for the annual period to 31 December 2008, a 3.1% decrease over the previous year. The Group is maintaining a strict control over its cost base and both staff and administrative expenses have been reduced. The trend in cost reduction has accelerated in the second half of the year from 1.7% to 3.1%.

Operating results before provisions for the annual period to 31 December 2008 arrived at EUR 30.3m, a very significant increase (x16 or 1 500% approx.) over the previous year. On a like for like basis the increase remains a very significant one (x9 or 800% approx.) This substantial improvement is the combined effect of operating income increase and operating cost reduction.

Provisions for the annual period to 31 December 2008 amounted to EUR 52.6m, a 32% increase over the previous year.

On a like-for-like basis[2] the Group arrived at a net loss position amounting to EUR -37.5m in comparison with EUR -43.6m in the previous year, a 17% improvement in performance. The Bank arrived at a net loss position of -33.6m in comparison with EUR -40.4 in the previous year.

As at 31 December 2008, net loans and advances amounted to EUR 4.1 billions, showing an increase of 24.7% in comparison to December 2007.

As at 31 December 2008, customer deposits and repos amounted to EUR 2.5 billions, showing a decrease of 8% in comparison to December 2007.

The number of the branches of the Bank is 141.

Capital adequacy

Capital adequacy ratio under Basel II (Standardised methodology for credit risk, advanced management approach for operational risk) stands at 8.51% in comparison with 11.91% for 2007 (under Basel I).

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[1] Adjusting for the gain on the sale of Monastiraki building (one-off event)
[2] Adjusting for gain mentioned above,[1] as well as for the write down (loss) on the deferred tax asset position due to the enactment of new reduced tax rates (one-off event)

GENIKI Bank

Liquidity – Capital adequacy – Share capital increase

The gap between loans and deposits is supported by our parent entity within the framework of SG Group's asset liability management policy.

The Bank has initially decided to participate in all three actions of the Greek Government Liquidity Support Plan. In this connection an exceptional General Assembly of Shareholders, held in January 2009, decided a share capital increase with the issuance of EUR 150m preference shares in favour of the Greek State.

The Greek Authorities adjusted some of the criteria on which the proposal of the BoD and the above-mentioned decision of the General Assembly had been based. As a result the BoD of the Bank has decided to propose to the General Assembly of Shareholders to abandon the issuance of preference shares and to proceed to a share capital increase, amounting to EUR 175.7m, which will be covered by the ordinary shareholders of the Bank. The underwriting risk will be undertaken by our parent entity, Societe Generale. Thus, the Bank is meeting all capital requirements for participating in the Greek Government Liquidity Support Plan. In this connection the Bank has already obtained a liquidity enhancement of EUR 158m.

Business outlook and risks

The global and Greek economic outlook is dominated by the prevailing recession. As a major consequence all banks will be confronted with increased credit risk. An important element is that economic growth projections are being recalculated downwards for the Global and Greek economy.

In this harsh environment our Bank and Group have the positive intention and will utilise both the support of their parent entity as well as the support of the Greek Government Support Plan to continue to support their client base. As a result ties will clients will be strengthen and client relationship will be reinforced.

Related party transactions

All transactions with related parties are entered into the normal course of business and conducted on an arm's length basis. The major transactions comprise interbank lending with the parent company Société Générale. For a detailed presentation the user can referee to the note 41 of the financial statements.

Financial risk management

The main risks incurred on banking activities are the following:

(a) credit risk: risk of loss arising from a counterparty's inability to meet its financial commitments;
(b) market risk: risk of loss resulting from changes in market prices and interest rates, in correlations between these elements and their volatility;
(c) structural risk: risk of loss in the bank's balance sheet arising from variations in interest or exchange rates;
(d) liquidity risk: the risk of the Group not being able to meet its commitments at their maturities.

Risk management issues are presented in detail in note 4 of the financial statements.

Financial derivatives and hedge accounting

All financial derivatives are recognised at fair value in the balance sheet as financial assets or financial liabilities. Changes in the fair value of financial derivatives, except those

designated as cash-flow hedges (see below), are recognised in the income statement for the period.
Derivatives are divided into two categories:

(i) Trading financial derivatives
Derivative instruments are considered to be trading financial derivatives by default, unless they are designated as hedging instruments for accounting purposes. They are booked in the balance sheet. Changes in fair value are recorded in the income statement. Derivatives used for economic hedges are included in this category (e.g. cases for which hedging accounting is not necessary for reducing income statement volatility because gains and losses arising on the hedging and hedged positions are recognised consistently in the income statement).

(ii) Derivative hedging instruments
To designate an instrument as a derivative hedging instrument (i.e. for implementing hedging accounting rules) the Group must document the hedging relationship at the inception of the hedge, specifying the asset, liability, or future transaction hedged, the risk to be hedged, the effectiveness of the hedge. The derivative designated as a hedging instrument must be highly effective in offsetting the variation in fair value or cash flows arising from the hedged risk, both when the hedge is first set up and throughout its life.

Other information

Share capital is amounting to € 118 702 679.88 and is divided into 110 937 084 ordinary nominal shares with a par value of € 1.07, listed on the Athens Stock Exchange and there are no restrictions to their transfer.

In accordance with the provisions of Presidential Decree 51/92, the most important participations in the Bank's Share Capital are:

- SOCIETE GENERALE - Shares 58 053 128 - 52.33%
- ARMY PENSION FUND - Shares 5 996 484 - 5.41%

The Bank, to its best knowledge, is not aware of any special audit rights to shareholders or shares or restrictions to voting rights and agreements among shareholders resulting in restrictions in the transfer of shares or the exercising of voting rights.

The rules for appointing and replacing Members of the Board of Directors are in accordance with the provisions of Article 18 (3) of Codified Law 2190/1920; more specifically Article 17§(1) pas. (1) of the Bank's Articles of Incorporation, stipulates the right of the Army Pension Fund (APF) to appoint three members in the Bank's Board of Directors, provided the APF are shareholders of the Bank.

The rules regarding amendments to the Articles of Incorporation and the authority of the Board of Directors to issue new shares or acquire treasury shares are in accordance with the provisions of Codified Law 2190/1920, as amended and currently in force.

There are no agreements that are triggered, modified or expiring in case of changes in the controlling structure of the Bank resulting from a public share acquisition bids.

There are no agreements between the Bank and members of its Board of Directors or its personnel providing for the indemnities payable in case of resignation or dismissal on no serious grounds or termination of term or employment as a result of a public share acquisition bid.-

Declaration

(According to the article 4, par. 2 of the Law 3556/2007)

According to the article 4, par. 2 of the Law 3556/2007 we declare that to the best of our knowledge, the annual financial statements for the year 2008 that have been prepared in accordance with the applicable accounting standards, give a fair and true view of the assets, liabilities, equity and income statement of Geniki Bank S.A. and the group of companies included in the consolidated accounts. In addition, the Board of Directors annual report for 2008 gives a fair and true view of the evolution performance and position of Geniki Bank S.A. and the group of companies included in the consolidated accounts, including the description of the main risks and uncertainties that they have to deal with.

Athens, 26 March 2009

Tryfon J. Koutalidis	**Patrick Couste**	**Emmanuel Martin**
I.D.No. AB 043444	Pasp.No. 02YC58559	Pasp.No. 04FE42127
Chairman	Managing Director	Executive Director

Annual Consolidated & Single Financial Statements

of Geniki Bank for the year ended 31 December 2008

according to IFRS

GENIKI Bank

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of GENERAL BANK OF GREECE S.A.

Report on the Financial Statements
We have audited the accompanying financial statements of "GENERAL BANK OF GREECE S.A." (the Bank) and the consolidated financial statements of the Bank and its subsidiaries (the Group), which comprise the stand alone and the consolidated balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as these were adopted by the European Union. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards which are harmonised with the International Standards on Auditing. Those standards require that we comply with ethical standards and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making this risk assessment, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the accompanying stand alone only and consolidated financial statements present fairly, in all material respects, the financial position of the Bank and that of the Group as of 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as these were adopted by the European Union.

Report on Other Legal Requirements
We have agreed and confirmed the content and consistency of the Directors' Report to the accompanying Financial Statements according to the provisions of the article 43[a], 107 and 37 of the Greek Company Law 2190/1920.

Athens, 27 March 2009
The Certified Public Accountant

Michalis E. Karavas
RN SOEL: 13371

Deloitte.
Hadjipavlou Sofianos & Cambanis S.A.
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GENIKI Bank

Income statement

	Note	Group 31-Dec-08 €' 000	Group 31-Dec-07 €' 000	Bank 31-Dec-08 €' 000	Bank 31-Dec-07 €' 000
Interest and similar income		288.055	243.824	286.481	240.364
Interest expense and similar charges		(145.330)	(111.577)	(145.416)	(111.664)
Net interest income	6	**142.725**	**132.247**	**141.065**	**128.700**
Fee and commission income		41.336	36.959	41.899	37.364
Fee and commission expense		(7.345)	(3.898)	(7.397)	(3.911)
Net fee and commission income	7	**33.991**	**33.061**	**34.502**	**33.453**
Dividend income		825	59	1.164	275
Financial operations results	8	(863)	592	(861)	598
Other operating income	22	17.311	5.012	14.403	2.052
Gross operating income		**193.989**	**170.971**	**190.273**	**165.078**
Cost of risk	36	(51.125)	(42.076)	(49.390)	(41.337)
Cost of other risk	9	(1.451)	2.085	1.700	1.945
Staff costs and related expenses	11	(95.486)	(100.702)	(90.078)	(95.419)
Administration expenses	10	(53.406)	(54.320)	(56.562)	(54.946)
Depreciation and amortization	10,21,22	(14.812)	(13.986)	(14.435)	(13.579)
Operating expenses		**(216.280)**	**(208.999)**	**(208.765)**	**(203.336)**
Net operating income		**(22.291)**	**(38.028)**	**(18.492)**	**(38.258)**
Profit / (loss) before income tax		**(22.291)**	**(38.028)**	**(18.492)**	**(38.258)**
Income tax expense	12	(15.171)	(5.602)	(15.084)	(2.101)
Profit / (loss) for the year		**(37.462)**	**(43.630)**	**(33.576)**	**(40.359)**
Attributable to :					
Equity shareholders		(37.462)	(43.630)	(33.576)	(40.359)
Earnings (losses) per share (in euro)		**€**	**€**	**€**	**€**
- Basic and dilluted	13	(0,3377)	(0,3933)	(0,3027)	(0,3638)

The notes on pages 6 to 72 are an integral part of these Group & Bank Financial Statements

GENIKI Bank

Balance Sheet

	Note	Group 31-Dec-08 €' 000	Group 31-Dec-07 €' 000	Bank 31-Dec-08 €' 000	Bank 31-Dec-07 €' 000
Assets					
Cash and balances with central bank	14	104.054	128.406	104.051	128.391
Due from banks	16	69.560	320.764	69.485	320.681
Derivative financial instruments	17	8.996	14.113	8.996	14.113
Loans and advances to customers, net	36	4.108.968	3.294.190	4.148.707	3.291.883
Investment securities - available for sale	18	413.269	332.865	413.269	332.865
Investment in subsidiaries undertakings	19	-	-	12.444	12.369
Investment in associate undertakings	20	743	743	990	990
Intangible assets	21	9.696	11.439	9.598	11.278
Property, plant and equipment	22	103.706	125.549	102.428	123.913
Deferred income tax assets	30	46.284	58.223	44.099	56.406
Other assets	23	101.873	48.146	58.920	42.169
Total assets		**4.967.149**	**4.334.438**	**4.972.987**	**4.335.058**
Liabilities					
Due to banks	24	1.999.849	1.069.197	1.999.849	1.069.197
Due to customers	25	2.534.806	2.753.571	2.538.289	2.757.851
Derivative financial instruments	17	9.480	931	9.480	931
Subordinated debt	26	125.201	125.201	125.201	125.201
Provisions for staff benefits	28	20.043	20.666	19.738	20.431
Risks & charges provisions	27	3.305	5.026	2.927	4.802
Other liabilities	29	48.325	59.768	45.331	54.421
Total liabilities		**4.741.009**	**4.034.360**	**4.740.815**	**4.032.834**
Equity					
Share capital	31	118.703	118.703	118.703	118.703
Share premium	31	215.317	215.320	215.317	215.320
Other reserves and retained earnings		(107.880)	(33.945)	(101.848)	(31.799)
Total equity		**226.140**	**300.078**	**232.172**	**302.224**
Total equity and liabilities		**4.967.149**	**4.334.438**	**4.972.987**	**4.335.058**

The notes on pages 6 to 72 are an integral part of these Group & Bank Financial Statements

GENIKI Bank

Consolidated statement of changes in equity

For the year ended 31 December 2007

	Note	Share capital € '000	Share premium € '000	Fair value reserves € '000	Statutory Reserves € '000	Non - Taxed reserves € '000	Retained earnings € '000	Treasury shares € '000	Total equity € '000
Balance at 01.01.2007		336.898	62.620	342	5.866	438	(274.276)	-	131.888
Capital increase		56.228	152.700	-	-	-	-	-	208.928
Offseting of accumulated losses with reduction of nominal value of shares	31	(274.423)	-	-	14	-	274.409	-	-
Revaluation of AFS securities		-	-	2.766	-	-	-	-	2.766
Employee shares purchase plan		-	-	-	-	-	126	-	126
Loss for the period		-	-	-	-	-	(43.630)	-	(43.630)
Total income / expense recognised in equity		-	-	2.766	-	-	(43.504)	-	(40.738)
Balance at 31.12.2007		**118.703**	**215.320**	**3.108**	**5.880**	**438**	**(43.371)**	**-**	**300.078**

For the year ended 31 December 2008

	Note	Share capital € '000	Share premium € ' 000	Fair value reserves €'000	Statutory Reserves €' 000	Non - Taxed reserves €' 000	Retained earnings €' 000	Treasury shares €' 000	Total equity €' 000
Balance at 01.01.2008		118.703	215.320	3.108	5.880	438	(43.371)	-	300.078
Other		-	(3)	-	-	-	-	-	(3)
Transfer		-	-	-	(403)	-	403		-
Revaluation of AFS securities	18	-	-	(36.287)	-	-	-	-	(36.287)
Recycled to P & L	18	-	-	(269)	-	-	-	-	(269)
Employee shares purchase plan		-	-	-	-	-	83	-	83
Loss for the period		-	-	-	-	-	(37.462)		(37.462)
Total income / expense recognised in equity		-	-	(36.556)	-	-	(37.379)	-	(73.935)
Balance at 31.12.2008		**118.703**	**215.317**	**(33.448)**	**5.477**	**438**	**(80.347)**	**-**	**226.140**

The notes on pages 6 to 72 are an integral part of these Group & Bank Financial Statements

GENIKI Bank

Statement of changes in equity (Bank)

For the year ended 31 December 2007

	Note	Share capital € '000	Share premium € '000	Fair value reserves € '000	Statutory Reserves € '000	Non - Taxed reserves € '000	Retained earnings € '000	Treasury shares € '000	Total equity € '000
Balance at 01.01.2007		336.898	62.620	341	5.477	4	(274.577)	-	130.763
Capital increase		56.228	152.700	-	-	-	-	-	208.928
Offseting of accumulated losses with reduction of nominal value of shares	31	(274.423)	-	-	-	-	274.423	-	-
Revaluation of AFS securities		-	-	2.766	-	-	-	-	2.766
Employee shares purchase plan		-	-	-	-	-	126	-	126
Loss for the period		-	-	-	-	-	(40.359)	-	(40.359)
Total income / expense recognised in equity		-	-	2.766	-	-	(40.233)	-	(37.467)
Balance at 31.12.2007		**118.703**	**215.320**	**3.107**	**5.477**	**4**	**(40.387)**	**-**	**302.224**

For the year ended 31 December 2008

	Note	Share capital € '000	Share premium € ' 000	Fair value reserves €'000	Statutory Reserves €' 000	Non - Taxed reserves €' 000	Retained earnings €' 000	Treasury shares €' 000	Total equity €' 000
Balance at 01.01.2008		118.703	215.320	3.107	5.477	4	(40.387)	-	302.224
Other		-	(3)	-	-	-	-	-	(3)
Revaluation of AFS securities	18	-	-	(36.287)	-	-	-	-	(36.287)
Recycled to P & L	18	-	-	(269)	-	-	-	-	(269)
Employee shares purchase plan		-	-	-	-	-	83	-	83
Loss for the period		-	-	-	-	-	(33.576)	-	(33.576)
Total income / expense recognised in equity		-	-	(36.556)	-	-	(33.493)	-	(70.049)
Balance at 31.12.2008		**118.703**	**215.317**	**(33.449)**	**5.477**	**4**	**(73.880)**	**-**	**232.172**

GENIKI Bank

Cash flow statement

Cash flow from operating activities	Note	Group For the year ended 31 December 2008 € ' 000	Group 2007 € ' 000	Bank For the year ended 31 December 2008 € ' 000	Bank 2007 € ' 000
Profit / (loss) after tax		(37.462)	(43.630)	(33.576)	(40.359)
Adjustment for:					
Depreciaton of property and equipment	10,22	11.595	10.828	11.323	10.573
Depreciation of intangible assets	10,21	3.217	3.158	3.112	3.006
Impairment of loans and advances to customers	36	51.125	42.076	49.390	41.337
Interest income		419	-	419	-
Provisions for staff benefits	28	(623)	109	(693)	40
Other provisions	27	(1.721)	(2.085)	(1.875)	(1.945)
Impairment cost of repossesed assets	23	3.173	-	175	-
Deferred income tax	12	11.938	334	12.307	-
Dividend income from subsidiaries		-	-	(339)	(216)
Dividends from investment portfolio		(547)	(59)	(547)	(59)
Employees shares purchase plan		83	126	83	126
Commission expenses		1.324	-	1.324	-
(Profit) Loss from AFS		615	(552)	615	(552)
(Profit) Loss from sale of property and equipment		(13.513)	(34)	(13.514)	(32)
Loss from write - off of property and equipment		1.678	-	1.678	-
Income from insurance compensation of property and equipment		(1.607)	-	(1.607)	-
Foreign exchange (profit) loss on cash and cash equivalents		(22)	(42)	(22)	(42)
Net (increase) / decrease of assets relating to operating activities		**29.672**	**10.229**	**28.253**	**11.877**
Due from banks & central banks		7.284	(18.223)	7.330	(18.223)
Derivatives		13.666	(7.162)	13.666	(7.162)
Loans and advances to customers		(910.679)	(396.694)	(907.908)	(392.666)
Other assets		(12.616)	(13.050)	(15.727)	(13.633)
Net increase / (decrease) of liabilities relating to operating activities					
Due to banks		930.652	215.780	930.652	215.778
Due to customers		(218.764)	121.962	(219.562)	113.407
Other liabilities		(8.202)	10.384	(6.310)	9.790
Income tax paid		(3.242)	(5.602)	(2.778)	(2.101)
Net cash flow from operating activities after taxes		**(172.229)**	**(82.376)**	**(172.384)**	**(82.933)**
Cash flow from investing activities					
Purchase of available for sale securities		(188.119)	(115.414)	(188.119)	(115.414)
Purchase of property and equipment		(4.317)	(6.063)	(4.244)	(5.388)
Purchase of intangible assets		(1.474)	(1.824)	(1.434)	(1.727)
Proceeds from dividends from subsidiaries		-	-	339	216
Investments in subsidiaries and associates undertakings		-	-	(75)	-
Proceeds from dividends from investment portfolio		547	59	547	59
Proceeds from sale of available for sale portfolio		70.901	127.173	70.901	127.173
Proceeds from sale of fixed assets		26.400	1.298	26.241	975
Proceeds from sale of intagible assets		-	81	-	-
Net cash flow from investing activities		**(96.062)**	**5.310**	**(95.844)**	**5.894**
Cash flow from financing activities					
Capital increase	31	-	210.197	-	210.197
Capital increase expenses	31	(3)	(1.269)	(3)	(1.269)
Net Cash flow from financing activities		**(3)**	**208.928**	**(3)**	**208.928**
Foreign exchange (profit) loss on cash and cash equivalents		22	42	22	42
Net increase (decrease) in cash and cash equivalents		**(268.272)**	**131.904**	**(268.209)**	**131.931**
Cash and cash equivalents at the beginning of the period	15	**362.978**	**231.074**	**362.880**	**230.949**
Cash and cash equivalents at the end of the period	15	**94.706**	**362.978**	**94.671**	**362.880**

The notes on pages 6 to 72 are an integral part of these Group & Bank Financial Statements

Notes to the Financial Statements (Group & Bank)

1. General Information

Geniki Bank S.A. (the "Bank") and its subsidiaries (the "Group") are active in retail and corporate banking, insurance brokerage services, finance leasing and other services. The Bank is incorporated in Greece and its shares are listed on the Athens Stock Exchange. The Group operates in Greece. Its registered office is located in Greece (109 - 111 Messogion Avenue 115 10 Athens). These financial statements (Group & Bank) were approved by the Board of Directors on 26 March 2009. The consolidated financial statements of the Group are included in the consolidated financial statements of SOCIETE GENERALE GROUP, which is the ultimate parent entity that has a holding of 52.33% in the share capital of the Bank.

2. Principal accounting policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a. Basis of preparation

The financial statements (Group & Bank) have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted from EU. The financial statements (Group & Bank) are prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets and of financial assets and financial liabilities (including derivative instruments) at fair-value-through-profit & loss account.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements (Group & Bank) are disclosed in Note 5.

The presentation currency is the Euro (€) being the functional currency of the parent Company. All figures are presented in thousand Euros, unless otherwise stated.

- Standards, amendments and interpretations effective in 2008 but not relevant

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2008 but they are not relevant to the group's & bank's operations :

1) IFRIC 12, 'Service Concession Arrangements (effective for financial years beginning on or after 1 January 2008)'. IFRIC 12 provides for an approach to account for contractual arrangements arising from entities providing public services. According to this IFRIC the respective entities should not account for a fixed asset but rather for a financial asset. IFRIC 12 is not relevant to the Group's operations as the Group is not involved in the provision of public services.
2) IFRIC 13**, '**Customer Loyalty Programmes (effective for financial years beginning on or after 1 July 2008)'. IFRIC 13 addresses accounting by entities that grant loyalty award credits (such as 'points' or travel miles) to customers who buy goods or services. Specifically, it explains how such entities should account for their obligations to provide free

or discounted goods or services ('awards') to customers who redeem award credits. IFRIC 13 is not relevant to the current Group's operations.

3) IFRIC 14, 'IAS 19 "Employee Benefits" - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for financial years beginning on or after 1 January 2008)'. IFRIC 14, provides a clearer interpretation of the availability of a surplus, than the original standard, IAS 19 "Employee Benefits". Under IAS 19 some have argued that a surplus is not available to a plan sponsor unless it is immediately realisable at the balance sheet date. IFRIC 14 states that the employer only needs to have an unconditional right to use the surplus at some point during the life of the plan or on its wind up in order for a surplus to be recognized. IFRIC 14 has no effect to the financial statements of the Group and the Bank.

4) IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures" (Amendments October and November 2008). These amendments allow reclassifications of certain financial instruments. The Bank has not made use of the amendments.

5) IFRIC 11, "IFRS 2 – Group and Treasury Share Transactions" This IFRIC requires arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as an equity-settled scheme by the entity even if the entity chooses or is required to buy those equity instruments (e.g. treasury shares) from another party, or the shareholder(s) of the entity provide the equity instruments required. The application of the interpretation did not have any effect.

- Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the group & bank

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the group's & bank's accounting periods beginning on or after 1 January 2009 or later periods, but the group & bank has not early adopted them :

1) IAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009). It requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The group & bank will apply IAS 23 (Amended) from 1 January 2009.

2) IFRIC 16, 'Hedges of a net investment in a foreign operation (effective for annual periods beginning on or after 1 October 2008)'. IFRIC 16 applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and qualifies for hedge accounting in accordance with IAS 39 and provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

3) IFRIC 17, 'Distribution of non cash assets to owners (effective for financial years beginning on or after 1 July 2009)'. IFRIC 17 clarifies how an entity should measure distribution of assets, other than cash, when it pays dividends to its owners.

4) IAS 27, "Consolidated and Separate Financial statements – Consequential amendments arising from amendments to IFRS 3" Revised in 2008 (effective for annual periods beginning on or after January 1, 2009). The amendments require entities to classify certain financial instruments as equity if certain specific criteria are met.

5) IAS 32, "Financial Instruments Presentation–Amendments relating to puttable instruments and obligations arising on liquidation" Revised in 2008 (effective for annual periods beginning on or after January 1, 2009). The IAS requires entities to classify as equity certain financial instruments provided certain criteria are met.

6) IAS 39, "Financial Instruments Recognition and Measurement –Amendments relating to Eligible Hedged Items" Revised in 2008 (effective for annual periods beginning on or after July 1, 2009).

- Standards, amendments and interpretations to existing standards that are not yet effective and have been early adopted by the group & bank

1) IFRS 8, 'Operating segments ' (effective from 1 January 2009). IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The group & bank has early adopted this standard from 1st January 2007. The number of reportable segments, as well as the manner in which the segments are reported, has changed in a manner that is consistent with the internal reporting provided to the chief operating decision-maker.

2) IAS 1 "Presentation of Financial Statements" (Amendment) (effective from 1 January 2009). It requires information in financial statements to be aggregated on the basis of shared characteristics and to introduce a statement of comprehensive income. The amendment will be applied for the annual period beginning on 1 January 2009.

3) IFRS 2 "Share-based Payment" (Amendment) (effective from 1 January 2009). The amendment is not expected to have any effect.

4) IFRIC 15, "Agreements for the Construction of Real Estate" (effective for annual periods beginning on or after 1 January 2009). The Interpretation provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 "Construction Contracts" or IAS 18 "Revenue" and when revenue from the construction should be recognised. The interpretation is not expected to have any effect.

b. Consolidation Methods

i) *Full Consolidation*

This method is applied to entities over which Geniki Bank exercises sole control. Sole control over a subsidiary is defined as the power to govern the financial and operating policies of the said subsidiary so as to obtain benefits from its activities. It is exercised: (a) either by directly or indirectly holding the majority of voting rights in the subsidiary; (b) or by holding the power to appoint or remove the majority of the members of the subsidiary's governing, management or supervisory bodies, or to command the majority of the voting rights at meetings of these bodies; (c) or by the power to exert a controlling influence over the subsidiary through an agreement or provisions in the company's charter or by laws.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated; unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group. A listing of the Bank's subsidiaries is set out in note 19.

ii) *Equity Method*

Companies over which the Group exercises significant influence are accounted for under the equity method. Significant influence is the power to influence the financial and operating policies of a subsidiary without exercising control over the said subsidiary. In particular, significant influence can result from Geniki Bank being represented on the board of directors or supervisory board, from involvement in strategic decisions, from the existence of significant intercompany transactions, from the exchange of management staff, or from the company's technical dependency on Geniki Bank. The Group is assumed to exercise significant influence over the financial and operating policies of a subsidiary when it holds directly or indirectly at least 20% of the voting rights in this subsidiary.

c. Transactions denominated in foreign currencies

At year end, monetary assets and liabilities denominated in foreign currencies are converted into euros (the Group's & Bank's functional currency) at the prevailing spot exchange rate. Realized or unrealized foreign exchange losses or gains are recognized in the income statement under the line "Financial operations results".

Forward foreign exchange transactions are recognized at fair value based on the forward exchange rate for the remaining maturity. Spot foreign exchange positions are revalued using official spot rates applying at the end of the period. Unrealized gains and losses are recognized in the income statement under the line "Financial operations results".

Non-monetary assets denominated in foreign currencies, including shares and other variable income securities that are not part of the trading portfolio, are converted into euros at the exchange rate applying at year end. Currency differences arising on these assets are only recognized in the income statement under the line "Financial operations results" when sold or impaired or where the currency risk is fair value hedged.

d. Determining the fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of financial instruments traded in active markets is determined from quoted prices. If the instrument is not traded in an active market, fair value is determined using valuation techniques.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

When the financial instrument is traded in several markets to which the Group & Bank has immediate access, the fair value is the price at which a transaction would occur in the most advantageous active market. Where no price is quoted for a particular instrument but its components are quoted, the fair value is the sum of the various quoted components incorporating bid or asking prices for the net position as appropriate.

If the market for a financial instrument is not active, its fair value is established using a valuation technique (in-house valuation models). Depending on the instrument under consideration, these valuation models may use data derived from recent transactions, from the fair value of substantially similar instruments, from discounted cash flow or option pricing models. Where necessary, these valuations are adjusted to take certain factors into account, depending on the instruments in question and the associated risks, particularly the bid or asking price of the net position and the modelling risk in the case of complex products.

If the valuation parameters used are observable market data the fair value is taken as the market price, and any difference between the transaction price and the price given by the in-house valuation model, i.e. the sales margin, is immediately recognized in the income statement. However, if valuation parameters are not observable or the valuation models are not recognized by the market, the fair value of the financial instrument at the time of the transaction is deemed to be the transaction price and the sales margin is then generally recognized in the income statement over the lifetime of the instrument, except for some complex financial instruments for which it is recognized at maturity or in the event of early sale.

e. Financial assets and liabilities

Purchases and sales of non-derivative financial assets at fair value through profit & loss account, financial assets held to maturity and available-for-sale financial assets (see below) are recognized in the balance sheet on the settlement date while derivatives are recognized on the trade date. Changes in fair value between the trade and settlement dates are booked in the income statement or to shareholders' equity depending on the relevant accounting category. Customer loans are recorded in the balance sheet on the date they are paid.

When initially recognized, financial assets and liabilities are measured at fair value including transaction cost (except for financial instruments recognized at fair value through profit & loss account) and are classified under one of the following categories.

ASSETS

i) *Loans and receivables*

Loans and receivables neither held for trading purposes nor intended for sale from the time they are originated or contributed are recognized in the balance sheet under the Due from banks or Loans and advances to customers and there after carried at their amortized cost. An impairment loss may be recorded if appropriate.

ii) *Financial assets and liabilities at fair value through profit & loss account*

These are financial assets and liabilities held for trading purposes. They are booked at fair value at the balance sheet date and recognized in the balance sheet under Derivative financial instruments. Changes in fair value are recorded in the income statement for the period as financial operations results.

This category also includes non-derivative financial assets and liabilities designated by the Group upon initial recognition to be carried at fair value through profit & loss account in accordance with the option available under IAS 39. The Group's & Bank's aim in using the fair value option is:

- first to eliminate or significantly reduce discrepancies in the accounting treatment of certain financial assets and liabilities
- secondly, to book certain compound financial instruments at fair value so avoiding the need to separate out embedded derivatives that would otherwise have to be booked separately.

iii) *Held-to-maturity financial assets*

These are non-derivative fixed income assets with a fixed maturity, which the Group & Bank has the positive intention and the ability to hold to maturity. They are valued after acquisition at their amortized cost and may be subject to impairment, if appropriate. The amortized cost includes premiums and discounts as well as transaction costs and they are recognized in the balance sheet under Held-to-maturity financial assets.

iv) *Investments in securities - Available for sale*

These are non-derivative financial assets held for an indefinite period which the Group & Bank may sell at any time. By default, these are any assets that do not fall into one of the above three categories. These financial assets are recognized in the balance sheet under Investment in securities - Available for sale and measured at their fair value at the balance sheet date. Interest accrued or paid on fixed-income securities is recognized in the income statement using the effective interest rate method under Interest and similar income. Changes in fair value other than income are recorded in shareholders' equity under Fair value reserves. The Group & the Bank records these changes in fair value in the income statement when the asset is sold or impaired, in which case they are reported as Financial operations results. Dividends on variable income securities classified as available for sale are recognised in cash basis and recorded in the income statement under Dividend income.

DEBT

Group & Bank borrowings that are not classified as financial liabilities recognized through profit & loss account are initially recognized at cost, measured as the fair value of the amount borrowed net of transaction fees. These liabilities are valued at the year end, at amortized cost and are recognized in the balance sheet as due to banks or due to customers.

i) *Amounts due to banks, due to customers*

Amounts due to banks and due to customers are classified according to their initial maturity and type into: demand (demand deposits and current accounts) and time deposits and borrowings in the case of banks; and into savings accounts and other deposits in the case of customers. They also include securities sold to banks and customers under repurchase agreements.

ii) *Securitized debt payables*

These liabilities are classified by type of security: loan notes, interbank market certificates, negotiable debt instruments, bonds and other debt securities; with the exemption of subordinated notes which are classified under Subordinated debt.

Bond issuance and redemption premiums are amortized at the effective interest rate over the life of the related borrowings. The resulting charge is recognized under Interest expenses in the income statement.

- Subordinated debt

This item includes all dated or undated borrowings, whether or not in the form of securitized debt, which in the case of liquidation of the borrowing company may only be redeemed after all other creditors have been paid.

- Derecognition of financial assets and liabilities

The Group & Bank derecognizes all or part of a financial asset (or of similar assets) when the contractual rights to the cash flows on the asset expire or when the Group or Bank has transferred the contractual rights to receive the cash flows and substantially all of the risks and rewards of ownership of the asset.

Where the Group or the Bank has transferred the cash flows of a financial asset but has neither transferred nor retained substantially all the risks and rewards of its ownership and has not retained control of the financial asset, the Group or the Bank derecognizes it and recognizes separately as asset or liability any rights and obligations created or retained as a result of the asset's transfer. If the Group or the Babk has retained control of the asset, it continues to recognize it in the balance sheet to the extent of its continuing involvement in that asset.

When a financial asset is derecognized in its entirety, a gain or loss on disposal is recorded in the income statement for the difference between the carrying value of the asset and the payment received for it, adjusted where necessary for any unrealized profit & loss account previously recognized directly inequity. The Group & the Bank only derecognizes all or part of a financial liability when it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expires.

f. Financial derivatives and hedge accounting

All financial derivatives are recognized at fair value in the balance sheet as financial assets or financial liabilities. Changes in the fair value of financial derivatives, except those designated as cash-flow hedges (see below), are recognized in the income statement for the period.

Derivatives are divided into two categories:

i) *Trading financial derivatives*

Derivative instruments are considered to be trading financial derivatives by default, unless they are designated as hedging instruments for accounting purposes. They are booked in the balance sheet under Derivative financial instruments. Changes in fair value are recorded in the income statement as Net gains or losses on financial transactions. Derivatives used for economic hedges are included in this category (e.g. cases for which hedging accounting is not necessary for reducing income statement volatility because gains and losses arising on the hedging and hedged positions are recognised consistently in the income statement).

ii) *Derivative hedging instruments*

To designate an instrument as a derivative hedging instrument (i.e. for implementing hedging accounting rules) the Group & Bank must document the hedging relationship at the inception of the hedge, specifying the asset, liability, or future transaction hedged, the risk to be hedged, the type of financial derivative used and the valuation method applied to measure the effectiveness of the hedge. The derivative designated as a hedging instrument must be highly effective in offsetting the variation in fair value or cash flows arising from the hedged risk, both when the hedge is first set up and throughout its life. Derivative hedging instruments are recognized in the balance sheet under Derivative financial instruments.

- Fair Value Hedge

In a fair value hedge, the book value of the hedged item is adjusted for gains or losses attributable to the hedged risk which are reported under Financial operations results. As the hedging is highly effective, changes in the fair value of the hedged item are faithfully reflected in the fair value of the derivative hedging instrument. Accrued interest income or expenses on hedging derivatives are booked to the income statement under Interest income and expense at the same time as the interest income or expense related to the hedged item.

If it becomes apparent that the derivative has ceased to meet the effectiveness criteria for hedge accounting or is sold, hedge accounting is prospectively discontinued. Thereafter, the carrying amount of the hedged asset or liability ceases to be adjusted for changes in fair value and the cumulative adjustments previously recognized under the hedge accounting are amortized over its remaining life. Hedge accounting is discontinued automatically if the hedged item is sold before maturity.

- Cash Flow Hedge

In a cash flow hedge, the effective portion of the changes in fair value of the hedging derivative instrument is recognized in a specific equity account, while the ineffective portion is recognized in the income statement under Net gains or losses on financial instruments. Amounts directly recognized in equity under cash flow hedge accounting are reclassified in interest income and expenses in the income statement at the same time as the cash flows being hedged. Accrued interest income or expense on hedging derivatives is booked to the income statement under Interest income and expense at the same time as the interest income or expense related to the hedged item.
Whenever the hedging derivative ceases to meet the effectiveness criteria for hedge accounting or is terminated or sold, hedge accounting is prospectively discontinued. Amounts previously recognized directly in equity are reclassified to Interest income and expense in the income statement over the periods where the interest margin is affected by cash flows arising from the hedged item. If the hedged item is sold earlier than expected or if the forecast transaction hedged ceases to be highly probable, unrealized gains and losses booked to equity are immediately reclassified in the income statement.

- Macro Fair Value Hedge

In this type of hedge, financial derivatives are used to hedge on an overall basis structural interest rate risks usually arising from Retail Banking activities. In accounting for these transactions, the Group & Bank applies the IAS 39 "carve-out" standard as adopted by the European Union, which facilitates: (a) the application of fair value hedge accounting to macro hedges used for asset-liability management including customer demand deposits in the fixed-rate positions being hedged; (b) the carrying out of effectiveness tests required by the standard.
The accounting treatment for financial derivatives designated as a macro fair value hedge is similar to that for other fair value hedging instruments. Changes in fair value of the portfolio of macro-hedged instruments are reported in the balance sheet under Derivative financial instruments.

- Embedded Derivatives

An embedded derivative is a component of a hybrid instrument. If this hybrid instrument is not valued at fair value through profit & loss account the Group & Bank separates out the embedded derivative from its host contract if, at the inception of the operation, the economic characteristics and risks of the derivative are not closely related to the economic characteristics and risk profile of the host contract and it would separately meet the definition of a derivative. Once separated out, the derivative is recognized at its fair value in the balance sheet under derivative financial instruments and accounted for as above. There are no such cases in the financial statements for 2008.

g. Impairment of financial assets

i) *Financial assets valued at amortized cost*

At each balance sheet date, the Group & the Bank assesses whether there is objective evidence that any financial asset or group of financial assets has been impaired as a result of one or more events occurring since they were initially recognized (a "loss event") and whether that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Group & the Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group or the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

If there is objective evidence that loans or other receivables, or financial assets classified as held-to-maturity financial assets are impaired, an impairment loss is booked for the difference between the carrying amount and the present value of estimated future recoverable cash flows, taking into account any guarantees, discounted at the financial assets' original effective interest rate. This loss is booked to Cost of risk in the income statement and the value of the financial asset is reduced accordingly through the use of allowances accounts. Allocations to and reversals of impairments are recorded under Cost of risk. The impaired loans / receivables are debited with interest reflecting the unwinding of their discounting to present value, which is recorded under Interest income in the income statement.

As soon as a credit risk is incurred in a homogenous portfolio / group of financial instruments, impairment loss is recognized without waiting for the risk to individually affect one or more receivables. The amount of impairment is determined on the basis of historical loss experience for assets with credit risk characteristics similar to those in the portfolio, or using hypothetical extreme loss scenarios or, if necessary, ad-hoc studies, adjusted to reflect any relevant current economic conditions.

Where a loan is restructured, the Group & the Bank books a loss in Cost of risk representing the change in terms of the loan if the present value of expected recoverable future cash flows, discounted at the loan's original effective interest rate, is less than the amortized cost of the loan.

ii) *Available-for-sale financial assets*

Where there is objective evidence of long-term impairment to a financial asset available for sale, an impairment loss is recognized through profit & loss account. When a decline in the fair value of an available-for-sale financial asset has been recognized directly in the shareholders' equity account under Unrealized or deferred capital gains or losses and subsequent objective evidence of impairment emerges, the Group & the Bank recognizes the total accumulated unrealized loss previously booked to shareholders' equity in the income statement – under Cost of risk for debt instruments and under Net gains or losses on available-for-sale financial assets for equity securities.

This cumulative loss is measured as the difference between acquisition cost (net of any repayments of principal and amortization) and the current fair value, less any loss of value on the financial asset that has already been booked through profit & loss account.

Impairment losses recognized through profit & loss account on an equity instrument classified as available for sale are only reversed through profit & loss account when the instrument is sold. Once a shareholders' equity instrument has been recognized as impaired, any further loss of value is booked as an additional impairment loss. For debt instruments, however, an impairment loss is reversed through profit & loss account if they subsequently recover in value.

h. Lease financing and similar agreements

Leases are classified as finance leases if they transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. Otherwise they are classified as operating leases.

Lease finance receivables are recognized in the balance sheet under loans and advances to customers and represent the Group's net investment in the lease, calculated as the present value of the minimum payments to be received from the lessee, plus any unguaranteed residual value, discounted at the interest rate implicit in the lease.

Interest included in the lease payments is booked under Interest and similar income in the income statement such that the lease generates a constant periodic rate of return on the lessor's net investment. If there has been a reduction in the estimated unguaranteed residual value used to calculate the lessor's gross investment in the finance lease, an expense is recorded to adjust the financial income already recorded.

Fixed-assets arising from operating lease activities are presented in the balance sheet under Tangible and Intangible fixed assets. In the case of buildings, they are booked under Investment Property. Lease payments are recognized in the income statement on a straight-line basis over the life of the lease under Income from other activities. The Bank does not hold such operating leases as lessor.

i. Tangible and intangible fixed assets

Operating and investment fixed assets are booked in the balance sheet at cost. Investment subsidies received are deducted from the cost of the relevant assets.

Software designed in-house is booked as an asset in the balance sheet at its direct cost of development, calculated as spending on external supplies and services and personnel costs directly attributable to producing the asset and making it ready for use.

As soon as they are fit for use, fixed assets are depreciated over their useful life. Any residual value of the asset is deducted from its depreciable amount.

Where one or several components of a fixed asset are used for different purposes or to generate economic benefits over a different time period from the combined (whole) asset, these components are depreciated over their individual useful lives, through profit & loss account under amortization, depreciation and impairment of tangible and intangible fixed assets.

The Group & the Bank applied this approach to its operating and investment property, breaking down its assets into at least the following components with their corresponding depreciation periods:

a) Infrastructure

Major structures	*50 years*
Doors and windows, roofing	*20 years*
Façades	*30 years*

b) Technical installations

Elevators	
Electrical installations	
Electricity generators	
Air conditioning, extractors	*10 - 30 years*
Technical wiring	
Security and surveillance installations	
Plumbing	

c) Fixtures and fittings

Finishing, surroundings	*10 years*

Depreciation periods for fixed assets other than buildings depend on their useful life, usually estimated in the following ranges:

Plant and equipment	*5 years*
Transport	*5 – 7 years*
Furniture	*10 – 20 years*
Office equipment	*5 – 10 years*
IT equipment	*3 – 5 years*
Software, developed or acquired	*3 – 5 years*
Concessions, patents, licenses, etc.	*5 – 20 years*

Fixed assets are tested for impairment at least annually and whenever there is any indication that their value might have been diminished. Evidence of a loss in value is assessed at every balance sheet date. Where a loss is established, an impairment loss is booked to the income statement under Amortization, depreciation and impairment of tangible and intangible fixed assets. This impairment loss will reduce the depreciable amount of the asset and so also affect its future depreciation schedule.

Realized capital gains or losses on operating fixed assets are recognized under Net income on other assets, while profits or losses on investment real estate are booked as Net Banking Income under Income from other activities.

j. Provisions

Provisions, other than those for credit risk or employee benefits, represent liabilities whose timing or amount cannot be accurately determined. Provisions may be booked where, by virtue of a commitment to a third-party, the Group & Bank will probably or certainly incur an outflow of resources to this third-party without receiving at least equivalent value in exchange.

The expected outflows are then discounted to present value to determine the amount of the provision, where this discounting has a significant impact. Allocations to and reversals of provisions are booked through profit & loss account under the items corresponding to the future expense.

k. Loan commitments

The Group & the Bank initially recognizes loan commitments that are not considered as financial derivatives, at fair value. Thereafter, these commitments are provisioned, as necessary, in accordance with the accounting principles for Provisions.

l. Liabilities/shareholders' equity distinction

Financial instruments issued by the Group & Bank are classified in whole or in part to debt or to equity depending on whether or not they contractually oblige the issuer to remunerate the holders of the security in cash. The Group & the Bank has analyzed the substance of these instruments considering the implicit obligation to reimburse the holders.

m. Interest income and expense

Interest income and expense are booked to the income statement for all financial instruments valued at amortized cost using the effective interest rate method. The effective interest rate is taken to be the rate that discounts the future cash inflows and outflows over the expected life of the instrument to the book value of the financial asset or liability. To calculate the effective interest rate the Group & Bank estimates future cash flows as the product of all the contractual provisions of the financial instrument without taking account of possible future loan losses. This calculation includes commissions paid or received between the parties where these are interest related, transaction costs and all types of premiums and discounts.

When a financial asset or group of similar financial assets have been impaired following an impairment of value, subsequent interest income is booked through profit & loss account under Interest and similar income using the same interest rate that was used to discount the future cash flows when measuring the loss of value. Provisions that are booked as balance sheet liabilities, except for those related to employee benefits generate interest expense for accounting purposes. This expense is calculated using the same interest rate as was used to discount to present value the expected outflow of resources that gave rise to the provision.

n. Net fees for services

The Group & the Bank recognizes fee income and expense for services provided and received in different ways depending on the type of service.

Fees for recurring services, such as some payment services, custody fees, or telephone subscriptions are booked as income over the lifetime of the service. Fees for one-off services, such as fund transfers, finder's fees received, arbitrage fees, or penalties following payment incidents are booked to income when the service is provided under Fees paid for services provided and other.

In syndication deals, underwriting fees and participation fees proportional to the share of the issue placed are booked to income at the end of the syndication period provided that the effective interest rate for the share of the issue retained on the Group's & Bank's balance sheet is comparable to that applying to the other members of the syndicate. Arrangement fees are booked to income when the placement is legally complete. These fees are recognized in the income statement under Fee income – Primary market transactions.

o. Personnel expenses

Personnel expenses include all expenses related to personnel, notably the cost of the legal employee profit sharing and incentive plans for the year as well as the costs of the various Group & Bank pension and retirement schemes and expenses arising from the application of IFRS 2 "Share-based payments".

p. Employee benefits

i) *post-employment benefits*

Defined contribution plans limit the Group's & Bank's liability to the subscriptions paid into the plan but do not commit the Group & Bank to a specific level of future benefits. Contributions paid are booked as an expense for the year in question.

Defined benefit plans commit the Group & Bank, either formally or constructively, to pay a certain amount or level of future benefits, and the company therefore bears the medium- or long-term risk.

Provisions are booked to cover the whole of these retirement obligations. This is assessed regularly by independent actuaries using the projected unit credit method. This valuation technique incorporates assumptions about demographics, early retirement, salary rises and discount and inflation rates.

When these plans are financed from external funds classed as plan assets, the fair value of these funds is subtracted from the provision to cover the obligations.

Differences arising from changes in the calculation assumptions (early retirements, discount rates, etc.) or from differences between actuarial assumptions and real performance (return on plan assets) are booked as actuarial gains or losses. They are amortized in the income statement according to the "corridor" method: i.e. over the expected average remaining working lives of the employees participating in the plan, as soon as they exceed the greater of: (a) 10% of the present value of the defined benefit obligation (before deducting plan assets) ; (b) 10% of the fair value of the assets at the end of the previous financial year.

Where a new or amended plan comes into force the cost of past services is spread over the remaining period until vesting.

An annual charge is booked under Personnel expenses for defined benefit plans, consisting of: (a) additional entitlements vested by each employee (current service cost); (b) the financial expense resulting from the discount rate; (c) expected return on plan assets (gross return); (d) amortization of actuarial gains and losses and past service cost; (e) settlement or curtailment of plans.

ii) *Long-term benefits*

These are benefits paid to employees more than 12 months after the end of the period in which they provided the related services. Long-term benefits are measured in the same way as post employment benefits, except for the treatment of actuarial gains and losses and past service costs which are booked immediately to income.

q. Cost of risk

The Cost of risk account is limited to allocations, net of reversals, to impairment charge for counterparty risks and provisions for legal disputes.

r. Deferred Tax

Deferred taxes are recognized whenever the Group & Bank identifies a temporary difference between the book value and tax value of balance sheet assets and liabilities that will affect future tax payments. Deferred tax assets and liabilities are measured based on the tax rate enacted or substantively enacted which is expected to apply when the asset is realized or the liability settled. The impact of changes to tax rates is booked in the income statement under Deferred taxes. Deferred tax assets are not recognised unless it is probable that the deferred tax asset will be used. For 2008 and following years, the tax rate applied for deferred tax calculation is 20%. Deferred taxes are not discounted to present value.

3. Methods & Valuation techniques for calculation of fair value of financial instruments

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

For financial instruments recognized at fair value through profit & loss account, fair value is determined, wherever possible, after prices quoted on an actively-traded market, adjusted if no price is available at the balance sheet date. However, for many of the financial instruments held or issued by the group & bank no actively traded market exists. In these cases, fair value is determined through valuation techniques (in-house valuation models) using valuation parameters that reflect market conditions at the balance sheet date and which are heavily influenced by assumptions on issues such as the amount and timing of estimated future cash flows, discount rates, volatility or credit risk. The Group's & Bank's in-house valuation models are based on current valuation techniques used by market participants to value financial instruments, such as discounted future cash flows for swaps or Black & Scholes valuation for some options.

For financial instruments that are not recognized at fair value in the balance sheet, the figures given in the notes should not be taken as an estimate of the amount that would be realized if all such financial instruments were to be settled immediately. The fair values of financial instruments include, if applicable, any accrued interest.

a. Loans and lease financing receivables

The fair value of loans and lease financing receivables is determined, in the absence of an actively traded market for these loans, by discounting the related future cash flows to present value at market rates in force at the balance sheet date for each type of loan and each maturity. For all floating-rate loans and lease financing receivables and fixed-rate loans with an initial maturity of less than one year, fair value is assumed to be the same as book value.

b. Shares

For listed shares, fair value is taken to be the quoted price at the balance sheet date.

c. Debt (fixed & variable income) instruments held in portfolio measured at fair value and financial derivatives

The fair value of all these financial instruments is determined based on the quoted price at the balance sheet date or prices provided by brokers at the same date, where available. For unlisted financial instruments, fair value is determined using valuation techniques (in-house valuation models) as described in note 2 on Principal accounting policies.

d. Customers deposits

For floating-rate deposits, demand deposits and borrowings with an initial maturity of less than one year, fair value is assumed to be the same as book value.

e. Other debt and subordinated debt

For listed financial instruments, fair value is taken as their quoted price at the balance sheet date. For unlisted financial instruments, fair value is determined by discounting future cash flows to present value at market rates.

4. Financial risk management

The Group's & Bank's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Group's & Bank's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's & Bank's financial performance.

The Group's & Bank's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up to date information systems. The Group & the Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by Risk Management Unit under policies approved by the Board of Directors. In addition, internal audit is responsible for the independent review of risk management and the control environment. The most important types of risk are credit risk, liquidity risk, market risk and operational risk. Market risk includes currency risk, interest rate and other price risk. This note describes the main risks linked to financial instruments and the way in which they are managed by the Group & the Bank.

The main risks incurred on banking activities are the following: credit risks: (a) risk of loss arising from a counterparty's inability to meet its financial commitments; (b) market risks: risk of loss resulting from changes in market prices and interest rates, in correlations between these elements and their volatility; (c) structural risks: risk of loss in the bank's balance sheet arising from variations in interest or exchange rates; (d) liquidity risk: the risk of the Group & the Bank not being able to meet its commitments at their maturities.

a. Organization procedures and methods

Risks are inherent to all banking activities and must therefore to be taken into account from the inception of a transaction through to its completion. As such, responsibility for risk management lies first with the operating divisions.

Geniki Bank's Risk Division is responsible for: (a) defining and validating the methods used to analyze, assess, approve and monitor risks; (b) the critical review of sales strategies for high-risk areas; (c) contributing to the independent assessment of credit risks by commenting on transactions proposed by sales units and monitoring them from start to finish; (d) identifying all Group risks and monitoring the adequacy and consistency of risk management information systems. A systematic review of the bank's key risk management issues is carried out during the quarterly Risk Committee meetings, which bring together the members of the Executive Committee and Risk Division managers.

This Committee meets to review all core strategic issues: risk-taking policies, measuring methods, material and human resources, analysis of portfolios and the cost of risk, market and credit concentration limits.

All new products and activities or products under development must be submitted to the New Product Committee. This New Product Committee aims to ensure that, prior to the launch of a new activity or product, all associated risks are fully understood, measured, approved and subjected to adequate procedures and controls, using the appropriate information systems and processing chains.

b. Market risks linked to trading activities

The organization of market risk management has been continually adjusted with a view to harmonizing existing procedures within the Group & the Bank and guaranteeing that risk management team remain independent from the operating divisions. At the proposal of this department, the Bank's Risk Committee sets the levels of authorized risk by type of activity and takes the main decisions concerning Group & Bank risk management.

c. Structural interest rate and exchange rate risks

Structural interest rate and exchange rate risks are incurred in commercial and proprietary activities (transactions involving shareholders' equity, investments, bond issues). The general principle is to concentrate structural interest rate and exchange rate risks for monitoring and controlling using market risk methods, and to reduce structural interest rate and exchange rate as much as possible.

Wherever possible, commercial transactions are hedged against interest rate and exchange rate risks, either through micro hedging (individual hedging of each commercial transaction) or macro-hedging techniques (hedging of portfolios of similar commercial transactions within the treasury department).

Interest rate and exchange rate risks on proprietary transactions are hedged to the extend possible. Consequently, structural interest rate and exchange rate risks are only born on the residual positions remaining after this hedging.

i) *organization of the management of structural interest rate and exchange rate risks*

The responsibility for managing structural risks lies with the Asset Liabilities Committee (ALCO), which is supported by the Asset and Liability Management Department (ALM Department). The Group's ALCO Committee, chaired by the General Management and attended by members of the Executive Committee and Finance Department: validates the basic principles for the organization and management of the Group's structural risks; sets the limits; examines the reports on these risks provided by the ALM Department; validates the hedging programs implemented by Treasury.

ii) *structural interest rate risks*

Structural interest rate risk arises from residual gaps in fixed-rate positions with future maturities.

- Objective of the Group & Bank

The Group's & Bank's principal aim is to reduce each entity's exposure to interest rate risk as much as possible. Any residual structural interest rate risk exposure must comply with the sensitivity limits set by the ALCO. This sensitivity defines the variation in the net present value of future residual fixed-rate positions (surplus or deficits on assets and liabilities) for a 1% parallel shift in the yield curve (i.e. this sensitivity does not relate to the sensitivity of annual net interest income). The limit for the overall Group is set at € 15 million.

- Measurement and monitoring of structural interest rate risk

In order to quantify its exposure to structural interest rate risks, the Group & the Bank analyzes all fixed-rate assets and liabilities with future maturities to identify any gaps.

Assets and liabilities are generally analyzed independently, without any prior matching. Maturities on outstanding positions are determined on the basis of the contractual terms governing transactions, assumptions of client behaviour patterns (savings and sight accounts, early repayments etc.), as well as conventional assumptions relating to certain aggregates (principally shareholders' equity).

Once the Group has identified the gaps in its fixed rate positions (surplus or deficit), it calculates their sensitivity (as defined above) to variations in interest rates. The current sensitivity used considers an immediate parallel shift of 1% in the yield curve.

iii) *structural exchange rate risks*

Structural exchange rate risks essentially arise from investments made in a currency other than the base currency of the Group & the Bank (€).

- Measurement and monitoring of structural interest rate risk

The Group & the Bank quantifies its exposure to structural exchange rate risk by analyzing all assets and liabilities denominated in foreign currencies, arising from commercial and proprietary transactions. As commercial transactions are hedged against exchange rate risk, the Group's and the Bank's residual exposure results primarily from proprietary transactions. The Group's and the Bank's Finance Department monitors structural exchange rate positions.

d. Hedging interest rate and exchange rate risk

In order to hedge certain market risks, the Group & the Bank has set up hedges which, in accounting terms, are referred to as fair value hedges or cash flow hedges depending on the risks and/or financial instruments hedged.

In order to qualify these transactions as hedges for IFRS accounting purposes, the Group & the Bank documents such hedge transactions in detail, specifying the risk covered, the risk management strategy and the method used to measure the effectiveness of the hedge from its inception. This effectiveness is verified when changes in the fair value or cash flow of the hedged instrument are almost entirely offset by changes in the fair value or cash flow of the hedging instrument– the expected ratio between the two changes in fair value being within the range 80%-125%. Effectiveness is measured each quarter on a prospective and retrospective basis. Where the effectiveness falls outside the range specified above, hedge accounting is discontinued. However, economic hedges may continue to be in place, irrespective to the IFRS accounting treatment.

i) *fair value hedge*

Within the framework of its activities and in order to hedge its fixed-rate financial assets and liabilities against variations in long interest rates (essentially loans/borrowings, securities issues and fixed-rate securities), the Group & the Bank uses fair value hedges primarily in the form of interest rate swaps and interest rate options.

Prospective effectiveness is assessed via a sensitivity analysis based on probable market trends between certain components of the hedged and hedging instruments.

Retrospective effectiveness is assessed by comparing any changes in the fair value of the hedging instrument with any changes in the fair value of the hedged instrument.

ii) *cash flow hedge*

Cash flow hedges on interest rates are used to hedge against the risk that the future cash flow of a floating rate financial instrument fluctuate in line with market interest rates. The aim of such a hedge is to protect against unfavourable changes in future cash flow that are liable to impact on the income statement.

e. Liquidity risk

Liquidity risk management covers all areas of Geniki Bank's business, from market transactions to structural transactions (commercial or proprietary transactions). The Group & the Bank manages this exposure using a system designed to manage liquidity risk under normal day-to-day conditions.

i) *organization of the management of liquidity risk*

The ALM Department manages liquidity for the overall Group , in conjunction with the treasury department. The Group's ALCO, chaired by the General Management and attended by members of the Executive Committee and Finance Department : (a) validates the basic principles for the organization and management of the Group's liquidity risk; (b) examines the reports on liquidity risk provided by the ALM Department; (c) considers liquidity crisis scenarios; (d) validates the Group's financing programs.

The ALM Department, which is part of the Group Finance Sector : (a) defines the standards for the management of liquidity risks; (b) centralizes, consolidates and reports on liquidity risk exposure; (c) defines the Group's financing programs.

- Objective of the Group & Bank

The Group's & Bank's objective is to finance its activities at the best possible rate under normal conditions of operation, and to ensure it can meet its obligations in the event of a crisis.

The main principles of the Group's liquidity management are as follows: (a) central management of liquidity to the extent possible ; (b) diversification of sources of funding, both in terms of geographical regions and sectors of activity ; (c) management of short-term liquidity in accordance with the regulatory framework; issuance of financial instruments to achieve the target solvency capital ratio.

- Measurement and monitoring of liquidity risk

The Group's liquidity management system assess the Group's financing requirements on the basis of budget forecasts in order to plan appropriate funding solutions. The risk analysis is conducted with reports for on and off-balance sheet items per currency and residual maturity. Maturities on outstanding assets and liabilities are determined on the basis of the contractual terms of the transactions, assumptions for client behaviour patterns (savings and sight accounts, early repayments, etc.), as well as conventional assumptions relating to certain aggregates (principally shareholders' equity).

f. Credit risk (Group & Bank credit risk analysis in Note 36)

The Group & the Bank take on exposure to credit risk, which is the risk that counterparty will cause a financial loss for the Group by failing to discharge an obligation. Credit risk is the most important risk for the Group's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in lending activities that lead to loans and advances, and investment activities that bring debt securities and other bills into the Group's & Bank's asset portfolio. There is also credit risk in off-balance sheet financial instruments, such as loan commitments. Credit risk management reports directly to both local Management and Group Risk Management.

i) *Credit risk measurement*

The Group assesses the probability of default of individual counterparties using internal rating tools. They have been developed internally and combine statistical analysis with credit officer judgment and are validated, where appropriate, by comparison with externally available data. The Group's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class. This means that, in principle, exposures migrate between classes as the assessment of their probability of default changes. The rating tools are kept under review and upgraded as necessary. The Group regularly validates the performance of the rating and their predictive power with regard to default events.

Table 1 : Group's internal rating and external ratings (Standard & Poor's) equivalent :

GBG rating scale	S&P rating scale	GBG rating scale	S&P rating scale
1	AAA	5	BB
2 +	AA+	5 -	BB-
2	AA	6 +	B+
2 -	AA-	6	B
3 +	A+	6 -	B-
3	A	7 +	CCC+
3 -	A-	7	CCC
4 +	BBB+	7 -	CCC-
4	BBB	8	D
4 -	BBB-	9	D
5+	BB+	10	D

ii) *Risk limit control & mitigation policies*

The Group manages limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and groups, and to industries and countries. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to a review when considered necessary.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

Some other specific control and mitigation measures are outlined below:

a. Collateral

The Group employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. The Group implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential properties;
- Charges over business assets such as premises, inventory and accounts receivable;
- Charges over financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. In addition, in order to minimise the credit loss the Group will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

b. Credit-related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions – are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan. Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards.

iii) *Impairment and provisioning policies*

The internal and external rating systems described in Note 4.f.i. focus more on credit-quality mapping from the inception of the lending activities. In contrast, impairment provisions are recognised for financial reporting purposes only for losses that have been incurred at the balance sheet date based on objective evidence of impairment. Due to the different methodologies applied, the amount of incurred credit losses provided for the financial statements are usually lower than those obtained based on the application of rules provided by the banking supervisor.

The majority of the impairment provision shown in the balance sheet at year-end is derived from the bottom part of table1 and more precisely grades 8, 9 and 10. An impairment provision is also calculated for the middle part of the table (part of 5, 6 and 7) on the basis of expert judgement, as reflected in the BHFM qualitative rating grid.

The internal rating tool assists management to determine whether objective evidence of impairment exists under IAS 39, based on the following criteria set out by the Group:

- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experienced by the borrower (eg equity ratio, net income percentage of sales);
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the borrower's competitive position;
- Deterioration in the value of collateral; and
- Downgrading below investment grade level.

The Group's policy requires the review of individual financial assets that are above materiality thresholds at least annually or more regularly when individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at balance-sheet date on a case-by-case basis, and are applied to all individually significant accounts.

The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that individual account.

Collectively assessed impairment allowances are provided for portfolios of corporate assets that are individually below materiality thresholds and under the assumption of PD of 100% and LGD of 50%, based primarily on expert judgement.

Finally, the impairment of retail exposures (consumer lending & mortgage loans) is calculated using a methodology which follows the general principles of the 2442 Act of the Governor of BoG (minimum required amount of provisions for regulatory purposes), using as policy the balances of previous quarters.

5. Estimations and judgements

The Group & the Bank makes estimates and assumptions that affect the reported amounts recognised in the financial statements. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that appear to be reasonable under the circumstances.

a. Impairment of loans and advances

The Group & the Bank reviews its loan portfolio to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recognised in the income statement, the Group makes judgements as to whether there is any observable data indicating that there is a decrease in the estimated future cash flows from outstanding loans and advances.

The individual provisions relate to loans and advances separately examined for impairment and their calculation is based on the best possible estimation of the present value of the related recoverable future cash flows. For estimating the cash flows, the management estimates the financial position of each customer and the recoverable amount from the foreclosure of assets with fixed charges (e.g. pre-notation of property) or guarantees. Each case is evaluated separately, whereas the followed methodology and the estimation of recoverable cash flows are reviewed by independent parties.

Provisions for losses on aggregated positions take into consideration factors such as credit quality, portfolio size etc. For estimating the required provisions, assumptions are made in respect of models and parameters, adjusted for past experience and prevailing financial conditions.

Accuracy of provisions is dependent on the quality of the estimation of expected cash flows, at individual and aggregate level. Although the above estimations involve subjective judgments, the management believes that recognized provisions are adequately and sufficiently justified.

b. Fair value of derivatives (including embedded derivatives)

The fair value of financial instruments not quoted in active markets are determined by using valuation techniques. To the extend practical models use only observable data.

c. Income tax

The Group & the Bank is subject to income tax according to the Greek Tax Legislation. The calculation of income tax expense requires the exercise of significant subjective judgment. In the context of the usual Group activity, there are many transactions and calculations for which the final tax assessment is not certain. The management of the Group has taken into consideration income tax expense that may arise from a future tax audit. In case the final level of income tax that will be assessed, differs from the estimates, the difference may affect the income tax in the period of assessment or it may reduce the amount of the contingent asset relating to the tax losses carried forward.

6. Net interest income

	Group		Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
(a) Interest income				
Banks	8.392	10.347	8.512	10.355
Customers	242.607	205.684	251.551	212.490
Financial instruments				
Available for sale	20.379	13.765	20.379	13.765
Hedging instruments	6.039	3.754	6.039	3.754
Financial Leases	10.638	10.274	-	-
Total interest income	**288.055**	**243.824**	**286.481**	**240.364**
(b) Interest expense				
Banks	(61.803)	(37.761)	(61.803)	(37.772)
Customers	(77.952)	(68.241)	(78.038)	(68.317)
Financial instruments				
Subordinated Debt	(5.575)	(5.575)	(5.575)	(5.575)
Total interest expense	**(145.330)**	**(111.577)**	**(145.416)**	**(111.664)**

7. Fee income and expenses

	Group		Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
(a) Fee income				
Customer transactions	15.416	10.230	15.415	10.230
Securities transactions	1.901	3.183	1.901	3.183
Investment and guarantees	7.107	6.323	7.107	6.323
Financial instruments operations	7.621	7.379	7.621	7.379
Other service fee income	9.291	9.844	9.855	10.249
Total fee income	**41.336**	**36.959**	**41.899**	**37.364**
(b) Fee expenses				
Credit institutions transactions	(329)	(387)	(328)	(386)
Financial instruments operations	(91)	(68)	(91)	(68)
Financial services	(1.664)	(277)	(1.662)	(277)
Other service fee expenses	(5.261)	(3.166)	(5.316)	(3.180)
Total fee expenses	**(7.345)**	**(3.898)**	**(7.397)**	**(3.911)**

8. Net income on financial operations

	Group		Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
Derivative financial instruments	(1.179)	(915)	(1.179)	(915)
Available for sale financial instruments	(614)	458	(614)	458
Foreign exchange transactions	930	1.049	932	1.055
Total net income on financial operations	**(863)**	**592**	**(861)**	**598**

9. Cost of other risk

	Group		Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
Allowances & reversals for litigation & others	2.050	909	2.204	769
Allowances & reversals for other risk provisions	(329)	1.176	(329)	1.176
Allowances & expense for impairment of auction asset	(3.173)	-	(175)	-
	(1.452)	**2.085**	**1.700**	**1.945**

10. Operating expenses

	Group		Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
Staff costs (note 11)	95.486	100.702	90.078	95.419
Taxes	1.857	1.550	1.708	1.094
Advertising expenses & other admimistrative expenses	23.270	23.262	23.107	22.299
Computer equipment & software maintenance	11.445	14.513	16.033	17.685
Consulting and other legal expenses	1.668	1.671	1.113	1.008
Building rental and maintenance	15.166	13.324	14.601	12.860
Depreciation and amortisation	14.812	13.986	14.435	13.579
Total operating expenses	**163.704**	**169.008**	**161.075**	**163.944**

11. Staff costs

	Group		Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
Wages, salaries and other similar costs	91.845	96.078	86.622	90.921
Defined contribution plans	3.768	4.515	3.714	4.458
Defined benefit plans (note 28)	(127)	109	(258)	40
Total staff costs	**95.486**	**100.702**	**90.078**	**95.419**

The number of employees of the Bank and Group as at 31 December 2008 was 1.784 (1.934 for 2007) and1.917 (2.104 for 2007) respectively.

Share-based payments

The employees of the Group & Bank are entitled to participate in a Societe Generale (SG) supported share-based payment scheme. The scheme is presented in summary below :

- Employees are eligible to buy SG shares at a discount of 20% on the price of the share prevailing at the announcement date

- Employees should hold the shares for a period of five years. However, they are entitled to sell them in certrain occasions such as marriage, resignation, purchase of new home etc.

As part of the Group employee shareholding policy, Société Générale offered on the 21/03/08 to employees of the Group to subscribe to a reserved capital increase at a share price of € 53.67, with a discount of 20% on the average of the 20 Société Générale share prices before this date.

Number of shares subscribed has been 9.443, representing an 2008 expense of € 82.5 thousand for the Group taking into account the qualified 5 - year holding period. The valuation model used, compares the gain the employee would have obtained if he had been able to sell the shares immediately and the notional cost that the 5-year holding period represents to the employee.

12. Income tax expense

	Group		Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
Current income tax	(3.233)	(5.268)	(2.778)	(2.101)
Deferred tax	(11.938)	(334)	(12.306)	-
Total income tax expense	**(15.171)**	**(5.602)**	**(15.084)**	**(2.101)**

Further information about deferred income tax is presented in note 30. The tax on the Bank's & Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Note	Group		Bank	
		31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
Profit before tax		(22.291)	(38.028)	(18.492)	(38.258)
Tax calculated at a statutory tax rate of 25% (2007 25%)		5.573	9.507	4.623	9.565
Income not subject to tax (perm diff)		61	69	114	69
Expenses not deductible for tax purposes (perm diff)		(324)	(379)	(232)	(379)
Change of statutory tax rate from 25 % to 20 %		(11.560)	-	(11.025)	-
Tax withheld on bond interest-not recoverable		(2.778)	(2.101)	(2.778)	(2.101)
De-recognition of deferred tax asset on tax loss c/f		(1.450)	-	(1.450)	-
Not recognised deferred tax asset on tax loss of the year	30	(2.595)	(8.314)	(2.440)	(8.314)
Other		(2.098)	(4.384)	(1.896)	(941)
Income tax expense		**(15.171)**	**(5.602)**	**(15.084)**	**(2.101)**

Geniki Bank has been audited by the tax authorities up to year 2004.

Group entities have been audited by the tax authorities as presented below :

- General Cards SA up to 2006 (included)
- General Finance SA up to 2006 (included)
- General Insurance Agency up to 2006 (included)
- General Leasing SA up to 2002 (included)
- GBG Finance PLC (tax resident in the United Kingdom) has not been audited for the years 2001 to to 2008 (included)

§ General Securities (AXEPEY), merged in 2004 with the Bank, has been tax audited up to the year 2004 (included)

§ Gaiognomon SA which has been liquidated, has been tax audited up to 2001 (included)

§ Genap SA which under liquidation, has been tax audited up to 2002 (included)

Due to the fact that a tax audit may disallow some expenses, it is possible that additional taxes may be assessed; it is estimated that these taxes are not going to have a significant impact on the financial position of the Bank and Group.

13. Earnings (losses) per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period.

		Group		
	Measurement unit	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-07 * €' 000
Net profit for the year attributable to ordinary shareholders	€' 000	(37.462)	(43.630)	(43.630)
Weighted average number of ordinary shares in issue	Number of shares	110.937.084	110.937.084	78.723.379
Basic earnings per share	€	(0,3377)	(0,3933)	(0,5542)

** as originally reported after the effect of the rights issues share capital increase*

		Bank		
	Measurement unit	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-07 * €' 000
Net profit for the year attributable to ordinary shareholders	€' 000	(33.576)	(40.359)	(40.359)
Weighted average number of ordinary shares in issue	Number of shares	110.937.084	110.937.084	78.723.379
Basic earnings per share	€	(0,3027)	(0,3638)	(0,5127)

** as originally reported after the effect of the rights issues share capital increase*

14. Cash and balances with central bank

	Group		Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
Cash in hand	38.534	43.107	38.531	43.092
Balances with central banks	65.520	85.299	65.520	85.299
Total cash and balances with central banks	**104.054**	**128.406**	**104.051**	**128.391**
Included in cash and cash equivalents (note 15)	55.147	75.187	55.144	75.172
Compulsory deposit & requirements reserves in Bank of Greece*	48.907	53.219	48.907	53.219

* Requirements reserves in Bank of Greece, represent the minimum level of average monthly deposits, which the Bank is required to maintain. Balances with central banks can be withdrawn at any time provided the average monthly minimum deposits are maintained.

15. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprises the following balances with an original maturity of 90 days or less :

	Group		Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
Cash and balances with central banks	55.147	75.187	55.144	75.172
Loans and advances to banks	39.557	287.791	39.528	287.708
	94.704	**362.978**	**94.672**	**362.880**

16. Due from banks

	Group		Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
Items in course of collection from other banks	10.058	52.764	9.984	52.681
Placements with other banks	59.502	268.000	59.501	268.000
Total due from other banks	**69.560**	**320.764**	**69.485**	**320.681**
Included in cash and cash equivalents (note 15)				
Loans and advances to other banks	39.557	287.791	39.528	287.708

17. Derivative financial instruments

	Contract amount	Fair values Assets 31-Dec-08 € ' 000	Fair values Liabilities 31-Dec-08 € ' 000	Contract amount	Fair values Assets 31-Dec-07 € ' 000	Fair values Liabilities 31-Dec-07 € ' 000
(a) Derivatives held for trading (incl. economic hedging)						
(i) Foreign exchange derivatives						
Currency swaps	96.228	696	(4.354)	53.267	390	(494)
Total foreign exchange derivatives		***696***	***(4.354)***		***390***	***(494)***
(ii) Interest rate derivatives						
Interest rate swaps	86.125	488	(1.739)		-	-
Total interest rate derivatives		***488***	***(1.739)***		***-***	***-***
(iii) Other financial derivatives						
Forward instruments		-	-	3.466	34	(42)
Total other financial derivatives		***-***	***-***		***34***	***(42)***
Total recognized derivative held for trading		**1.184**	**(6.093)**		**424**	**(536)**
(b) Derivatives held for accounting hedging						
(i) Derivatives designated as fair value hedge						
Interest rate swaps	128.700	11	(3.387)	88.000	3.351	(395)
Interest rate options	488.600	7.801	-	503.150	10.338	-
Total derivatives designated as fair value hedge		***7.812***	***(3.387)***		***13.689***	***(395)***
Total recognized derivative held for accounting hedging		**7.812**	**(3.387)**		**13.689**	**(395)**
Total recognized derivative (assets/liabilities)		**8.996**	**(9.480)**		**14.113**	**(931)**

18. Available for sale investment securities

	Group		Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
Debt securities-at fair value				
-listed	408.045	327.581	408.045	327.581
-unlisted	-	-	-	-
Equity securities-at fair value				
-listed	1.624	-	1.624	-
-unlisted	3.600	5.284	3.600	5.284
Total available for sale investment securities	**413.269**	**332.865**	**413.269**	**332.865**
Of which pledged for liquidity purposes from Bank of Greece	337.566	57.000	337.566	57.000
Of which used for repo collaterals	25.416	72.298	25.416	72.298

The movement of available for sale investment securities is summarised as follows:

	Group		Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
Balance at 1st January	332.865	361.251	332.865	361.251
Additions	192.273	118.026	192.273	118.026
Disposals	(74.399)	(149.179)	(74.399)	(149.179)
Revaluation adjustments	(36.287)	2.767	(36.287)	2.767
Recyclement to P&L	(269)	-	(269)	-
Impairment	(886)	-	(886)	-
Exchange rate fluctuation	(28)	-	(28)	-
	413.269	**332.865**	**413.269**	**332.865**

19. Investment in subsidiaries

	Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000
Beginning of the year	12.369	12.369
Additions	75	-
At the end of the period	**12.444**	**12.369**

19. Investment in subsidiaries (continue)

The subsidiaries of the Bank are listed below :

	31-Dec-08		31-Dec-07	
	Direct holding	Indirect holding	Direct holding	Indirect holding
General Cards & Financial Services S.A.	100%		100%	
General Finance S.A.	100%		100%	
General Insurance Agency S.A.	80%	20%	80%	20%
General Leasing S.A.	100%		100%	
GBG Finance Plc	99%	1%	99%	1%

20. Investment in associates

	Group		Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
Beginning of the year	743	743	990	990
Additions	-	-	-	-
Disposals	-	-	-	-
At the end of the period	**743**	**743**	**990**	**990**

Group has a direct holding of 100 % of Genap S.A.

Genap S.A. has been consolidated with the net equity method and has been presented in the Investment in associates line in the Balance sheet because the figures are immaterial and there is no commercial activity of any kind. Also the entity is under liquidation.

21. a) Consolidated intangible assets

	Computer Software €' 000	Other €' 000	Total intagible assets €' 000
Cost			
Balance at 1 January 2007	31.615	11.168	42.783
Transfers	-	-	-
Additions	1.824	-	1.824
Disposals and write - offs	(150)	-	(150)
Balance at 31 December 2007	**33.289**	**11.168**	**44.457**
Accumulated depreciation			
Balance at 1 January 2007	27.525	2.403	29.928
Transfers	-	-	-
Additions	-	-	-
Disposals and write - offs	(68)	-	(68)
Charge of the year	2.063	1.095	3.158
Balance at 31 December 2007	**29.520**	**3.498**	**33.018**
Net book value at 31 December 2007	**3.769**	**7.670**	**11.439**
Cost			
Balance at 1 January 2008	33.289	11.168	44.457
Transfers	-	-	-
Additions	1.473	1	1.474
Disposals and write - offs			
Balance at 31 December 2008	**34.762**	**11.169**	**45.931**
Accumulated depreciation			
Balance at 1 January 2008	29.520	3.498	33.018
Transfers	-	-	-
Additions	-	-	-
Disposals and write - offs	-	-	-
Charge of the year	2.122	1.095	3.217
Balance at 31 December 2008	**31.642**	**4.593**	**36.235**
Net book value at 31 December 2008	**3.120**	**6.576**	**9.696**

21. b) Bank intangible assets

	Computer Software €' 000	Other €' 000	Total intagible assets €' 000
Cost			
Balance at 1 January 2007	30.629	10.957	41.586
Transfers	-	-	-
Additions	1.727	-	1.727
Disposals and write - offs	-	-	-
Balance at 31 December 2007	**32.356**	**10.957**	**43.313**
Accumulated depreciation			
Balance at 1 January 2007	26.837	2.192	29.029
Transfers	-	-	-
Additions	-	-	-
Disposals and write - offs	-	-	-
Charge of the year	1.911	1.095	3.006
Balance at 31 December 2007	**28.748**	**3.287**	**32.035**
Net book value at 31 December 2007	**3.608**	**7.670**	**11.278**
Cost			
Balance at 1 January 2008	32.356	10.957	43.313
Transfers	-	-	-
Additions	1.434	-	1.434
Disposals and write - offs	-	-	-
Balance at 31 December 2008	**33.790**	**10.957**	**44.747**
Accumulated depreciation			
Balance at 1 January 2008	28.748	3.287	32.035
Transfers	-	-	-
Additions	-	-	-
Disposals and write - offs	-	-	-
Charge of the year	2.018	1.096	3.114
Balance at 31 December 2008	**30.766**	**4.383**	**35.149**
Net book value at 31 December 2008	**3.024**	**6.574**	**9.598**

GENIKI Bank

22. a) Consolidated property, plant & equipment

	Land, buildings, leasehold improvements €' 000	Leasehold land & buildings €' 000	Furniture, equipment, motor vehicles €' 000	Computer hardware €' 000	Under construction €' 000	Total fixed assets €' 000
Cost						
Balance at 1 January 2007	134.350	7.555	21.411	32.721	8.587	204.624
Transfers	5.209	-	819	115	(5.807)	336
Additions	765	-	551	1.176	3.235	5.727
Disposals and write - offs	(1.028)	-	(1.576)	(4.788)	(5)	(7.397)
Balance at 31 December 2007	**139.296**	**7.555**	**21.205**	**29.224**	**6.010**	**203.290**
Accumulated depreciation						
Balance at 1 January 2007	34.351	597	13.490	24.608	-	73.046
Transfers	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals and write - offs	(167)	-	(1.206)	(4.760)	-	(6.133)
Charge of the year	6.279	169	1.811	2.569	-	10.828
Balance at 31 December 2007	**40.463**	**766**	**14.095**	**22.417**	**-**	**77.741**
Net book value at 31 December 2007	**98.833**	**6.789**	**7.110**	**6.807**	**6.010**	**125.549**
Cost						
Balance at 1 January 2008	139.296	7.555	21.205	29.224	6.010	203.290
Transfers	12.988	(7.555)	637	134	(6.204)	-
Additions	599	-	790	1.462	1.527	4.378
Disposals and write - offs	(16.823)	-	(737)	(1.536)	(14)	(19.110)
Balance at 31 December 2008	**136.060**	**-**	**21.895**	**29.284**	**1.319**	**188.558**
Accumulated depreciation						
Balance at 1 January 2008	40.463	766	14.095	22.417	-	77.741
Transfers	766	(766)	-	-	-	-
Additions	-	-	-	-	-	-
Disposals and write - offs	(2.707)	-	(377)	(1.401)	-	(4.485)
Charge of the year	7.548	-	1.801	2.247	-	11.596
Balance at 31 December 2008	**46.070**	**-**	**15.519**	**23.263**	**-**	**84.852**
Net book value at 31 December 2008	**89.990**	**-**	**6.376**	**6.021**	**1.319**	**103.706**

22. b) Bank property, plant & equipment

	Land, buildings, leasehold improvements €' 000	Leasehold land & buildings €' 000	Furniture, equipment, motor vehicles €' 000	Computer hardware €' 000	Under construction €' 000	Total fixed assets €' 000
Cost						
Balance at 1 January 2007	133.562	7.555	20.872	32.248	8.587	202.824
Transfers	5.209	-	483	115	(5.807)	-
Additions	504	-	513	1.136	3.235	5.388
Disposals and write - offs	(1.028)	-	(1.250)	(4.788)	(5)	(7.071)
Balance at 31 December 2007	**138.247**	**7.555**	**20.618**	**28.711**	**6.010**	**201.141**
Accumulated depreciation						
Balance at 1 January 2007	34.299	597	13.508	24.375	-	72.779
Transfers	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals and write - offs	(165)	-	(1.199)	(4.760)	-	(6.124)
Charge of the year	6.188	169	1.722	2.494	-	10.573
Balance at 31 December 2007	**40.322**	**766**	**14.031**	**22.109**	**-**	**77.228**
Net book value at 31 December 2007	**97.925**	**6.789**	**6.587**	**6.602**	**6.010**	**123.913**
Cost						
Balance at 1 January 2008	138.247	7.555	20.618	28.711	6.010	201.141
Transfers	13.012	(7.555)	613	134	(6.204)	-
Additions	591	-	759	1.367	1.527	4.244
Disposals and write - offs	(16.823)	-	(723)	(1.528)	(14)	(19.088)
Balance at 31 December 2008	**135.027**	**-**	**21.267**	**28.684**	**1.319**	**186.297**
Accumulated depreciation						
Balance at 1 January 2008	40.322	766	14.031	22.109	-	77.228
Transfers	766	(766)	-	-	-	-
Additions	-	-	-	-	-	-
Disposals and write - offs	(2.674)	-	(552)	(1.456)	-	(4.682)
Charge of the year	7.444	-	1.709	2.170	-	11.323
Balance at 31 December 2008	**45.858**	**-**	**15.188**	**22.823**	**-**	**83.869**
Net book value at 31 December 2008	**89.169**	**-**	**6.079**	**5.861**	**1.319**	**102.428**

In Other operating income the gain from the sale of the building located at 87 - 89 Ermou St. is included, amounting to € 13,5 million as well as the related brokerage expenses amounting to € 619 thousand.

23. Other assets

	Group		Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
Prepaid expenses and accrued income	4.296	4.045	4.166	3.844
Auction (repossessed) items	51.083	10.377	10.999	10.377
Other assets *	32.222	21.107	29.483	15.331
Cheques clearing account	14.272	12.617	14.272	12.617
Total other assets	**101.873**	**48.146**	**58.920**	**42.169**

* In Other asset (Group & Bank) for 31 December 2008, there are also included additional recoverable contributions to the Hellenic Deposit Guarantee & Investment Fund (according to the provision of Law 3746/09), amounting to € 11.758 thousand.

Auction (repossessed) items

Auction (repossessed) items are accounted as stocks in accordance with IAS 2 and this is an active programme of disposing of them.

	Group		Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
Balance at 1st January	10.377	9.456	10.377	9.456
Additions	46.002	1.804	1.832	1.804
Impairment	(3.173)	-	(175)	-
Disposals and write - offs	(2.123)	(883)	(1.035)	(883)
	51.083	**10.377**	**10.999**	**10.377**

24. Due to other banks

	Group		Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
Items in course of payment	104.465	65.397	104.465	65.397
Deposits from other banks	1.895.384	1.003.800	1.895.384	1.003.800
	1.999.849	**1.069.197**	**1.999.849**	**1.069.197**
Included in the amounts due to other banks are amounts due to:				
- Parent, fellow subsidiary and affiliate undertakings	1.695.285	1.024.070	1.695.285	1.024.070

25. Due to customers

	Group		Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
Savings and current accounts	1.258.004	1.435.110	1.259.972	1.438.912
Term deposits and repurchase agreements	1.276.802	1.318.461	1.278.317	1.318.939
	2.534.806	**2.753.571**	**2.538.289**	**2.757.851**

26. Subordinated debt

The Bank issued on 18 December 2006 a subordinated (bonded) loan amounting to € 125 million. The (bonded) loan has been wholly placed to Societe Generale. The tenor of the loan is 10 years with fixed interest rate of 4,46% for the first five years and floating rate for the remaining years. The loan is callable after five years.

27. Provisions

a) Provisions for litigations cases (personnel)

	Group		Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
Balance at 1st January	1.421	2.597	1.341	2.517
Additions	978	231	978	231
Utilised during the year	(617)	(1.407)	(617)	(1.407)
Write off	(32)	-	(32)	-
	1.750	**1.421**	**1.670**	**1.341**

b) Provisions for other legal actions

	Group		Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
Balance at 1st January	3.605	7.152	3.461	6.772
Additions	189	150	35	150
Utilised during the year	(2.239)	(1.059)	(2.239)	(919)
Write off	-	(2.638)	-	(2.542)
	1.555	**3.605**	**1.257**	**3.461**

Total of Provisions	**3.305**	**5.026**	**2.927**	**4.802**

28. Staff leaving indemnity provision

	Group		Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
Balance at 1st January	20.666	20.557	20.431	20.391
Current cost	1.302	1.415	1.190	1.316
Interest expense (unwinding of discount)	1.458	1.352	1.442	1.339
Recognised actuarial losses	213	315	213	315
Used provisions for exited employees	(3.596)	(2.973)	(3.538)	(2.930)
	20.043	**20.666**	**19.738**	**20.431**

The amount recognised in the consolidated balance sheet are determined as follows:

	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-06 €' 000	31-Dec-05 €' 000
Present value of unfunded obligations	25.669	26.505	28.098	24.490
Unrecognised actuarial losses	(5.626)	(5.839)	(7.541)	(3.731)
Liability in the balance sheet	**20.043**	**20.666**	**20.557**	**20.759**

The amount recognised in the balance sheet of the bank are determined as follows:

	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-06 €' 000	31-Dec-05 €' 000
Present value of unfunded obligations	25.361	26.267	27.897	24.334
Unrecognised actuarial losses	(5.623)	(5.836)	(7.506)	(3.738)
Liability in the balance sheet	**19.738**	**20.431**	**20.391**	**20.596**

Staff leaving idemnity provision is calculated in accordance with the stipulations of law 2112/20. The Bank considers all benefits of employees with over than 15 years of service as vested.

	2007	
Demographic and financial assumptions	Bank	Subsidiaries
Long term inflation rate	2,50%	2,00%
Employee turnover	1,42%	1,42%
Discount rate	5,31%	5,70%

The last year of performing an external actuarial study was 2007. The figures for 2008 are based on current cost, interest cost, recognition of actuarial losses booked in 2008 on the basis of 2007 study.

29. Other liabilities

	Group		Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
Current tax liabilities	335	1	-	1
Deferred income and accrued expenses	7.638	7.542	7.591	7.420
Other liabilities	40.352	52.225	37.740	47.000
	48.325	**59.768**	**45.331**	**54.421**

Finance leasing

The financial lease contracts, where the group or the bank is the lessee, are cancelable at the Group's and Bank's request with a purchase option at the carrying amount of the related obligation.

During the year 2008 the Group exercised the purchased option with a carying amount of € 5,5 million. There is no effect in the income statement from the exercise of the option.

30. Deferred income tax

Deferred income taxes are calculated on all temporary differences under the liability method using effective tax rate of 20%.

Because of a series of years with tax losses the Group and the Bank have stopped the recognition of additional deferred tax asset.

The carrying amount of deferred tax asset has been tested for impairment. In accordance with the impairment test performed it is expected that the carrying amount will be recovered in future years during which, on the basis of the current budget future taxable profits are expected.

The movement on the deferred income tax account is as follows:

	Group		Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
Balance at 1st January	58.223	58.556	56.406	56.406
Income statement credit	(11.939)	(334)	(12.307)	-
	46.284	**58.223**	**44.099**	**56.406**

Deferred income tax assets and liabilities are attributable to the following items:

Deferred income tax assets

	Group		Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
Tax loss carried forward	-	1.450	-	1.450
Allowance for impairment on loans & advances to customers	27.355	46.419	25.216	44.648
Defined benefits obligations	3.948	5.108	3.948	5.108
Loans commissions and other adjustments to loans	17.952	10.414	17.952	10.414
Provisions for other risks	631	2.557	585	2.511
Derinvatives & financial instruments	283	(1.853)	283	(1.853)
Fixed assets	(4.666)	(7.800)	(4.666)	(7.800)
Other differences	781	1.928	781	1.928
	46.284	**58.223**	**44.099**	**56.406**

The Group and the Bank have a contigent asset amounting as at 31 December 2008 and 31 December 2007 to € 10.406 thousand and € 10.251 thousand respectively. This figure represents the ceiling of this contigent asset.

Tax Loss Year	2008	2007	2008	2007
Carried Forward until	2013	2012	2013	2012
Tax Loss carried forward	39.056	-	39.056	-
Tax Loss for the year	12.977	39.056	12.199	39.056
Cummulative tax loss	**52.033**	**39.056**	**51.255**	**39.056**
Deferred tax asset corresponding to the tax loss carried forward derecognised	7.811	-	7.811	-
Deferred tax asset corresponding to the tax loss for the year	2.595	9.764	2.440	9.764
Deferred tax asset recognised	-	1.450	-	1.450
Contigent deferred tax asset	**10.406**	**8.314**	**10.251**	**8.314**

* See Note 40 " Post balance sheet events"

31. Share capital, share premium

a) Share capital

	31-Dec-08		31-Dec-07	
	Number of shares issued & fully paid	**€' 000**	**Number of shares issued & fully paid**	**€' 000**
At 1st January	110.937.084	118.703	58.387.939	336.898
Capital stock decrease with par value share decrease from € 5,77 to € 1,07 & set off prior year losses.	-	-	58.387.939	(274.423)
Capital stock increase with right issue 9/10 & cash paid (par value per share € 1,07).	-	-	52.549.145	56.228
Total	**110.937.084**	**118.703**	**110.937.084**	**118.703**

b) Share premium

	31-Dec-08		31-Dec-07	
	Number of shares issued & fully paid	**€' 000**	**Number of shares issued & fully paid**	**€' 000**
At 1st January	-	215.320	-	62.620
Rights issue 9/10 (paid in cash & issue price € 4 - € 1,07 nominal value = € 2,93)	-	-	52.549.145	153.969
Less: Rights issue expenses		-	-	(1.269)
Other		(3)		
Total		**215.317**		**215.320**

32. Geographical concentration of assets and liabilities

As geographical concentration risk is concerned, the Group is mainly active in Greece. For management information purposes Greece as a whole is considered as one geographical region.

33. a) Consolidated operating lease commitments

The obligations of the Group (as lessee) from leases relate to the occupancy of premises and vehicles used for its operations. The duration of leases varies from 9 to 12 years with an option to renew or extend their duration at the agreement of both counterparties.

The future minimum lease payments for operating leases are as follows:

	Land and buildings 31-Dec-08 € ' 000	Furniture equipment vehicles 31-Dec-08 € ' 000	Land and buildings 31-Dec-07 € ' 000	Furniture equipment vehicles 31-Dec-07 € ' 000
- not later than 1 year	9.259	292	8.788	270
- later than one year and not later than 5 years	24.009	425	28.778	305
- later than 5 years	13.734	-	14.361	-
Total	**47.002**	**717**	**51.927**	**575**

The total expenses of the Group for real estate leases for 2008 amount to € 9.808 (2007: € 9.199) thousand and are included in administration expenses.

b) Bank's operating lease commitments

The obligations of the Bank (as lessee) from leases relate to the occupancy of premises and vehicles used for its operations. The duration of leases varies from 9 to 12 years with an option to renew or extend their duration at the agreement of both counterparties. Lease payments are usually adjusted annually on the basis of the consumer inflation index. Bank policy is to renew such contracts.

The future minimum lease payments for operating leases are as follows:

	Land and buildings 31-Dec-08 € ' 000	Furniture equipment vehicles 31-Dec-08 € ' 000	Land and buildings 31-Dec-07 € ' 000	Furniture equipment vehicles 31-Dec-07 € ' 000
- not later than 1 year	8.871	292	8.437	270
- later than one year and not later than 5 years	22.458	425	27.374	305
- later than 5 years	13.346	-	13.659	-
Total	**44.675**	**717**	**49.470**	**575**

The total expenses of the Bank for real estate leases for 2008 amount to € 9.446 (2007: € 8.858) thousand and are included in administration expenses.

34. Contigent liabilities and commitments

	Group		Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
Contingent liabilities :				
Guarantees				
- guarantees and standby letters of credit	431.944	565.664	431.944	565.664
- other guarantees low and medium risk	524.909	263.678	524.909	263.678
Documentary credits	7.049	9.836	5.776	4.886
	963.902	**839.178**	**962.629**	**834.228**
Commitments :				
Capital expenditure	- *	15.267	- *	15.267

** There are no material capital expenditure commitments*

Legal cases

Pending litigation cases against the Group and the Bank are not expected to have a significant impact on its financial position and future operation.

Tax issues

See note 12 on income tax and note 5 "Estimations and judgments".

Social security issues

The employees of Geniki Bank are socially secured in IKA – ETAM (main pension) and as a result the stipulations of Law 3371/2005 relating to the transfer of employees to IKA-ETAM do not have any effect to the Bank.

The employees of the Bank have set-up without any participation of the Bank in the set-up, management and administration, a supplementary fund (ΤΑΠΓΤΕ) for supplementary pension and lump-sum payments at retirement.

The persons insured in the supplementary fund decided to apply for the integration of their fund to ETAT. The Bank has been called by ETAT and filed substantiated objections. ETAT taking into consideration the position of the Bank refrained from taking a decision, although duly responsible, and transferred the issue to the Ministry of Employment and Social Protection and to the Ministry of Economy and Finance. The Ministry of Economy and Finance has assigned the preparation of the related economic study to a company. The assignment of the study is independent of the decision to integrate the fund to ETAT.

It is noted that in accordance with the court decisions:

1. It has been decided in courts of law, at an ultimate degree, that the insurance of Geniki Bank employees to the ΤΑΠΓΤΕ is not compulsory.

2.It has been decided by two different first instance courts that ΤΑΠΓΤΕ is a self-managed association that has been established without the participation of Geniki Bank and that the Bank has not undertaken any obligation to the fund and in particular has not undertaken the maintenance of its actuarial base.

As a result of the above no provision has been booked in the accounts of the bank

Contigent liabilities and probable, remote liabilities

The amount of pending litigation cases and other legal actions against the Bank & the Group is € 181,3 mil. and € 285,7 respectively, for which no provision is created for them because there is estimated that they will not be realised.

35. Consolidated business segmentation

Segmented reporting

Segment information is presented in respect of the Group's business segments. Business segments are based on the group's management and internal reporting structure. This is an early adoption of IFRS 8 with comparative figures for 2007 under the same method.Geniki Bank only activates into Greek Market so, there is no information about geographic areas (countries, according to paragraph 105 IFRS 8).

Operating segments meeting the quantitative thresholds set by IFRS 8 have not been aggregated. Other segments below the thresholds have been presented on an aggregated basis. Management primarily relies on net interest revenue, not the gross revenue and expenses amounts, in managing the Group's business segments. Therefore, as per IFRS 8.13 & 8.23, only the net amount is disclosed. Business segments pay and receive interest to and from the Central Treasury on an arm's length basis to reflect the allocation of capital and funding costs. Cost sharing is based on the allocation of common overhead costs to business segments on a reasonable basis.

Business segments

The Group comprises the following six main business segments:

a) Corporate & Investment banking: Includes loans, deposits and other transactions with large enterprises and more specifically products like open account, business loans, working capital in euro or foreign currency, multi-optional loan for business' premises, fixed assets-financing in euro or foreign currency, letters of guarantee and letters of credit, import and export operations, sight accounts, time deposits, repos, and other investment programs.

b) Small & Medium Size Enterprises: Includes loans, deposits, and other transactions and balances with small and medium size enterprises. The products offered are almost the same as the ones offered to Corporate & Investment Banking segment, but the pricing, servicing of the customer and the way of promoting being totally different, it is considered and followed by the management in a different segment.

c) Retail Banking: Includes loans, deposits and other transactions with individuals, professionals and very small businesses. More specifically, the products offered are business loans and working capital for very small businesses and professionals, consumer loans, personal loans, open credits, loans for car's purchase, loans for stocks' buying, loans for buying of mutual funds' shares, fixed or floating mortgage loans, mortgage loans with protection, savings accounts in local and foreign currency, special saving accounts linked with ECB rate, time deposits, current deposits with or without overdraft, payroll accounts.

d) Custody: With individuals, mutual funds, securities and investment companies as customers, custody holds in safekeeping assets such as equities and bonds, arrange settlement of any purchases and sales of such securities, collect income from such assets (dividends in the case of equities and interest in the case of bonds), offers a wide variety of products such as time deposits, current accounts and repos, remittances, bonds of the Hellenic and Foreign Public etc.

e) Treasury: Undertakes the Group's funding and centralized market risk management activities through borrowings, issues of debt securities, use of derivatives for risk management purposes and investing in liquid assets such as short term placements and corporate and government debt securities.

f) All other segments: Includes bank's transactions which are not included in any of the previous mentioned segments (leasing, insurance brokerage, management of capital and other accounts etc.)

35. Consolidated business segmentation (continue)

31-Dec-08

	Corporate & Investment Banking € ' 000	Small & Medium Size Enterprises € ' 000	Retail Banking € ' 000	Treasury € ' 000	Custody € ' 000	All Other Segments € ' 000	Total € ' 000
Revenue from external customers							
Net interest income	8.912	17.955	94.655	8.297	98	12.808	**142.725**
Net fee and commission income	7.164	5.966	18.602	-	4.369	(2.110)	**33.991**
Other operating income	-	104	-	638	22	16.509	**17.273**
Total segmented revenue	**16.076**	**24.025**	**113.257**	**8.935**	**4.489**	**27.207**	**193.989**
Segmented result	5.788	(5.101)	(53.391)	6.924	2.150	21.339	**(22.291)**
Income tax expenses							**(15.171)**
Net Profit after tax							**(37.462)**
Reportable segment gross loans	1.366.171	642.476	2.037.414	-	-	335.314	**4.381.375**
Reportable segment deposits	313.292	118.782	2.074.743	-	-	27.989	**2.534.806**
Depreciation & amortization	(433)	(1.728)	(11.157)	(85)	-	(1.409)	**(14.812)**

31-Dec-07

	Corporate & Investment Banking € ' 000	Small & Medium Size Enterprises € ' 000	Retail Banking € ' 000	Treasury € ' 000	Custody € ' 000	All Other Segments € ' 000	Total € ' 000
Revenue from external customers							
Net interest income	14.301	19.699	84.641	4.121	134	9.351	**132.247**
Net fee and commission income	4.854	5.551	17.458	-	5.196	2	**33.061**
Other operating income	-	-	-	723	31	4.909	**5.663**
Total segmented revenue	**19.155**	**25.250**	**102.099**	**4.844**	**5.361**	**14.262**	**170.971**
Segmented result	6.553	(10.402)	(52.872)	3.280	3.016	12.397	**(38.028)**
Income tax expenses							**(5.602)**
Net Profit after tax							**(43.630)**
Reportable segment gross loans	862.074	675.629	1.868.623	-	-	176.676	**3.583.002**
Reportable segment deposits	349.650	200.576	2.157.907	-	-	45.438	**2.753.571**
Depreciation & amortization	(380)	(1.990)	(9.778)	(128)	(199)	(1.511)	**(13.986)**

36. Credit risk

A. Maximum exposure to credit risk before collateral held or other credit enhancements

A1. Credit risk exposure relating to on balance sheet assets are as follows:

		Maximum exposure		Maximum exposure	
		Group		Bank	
		31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
A1.1	**Treasury bills and other eligible bills**	-	-	-	-
A1.2	**Loans and advances to banks**	**69.560**	**320.764**	**69.485**	**320.681**
A1.3	**Loans and advances to customers :**				
	Loans to individuals:				
	– Overdrafts	110	63	110	63
	– Credit cards	259.472	239.517	259.472	239.517
	– Term loans (Consumer loans)	468.371	356.285	468.371	356.285
	– Mortgages	1.162.989	1.042.631	1.162.989	1.042.631
	– Other retail	523.932	448.588	502.686	427.308
	Total loans and advances to customers	**2.414.874**	**2.087.084**	**2.393.628**	**2.065.804**
A1.4	**Loans to corporate entities :**				
	– Large corporate customers	894.178	569.804	1.011.732	664.147
	– Small and medium size enterprises (SMEs)	900.525	782.833	835.106	700.349
	– Other	171.798	143.280	171.798	143.280
	Total loans to corporate entities	**1.966.501**	**1.495.917**	**2.018.636**	**1.507.776**
A1.5	**Investment securities :**				
	– Debt securities	408.045	327.581	408.045	327.581
	Total Investment securities	**408.045**	**327.581**	**408.045**	**327.581**
	of which pledged	**337.566**	**57.000**	**337.566**	**57.000**
A1.6	**Other Assets**	**101.873**	**48.146**	**58.920**	**42.169**

A2. Credit risk exposures relating to off-balance sheet items are as follows:

		Maximum exposure		Maximum exposure	
		Group		Bank	
		31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
A2.1	**Financial guarantees**	**956.853**	**829.341**	**956.853**	**829.341**

The Bank's and Group's exposure in market risk is insignificant.

Credit Risk (continue)

B. Loans and advances

B1. Loans and advances (Group) are summarised as follows:	**31-Dec-08 *€' 000* Loans and advances to customers**	**31-Dec-08 *€' 000* Loans and advances to banks**	**31-Dec-07 *€' 000* Loans and advances to customers**	**31-Dec-07 *€' 000* Loans and advances to banks**
Neither past due nor impaired	3.341.172	69.560	2.694.703	320.764
Past due but not impaired	449.855	-	341.505	-
Impaired	590.348	-	546.794	-
Gross	**4.381.375**	**69.560**	**3.583.002**	**320.764**
Less: allowance for impairment	(271.009)	-	(279.346)	-
Less: allowance for losses on finance leases	(8.850)	-	(7.115)	-
Net	**4.101.516**	**69.560**	**3.296.541**	**320.764**
Revaluation of hedged items - macro-hedge	6.674	-	507	-
Revaluation of hedged items - micro-hedge	778	-	(2.858)	-
Total loans and advances to customers, net	**4.108.968**	**69.560**	**3.294.190**	**320.764**

B2. Loans and advances (Bank) are summarised as follows:

	31-Dec-08 *€' 000* Loans and advances to customers	**31-Dec-08 *€' 000* Loans and advances to banks**	**31-Dec-07 *€' 000* Loans and advances to customers**	**31-Dec-07 *€' 000* Loans and advances to banks**
Neither past due nor impaired	3.444.142	69.485	2.764.400	320.681
Past due but not impaired	410.371	-	301.525	-
Impaired	557.751	-	507.655	
Gross	**4.412.264**	**69.485**	**3.573.580**	**320.681**
Less: allowance for impairment	(271.009)	-	(279.346)	-
Net	**4.141.255**	**69.485**	**3.294.234**	**320.681**
Revaluation of hedged items - macro-hedge	6.674	-	507	-
Revaluation of hedged items - micro-hedge	778	-	(2.858)	-
Total loans and advances to customers, net	**4.148.707**	**69.485**	**3.291.883**	**320.681**

Housing loans with embedded interest rate guarantees are macro-hedged (collar). The above metnioned amount has been reflected in the Income statement of the Bank and the Group under Financial operations results.

Individually impaired loans for the Bank & the Group as at 31 December 2008 amounted to € 152.315 thousand & € 158.024 thousand respectively (€ 196.599 and € 198.928 thousand respectively as at 31.12.2007).

Loans and advances (continue)

B3. Allowance for losses on loan and advances by class as follows :

	Group		Bank	
	31-Dec-08 €' 000	**31-Dec-07 €' 000**	**31-Dec-08 €' 000**	**31-Dec-07 €' 000**
(a) Retail Customers				
Balance at 1 January	119.390	91.383	119.390	91.383
Impairment losses on loans and advances charged in the year	36.747	28.007	36.747	28.007
	156.137	**119.390**	**156.137**	**119.390**
(b) Non - retail customers				
Balance at 1 January	167.071	205.403	159.956	197.453
Impairment losses on loans and advances charged in the year	27.209	28.439	23.011	27.516
Recoveries on allowances on doubtful loans	(11.038)	(14.196)	(8.575)	(14.012)
Loans written off during the year as uncollectible financial instruments	(59.520)	(52.575)	(59.520)	(51.001)
	123.722	**167.071**	**114.872**	**159.956**

	Group		Bank	
	31-Dec-08 €' 000	**31-Dec-07 €' 000**	**31-Dec-08 €' 000**	**31-Dec-07 €' 000**
Impairment losses on loans and advances charged in the year	63.956	56.446	59.758	55.523
Recoveries on allowances on doubtful loans	(11.038)	(14.196)	(8.575)	(14.012)
Loans written off & not covered by provisions - commercial risks	337	870	337	870
Recoveries of loans written - off commercial risks	(2.130)	(1.044)	(2.130)	(1.044)
	51.125	**42.076**	**49.390**	**41.337**

IFRS interest on the unwinding of the provisions is booked in Loans as per Bank's and Group's accounitng policy and it amounts to € 8.729 thousand for the period 1/1/2008 to 31/12/2008 (€ 9.712 thousand for the period 1/1/2007 to 31/12/2007).

The fair value of Loans with remaining maturity more than one year and a fixed interest rate is € 819.539 thousand for year 2008 with a carrying amount of € 840.662 thousand (2007 € 724.813 with a carrying amount of € 746.199 thousand).

Loans and advances (continue)

B4. Analysis of loan portfolio neither past due nor impaired by reference to the standard rating

B4.1 Analysis of Group's loan portfolio neither past due nor impaired by reference to the standard rating of the Group

For the year ended 31 December 2008

	RETAIL				NON RETAIL			
	Credit Cards € '000	Mortgages € '000	Term € '000	Other € '000	Large clients € '000	SME's € '000	Other € '000	TOTAL € '000
Grades								
Non rated	148.162	863.135	274.594	338.842	-	-	-	**1.624.733**
Investment grade	-	-	-	-	853.879	658.332	171.059	**1.683.270**
Sensitive	-	-	-	-	9.895	22.535	739	**33.169**
	148.162	**863.135**	**274.594**	**338.842**	**863.774**	**680.867**	**171.798**	**3.341.172**

For the year ended 31 December 2007

	RETAIL				NON RETAIL			
	Credit Cards € '000	Mortgages € '000	Term € '000	Other € '000	Large clients € '000	SME's € '000	Other € '000	TOTAL € '000
Grades								
Non rated	136.074	817.124	230.724	291.775	-	-	-	**1.475.697**
Investment grade	-	-	-	-	545.468	592.366	63.959	**1.201.793**
Sensitive	-	-	-	-	8.954	8.200	59	**17.213**
	136.074	**817.124**	**230.724**	**291.775**	**554.422**	**600.566**	**64.018**	**2.694.703**

B4. Analysis of loan portfolio neither past due nor impaired by reference to the standard rating (continue)

B4.2 Analysis of Bank's loan portfolio neither past due nor impaired by reference to the standard rating of the Bank

	For the year ended 31 December 2008							
	RETAIL				NON RETAIL			
	Credit Cards € '000	Mortgages € '000	Term € '000	Other € '000	Large clients € '000	SME's € '000	Other € '000	TOTAL € '000
Grades								
Non rated	148.162	863.135	274.594	332.726	-	-	-	**1.618.617**
Investment grade	-	-	-	-	987.285	634.012	171.059	**1.792.356**
Sensitive	-	-	-	-	9.895	22.535	739	**33.169**
	148.162	**863.135**	**274.594**	**332.726**	**997.180**	**656.547**	**171.798**	**3.444.142**

	For the year ended 31 December 2007							
	RETAIL				NON RETAIL			
	Credit Cards € '000	Mortgages € '000	Term € '000	Other € '000	Large clients € '000	SME's € '000	Other € '000	TOTAL € '000
Grades								
Non rated	136.074	817.124	230.724	283.747	-	-	-	**1.467.669**
Investment grade	-	-	-	-	670.117	545.442	63.959	**1.279.518**
Sensitive	-	-	-	-	8.954	8.200	59	**17.213**
	136.074	**817.124**	**230.724**	**283.747**	**679.071**	**553.642**	**64.018**	**2.764.400**

B5. Analysis of loan portfolio past due but not impaired

B5.1 Analysis of Group's loan portfolio past due but not impaired

For the year ended 31 December 2008

	RETAIL				NON RETAIL			
	Credit Cards € '000	Mortgages € '000	Term € '000	Other € '000	Large clients € '000	SME's € '000	Other € '000	Total € '000
Past due up to 30 days	24.010	110.880	54.134	30.766	16.198	24.453	-	**260.441**
Past due 30 to 60 days	8.871	49.952	30.470	10.226	517	15.304	-	**115.340**
Past due 60 to 90 days	4.352	22.628	15.222	10.594	10.134	11.144	-	**74.074**
	37.233	**183.460**	**99.826**	**51.586**	**26.849**	**50.901**	**-**	**449.855**

For the year ended 31 December 2007

	RETAIL				NON RETAIL			
	Credit Cards € '000	Mortgages € '000	Term € '000	Other € '000	Large clients € '000	SME's € '000	Other € '000	Total € '000
Past due up to 30 days	21.120	99.331	36.926	14.678	2.494	19.119	-	**193.668**
Past due 30 to 60 days	7.050	35.119	17.847	11.741	5.287	11.675	-	**88.719**
Past due 60 to 90 days	3.536	20.965	10.918	8.736	52	14.911	-	**59.118**
	31.706	**155.415**	**65.691**	**35.155**	**7.833**	**45.705**	**-**	**341.505**

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B5. Analysis of loan portfolio past due but not impaired (continue)

B5.2 Analysis of Bank's loan portfolio past due but not impaired

For the year ended 31 December 2008

	RETAIL				NON RETAIL			
	Credit Cards € '000	**Mortgages € '000**	**Term € '000**	**Other € '000**	**Large clients € '000**	**SME's € '000**	**Other € '000**	**Total € '000**
Past due up to 30 days	24.010	110.880	54.134	27.868	2.606	17.309	-	**236.807**
Past due 30 to 60 days	8.871	49.952	30.470	9.288	98	6.764	-	**105.443**
Past due 60 to 90 days	4.352	22.628	15.222	9.518	10.134	6.267	-	**68.121**
	37.233	**183.460**	**99.826**	**46.674**	**12.838**	**30.340**	**-**	**410.371**

For the year ended 31 December 2007

	RETAIL				NON RETAIL			
	Credit Cards € '000	**Mortgages € '000**	**Term € '000**	**Other € '000**	**Large clients € '000**	**SME's € '000**	**Other € '000**	**Total € '000**
Past due up to 30 days	21.120	99.331	36.926	12.246	749	11.060	-	**181.432**
Past due 30 to 60 days	7.050	35.119	17.847	5.394	218	1.961	-	**67.589**
Past due 60 to 90 days	3.536	20.965	10.918	6.731	52	10.302	-	**52.504**
	31.706	**155.415**	**65.691**	**24.371**	**1.019**	**23.323**	**-**	**301.525**

B6. Bank's and Group's debt securities, treasury bills and other eligible bills

	31-Dec-08		
	AFS Bonds €' 000	AFS Equity Shares €' 000	Total €' 000
External Rate *			
A-	402.456	-	402.456
BBB	2.170	-	2.170
BBB+	3.419	-	3.419
Unrated	-	5.224	5.224
	408.045	**5.224**	**413.269**

	31-Dec-07		
	AFS Bonds €' 000	AFS Equity Shares €' 000	Total €' 000
External Rate *			
A	318.260	-	318.260
A-	2.988	-	2.988
BBB+	6.333	-	6.333
Unrated	-	5.284	5.284
	327.581	**5.284**	**332.865**

** The external rate is based on Standard's and Poor's investment rating.*

B7. Concentration of risks of financial assets with credit risk exposure

B7.1 The following table breaks down the Group's main credit exposure at their carrying amounts, as categorised by the industry sectors or our counterparties

Credit risk exposure relating to on balance sheet assets are as follows:

	For the year ended 31 December 2008										
	Bank	Public	Agriculture & Food Manufacturing	Capital goods	Intermediary goods & materials	Trade	Construction	Financial Services	Other	Individuals	Total
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
a) Treasury bills and other eligible bills	-	-	-	-	-	-	-	-	-	-	-
b) Loans and advances to banks	**69.560**	-	-	-	-	-	-				**69.560**
c) Loans and advances to customers :											
Loans to individuals:											
– Overdrafts	-	-	-	-	-	-	-	-	-	110	110
– Credit cards	-	-	-	-	-	-	-	-	-	259.472	259.472
– Term loans (Consumer loans)	-	-	-	-	-	-	-	-	-	468.371	468.371
– Mortgages	-	-	-	-	-	-	-	-	-	1.162.989	1.162.989
– Other retail	-	-	-	-	-	-		-	-	523.932	523.932
Total loans to individuals	-	-	-	-	-	-	-	-	-	**2.414.874**	**2.414.874**
d) Loans to corporate entities :											
– Large corporate customers	-	12.425	64.453	97.720	136.795	173.047	111.863	-	297.875	-	894.178
– Small and medium size enterprises (SMEs)	-	-	73.527	35.309	175.931	356.587	96.385	5.876	156.910	-	900.525
– Other	-	-	-	-	-	-	-	-	171.798	-	171.798
Total loans to corporate entities	-	**12.425**	**137.980**	**133.029**	**312.726**	**529.634**	**208.248**	**5.876**	**626.583**	-	**1.966.501**
e) Derivative financial instruments	**8.996**	-	-	-	-	-	-	-	-	-	**8.996**
f) Financial assets designated at fair value:											
– Debt securities	-	-	-	-	-	-	-	-	-	-	-
– Loans and advances to banks	-	-	-	-	-	-	-	-	-	-	-
– Loans and advances to customers	-	-	-	-	-	-	-	-	-	-	-
Total financial assets designated at fair value :	-	-	-	-	-	-	-	-	-	-	-
g) Investment securities - Debt securities	**5.735**	**402.310**	-	-	-	-	-	-	-	-	**408.045**
of which pledged assets	-	337.566	-	-	-	-	-	-	-	-	337.566
h) Other assets	-		-	-	-	-	-	-	-	**101.873**	**101.873**
Total as at 31 December 2008	**84.291**	**414.735**	**137.980**	**133.029**	**312.726**	**529.634**	**208.248**	**5.876**	**626.583**	**2.516.747**	**4.969.849**
Total as at 31 December 2007	**344.198**	**330.625**	**134.625**	**155.749**	**201.339**	**422.477**	**133.014**	**30.154**	**454.340**	**2.087.084**	**4.293.605**

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B7. **Concentration of risks of financial assets with credit risk exposure**

B7.2 **The following table breaks down the Bank's main credit exposure at their carrying amounts, as categorised by the industry sectors or our counterparties**

Credit risk exposure relating to on balance sheet assets are as follows:

	For the year ended 31 December 2008										
	Bank	**Public**	**Agriculture & Food Manufacturing**	**Capital goods**	**Intermediary goods & materials**	**Trade**	**Construction**	**Financial Services**	**Other**	**Individuals**	**Total**
	€ '000	**€ '000**	**€ '000**	**€ '000**	**€ '000**	**€ '000**	**€ '000**	**€ '000**	**€ '000**	**€ '000**	**€ '000**
a) Treasury bills and other eligible bills	-	-	-	-	-	-	-	-	-	-	-
b) Loans and advances to banks	**69.485**	-	-	-	-	-	-				**69.485**
c) Loans and advances to customers :											
Loans to individuals:											
– Overdrafts	-	-	-	-	-	-	-	-	-	110	110
– Credit cards	-	-	-	-	-	-	-	-	-	259.472	259.472
– Term loans (Consumer loans)	-	-	-	-	-	-	-	-	-	468.371	468.371
– Mortgages	-	-	-	-	-	-	-	-	-	1.162.989	1.162.989
– Other retail	-	-	-	-	-	-	-	-	-	502.686	502.686
Total loans to individuals	-	-	-	-	-	-	-	-	-	**2.393.628**	**2.393.628**
d) Loans to corporate entities :											
– Large corporate customers	-	12.425	64.450	97.720	105.222	150.730	111.618	170.640	298.927	-	1.011.732
– Small and medium size enterprises (SMEs)	-	-	67.339	32.127	159.540	324.077	89.980	5.876	156.167	-	835.106
– Other	-	-	-	-	-	-	-	-	171.798	-	171.798
Total loans to corporate entities	-	**12.425**	**131.789**	**129.847**	**264.762**	**474.807**	**201.598**	**176.516**	**626.892**	-	**2.018.636**
e) Derivative financial instruments	**8.996**	-	-	-	-	-	-	-	-	-	**8.996**
f) Financial assets designated at fair value:											
– Debt securities	-	-	-	-	-	-	-	-	-	-	-
– Loans and advances to banks	-	-	-	-	-	-	-	-	-	-	-
– Loans and advances to customers	-	-	-	-	-	-	-	-	-	-	-
Total financial assets designated at fair value :	-	-	-	-	-	-	-	-	-	-	-
g) Investment securities - Debt securities	**5.735**	**402.310**	-	-	-	-	-	-	-	-	**408.045**
of which pledged assets	-	337.566	-	-	-	-	-	-	-	-	337.566
h) Other assets	-		-	-	-	-	-	-	-	**58.920**	**58.920**
Total as at 31 December 2008	**84.216**	**414.735**	**131.789**	**129.847**	**264.762**	**474.807**	**201.598**	**176.516**	**626.892**	**2.452.548**	**4.957.710**
Total as at 31 December 2007	**344.115**	**330.625**	**128.358**	**152.071**	**130.260**	**356.590**	**125.775**	**197.409**	**447.117**	**2.065.804**	**4.278.124**

37. a) Consolidated currency risk

The table below summarises the Group's exposure to foreign currency exchange rate risk at 31 December 2008 and 31 December 2007. Included in the table are the Group's assets and liabilities at carrying amounts, categorised by currency.

	31-Dec-08			
	EURO €' 000	USD €' 000	OTHER €' 000	Total €' 000
Assets				
Cash and balances with central bank	103.781	193	80	104.054
Due from banks	12.789	38.334	18.437	69.560
Derivative financial instruments	8.767	125	104	8.996
Loans and advances to customers, net	4.042.609	61.387	4.972	4.108.968
Investment securities - available for sale	413.267	2	-	413.269
Investment in associate undertakings	743	-	-	743
Intangible assets	9.696	-	-	9.696
Property, plant and equipment	103.706	-	-	103.706
Deferred income tax assets	46.284	-	-	46.284
Other assets	101.310	551	12	101.873
Total assets	**4.842.952**	**100.592**	**23.605**	**4.967.149**
Liabilities				
Due to banks	1.917.109	62.775	19.965	1.999.849
Due to customers	2.419.576	70.745	44.485	2.534.806
Derivative financial instruments	9.459	14	7	9.480
Subordinated debt	125.201	-	-	125.201
Provisions for staff benefits	20.043	-	-	20.043
Risks & charges provisions	3.305	-	-	3.305
Other liabilities	48.338	(13)	-	48.325
Total liabilities	**4.543.031**	**133.521**	**64.457**	**4.741.009**
Net on balance sheet position	**299.921**	**(32.929)**	**(40.852)**	**226.140**
Off balance sheet net notional position	261.149	40.292	41.309	342.750
Contingent liabilities and commitments (note 34)	781.237	142.777	39.888	963.902

	31-Dec-07			
	EURO €' 000	USD €' 000	OTHER €' 000	Total €' 000
Net on balance sheet position	300.415	9.315	(9.652)	300.078
Off balance sheet net notional position	434.129	(52)	9.874	443.951

The measurement of Currency Risk sensitivity of the Group Balance Sheet items in respect to a parallel shift of 1 % in foreign currecncy rates showed no material effect on the net Asset position of the Group.

37. b) Bank currency risk

The table below summarises the Bank's exposure to foreign currency exchange rate risk at 31 December 2008 and 31 December 2007. Included in the table are the Bank's assets and liabilities at carrying amounts, categorised by currency.

	31-Dec-08			
	EURO €' 000	**USD €' 000**	**OTHER €' 000**	**Total €' 000**
Assets				
Cash and balances with central bank	103.778	193	80	104.051
Due from banks	12.714	38.334	18.437	69.485
Derivative financial instruments	8.767	125	104	8.996
Loans and advances to customers, net	4.082.348	61.387	4.972	4.148.707
Investment securities - available for sale	413.267	2	-	413.269
Investment in subsidiaries	12.444	-	-	12.444
Investment in associate undertakings	990	-	-	990
Intangible assets	9.598	-	-	9.598
Property, plant and equipment	102.428	-	-	102.428
Deferred income tax assets	44.099	-	-	44.099
Other assets	58.358	551	11	58.920
Total assets	**4.848.791**	**100.592**	**23.604**	**4.972.987**
Liabilities				
Due to banks	1.917.109	62.775	19.965	1.999.849
Due to customers	2.423.059	70.745	44.485	2.538.289
Derivative financial instruments	9.459	14	7	9.480
Subordinated debt	125.201	-	-	125.201
Provisions for staff benefits	19.738	-	-	19.738
Risks & charges provisions	2.927	-	-	2.927
Other liabilities	45.344	(13)	-	45.331
Total liabilities	**4.542.837**	**133.521**	**64.457**	**4.740.815**
Net on balance sheet position	**305.954**	**(32.929)**	**(40.853)**	**232.172**
Off balance sheet net notional position	261.149	40.292	41.309	342.750
Contingent liabilities and commitments (note 34)	779.964	142.777	39.888	962.629

	31-Dec-07			
	EURO €' 000	**USD €' 000**	**OTHER €' 000**	**Total €' 000**
Net on balance sheet position	302.560	9.316	(9.652)	302.224
Off balance sheet net notional position	434.129	(52)	9.874	443.951

The measurement of Currency Risk sensitivity of the Bank Balance Sheet items in respect to a parallel shift of 1 % in foreign currecncy rates showed no material effect on the net Asset position of the Bank.

38. a) Consolidated Interest rate risk

The Group's Asset Liability Management Department quantifies the Group's exposure to interest rate risk by analyzing all fixed rate assets and liabilities in Euro and Foreign currencies with future maturities identifying any gaps in fixed rate position. The measurement of Interest Rate Risk is realized by the estimation of the Sensitivity of the Group's Balance Sheet items which is defined as the variation in the Net Present Value of fixed-rate position corresponding to a parallel shift of 1% in the yield curve.

As at end of December 2008, Geniki Group's global sensitivity to interest rate risk reached - € 2.162 thousand (2007 : + € 477 thousand) remaining, as always, within the Société Générale set limit of € 15.000 thousand.

The following recapitulative table presents the indicators which explain the 2008 and 2007 Geniki Group Balance Sheet position :

	31-Dec-08				
	Sensitivity (€' 000)	**Sensitivity (%)**	**Duration (in years)**	**Survey date outstanding amounts**	**Sensitivity / Total balance sheet (%)**
Net Sensitivity all currencies	(2.162)	-	-	-	-
Liabilities	38.623	0,801%	0,854	4.967.147	-0,04%
Assets	(40.784)	0,853%	0,974	(4.967.147)	-

	31-Dec-07				
	Sensitivity (€' 000)	**Sensitivity (%)**	**Duration (in years)**	**Survey date outstanding amounts**	**Sensitivity / Total balance sheet (%)**
Net Sensitivity all currencies	477	-			
Liabilities	44.589	1,090%	1,176	4.334.438	0,01%
Assets	(44.112)	1,083%	1,182	(4.334.438)	

38. b) Bank Interest rate risk

The Bank's Asset Liability Management Department quantifies the Bank's exposure to interest rate risk by analyzing all fixed rate assets and liabilities in Euro and Foreign currencies with future maturities identifying any gaps in fixed rate position. The measurement of Interest Rate Risk is realized by the estimation of the Sensitivity of the Bank's Balance Sheet items which is defined as the variation in the Net Present Value of fixed-rate position corresponding to a parallel shift of 1% in the yield curve.

As at end of December 2008, Geniki Bank's global sensitivity to interest rate risk reached - € 657 thousand (2007 : + € 538 thousand) remaining, as always, within the Société Générale set limit of € 15.000 thousand.

The following recapitulative tables presents the indicators which explain the 2008 and 2007 Geniki Bank Balance Sheet position :

	31-Dec-08				
	Sensitivity (€' 000)	**Sensitivity (%)**	**Duration (in years)**	**Survey date outstanding amounts**	**Sensitivity / Total balance sheet (%)**
Net Sensitivity all currencies	(657)	-	-	-	-
Liabilities	38.798	0,804%	0,857	4.972.989	0,01%
Assets	(39.455)	0,823%	0,943	(4.972.989)	-

	31-Dec-07				
	Sensitivity (€' 000)	**Sensitivity (%)**	**Duration (in years)**	**Survey date outstanding amounts**	**Sensitivity / Total balance sheet (%)**
Net Sensitivity all currencies	538	-	-	-	-
Liabilities	44.598	1,090%	1,176	4.335.058	0,01%
Assets	(44.060)	1,083%	1,182	(4.335.058)	

39. a) Consolidated maturity of assets and liabilities

The table below analyses the Group's assets and liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

	31-Dec-08					
	Up to 1 month €' 000	1 - 3 months €' 000	3 - 12 months €' 000	1 - 5 years €' 000	Over 5 years €' 000	Total €' 000
Assets						
Cash and balances with central bank	104.054	-	-	-	-	104.054
Due from banks	34.809	28.665	6.064	-	22	69.560
Derivative financial instruments	643	120	27	207	7.999	8.996
Loans and advances to customers, net	1.722.456	63.254	241.402	1.396.513	1.326.706	4.750.331
Investment securities - available for sale	14.880	70	17.402	89.274	430.171	551.797
Investment in associate undertakings	-	-	-	-	743	743
Intangible assets	-	-	-	-	9.696	9.696
Property, plant and equipment	-	-	-	-	103.706	103.706
Deferred income tax assets	-	-	-	46.284	-	46.284
Other assets	50.089	-	40.084	11.700	-	101.873
Total assets	**1.926.931**	**92.109**	**304.979**	**1.543.978**	**1.879.043**	**5.747.040**
Liabilities						
Due to banks	1.190.056	266.794	105.246	-	437.753	1.999.849
Due to customers	1.951.892	413.527	169.377	10	-	2.534.806
Derivative financial instruments	1.590	1.332	1.510	3.445	1.603	9.480
Subordinated debt	-	-	5.575	136.150	-	141.725
Provisions for staff benefits	-	-	-	-	20.043	20.043
Risks & charges provisions	-	-	-	3.305	-	3.305
Other liabilities	48.325	-	-	-	-	48.325
Total liabilities	**3.191.863**	**681.653**	**281.708**	**142.910**	**459.399**	**4.757.533**
Net liquidity gap	**(1.264.932)**	**(589.544)**	**23.271**	**1.401.068**	**1.419.644**	**989.507**

	31-Dec-07					
	Up to 1 month €' 000	1 - 3 months €' 000	3 - 12 months €' 000	1 - 5 years €' 000	Over 5 years €' 000	Total €' 000
Total assets	1.885.960	100.017	248.020	1.106.821	1.715.833	5.056.651
Total liabilities	2.722.255	458.595	216.147	154.483	505.180	4.056.660
	(836.295)	**(358.578)**	**31.873**	**952.338**	**1.210.653**	**999.991**

39. a) Consolidated maturity of assets and liabilities (continue)

Financial leases operations of the Group, (mainly buildings & cars), are included in Loans and advances to customers and are analysed in maturity groupings as follows :

The future minimum lease payments for operating leases are as follows:

	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
	31-Dec-08	31-Dec-08	31-Dec-07	31-Dec-07
	€' 000	€' 000	€' 000	€' 000
- not later than 1 year	36.812	30.838	39.772	29.150
- later than one year and not later than 5 years	78.776	70.831	96.309	65.726
- later than 5 years	56.299	39.135	111.363	81.800
Total	**171.887**	**140.804**	**247.444**	**176.676**
Less : future finance charges	31.083	-	70.768	-
Minimum lease payments	140.804	140.804	176.676	176.676

39. b) Bank maturity of assets and liabilities

The table below analyses the Bank's assets and liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

	31-Dec-08					
	Up to 1 month €' 000	1 - 3 months €' 000	3 - 12 months €' 000	1 - 5 years €' 000	Over 5 years €' 000	Total €' 000
Assets						
Cash and balances with central bank	104.051	-	-	-	-	104.051
Due from banks	34.734	28.665	6.064	-	22	69.485
Derivative financial instruments	643	120	27	207	7.999	8.996
Loans and advances to customers, net	1.720.619	57.246	386.723	1.332.014	1.293.457	4.790.059
Investment securities - available for sale	14.880	70	17.402	89.274	430.171	551.797
Investment in subsidiaries	-	-	-	-	12.444	12.444
Investment in associate undertakings	-	-	-	-	990	990
Intangible assets	-	-	-	-	9.598	9.598
Property, plant and equipment	-	-	-	-	102.428	102.428
Deferred income tax assets	-	-	-	44.099	-	44.099
Other assets	47.220	-	-	11.700	-	58.920
Total assets	**1.922.147**	**86.101**	**410.216**	**1.477.294**	**1.857.109**	**5.752.867**
Liabilities						
Due to banks	1.190.056	266.794	105.246	-	437.753	1.999.849
Due to customers	1.955.375	413.527	169.377	10	-	2.538.289
Derivative financial instruments	1.590	1.332	1.510	3.445	1.603	9.480
Subordinated debt	-	-	5.575	136.150	-	141.725
Provisions for staff benefits	-	-	-	-	19.738	19.738
Risks & charges provisions	-	-	-	2.927	-	2.927
Other liabilities	45.331	-	-	-	-	45.331
Total liabilities	**3.192.352**	**681.653**	**281.708**	**142.532**	**459.094**	**4.757.339**
Net liquidity gap	**(1.270.205)**	**(595.552)**	**128.508**	**1.334.762**	**1.398.015**	**995.528**

	31-Dec-07					
	Up to 1 month €' 000	1 - 3 months €' 000	3 - 12 months €' 000	1 - 5 years €' 000	Over 5 years €' 000	Total €' 000
Total assets	1.868.467	96.869	232.651	1.209.305	1.649.980	5.057.272
Total liabilities	2.721.121	458.663	216.146	154.259	504.945	4.055.134
	(852.654)	**(361.794)**	**16.505**	**1.055.046**	**1.145.035**	**1.002.138**

40. Post balance sheet events

The Bank has initially decided to participate in all three actions of the Greek Government Liquidity Support Plan. In this connection an exceptional General Assembly of Shareholders, held in January 2009, decided a share capital increase with the issuance of EUR 150m preference shares in favour of the Greek State.

The Greek Authorities adjusted some of the criteria on which the proposal of the BoD and the above-mentioned decision of the General Assembly had been based. As a result the BoD of the Bank has decided to propose to the General Assembly of Shareholders to abandon the issuance of preference shares and to proceed to a share capital increase, amounting to EUR 175.7m, which will be covered by the ordinary shareholders of the Bank. The underwriting risk will be undertaken by our parent entity, Societe Generale. Thus, the Bank is meeting all capital requirements for participating in the Greek Government Liquidity Support Plan. In this connection the Bank has already obtained a liquidity enhancement of EUR 158m.

Due to the above mentioned Share Capital Increase the Deffered Tax Contigent Asset will be reassessed.

41. Related parties transactions

Parent and ultimate controlling party

The ultimate controlling party of the Group and the Bank is Societe Generale S.A. which is incorporated in France. Societe Generale Group holds 52,33% of the ordinary shares of the Bank.

Related parties transactions

In the below table there are included the intercompanies transactions of Geniki Bank with Societe Generale (Group) and also the intercompanies transactions of Geniki Bank with Societe Generale and with its subsidiaries (Bank). All transactions with related parties are performed at arm's length terms conditions.

	Group		Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
Assets				
Due from banks	19.122	26.438	19.122	26.438
Loans and advances to customers	-	-	171.692	167.255
Derivative financial instruments	4.751	5.165	4.751	5.165
Other assets	-	-	223	348
Total	**23.873**	**31.603**	**195.788**	**199.206**
Liabilities				
Due to banks	1.695.285	1.024.270	1.695.285	1.024.070
Due to customers	-	-	3.483	4.280
Derivative financial instruments	3.530	-	3.530	-
Subordinated debt	125.201	125.201	125.201	125.201
Other liabilities	450	-	2.064	1.392
Total	**1.824.466**	**1.149.471**	**1.829.563**	**1.154.943**

	Group		Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
Income				
Interest and similar income	4.089	2.485	13.160	9.304
Commissions income	1.546	908	2.231	1.608
Dividend income	-	-	339	216
Financial operations results	149	-	149	-
Other operating income	-	-	97	104
Total	**5.784**	**3.393**	**15.976**	**11.232**
Expenses				
Interest and similar expenses	63.165	41.392	63.251	41.479
Commission expenses	1.200	-	1.362	128
Financial operations results	4.067	-	4.067	-
Other administrative expenses	2.966	2.527	10.869	8.491
Total	**71.398**	**43.919**	**79.549**	**50.098**

41. Related parties transactions (continue)

Guarantees issued to related parties as 31.12.2008 were amounting to € 255.961 thousands (€ 158.969 thousands as at 31.12.2007).

The remuneration of the Board of Directors (BoD) members and General Managers of the Group and the Bank, for the period ended 31 December 2008, amounted to € 2.166 thousand (2007 € 2.168 thousand) and € 1.521 thousand (2007 € 1.502 thousand), respectively.

The outstanding loans granted to BoD members or to General Managers of the Group and the Bank amounted to € 65 thousand (2007 € 29 thousand) ; their deposits amounted to € 447 thousand (2007 € 474 thousand) as at 31 December 2008.

42. Regulatory ratios

The Bank's objectives when managing capital, which is a broader concept than the "equity" on the face of balance sheets are :

a) To comply with the capital requirements set by the regulators of the banking markets.

b) To safeguard the Bank's ability to continue as a going concern.

c) To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored regularly by the Bank's mamagement, employing techniques based on the guidelines developed by the Basel Committee and the European Community Directives, as implemented by Bank of Greece, for supervisory purposes. The required information is filed with the Authority on a quartely basis.

The Bank's regulatory capital is divided into two tiers :

a) Tier 1 capital : share capital (net of any book values of the treasury shares), retained earnings and reserves created by appropriations of retained earnings. The book value of goodwill and intagible assets, is deducted in arriving at Tier 1 capital; and

b) Tier 2 capital : mainly qualifing subordinated loan capital.

The risk - weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of - and reflecting an estimate of credit, risks associated with - each asset and counterparty.

Table below summarises the composition of regulatory capital and the ratios of the Group and the Bank for the year ended 31 December 2008 and 31 December 2007.

	Group		Bank	
	31-Dec-08 €' 000	31-Dec-07 €' 000	31-Dec-08 €' 000	31-Dec-07 €' 000
Tier 1 capital				
Regulatory reserves	(69.771)	(37.053)	(66.918)	(34.906)
Share capital (net of the treasury shares)	118.703	118.703	118.703	118.703
Share premium	215.317	215.320	215.317	215.320
Less : claims for subordinated loans involved in Tier 2 capital x 50%	-	-	-	(2.935)
Less: intagible assets	(9.696)	(11.439)	(9.599)	(11.278)
Less: other	(3.249)	-	(3.249)	-
Total qualifing Tier 1 capital	**251.304**	**285.531**	**254.254**	**284.904**
Tier 2 capital				
Lower Tier 2 capital	125.000	125.201	125.000	125.201
Less : claims for subordinated loans involved in Tier 2 capital x 50%	-	-	-	(2.935)
Total qualifing Tier 2 capital	**125.000**	**125.201**	**125.000**	**122.266**
Total regulatory capital	**376.304**	**410.732**	**379.254**	**407.170**
Total risk -weighted assets	**4.422.644**	**3.449.622**	**4.426.682**	**3.497.427**
Basel ratio	**8,51%**	**11,91%**	**8,57%**	**11,64%**
Liquity ratio	**16,50%**	**19,70%**	**16,50%**	**19,70%**

GENIKI Bank

43. Board of directors

The Board of Directors of the Bank is the following:

Koutalidis Tryfon	Chairman (Non Executive)
Siakavellas Elias	Vice chairman (Non Executive)
Patrick Couste	The Managing Director
Emmanuel Martin	Executive Director
Georgopoulos Dimitrios	Executive Director
Jean Didier Reigner	Non Executive
Eric Bellaiche	Non Executive
Jean Louis Mattei	Non Executive
Kalyvas Elias	Non Executive
Akkas Christos	Independent Non - Executive Member
Gouloussis Dimitrios	Independent Non - Executive Member

The Chairman of Board of Directors	**The Managing Director**	**The Chief Financial Officer**	**The Deputy Chief Financial Officer**
TRYFON J. KOUTALIDIS	PATRICK COUSTE	NIKOLAOS C. PATERAKIS	VASSILIKI K. ROULIA

GENERAL BANK OF GREECE S.A.

Financial information from 1 January 2008 to 31 December 2008. (Published in accordance with the provision of Law 2190/20 article 135 for entities which redact annual consolidated & solo financial statements under International Financial Reporting Standards)

(amounts in ΄000 euro)

The Company

Registered Office:	109-111 Messogion Avenue, Athens
Societe Anonyme Register Number (A.R.M.A.E.):	6073/06/B/86/12
Prefecture	Prefecture of Athens
Date of BoD approval	26 March 2009
Certified Public Accountant:	Michalis E. Karavas (No. Reg. SOEL 13371)
Audit Company:	Deloitte. Hadjipavlou, Sofianos, Cambanis S.A. Assurance & Advisory Services
Type of audit report:	Unqualified Opinion
Audit report date:	27 March 2009
Internet address:	www.geniki.gr

Elements of balance sheet

	GROUP		BANK	
	31.12.2008	**31.12.2007**	**31.12.2008**	**31.12.2007**
ASSETS				
Cash and balances with central bank	104.054	128.406	104.051	128.391
Due from banks	69.560	320.764	69.485	320.681
Derivative financial instruments	8.996	14.113	8.996	14.113
Loans and advances to customers, net	4.108.968	3.294.190	4.148.707	3.291.883
Investment securities - available for sale	413.269	332.865	413.269	332.865
Investment to subsidiaries	-	-	12.444	12.369
Investment in associate undertakings	743	743	990	990
Intangible assets	9.696	11.439	9.598	11.278
Property, plant and equipment	103.706	125.549	102.428	123.913
Deferred income tax assets	46.284	58.223	44.099	56.406
Other assets	101.873	48.146	58.920	42.169
TOTAL ASSETS	**4.967.149**	**4.334.438**	**4.972.987**	**4.335.058**
LIABILITIES				
Due to banks	1.999.849	1.069.197	1.999.849	1.069.197
Due to customers	2.534.806	2.753.571	2.538.289	2.757.851
Derivative financial instruments	9.480	931	9.480	931
Subordinated debt	125.201	125.201	125.201	125.201
Provisions for staff benefits	20.043	20.666	19.738	20.431
Risks & charges provisions	3.305	5.026	2.927	4.802
Other liabilities	48.325	59.768	45.331	54.421
TOTAL LIABILITIES	**4.741.009**	**4.034.360**	**4.740.815**	**4.032.834**
EQUITY				
Share capital	118.703	118.703	118.703	118.703
Share premium	215.317	215.320	215.317	215.320
Other reserves and retained earnings	(107.880)	(33.945)	(101.848)	(31.799)
Total equity	**226.140**	**300.078**	**232.172**	**302.224**
TOTAL EQUITY AND LIABILITIES	**4.967.149**	**4.334.438**	**4.972.987**	**4.335.058**

Elements of income statement

	GROUP		BANK	
	01.01-31.12.2008	**01.01-31.12.2007**	**01.01-31.12.2008**	**01.01-31.12.2007**
Interest and similar income	288.055	243.824	286.481	240.364
Interest expense and similar charges	(145.330)	(111.577)	(145.416)	(111.664)
Net interest income	142.725	132.247	141.065	128.700
Fee and commission income	41.336	36.959	41.899	37.364
Fee and commission expense	(7.345)	(3.898)	(7.397)	(3.911)
Net fee and commission income	33.991	33.061	34.502	33.453
Dividend income	825	59	1.164	275
Financial operations results	(863)	592	(861)	598
Other operating income	17.311	5.012	14.403	2.052
Gross Operating income	193.989	170.971	190.273	165.078
Cost of risk	(51.125)	(42.076)	(49.390)	(41.337)
Cost of other risk	(1.451)	2.085	1.700	1.945
Staff costs and related expenses	(95.486)	(100.702)	(90.078)	(95.419)
Administration expenses	(53.406)	(54.320)	(56.562)	(54.946)
Depreciation and amortization	(14.812)	(13.986)	(14.435)	(13.579)
Operating expenses	(216.280)	(208.999)	(208.765)	(203.336)
Profit / loss before income tax	(22.291)	(38.028)	(18.492)	(38.258)
Income Tax Expense	(15.171)	(5.602)	(15.084)	(2.101)
Profit / (loss) for the period	(37.462)	(43.630)	(33.576)	(40.359)
Attributable to : Equity shareholders	(37.462)	(43.630)	(33.576)	(40.359)
Earnings per share (in euro)				
- Basic and dilluted	(0,3377)	(0,3933)	(0,3027)	(0,3638)

Financial information which results from the condensed financial statements and is presented below provide a summary picture of the financial position and results of Geniki Bank and its Group. So, we advise the reader, before proceeding to any kind of investment decision or other transaction with the Bank or the Group, to visit the site of Geniki Bank (www.geniki.gr) where the IFRS financial statements are posted, together with the auditors report.

Members of the Board of Directors

Non-Executive Members

Koutalidis Tryfon	Chairman of the Board of Directors
Siakavelas Elias	Vice chairman
Jean Louis Mattei	
Jean Didier Reigner	
Kalyvas Elias	
Eric Bellaiche	

Executive Members

Patrick Couste	Managing Director
Emmanuel Martin	Executive Director
Dimitrios Georgopoulos	Executive Director

Independent non-executive members

Akkas Christos
Gouloussis Dimitrios

Consolidated companies

Full consolidation method:	HQs	% participation	Non tax audited years
GENERAL INSURANCE AGENCY S.A.	GREECE	100%	2007-2008
GENIKI FINANCE S.A.	GREECE	100%	2007-2008
GENERAL CARDS & FINANCIAL SERVICES S.A.	GREECE	100%	2007-2008
GENIKI LEASING S.A.	GREECE	100%	2003-2008
GBG FINANCE P.L.C. (S.P.V.)	UNITED KINGDOM	100%	2001-2008
Equity consolidation method:			
GENAP S.A. (under liquidation)	GREECE	100%	2003-2008

Elements of changes in equity

	GROUP		BANK	
	01.01-31.12.2008	**01.01-31.12.2007**	**01.01-31.12.2008**	**01.01-31.12.2007**
Shareholders equity at the beginning of the year	300.078	131.888	302.224	130.763
Movement				
Share Capital increase	-	208.928	-	208.928
Revaluation of AFS securities	(36.287)	2.766	(36.287)	2.766
Recycled to P & L	(269)	-	(269)	-
Profit/Loss for the year after tax	(37.462)	(43.630)	(33.576)	(40.359)
Other	80	126	80	126
Shareholders equity at the end of the year	**226.140**	**300.078**	**232.172**	**302.224**

Elements of cash flow statement

	GROUP		BANK	
	01.01-31.12.2008	**01.01-31.12.2007**	**01.01-31.12.2008**	**01.01-31.12.2007**
Net cash flow from operating activities	(172.229)	(82.376)	(172.384)	(82.933)
Net cash flow from investing activities	(96.062)	5.310	(95.844)	5.894
Net cash flow from financing activities	(3)	208.928	(3)	208.928
Net increase (decrease) in cash and cash equivalents	(268.294)	131.862	(268.231)	131.889
Foreign exchange (profit) loss on cash and cash equivalents	22	42	22	42
Net increase (decrease) in cash and cash equivalent	**(268.272)**	**131.904**	**(268.209)**	**131.931**
Cash and cash equivalents at the beginning of the year	362.978	231.074	362.880	230.949
Cash and cash equivalents at the end of the year	**94.706**	**362.978**	**94.671**	**362.880**

NOTES

1) The applied accounting principles, are in compliance with IFRS.

2) Geniki Bank is tax audited up to 2004 (inclusive).

The nominal Greek corporate tax rate is 25%. According to the Law 3697/08, a gradual corporate tax rate cut from 25% to 20 % has been enacted (until 2014). This had an impact on the deferred tax asset position of the Bank and Group and the recognition of deferred tax expense amounting to€ 12,3 million and € 11,9 million respectively .

3) Encumbrances on the assets of the Group did not exist as at 31.12.2008

4) Analysis of risks & charges provisions :

	GROUP	BANK
• Litigations or disputes under arbitration	1.750	1.670
• Other	1.555	1.257
• Non - tax audited years	-	-
	3.305	**2.927**

5) The number of the employees of the Bank and the Group on 31.12.2008 was 1.784 and 1.917 respectively. On 31.12.2007 was 1.934 and 2.104 respectively.

6) The balances of the transactions and the related results between the Bank or Group and the associated companies, as they are defined by IAS 24,are as follows:

	GROUP	BANK
Total receivables on 31.12.2008	23.873	195.788
Total liabilities on 31.12.2008	1.824.466	1.829.563
Total income from 01.01 to 31.12.2008	5.784	15.976
Total expenses from 01.01 to 31.12.2008	71.398	79.549

The remuneration of the Board of Directors (BoD) members and General Managers of the Group and the Bank for the year ended 31 December 2008 amounted to € 2.166 thousand (2007 € 2.168 thousand) and € 1.521 thousand (2007 € 1.502 thousand), respectively.

The outstanding loans granted to BoD members or to General Managers of the Group and the Bank for the year ended 31 December 2008 amounted to € 65 thousand (2007 € 29 thousand) ; their deposits for the Group and Bank amounted to € 447 thousand (2007 € 474 thousand).

7) In Other operating income the gain from the sale of the building located at 87 - 89 Ermou St. is included, amounting to € 13,5 million as well as the related brokerage expenses amounting to € 619 thousand.

8) The financial statements of the Geniki Group are included in the consolidated financial statements of the Societe Generale Group S.A., with registered offices in France. Societe Generale S.A. is participating in the equity of Geniki Bank with a percent of 52,33%.

9) During the year 2008 the Group exercised the right to repurchase 5 properties with value€ 5,5 million owned by leasing contracts

10)The Bank has initially decided to participate in all three actions of the Greek Government Liquidity Support Plan. In this connection an exceptional General Assembly of Shareholders, held in January 2009, decided a share capital increase with the issuance of EUR 150m preference shares in favour of the Greek State.

The greek Authorities adjusted some of the criteria on which the proposal of the BoD and the above-mentioned decision of the General Assembly had been based. As a result the BoD of the Bank has decided to propose to the General Assembly of Shareholders to abandon the issuance of preference shares and to proceed to a share capital increase, amounting to EUR 175,7m, which will be covered by the ordinary shareholders of the Bank. The underwriting risk will be undertaken by our parent entity, Societe Generale. Thus, the Bank is meeting all capital requirements for participating in the Greek Government Liquidity Support Plan. In this connection the Bank has already obtained a liquidity enhancement of EUR 158m.

Athens, 26 March 2009

The Chairman of Board of Directors	**The Managing Director**	**The Chief Financial Officer**	**The Deputy Chief Financial Officer**
TRYFON J.KOUTALIDIS	PATRICK COUSTE	NIKOLAOS C.PATERAKIS	VASSILIKI K. ROULIA

GENIKI Bank

Date	Subject	Site
24/01/2008	Corporate Actions Plan for 2008	www. geniki.gr
25/01/2008	Credit Rating of Geniki Bank	www. geniki.gr
05/02/2008	Payroll account with 6% interest rate for all	www. geniki.gr
12/02/2008	New offers from GENIKI Bank for balance transfer of consumer loans & credit cards	www. geniki.gr
22/02/2008	Amendment of Corporate Actions Plan	www. geniki.gr
29/02/2008	Change in Management Position	www. geniki.gr
28/03/2008	GENIKI Group: Financial results for 2007	www. geniki.gr
08/04/2008	Special products for the Albanian community in Greece	www. geniki.gr
18/04/2008	GENIKI Pollaplos: Multiple investment solutions from GENIKI Bank for returns up to 20% on time deposit	www. geniki.gr
23/04/2008	Reschedule of the Corporate Actions Plan for 2008	www. geniki.gr
02/05/2008	Collaboration of GENIKI Bank with ATTIKI ODOS	www. geniki.gr
05/05/2008	New mortgage loans & increases of mortgage and consumer loan interest rates	www. geniki.gr
14/05/2008	Invitation to the Analysts	www. geniki.gr
20/05/2008	Meeting with Analysts	www. geniki.gr
28/05/2008	Invitation of the Annual General Meeting	www. geniki.gr
29/05/2008	Financial results for the 3 months period ended 31March 2008	www. geniki.gr
09/06/2008	Head of Shares Registry Department	www. geniki.gr
11/06/2008	Termination of Ethniki Collective Life Insurance Contract for Consumer loans	www. geniki.gr
25/06/2008	Annual Report 2007	www. geniki.gr
26/06/2008	Resolutions of the A.G.M. of Shareholders 25.06.2008	www. geniki.gr
30/06/2008	GENIKI Bank supports the Aegean Team	www. geniki.gr
03/07/2008	Sale of Building	www. geniki.gr
03/07/2008	Change in Management Position	www. geniki.gr
14/07/2008	Readjustment of deposit and credit interest rates in the products of GENIKI Bank	www. geniki.gr
23/07/2008	New Composition of the board of directors	www. geniki.gr
28/08/2008	Financial results for the 6 month period ended 30 June 2008	www. geniki.gr
18/09/2008	G-Club neon	www. geniki.gr
07/10/2008	Readjustment of credit interest rates	www. geniki.gr
17/10/2008	New super-deposit programs from GENIKI Bank	www. geniki.gr
17/10/2008	New privileged sight account from GENIKI Bank	www. geniki.gr
07/11/2008	Clarification of publication	www. geniki.gr
07/11/2008	Change in management position	www. geniki.gr
14/11/2008	GENIKI Bank participates in the Credit Guarantee Fund of Small & Very Small Enterprises (TEMPME)	www. geniki.gr
27/11/2008	Financial results for the 9 months period ended 30 September 2008	www. geniki.gr
01/12/2008	Change in Management Position	www. geniki.gr
11/12/2008	GENIKI Bank supports the enterprises who have suffered damages	www. geniki.gr