



GENIKI
Bank

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED

30 September 2006

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Interim income statement

	Note	For the quarter ended		For the nine months ended	
		30-September		30-September	
		2006	2005	2006	2005
		€ ' 000	€ ' 000	€ ' 000	€ ' 000
Interest and similar income		52.889	52.386	149.610	144.293
Interest expense and similar charges		(19.761)	(13.853)	(49.868)	(38.112)
Net interest income		33.128	38.533	99.742	106.181
Fee and commission income		6.473	3.274	20.348	20.470
Fee and commission expense		(515)	(555)	(1.463)	(1.299)
Net fee and commission income		5.958	2.719	18.885	19.171
Dividend income		79	4	79	518
Financial operations results		(1.344)	(2.620)	670	2.294
Other operating income		468	443	965	1.312
Gross operating income		38.289	39.079	120.341	129.476
Cost of risk		(10.220)	(5.463)	(48.024)	(8.574)
Staff costs and related expenses		(24.207)	(23.165)	(68.906)	(65.236)
Administration expenses		(14.557)	(13.442)	(42.447)	(40.873)
Depreciation and amortization		(3.362)	(3.131)	(10.131)	(9.681)
Operating expenses		(52.346)	(45.201)	(169.508)	(124.364)
Net operating income		(14.057)	(6.122)	(49.167)	5.112
Profit / (loss) before income tax		(14.057)	(6.122)	(49.167)	5.112
Income tax expense	9	2.869	63	12.777	(2.542)
Profit / (loss) for the period		(11.188)	(6.059)	(36.390)	2.570
Earnings per share (in euro)	6	€	€	€	€
- Basic		(0,19)	(0,12)	(0,62)	0,06

Notes on pages 7 to 9 form an integral part of these condensed interim financial statements

Interim balance sheet

	<u>Note</u>	30-Sep-06 €' 000	31-Dec-05 €' 000
Assets			
Cash and balances with central bank		110.134	105.438
Due from banks		273.922	286.322
Derivative financial instruments		25.032	7.592
Loans and advances to customers, net		2.850.848	2.579.604
Investment securities - available for sale		398.876	260.810
Investment to subsidiaries	7	12.369	8.490
Investment in associate undertakings	7	1.390	1.390
Intangible assets		12.089	13.076
Property, plant and equipment		126.439	124.253
Deferred income tax assets		77.744	65.651
Other assets		35.739	57.488
Total assets		3.924.582	3.510.114
Liabilities			
Due to banks		1.000.489	623.552
Due to customers		2.544.817	2.470.868
Derivative financial instruments		16.203	3.574
Subordinated debt		99.967	99.883
Provisions for staff benefits		21.701	20.668
Risks & charges provisions		14.103	17.695
Deferred income tax liabilities		6.266	8.003
Other liabilities		47.462	55.922
Total liabilities		3.751.008	3.300.165
Equity			
Share capital		336.898	336.898
Share premium		62.620	62.620
Other reserves and retained earnings		(225.944)	(189.569)
Total equity		173.574	209.949
Total equity and liabilities		3.924.582	3.510.114

Notes on pages 7 to 9 form an integral part of these condensed interim financial statements

Interim statement of changes in equity

For the nine months ended
30 September 2005

	Share capital € '000	Share premium € '000	Fair value reserves € '000	Other reserves € '000	Retained earnings € '000	Treasury shares € '000	Total equity € '000
Balance at 01.01.2005	240.642	59.644	-	12.393	(130.887)	(724)	181.068
First application of IAS 39 from 1.1.2005	-	-	5.134	-	(55.619)	-	(50.485)
Share capital increase	96.256	2.979	-	-	-	-	99.235
Sale of treasury shares	-	-	-	383	-	724	1.107
Revaluation of AFS securities	-	-	(5.078)	-	-	-	(5.078)
Transfer of reserves	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	2.570	-	2.570
Balance at 30.09.2005	336.898	62.623	56	12.776	(183.936)	-	228.417

For the nine months ended
30 September 2006

	Share capital € '000	Share premium € '000	Fair value reserves €'000	Other reserves €' 000	Retained earnings €' 000	Treasury shares €' 000	Total equity €' 000
Balance at 01.01.2006	336.898	62.620	161	12.399	(202.129)	-	209.949
Revaluation of AFS securities	-	-	15	-	-	-	15
Loss for the period	-	-	-	-	(36.390)	-	(36.390)
Balance at 30.09.2006	336.898	62.620	176	12.399	(238.519)	-	173.574

Interim cash flow statement	For the nine months ended	
	30 September	
	2006	2005
	€' 000	€' 000
Cash flow from operating activities		
Profit / (loss) after tax	(36.390)	2.570
<i>Adjustment for:</i>		
Depreciation of property plant and equipment	8.076	7.790
Depreciation of intangible assets	2.083	1.891
Impairment of loans and advances to customers	48.594	8.574
Provisions for staff benefits	1.096	3.287
Other provisions	(3.593)	-
Deferred income tax	(13.888)	1.762
(Profit) Loss from trading	2.734	(14.415)
(Profit) Loss from sale of fixed assets	(120)	(13)
Foreign exchange (profit) loss on cash and cash equivalents	(796)	-
	7.796	11.446
Net (increase) decrease of assets relating to operating activities		
Due from banks	29.657	(27.282)
Trading portfolio and derivatives	(4.341)	5.000
Loans and advances to customers	(319.837)	(87.591)
Other assets	21.810	17.774
Net increase (decrease) of liabilities relating to operating activities		
Due to banks	376.937	4.922
Due to customers	73.949	(208.589)
Other liabilities	(5.249)	(6.905)
Income tax paid	(3.282)	
Net cash flow from operating activities after taxes	177.440	(291.225)
Cash flow from investing activities		
Purchase of available for sale securities	(217.518)	-
Purchase of property, plant and equipment	(10.472)	(11.717)
Purchase of intangible assets	(1.095)	-
Acquisition of investment in subsidiaries or associates	(3.879)	(119)
Proceeds from sale of investment in associates	-	816
Proceeds from sale of available for sale portfolio	76.267	367.242
Proceeds from sale of fixed assets	330	28
Net cash flow from investing activities	(156.367)	356.250
Cash flow from financing activities		
Repayment of subordinated loan	84	-
Capital Increase	-	99.235
Proceeds from sale of treasury shares	-	1.107
Net Cash flow from financing activities	84	100.342
Foreign exchange (profit) loss on cash and cash equivalents	796	-
Net increase (decrease) in cash and cash equivalents	21.953	165.367
Cash and cash equivalents at the beginning of the period	335.952	139.710
Cash and cash equivalents at the end of the period	357.905	305.077

Selected explanatory notes to the condensed interim financial statements**1. General Information**

Geniki Bank S.A (the "Bank") is active in retail and corporate banking. The Bank is incorporated in Greece and its shares are listed on the Athens Stock Exchange. The Bank operates in Greece.

These condensed interim financial statements were approved by the Board of Directors on 29 November 2006.

2. Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (IFRS) IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the Bank's published annual financial statements as at and for the year ended 31 December 2005.

3. Significant accounting policies

The accounting policies applied by the Bank in these condensed interim financial statements are the same as those applied by the Bank in its published annual financial statements as at and for the year ended 31 December 2005.

4. Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by Management in applying the Bank's accounting policies and the key sources of estimated uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2005.

5. Business segments

The Bank is organized into two main business segments:

- ◆ Retail – Retail banking segment includes individuals and self-employed professionals. Product offering includes deposits (demand, savings, term, repos, swaps), loans (mortgages – consumer), custody services, debit and credit cards.
- ◆ Corporate – Corporate banking segment includes trading entities, traders or legal entities belonging to the public or private sector. Product offering includes deposits (on demand, savings, term, repos, swaps), loans of all types, letters of guarantee, bond loans, derivatives, funds transfer, foreign exchange.

	For the nine months ended 30 September 2006		
	Retail	Corporate	Total
	€' 000	€' 000	€' 000
Revenue	67.384	52.957	120.341
Expenses	(45.578)	(65.775)	(111.353)
Provisions	(19.657)	(28.367)	(48.024)
Depreciation	(4.147)	(5.984)	(10.131)
Net results	(1.998)	(47.169)	(49.167)
Income tax			12.777
Net results after tax			<u>(36.390)</u>

	For the nine months ended 30 September 2005		
	Retail	Corporate	Total
	€' 000	€' 000	€' 000
Revenue	59.894	69.582	129.476
Expenses	(44.095)	(62.014)	(106.109)
Provisions	(3.563)	(5.011)	(8.574)
Depreciation	(4.023)	(5.658)	(9.681)
Net results	8.213	(3.101)	5.112
Income tax			(2.542)
Net results after tax			<u>2.570</u>

6. Earnings 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.

	Measurement unit	For the three months ended 30 September 2006		For the nine months ended 30 September 2006	
		2006	2005	2006	2005
Net profit for period attributable to ordinary shareholders	€' 000	(11.188)	(6.059)	(36.390)	2.570
Weighted average number of ordinary shares in issue	Number of shares	58.387.939	52.404.196	58.387.939	45.305.659
Basic earnings per share	€	(0,19)	(0,12)	(0,62)	0,06

7. Investments in subsidiary and associated undertakings

The Bank acquired directly the 100% of the share capital of the subsidiaries listed below (the Bank already controlled the 100% of the share capital of these subsidiaries indirectly through other subsidiaries):

- a) Geniki Leasing S.A., 1.018.360 shares have been purchased (35%) from General Cards & financial services S.A., another subsidiary of the Bank
- a) General Cards & financial services S.A., 2.200 shares have been purchased (11%) from Geniki Finance S.A., another subsidiary of the Bank

8. Provision for impairment losses on loans and advances to customers

	For the nine months ended 30 September 2006	
	2006 €' 000	2005 €' 000
Balance at 1 January	266.184	201.000
First adoption of IFRS (IAS 39)	-	68.331
Impairment losses on loans and advances charged in the year	48.600	9.383
Loans written off during the year as uncollectible	(30.182)	(41.911)
Foreign exchange difference	(170)	(85)
Balance at 30 September	284.432	236.718

9. Income tax expense

As of 1 January 2006, the nominal Greek corporate rate of tax is reduced from 32% to 29%.
Geniki Bank is tax audited up to 2004 (inclusive).

10. Contingent liabilities and capital expenditure commitments

There were no significant changes in the Bank contingent liabilities and capital expenditure commitments reported in the published annual financial statements as at and for the year ended 31 December 2005, other than the case described below.

Litigation: Arising in the ordinary course of business, the Bank is defendant in certain claims and legal actions. In particular, an entanglement have arised with the Greek Public in relation with third parties debts, amounting to €4 mil. The Bank, preventingly acting, has filed a claim in Greek Courts. In the opinion of the management after consultation with legal counsel, the ultimate disposition of this matter is not expected to have material adverse effect on the financial position of the Bank.

11. Related parties

Parent and ultimate controlling party

The ultimate controlling party of the Bank is Societe Generale S.A. which is incorporated in France. Societe Generale Group holds 52,32% of the ordinary shares of the Bank.

Related party transactions with subsidiaries, associates and affiliates

	30-Sep-06 €' 000	31-Dec-05 €' 000
Assets		
Due from banks	46.538	156.634
Loans and advances to customers	126.224	116.030
Derivative financial instruments	5.041	3.514
Other assets	270	123
Total	178.073	276.301
Liabilities		
Due to banks	676.993	311.030
Due to customers	11.952	13.517
Subordinated debt	100.175	100.000
Other liabilities	2.061	1.287
Total	791.181	425.834
	30-Sep-06 €' 000	30-Sep-05 €' 000
Income		
Interest and similar income	4.514	2.739
Commissions income	383	170
Dividend Income	-	445
Other operating income	250	342
Total	5.147	3.696
Expenses		
Interest and similar expenses	16.839	3.848
Other administrative expenses	4.906	8.617
Total	21.745	12.465

Transactions with key management personnel

The remuneration of the Board of Directors (BoD) members and General Managers of the Bank for the period ended 30 September 2006 amounted to €628 thousand. There were no outstanding loans granted to BoD members or to General Managers of the Bank; their deposits amounted to € 251 thousand as at 30 September 2006.

12. Post balance sheet events

In accordance with a law voted by the Greek Parliament, several types of not taxed reserves (formed by non taxable or specially taxed income) will be subjected to one off taxation. The related payable tax amounts to €2.392 thousand .

13. Comparatives

Certain comparative amounts have been adjusted for compatibility reasons.

14. Hedge accounting

The Bank has implemented hedge accounting for interest rate risk connected with client loans with embedded interest rate collars.

Athens, 29 November 2006

The Chairman of Board of Directors

The Managing Director

The Manager of the Financial Services Division

TRYFON J. KOYTALIDIS

JACQUES C. TOURNEBIZE

EVAGELOS E. SKALIDIS