



CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

30 June 2006

**Geniki Bank S.A.
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REVIEW REPORT
To the Shareholders of GENERAL BANK OF GREECE S.A.

We have reviewed the accompanying condensed interim balance sheet of General Bank of Greece S.A. (the Bank) as of June 30, 2006 and the related condensed interim income statement, cash flows and changes in shareholders equity for the six months ended June 30, 2006 for the Bank. Our review was performed for the six month period as a whole, and did not include the review of the financial information for the three month period from April 1 to June 30, 2006 separately, which are presented in the income statement of the accompanying condensed interim financial statements. These financial statements are the responsibility of the Bank's management. Our responsibility is to issue a report on these condensed interim financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400, as required by the Greek Standards on Auditing. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the condensed interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements for the six months ended June 30, 2006 for the Bank are not presented fairly, in all material respects, in accordance with International Accounting Standards 34 – Interim Financial Reporting.

Athens, August 30, 2006
The Certified Public Accountant

Nicolaos C. Sofianos
Reg. No (ICPA (GR)): 12231

Deloitte

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Interim income statement

	Note	For the quarter ended		For the six months ended	
		30-June		30-June	
		2006	2005	2006	2005
		€ ' 000	€ ' 000	€ ' 000	€ ' 000
Interest and similar income		50,294	47,033	96,721	95,376
Interest expense and similar charges		(15,841)	(11,496)	(30,107)	(24,259)
Net interest income		34,453	35,537	66,614	71,117
Fee and commission income		5,630	5,551	13,875	13,727
Fee and commission expense		(555)	(385)	(948)	(744)
Net fee and commission income		5,075	5,166	12,927	12,983
Dividend income		-	514	-	514
Financial operations results		1,559	7,061	2,014	4,914
Other operating income		153	(330)	497	869
Gross operating income		41,240	47,948	82,052	90,397
Cost of risk		(9,601)	516	(37,804)	(3,111)
Staff costs and related expenses		(22,513)	(21,530)	(44,699)	(42,071)
Administration expenses		(14,267)	(14,523)	(27,890)	(27,431)
Depreciation and amortization		(3,647)	(2,746)	(6,769)	(6,550)
Operating expenses		(50,028)	(38,283)	(117,162)	(79,163)
Net operating income		(8,788)	9,665	(35,110)	11,234
Profit / (loss) before income tax		(8,788)	9,665	(35,110)	11,234
Income tax expense	9	4,159	(2,148)	9,908	(2,605)
Profit / (loss) for the period		(4,629)	7,517	(25,202)	8,629
Earnings per share (in euro)	6	€	€	€	€
- Basic		(0.08)	0.18	(0.43)	0.21

Interim balance sheet

	<u>Note</u>	<u>30-Jun-06</u> <u>€' 000</u>	<u>31-Dec-05</u> <u>€' 000</u>
Assets			
Cash and balances with central bank		112,085	105,438
Due from banks		180,224	286,322
Derivative financial instruments		28,516	7,592
Loans and advances to customers, net		2,762,687	2,579,604
Investment securities - available for sale		244,970	260,810
Investment to subsidiaries	7	12,369	8,490
Investment in associate undertakings	7	1,390	1,390
Intangible assets		12,256	13,076
Property, plant and equipment		126,047	124,253
Deferred income tax assets		73,852	65,651
Other assets		53,111	57,488
Total assets		<u>3,607,507</u>	<u>3,510,114</u>
Liabilities			
Due to banks		641,290	623,552
Due to customers		2,580,364	2,470,868
Derivative financial instruments		18,409	3,574
Subordinated debt		99,922	99,883
Provisions for staff benefits		21,304	20,668
Risks & charges provisions		14,497	17,695
Deferred income tax liabilities		5,264	8,003
Other liabilities		42,383	55,922
Total liabilities		<u>3,423,433</u>	<u>3,300,165</u>
Equity			
Share capital		336,898	336,898
Share premium		62,620	62,620
Other reserves and retained earnings		(215,444)	(189,569)
Total equity		<u>184,074</u>	<u>209,949</u>
Total equity and liabilities		<u>3,607,507</u>	<u>3,510,114</u>

Interim statement of changes in equity**For the six months ended 30 June 2005**

	Share capital	Share premium	Fair value reserves	Other reserves	Retained earnings	Treasury shares	Total equity
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 01.01.2005	240,642	59,643	-	12,393	(130,886)	(724)	181,068
First application of IAS 39 from 1.1.2005	-	-	5,134	-	(55,619)	-	(50,485)
Share capital increase	-	(790)	-	-	-	-	(790)
Sale of treasury shares	-	-	-	383	-	724	1,107
Revaluation of AFS securities	-	-	(6,618)	-	-	-	(6,618)
Transfer of reserves	-	-	-	(969)	969	-	-
Profit for the period	-	-	-	-	8,629	-	8,629
Balance at 30.06.2005	240,642	58,853	(1,484)	11,807	(176,907)	-	132,911

For the six months ended 30 June 2006

	Share capital	Share premium	Fair value reserves	Other reserves	Retained earnings	Treasury shares	Total equity
	€'000	€'000	€000	€ 000	€ 000	€ 000	€ 000
Balance at 01.01.2006	336,898	62,620	161	12,399	(202,129)	-	209,949
Revaluation of AFS securities	-	-	(673)	-	-	-	(673)
Loss for the period	-	-	-	-	(25,202)	-	(25,202)
Balance at 30.06.2006	336,898	62,620	(512)	12,399	(227,331)	-	184,074

Interim cash flow statement	For the six months ended	
	30 June	
	2006	2005
	€ 000	€ 000
Cash flow from operating activities		
Profit / (loss) after tax	(25,202)	8,629
<i>Adjustment for:</i>		
Depreciation of property plant and equipment	5,380	5,214
Depreciation of intangible assets	1,389	1,336
Impairment of loans and advances to customers	37,980	6,049
Provisions for staff benefits	701	931
Other provisions	(3,199)	-
Deferred income tax	(10,718)	2,605
(Profit) Loss from Trading	2,892	(10,016)
(Profit) Loss from sale of fixed assets	(61)	(9)
Foreign exchange (profit) loss on cash and cash equivalents	(553)	-
	8,609	14,739
Net (increase) decrease of assets relating to operating activities		
Due from banks	15,858	7,193
Trading portfolio and derivatives	(5,728)	8,190
Loans and advances to customers	(221,062)	(26,311)
Other assets	4,384	8,921
Net increase (decrease) of liabilities relating to operating activities		
Due to banks	17,738	(121,441)
Due to customers	109,496	(167,348)
Other liabilities	(10,290)	(2,143)
Income tax paid	(3,282)	
Net cash flow from operating activities after taxes	(84,277)	(278,200)
Cash flow from investing activities		
Purchase of available for sale securities	(15,562)	-
Purchase of property, plant and equipment	(7,362)	(5,942)
Purchase of intangible assets	(568)	-
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	27,254	356,137
Proceeds from sale of fixed assets	250	21
	133	350,913
Net cash flow from investing activities		
Cash flow from financing activities		
Repayment of subordinated loan	-	(790)
Proceeds from sale of treasury shares	-	1,107
Net Cash flow from financing activities	-	317
Foreign exchange (profit) loss on cash and cash equivalents	553	-
Net increase (decrease) in cash and cash equivalents	(83,591)	73,030
Cash and cash equivalents at the beginning of the period	335,952	128,903
Cash and cash equivalents at the end of the period	252,361	201,933

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 August 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 six months ended 30 June 2006		
	Retail	Corporate	Total
	€ 000	€ 000	€ 000
Revenue	39,618	42,434	82,052
Expenses	(29,182)	(43,407)	(72,589)
Provisions	(15,197)	(22,607)	(37,804)
Depreciation	(2,721)	(4,048)	(6,769)
Net results	<u>(7,482)</u>	<u>(27,628)</u>	<u>(35,110)</u>
Income tax			9,908
Net results after tax			<u><u>(25,202)</u></u>

	For the six months ended 30 June 2005		
	Retail	Corporate	Total
	€ 000	€ 000	€ 000
Revenue	39,211	51,186	90,397
Expenses	(29,489)	(40,013)	(69,502)
Provisions	(1,320)	(1,791)	(3,111)
Depreciation	(2,779)	(3,771)	(6,550)
Net results	<u>5,623</u>	<u>5,611</u>	<u>11,234</u>
Income tax			(2,605)
Net results after tax			<u><u>8,629</u></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 June 2006		For the six months ended 30 June 2006	
		2006	2005	2006	2005
Net profit for period attributable to ordinary shareholders	€ '000	(4,629)	7,517	(25,202)	8,629
Weighted average number of ordinary shares in issue	Number of shares	58,387,939	41,641,442	58,387,939	41,605,453
Basic earnings per share	€	(0.08)	0.18	(0.43)	0.21

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):

- Geniki Leasing S.A., 1.018.360 shares have been purchased (35%) from General Cards & financial services S.A., another subsidiary of the Bank.
- 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 six months ended 30 June 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	37,808	3,889
Loans written off during the year as uncollectible	-	(36,628)
Balance at 30 June	303,992	236,592

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-Jun-06 € 000	31-Dec-05 € 000
Assets		
Due from banks	27,804	156,634
Loans and advances to customers	121,139	116,030
Derivative financial instruments	6,103	3,514
Other assets	41	123
Total	155,087	276,301
Liabilities		
Due to banks	590,102	311,030
Due to customers	12,421	13,517
Subordinated debt	100,000	100,000
Other liabilities	1,440	1,287
Total	703,963	425,834
	30 June 2006 € 000	30 June 2005 € 000
Income		
Interest and similar income	3,122	1,873
Commissions income	226	100
Dividend Income	-	445
Other operating income	224	245
Total	3,572	2,663
Expenses		
Interest and similar expenses	8,276	2,511
Other administrative expenses	3,443	6,168
Total	11,719	8,679

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 June 2006 amounted to €321 thousand. There were no outstanding loans granted to BoD members or to General Managers of the Bank; their deposits amounted to €339 thousand as at 30 June 2006.

12. Post Balance Sheet events.

There are no balance sheets events for the reporting period.

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 August 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