

Finansbank Overview with Q2 2014 Financial Results

Investor Relations
August 2014

Agenda

NBG Group

Finansbank Overview

Financials

Macroeconomic Indicators

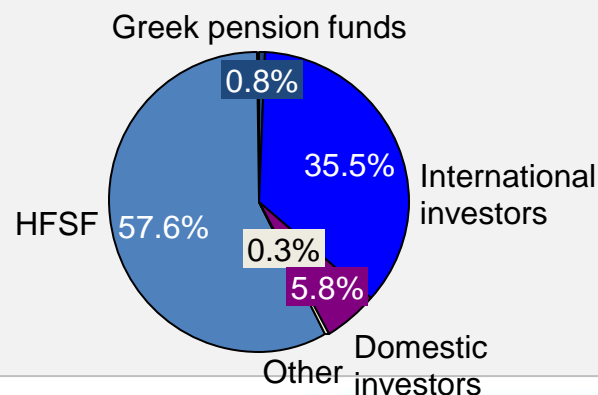
The NBG Group

Corporate information

- The National Bank, with dominant presence in the Greek banking market and strong profile in SE Europe and the Eastern Mediterranean, leads the largest and strongest financial group in Greece
- The Group operates in 12 countries and controls, apart from NBG, 9 banks and 61 companies providing financial and other services, with a workforce of 35,244 employees serving a market of 125 million residents (data as of 31.03.2014).
- It has the widest distribution network of products and services than any other Greek bank abroad (1,235 units) and a domestic network of 531 branches and 1,400 ATMs (data as of 31.03.2014).

Ratings and shareholder structure

	<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>
• Long-term	Caa1	CCC+	B-
• Short-term	NP	C	B
• Financial strength/ Viability	E		b-



Agenda

NBG Group

Finansbank Overview

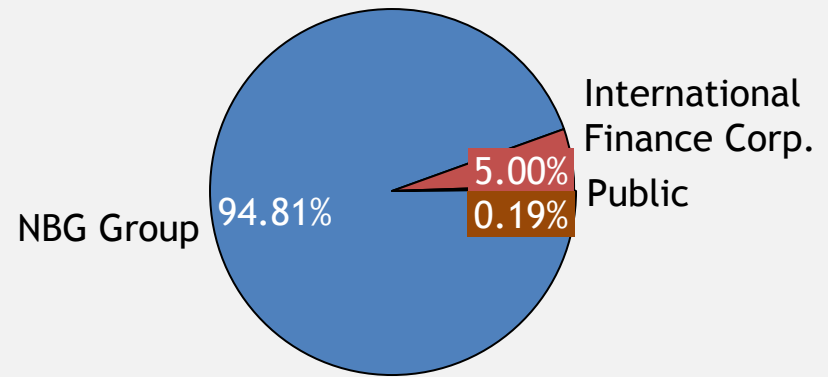
Financials

Macroeconomic Indicators

At a glance

Ratings and shareholder structure

Foreign currency	Moody's	Fitch	CI
• Long-term	Ba2	BBB-	BB+
• Short-term	NP	F3	B



Corporate information

- Turkey's 5th largest private bank with TL 69bn of assets*
- Highest capital adequacy ratio among peer group private banks at 16.8%
- Core Tier 1 ratio is at 12.8%

(Million)	
Paid-in capital	TRY 2,835 (USD 1,335)
Shareholders' equity	TRY 8,049 (USD 3,791)

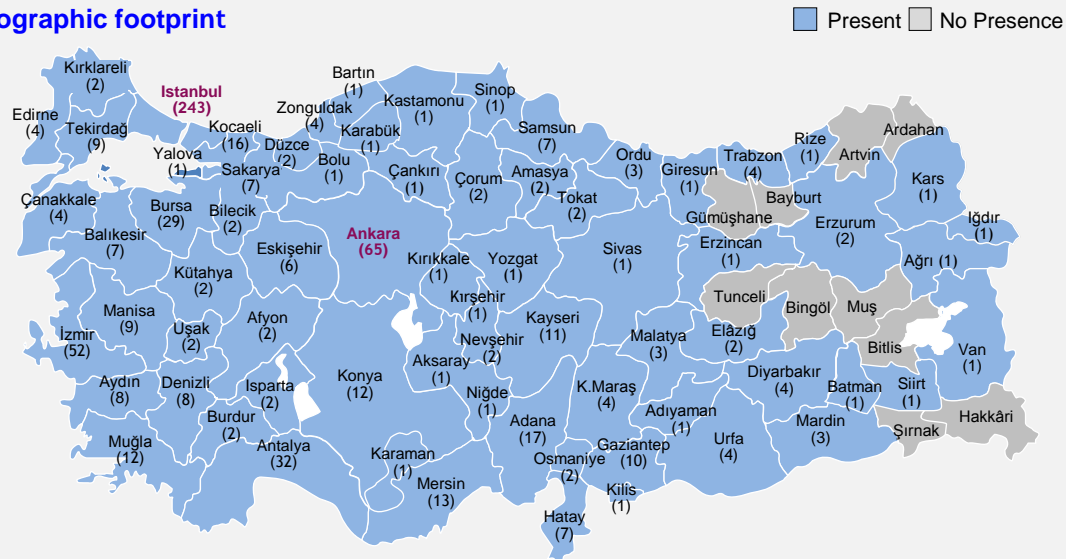
* According to bank only financials

Efficient branch network

- Comprehensive network covering 97% of GDP
- One of the youngest networks: 7.3 years average age
- High branch efficiency: TRY 32.7mn retail loans per branch

	2010	2011	2012	2013	Q2'14
Corporate	4	4	4	4	4
Commercial	5	0	0	0	0
Retail	1	0	0	0	0
Private	0	0	0	12	12
Joint Branch	446	479	569	649	648
In-store	11	7	5	4	4
Collection points	32	29	0	0	0
Free Trade Zone	1	1	1	1	1
International	1	1	1	1	1
Mobile	1	1	1	1	1
Enpara	0	0	1	1	1
Wealth Banking	0	0	0	1	1
Total	502	522	582	674	673

Geographic footprint



Agenda

NBG Group

Finansbank Overview

Financials

Macroeconomic Indicators

H1'14 financial highlights

B/S

- Total assets recorded a 5% expansion YtD and reached TRY 69.3bn after declining 1% in Q2'14
- Net loans increased 7% to reach TRY 45.7bn. SME and commercial loans continued to be the main drivers. Overall non-retail growth reached 20% in H1'14
- Securities portfolio rose 5% QoQ, reversing the 3% contraction in the previous quarter
- Customer deposits declined 6% compared to Q1, bringing the YtD growth down to 2%. Eurobond issued in April and additional wholesale funding substituted for deposits

P&L

- Net interest income declined by 19% YoY to TRY 1,332mn due to elevated interest rates and reclassification of loan filing fees. NIM also came down to 5% from a peak of 7% in H1'13
- Net fees and commissions income recorded a 37% growth, mainly as a result of the reclassification of loan filing fees as mentioned earlier
- Operating expenses were largely under control with a slight 5% increase
- Net income fell 32% YoY but jumped 67% when compared to the previous quarter. The surge is owed to a one-off revenue from the NPL sale

Solid financial performance

B/S

	2013		H1'14	
	USD million	TRY million	USD million	TRY million
• Total assets	30,928	66,010	32,659	69,348
• Securities	4,091	8,731	4,198	8,913
• Loans, net	20,105	42,910	21,541	45,741
• Customer deposits	17,327	36,980	17,715	37,615
• Funds borrowed & issuances	4,337	9,257	5,341	11,341
• Shareholders' equity	3,584	7,648	3,791	8,049

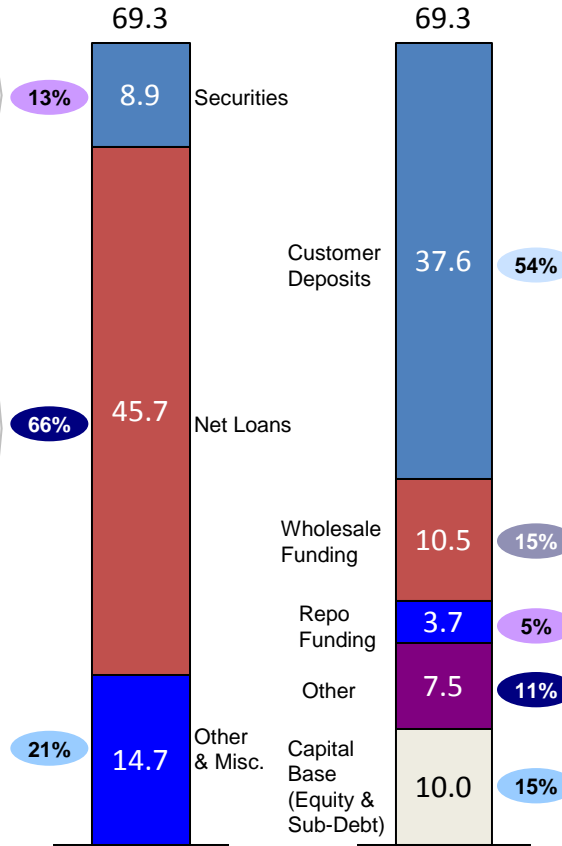
P&L

	H1'13		H1'14	
	USD million	TRY million	USD million	TRY million
• Net interest income	908	1,646	627	1,332
• Provisions	(288)	(523)	(252)	(535)
• Adjusted NII	620	1,124	375	797
• Net fees and commissions	293	531	343	728
• Opex	624	1,133	561	1,190
• Net Income	277	503	162	344

Loan Heavy and Deposit Based Balance Sheet

		Maturity (Remaining)	AFS	TRY	TRY Yield
CPI-linker	46%	6.4 years	34%	100%	10.0%
FRN	24%	4.3 years	100%	100%	10.5%
Fixed	30%	8.9 years	66%	39%	8.1%

		Maturity (Remaining)	Collateral (1)	TRY	TRY Yield	Avg. Ticket Size (TRY'000)
Corporate & Commercial	18%	2.9 years	30%	47%	13.3%	557.6
SME	31%	1.7 years	42%	93%	15.2%	33.2
Mortgage (2)	14%	5.9 years	99%	99%	9.9%	43.1
Consumer	16%	2.2 years	7%	100%	16.3%	5.0
Credit Cards	21%	0.2 years	-	100%	24.6%	0.6



		Maturity	Avg. Ticket Size (TRY'000)	TRY	TRY Cost
Retail	63%	77 days	96.9	70%	10.4%
Corporate	37%	82 days	1,749.6	69%	10.7%

		Maturity (Remaining)	TRY	Cost
Syndication	11%	0.4 years	0%	0.9%
Eurobond	26%	3.4 years	0%	5.7%
TRY bond	18%	0.4 years	100%	10.6%
Post finance	31%	0.9 years	0%	2.0%
Due to banks	11%	0.1 years	20%	3.4%
Securitization	3%	6.4 years	0%	3.7%

		Maturity (Remaining)	TRY	Cost
Sub-debt	19%	7.0 years	0%	4.8%
Equity (3)	81%	n.m.	100%	-

Source: BRSA solo data as of H1'14

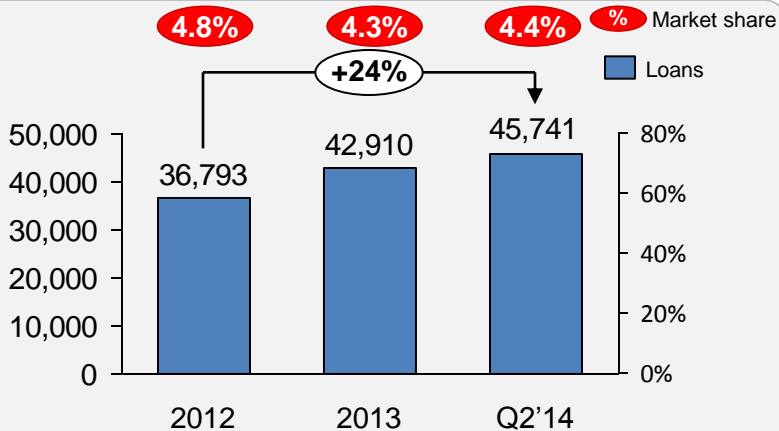
(1) Cash and mortgages

(2) LTV portfolio avg.: 49.9%

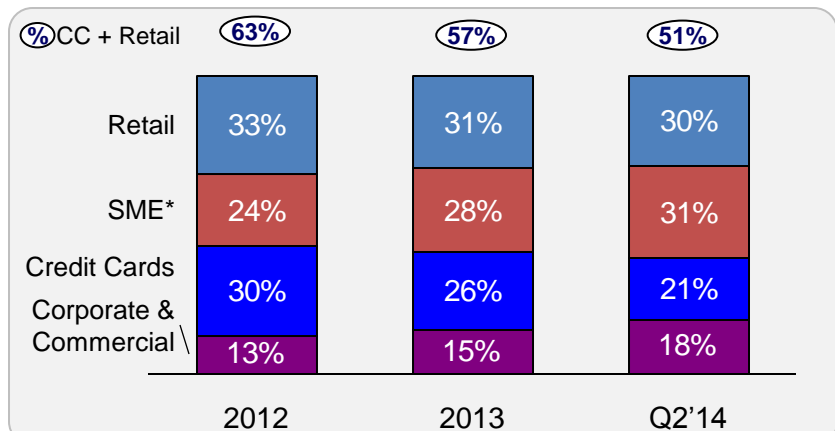
(3) Duration of equity is 2.7 years

Shifting towards SME and commercial segments

Net loans (TRY million)



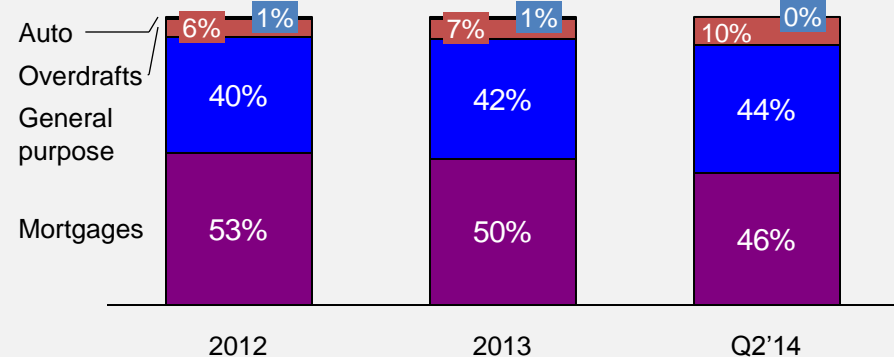
Loan breakdown



Business segmentation (By annual turnover)

- Corporates
> TRY 300mn
- Commercial companies
TRY 20mn-300mn
- SME
TRY 2mn-20mn
- Micro
< TRY 2mn

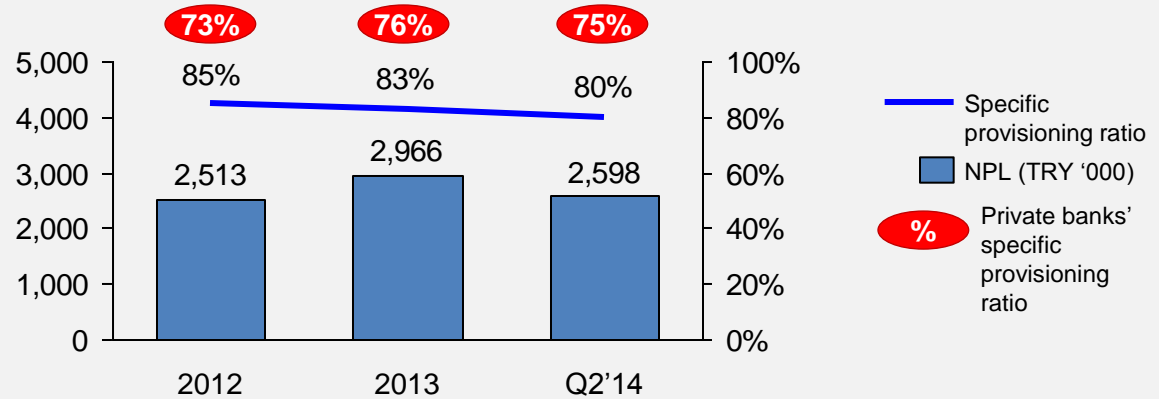
Retail loans



* According to BRSA definition, SME segment is up to TRY 40mn annual turnover

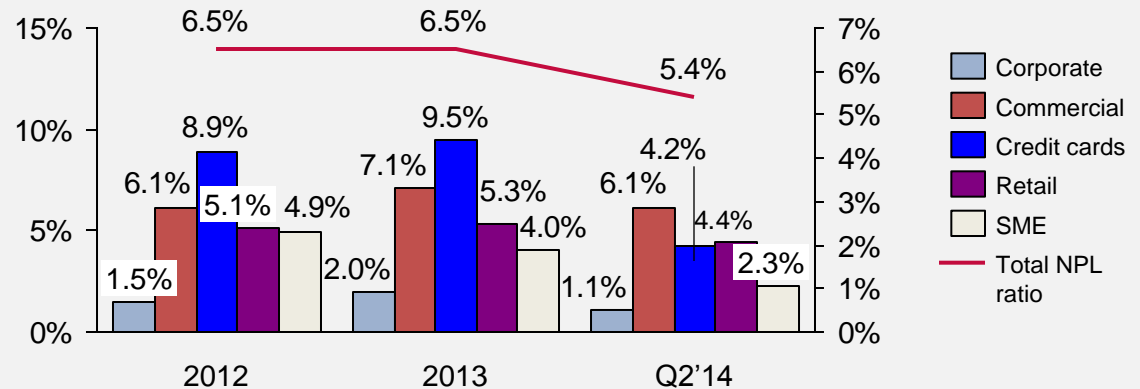
Higher coverage for better risk management

NPL provisioning



- TRY 912mn reserved in general provisions
- Historic NPL sale of TRY 786mn since Sep'11 till Q2'14
- New NPL sale of TRY 826.3mn in Q2'14

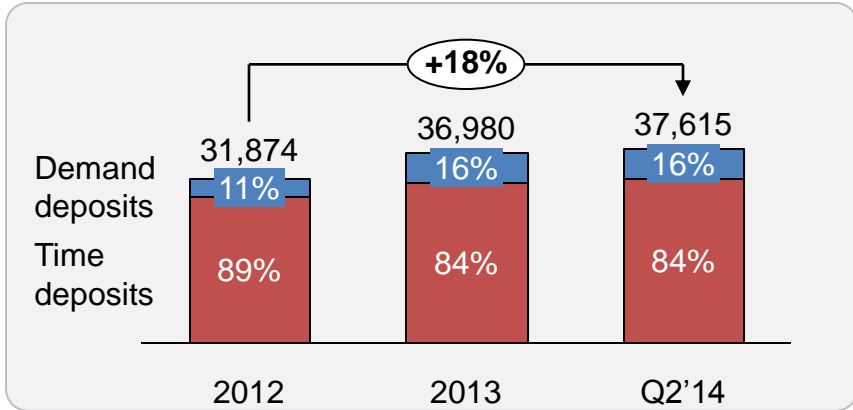
NPL ratio by segments



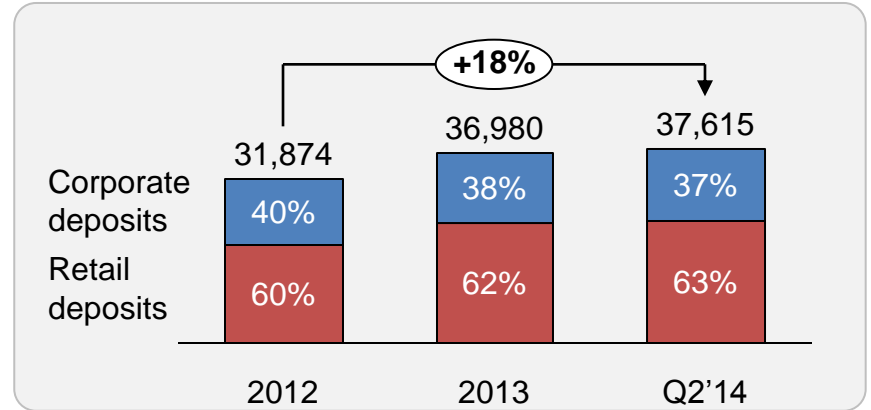
Growing deposit base

TRY million

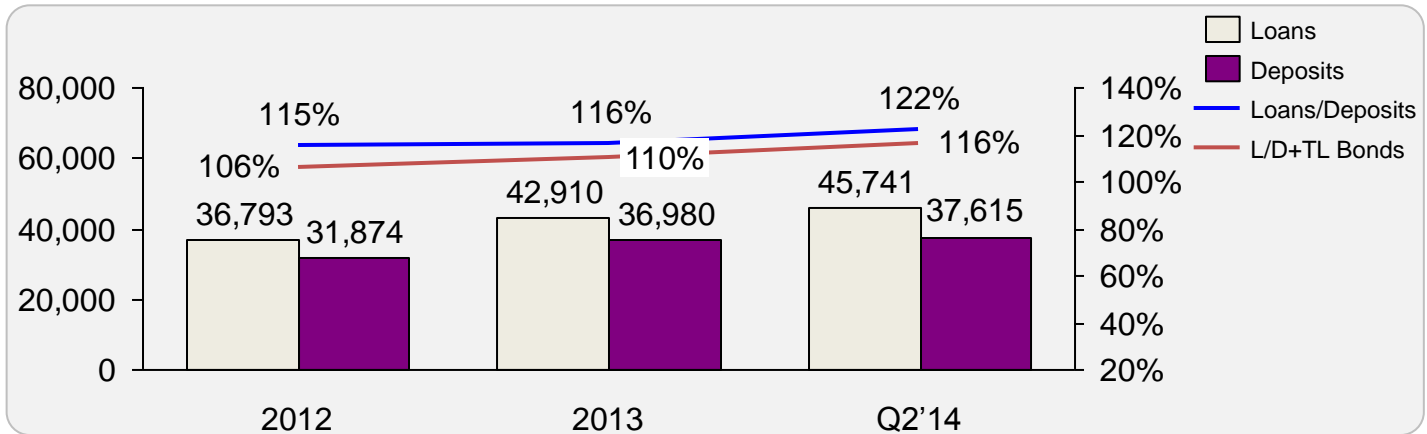
By type



By segment

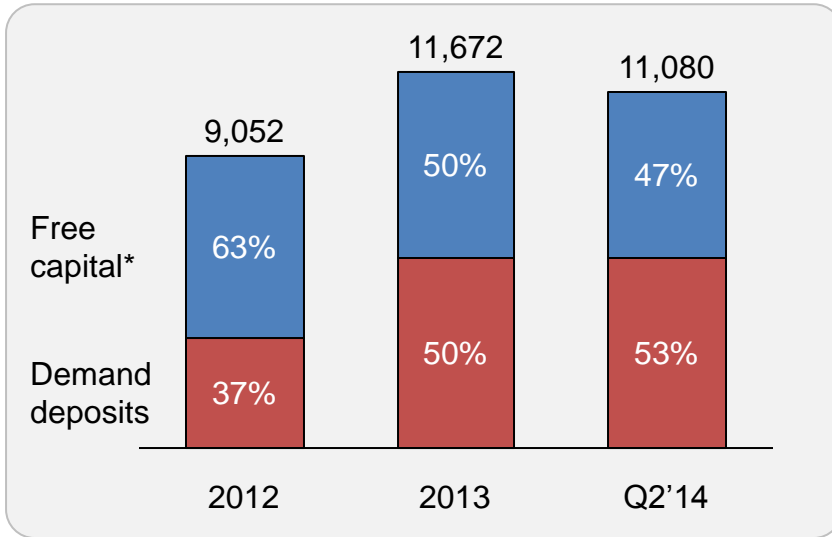


Loans/Deposits

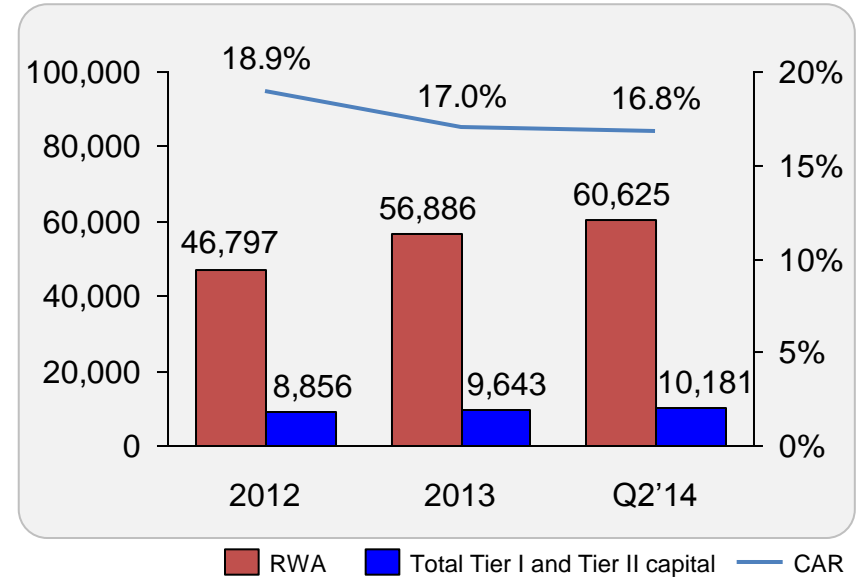


Strong capital and high liquidity

Free funds (TRY million)



Capital adequacy ratio (TRY million)

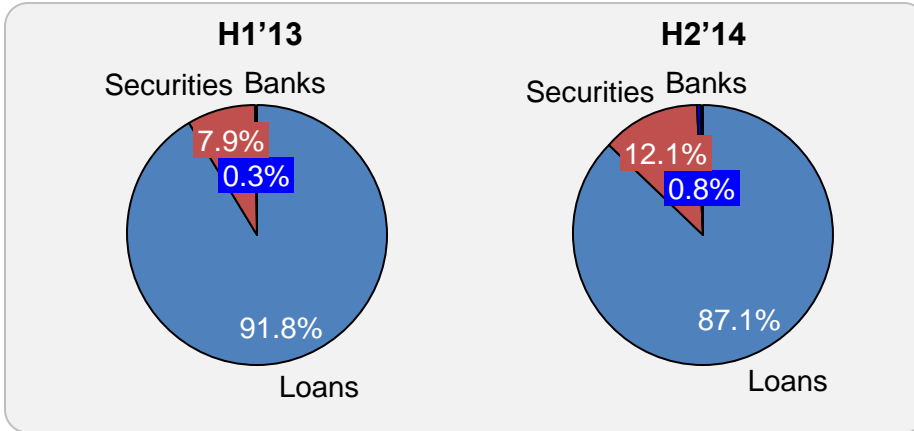


- The new Basel III compliance had a 15bps positive effect on CAR
- Core Tier 1 ratio is at 12.8%

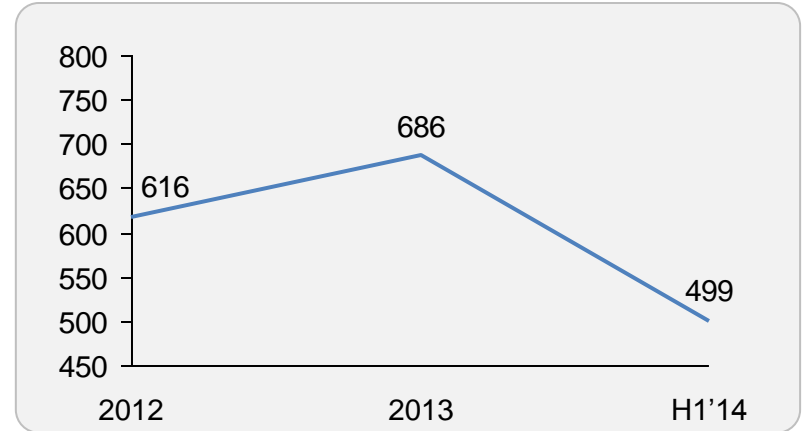
* Free capital = Shareholders' Equity – (Subsidiaries + Fixed Assets + Unprovisioned NPL)

High margins with strong fee income growth

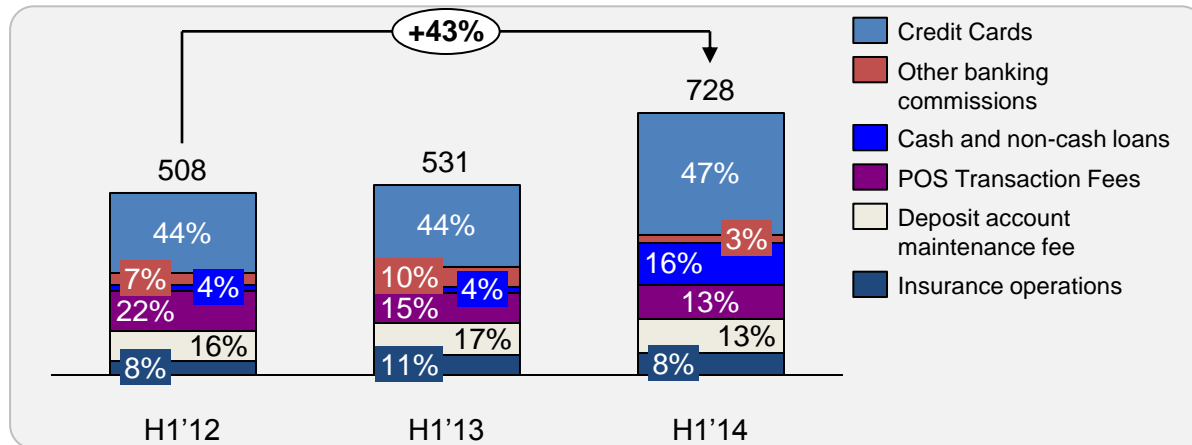
Breakdown of interest income



NIM evolution (bps)



Breakdown of net fee income (TRY million)



* Cash loan fees are included beginning from January 1, 2014.

Funding position

Type of borrowing (million)	Maturity	Outstanding principal	Tenor Years
DPR Securitisation	February 15	USD 1	3
TRY Bond	August 14	TRY 295.2	0.3
TRY Bond	March 15	TRY 63.4	0.9
TRY Bond	October 14	TRY 500	0.5
TRY Bond	March 15	TRY 311.1	0.9
TRY Bond	March 15	TRY 60.2	1
TRY Bond	August 14	TRY 217.8	0.3
TRY Bond	September 14	TRY 125.3	0.2
TRY Bond	October 14	TRY 147.5	0.3
TRY Bond	October 14	TRY 79.9	0.2
TRY Bond	April 15	TRY 36.2	0.9
TRY Bond	April 15	TRY 222.7	0.9
Eurobond	May 16	USD 500	5
Eurobond	November 17	USD 350	5
Eurobond	April 19	USD 500	5
Private placement	July 15	USD 40	1
Private placement	January 15	USD 3	0.5

Type of borrowing (million)	Maturity	Outstanding principal	Tenor Years
Syndicated Term Loan USD Tranche	November 14	USD 167	1
Syndicated Term Loan EUR Tranche	November 14	EUR 264.5	1
DPR Securitisation	November 17	USD 75	5
DPR Securitisation	November 17	EUR 10	5
DPR Securitisation	November 24	EUR 50	12
Subordinated Debt from NBG	October 20	USD 325	11
Subordinated Debt from NBG	October 21	USD 200	12
EIB	November 19	USD 13	7
EIB	December 15	EUR 21.5	7
EIB	October 17	EUR 28.6	7
EIB	December 15	EUR 19.9	6
EIB	May 16	EUR 29.9	7
Subordinated Debt from NBG	December 21	USD 125	12
Subordinated Debt from NBG	December 21	USD 260	10
EIB	November 20	USD 13.4	7
EIB	March 21	USD 48.8	7
EIB	April 21	USD 26.9	7

Agenda

NBG Group

Finansbank Overview

Financials

Macroeconomic Data and Forecasts

Macroeconomic data

Economic Growth	2012	2013	2014F
GDP growth (%)	2.1	4.0	3.0
Prices and Interest Rates	2012	2013	2014F
CPI (period-end, %)	6.2	7.4	8.0
PPI (period-end, %)	2.5	7.0	10.0
Policy rate (period-end, %)	5.50	4.50	11.50
External Balance	2012	2013	2014F
C/A / GDP (%)	-6.2	-7.9	-5.9
Fiscal Policy	2012	2013	2014F
Primary balance / GDP (budget) (%)	1.4	2.0	1.1
Debt Stock	2012	2013	2014F
EU def. public debt / GDP (%)	36.2	36.3	33.0
Foreign Currency	2012	2013	2014F
TRY/US\$ (period-end)	1.7840	2.1343	2.2306
TRY/EUR (period-end)	2.3547	2.9365	2.9444
Credit Rating			
S&P	BB+ (outlook negative)		
Moody's	Baa3 (outlook negative)		
Fitch	BBB- (outlook stable)		

Source: Turkstat, Treasury, Ministry of Finance, CBRT, SPO, Finansbank

Disclaimer

Finansbank A.Ş. (the “Bank”) has prepared this Presentation for the sole purposes of providing information which include forward looking projections and statements relating to the Bank (the “Information”). No representation or warranty is made by the Bank for the accuracy or completeness of the Information contained herein. The Information is subject to change without any notice. Neither the Presentation nor the Information can construe any investment advise, or an offer to buy or sell the Bank’s shares. This Presentation and/or the Information cannot be copied, disclosed or distributed to any person other than the person to whom the Presentation and/or Information delivered or sent by the Bank or who required a copy of the same from the Bank. Finansbank A.Ş. expressly disclaims any and all liability for any statements including any forward looking projections and statements, expressed, implied, contained herein, or for any omissions from Information or any other written or oral communication transmitted or made available