Finansbank Overview with Q2'13 Financial Results

Investor Relations
August 2013

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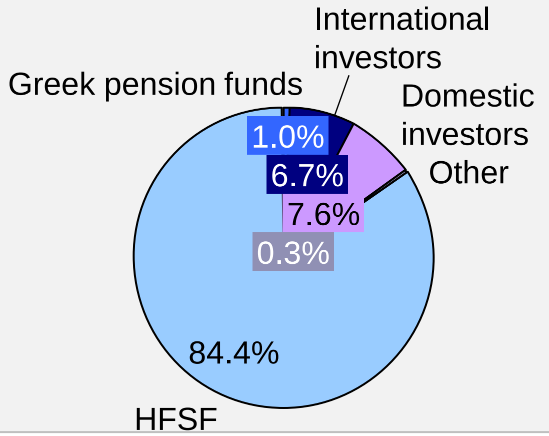
The NBG Group

Corporate information

- National Bank of Greece, the oldest Greek commercial bank, heads the largest and strongest financial group in Greece
- The Bank has 511 domestic branches and 1,348 ATMs. The Group boasts by far the largest network for the distribution of financial products and services in Greece. Overseas, the NBG Group is active in 12 countries, controls 9 banks and 58 companies (as of 2012)
- The NBG Group is the first Greek financial group to successfully float its stock on the New York Stock Exchange, the world's principal capital market

Ratings and shareholder structure

	Moody's	S&P	Fitch
• Long-term	Caa2	CCC	B-
• Short-term	NP	C	B
• Financial strength/ Viability	E		b-



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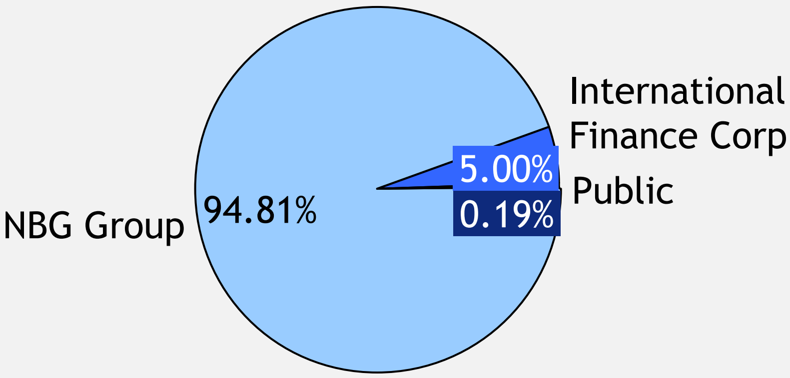
At a glance

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 USD 30.5bn of assets*
- Highest capital adequacy ratio among peer group private banks at 18.6%
- Tier 1 ratio is at 13.9%

(Million)	Q2'13
Paid-in capital	TRY 2,700 (USD 1,401)
Shareholders' equity	TRY 7,443 (USD 3,862)

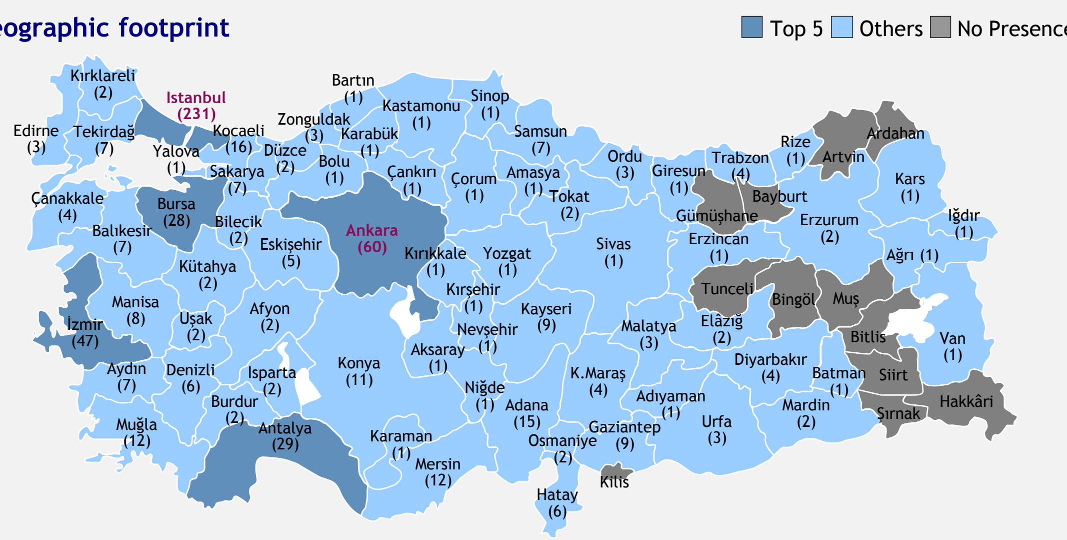
* According to bank only data

Efficient branch network

- Comprehensive Turkish network covering 97% of GDP
- One of the youngest networks: 6.8 years average age
- Most productive among peers: TRY 37.8mn retail loans per branch

	2009	2010	2011	2012	Q2'13
Corporate	8	4	4	4	4
Commercial	53	5	0	0	0
Retail	251	0	0	0	0
Consumer	99	1	0	0	0
Joint Branch	0	446	479	569	611
In-store	6	11	7	5	4
Collection points	41	32	29	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	0	1	1
Total	**461**	**502**	**522**	**582**	**623**

Geographic footprint



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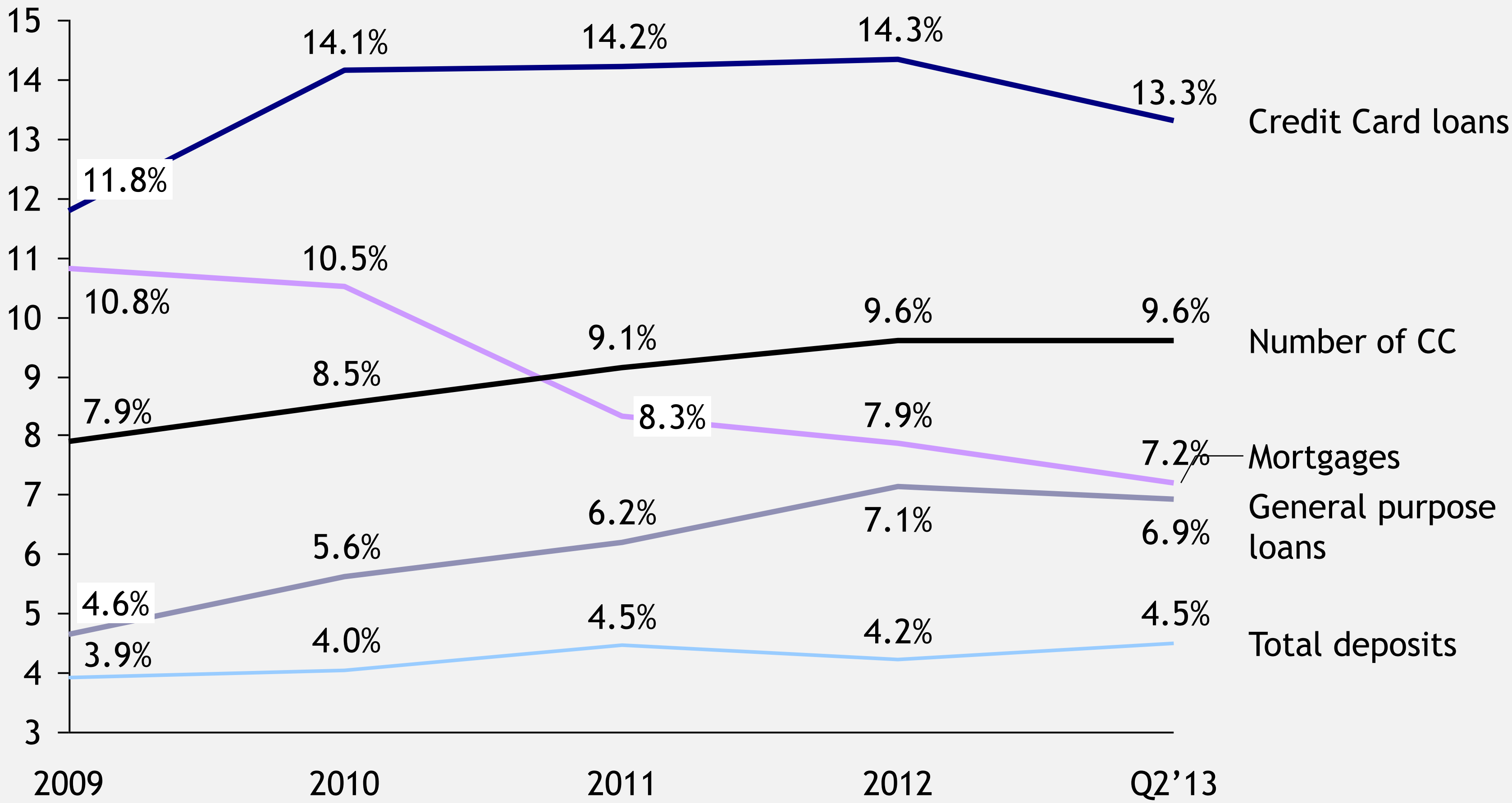
Strong presence in retail products

Selected market shares



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Q2’13 financial highlights

B/S

- Total assets expanded to TRY 58.8bn, growing 8% since the beginning of the year
- Net loans increased 9% to reach TRY 40bn, mainly due to the continued aggressive growth in SME loans
- TRY 549mn of NPLs were sold in June for TRY 100mn
- Securities stayed flat compared to the end of last year, merely making up 12% of assets, which is the lowest figure in the sector
- Customer deposits grew faster than the sector at 10%, as a result of the fast increase in TRY retail deposits
- Approximately TRY 1.5bn of new bonds issued in the first half

P&L

- Net interest income rose 23% when compared to Q2’12, while provision expenses increased 49%
- Net fees and commissions income grew 5% and reached TRY 531mn, indicating some normalization compared to last year’s aggressive growth
- Operating expenses increased 36% mainly due to the addition of 101 new branches during the period
- Net income reached TRY 503mn, registering 17% growth compared to Q2’12

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Solid financial performance

B/S

	2012		Q2'13	
	USD million	TRY million	USD million	TRY million
• Total assets	30,518	54,402	30,507	58,793
• Securities	4,101	7,310	3,774	7,274
• Loans, net	20,640	36,793	20,747	39,984
• Customer deposits	17,881	31,874	18,143	34,966
• Funds borrowed	4,626	8,247	4,199	8,093
• Shareholders' equity	4,109	7,325	3,862	7,443

P&L

	Q2'12		Q2'13	
	USD million	TRY million	USD million	TRY million
• Net interest income	750	1,336	854	1,646
• Provisions	(197)	(351)	(271)	(523)
• Adjusted NII	553	986	583	1,124
• Net fees and commissions	285	508	276	531
• Opex	467	833	588	1,133
• Net Income	241	429	261	503

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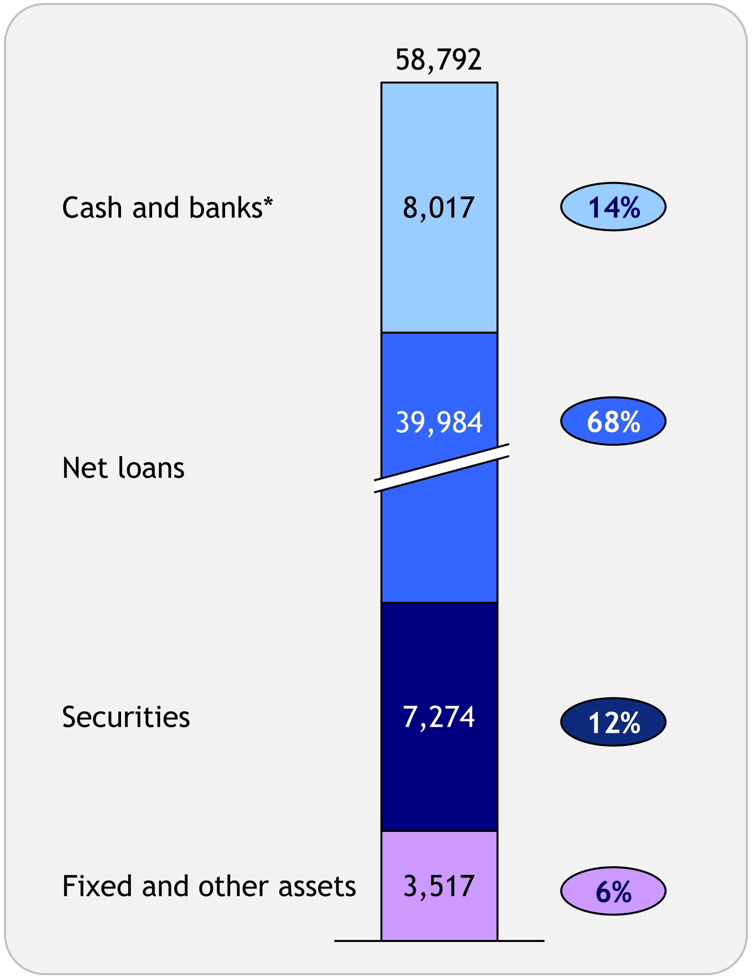
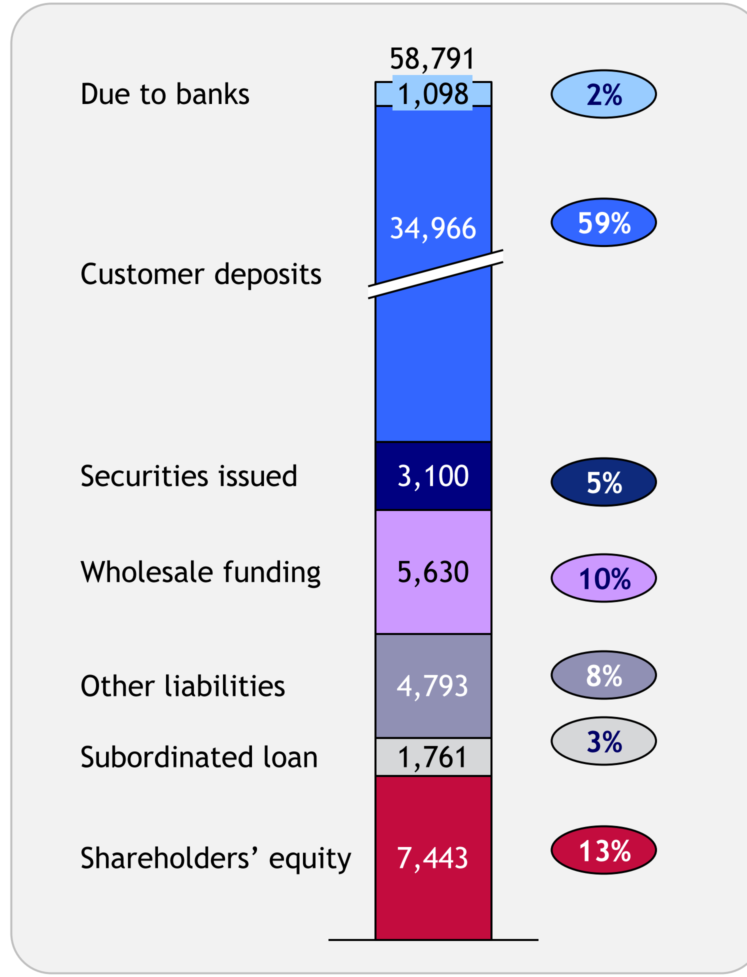
Loan driven business model with diversified funding

Asset structure
TRY million



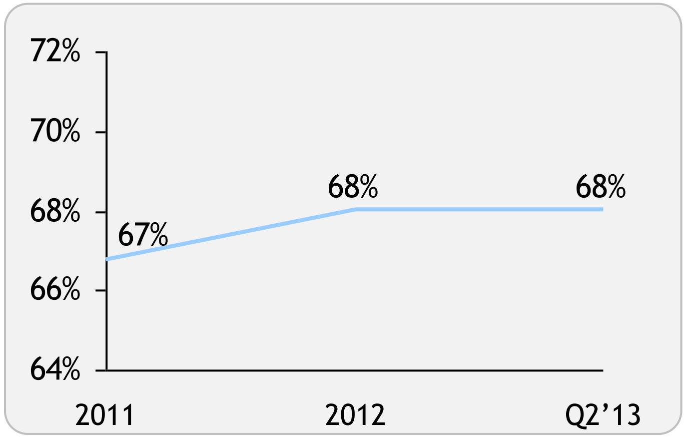
Funding structure
TRY million



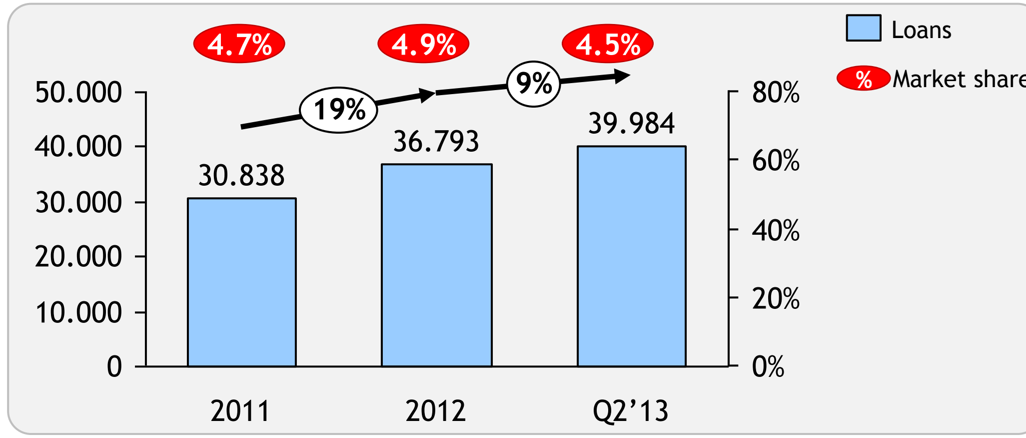
* Including MMS

Focus on real banking

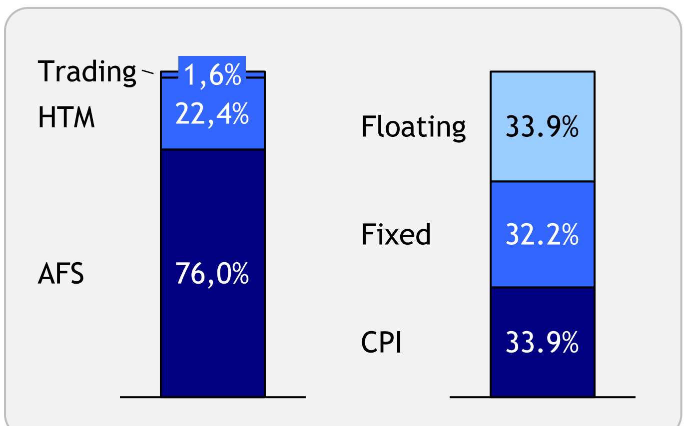
Loans/Assets



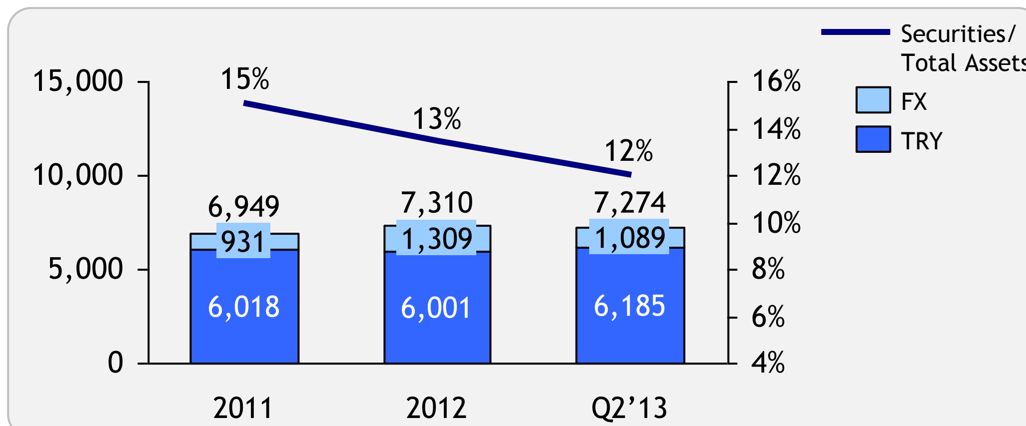
Net loans (TRY million)



Securities breakdown



Securities/Assets (TRY million)



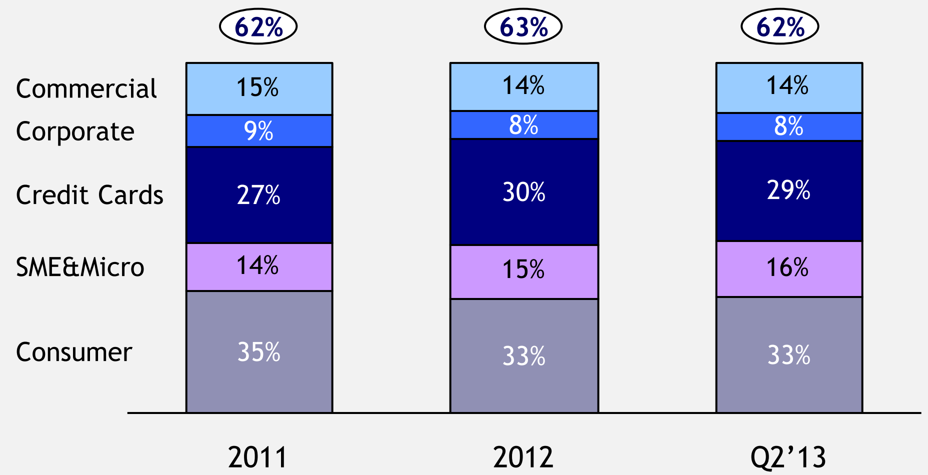
Significant presence in high margin segments

(%) CC + Consumer

Business segmentation
(By annual turnover)

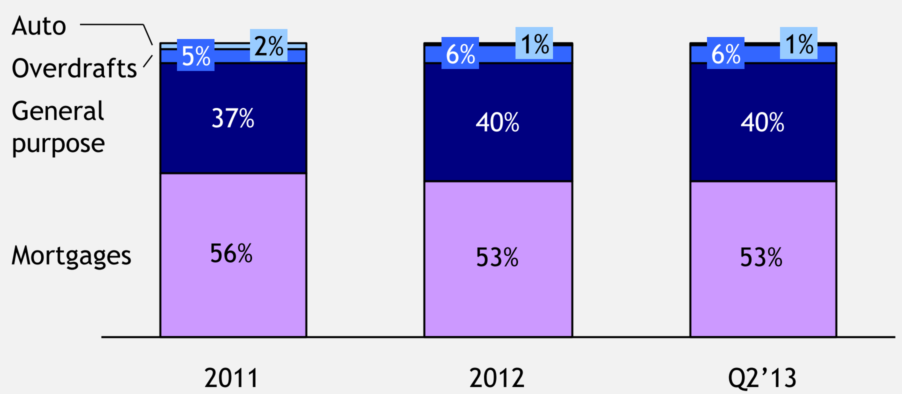
- Corporates
  > TRY 100mn
- Commercial companies
  TRY 10mn-100mn
- SME
  TRY 2mn-10mn
- Micro
  < TRY 2mn

Loan breakdown



- General purpose loans make up 40% of retail loans
- Mortgage loan growth slowing in line with the strategy of the Bank

Retail loans



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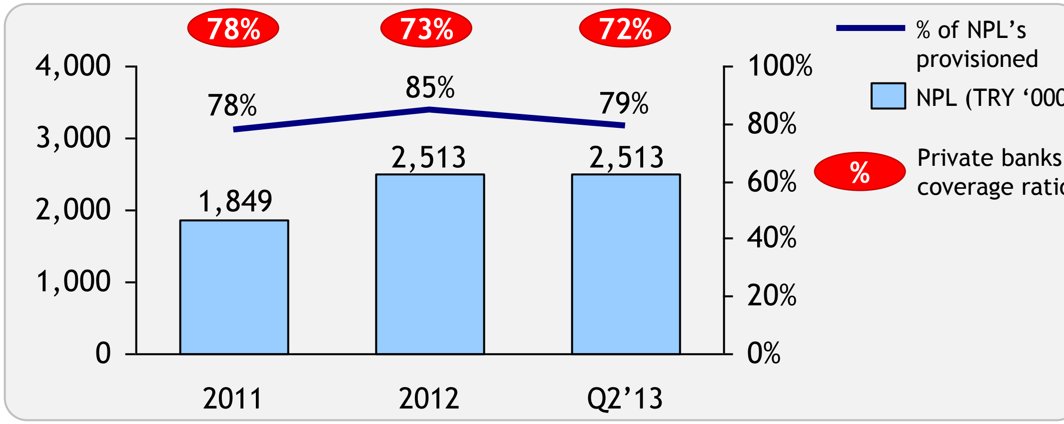
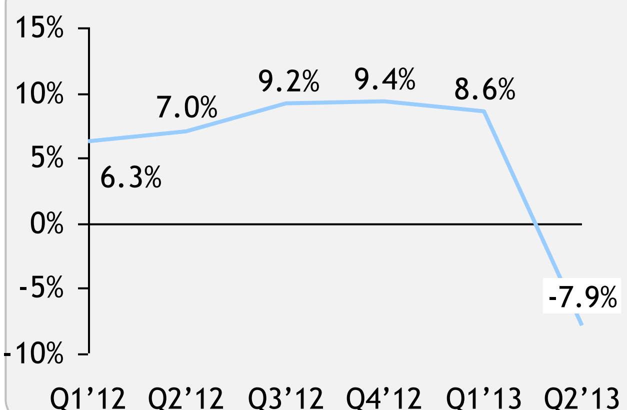
Higher coverage for better risk management

- TRY 719mn reserved in general provisions
- TRY 118mn in general provisions spared for possible loan losses
- Very limited loan write-off of TRY 6.5mn in 2011 and TRY 5.1mn in 2012
- First time NPL sale of TRY 237mn in Sep'11
- Additional NPL sale of TRY 549mn in Jun'13

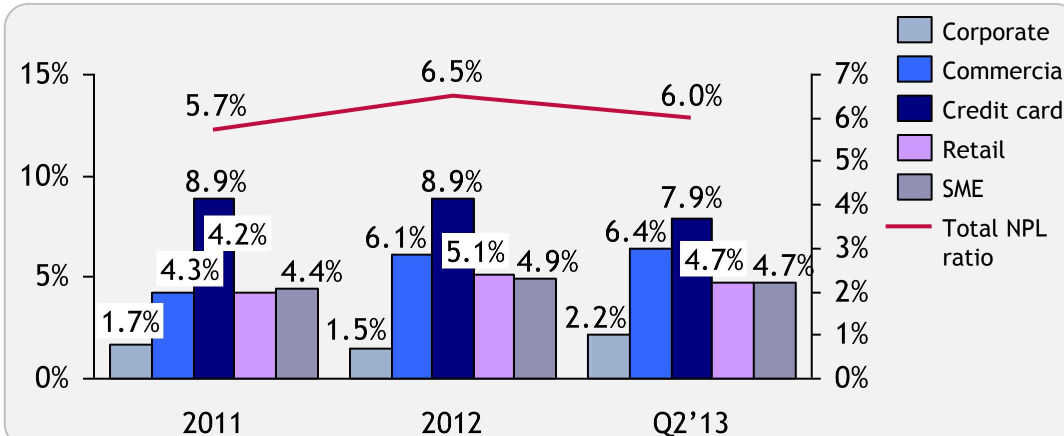
NPL provisioning



Change in NPLs



NPL ratio by segments



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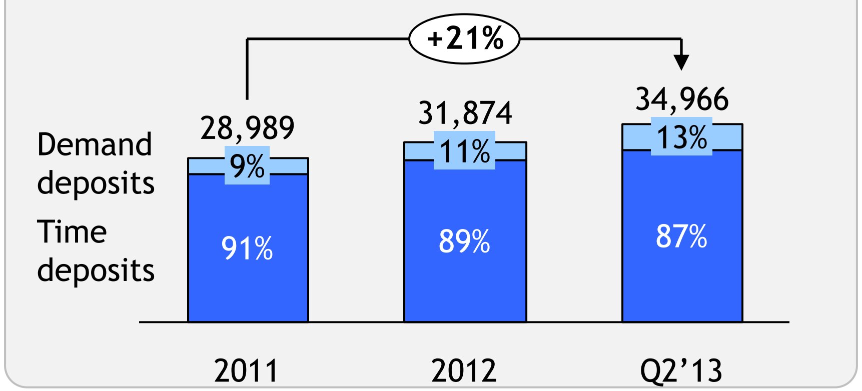
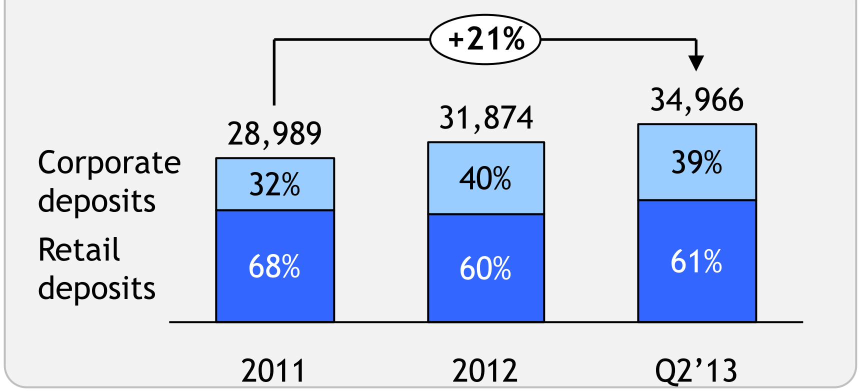
Growing deposit base

TRY million

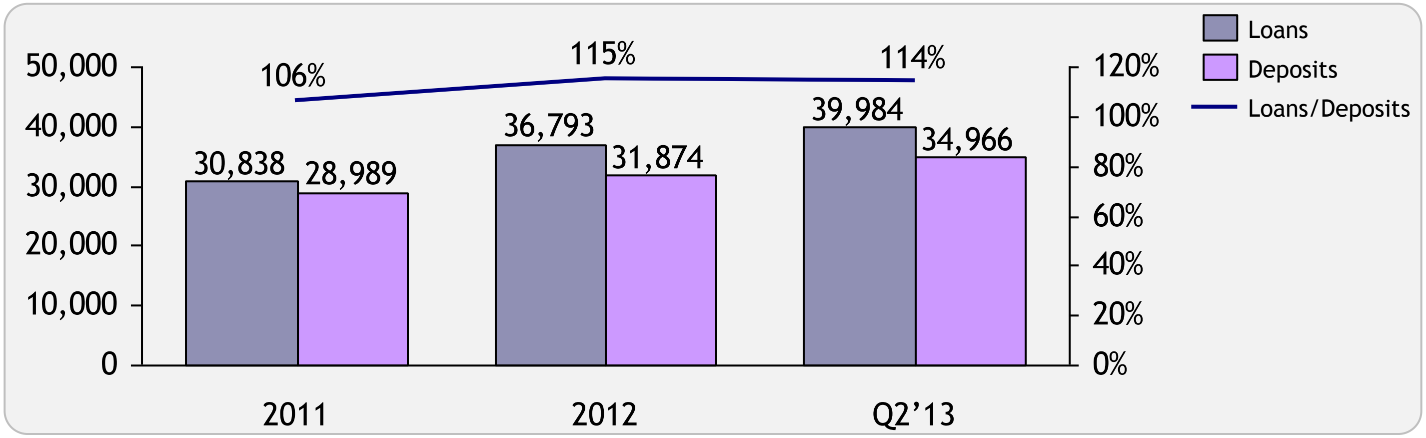
By type



By segment



Loans/Deposits



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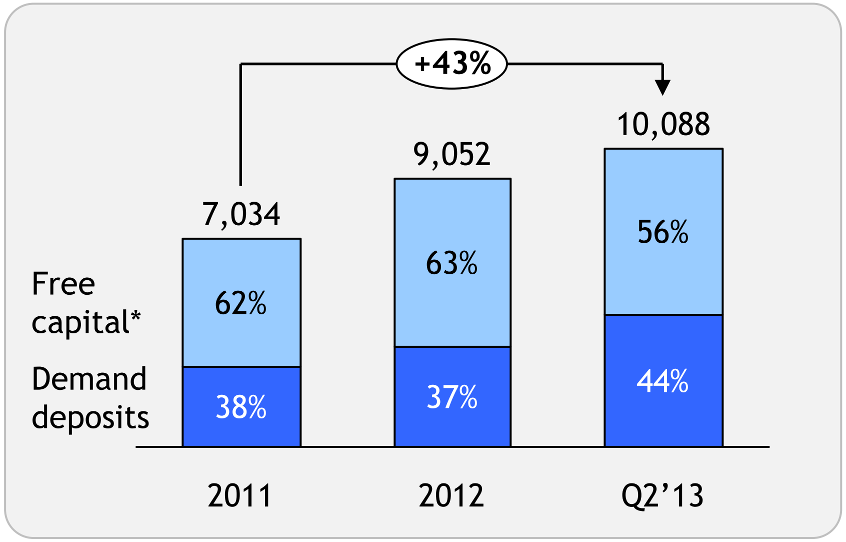
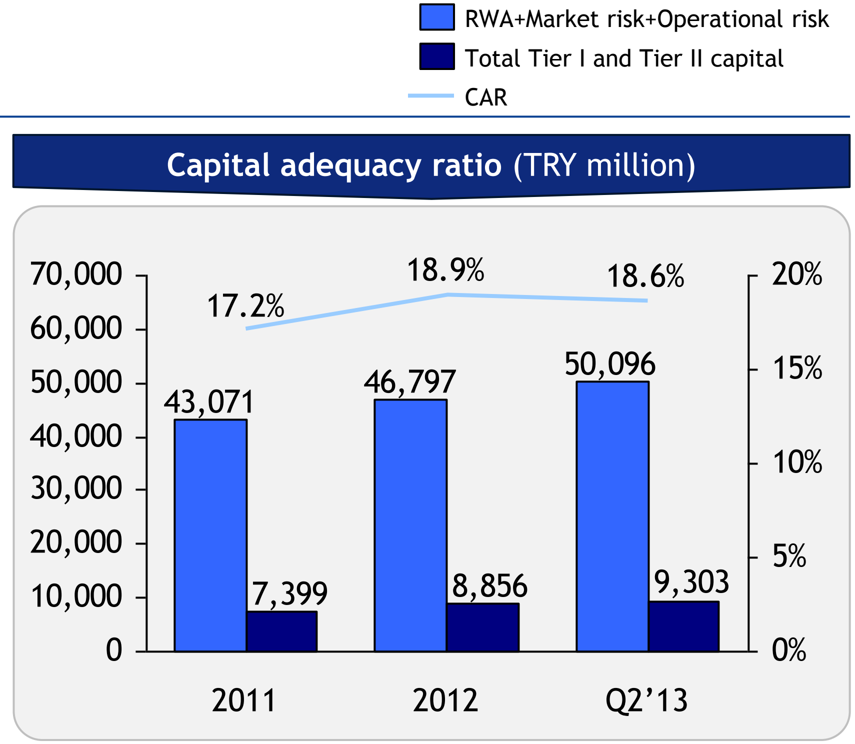
Strong capital and high liquidity

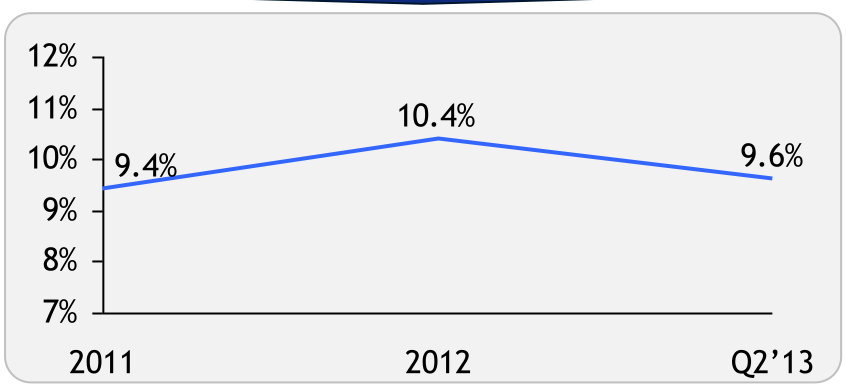
Free funds (TRY million)



Capital adequacy ratio (TRY million)



Free capital / Assets



- The new Basel II compliance initially helped increase Finansbank's CAR by 110bps
- Tier 1 ratio is at 13.9%

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

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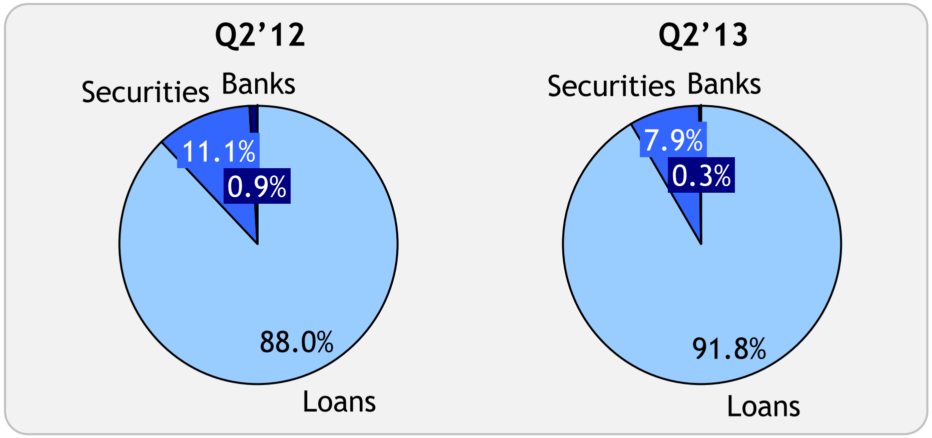
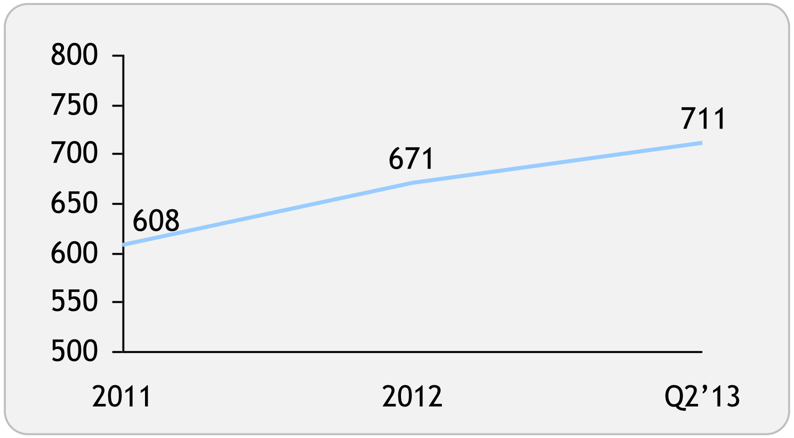
High margins with strong fee income growth

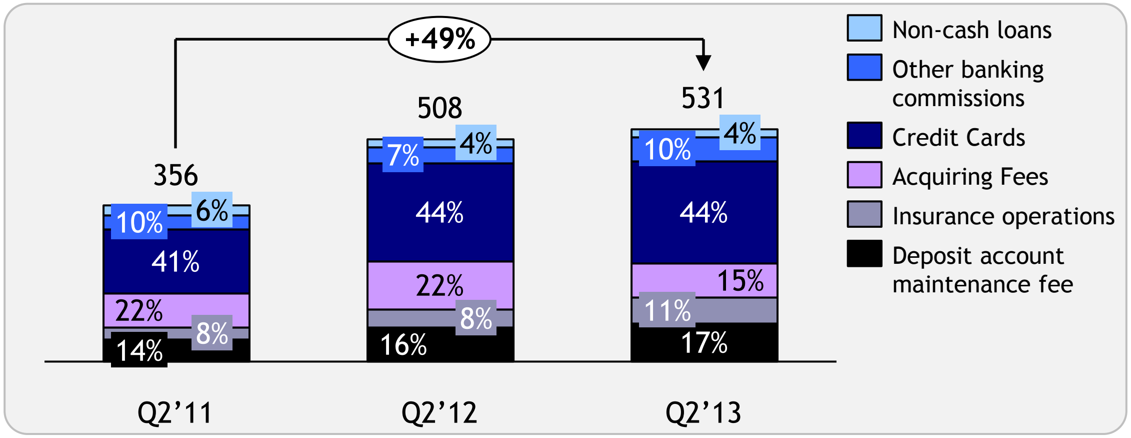
Breakdown of interest income



NIM evolution (bps)



Breakdown of net fee income (TRY million)



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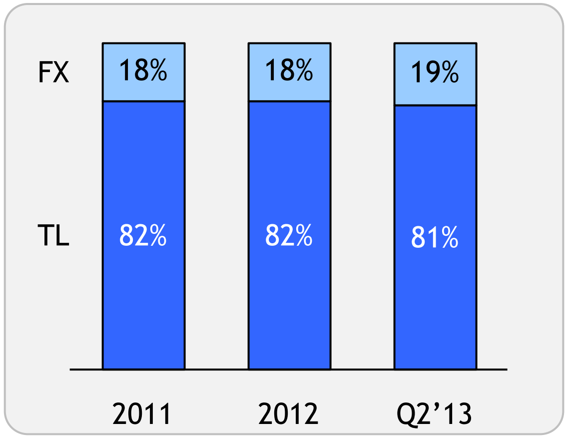
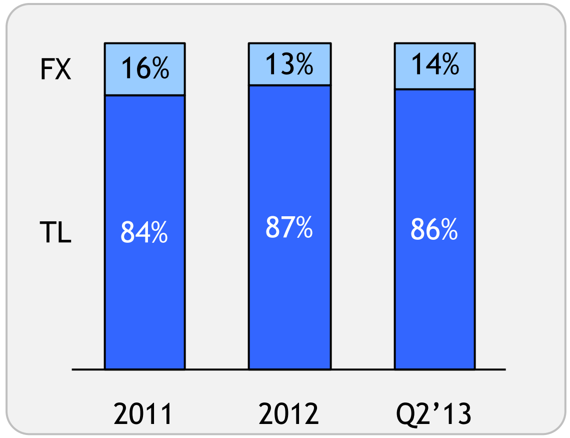
TRY dominated balance sheet

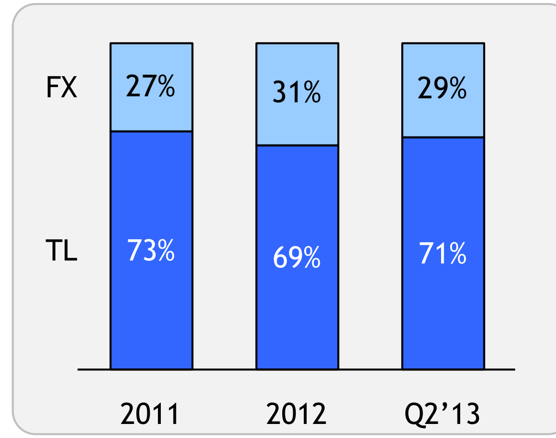
Currency breakdown; Assets



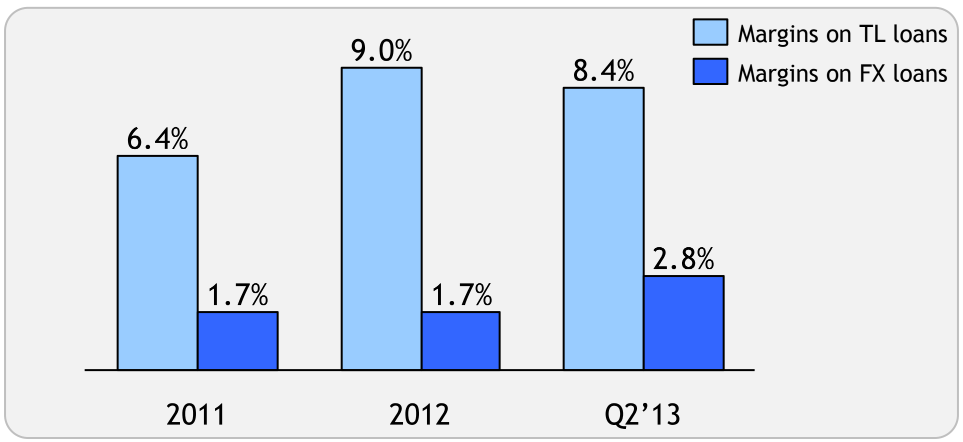
Currency breakdown; Cash loans



Currency breakdown; Deposits



Impact of TRY on asset profitability*



* Margins calculated by the deduction of last months time deposit rate from term-end loan book yield

Borrowings and issuances

Type of borrowing	Maturity		Outstanding principal Million	Tenor Years
TRY Bond	September 2013	TRY	400	0.5
TRY Bond	September 2013	TRY	475.8	0.5
Syndicated Term Loan USD Tranche	November 2013	USD	188	1
Syndicated Term Loan EUR Tranche	November 2013	EUR	212	1
TRY Bond	December 2013	TRY	525.4	0.5
TRY Bond	April 2014	TRY	124.2	1
Eurobond	May 2016	USD	500	5
EIB	October 2017	EUR	61	7
Eurobond	November 2017	USD	350	5
DPR Securitisation	November 2017	USD	75	5
DPR Securitisation	November 2017	EUR	10	5
Subordinated Debt from NBG	October 2018	USD	325	10
Subordinated Debt from NBG	October 2019	USD	200	10
EIB	November 2019	USD	13	7
Subordinated Debt from NBG	December 2019	USD	125	10
Subordinated Debt from NBG	December 2021	USD	260	10
DPR Securitisation	November 2024	EUR	50	12

Source: Finansbank (July 2013)

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Key macroeconomic data

	30.06.2013	31.03.2013	31.12.2012
USD/TRY	1.9309	1.8103	1.7840
EUR/TRY	2.5155	2.3127	2.3547
Central Bank Policy Rate	4.50%	5.50%	5.50%
Nominal treasury bill interest rate (eop)	7.49%	6.35%	6.16%
PPI	5.23%	2.30%	2.45%
CPI	8.30%	7.29%	6.16%
Consumer Confidence Index	76.20	74.90	73.59
USD (mn)			
GDP	805.069*	786.293**	786,293
Exports (Goods), Y-o-Y	153,395	152,246	152,478
Imports (Goods), Y-o-Y	(244.987)	(239,368)	(236,545)
Trade Balance on Goods, Y-o-Y	(91.592)	(85,122)	(84,067)
Current Account Deficit, Y-o-Y	53.595**	47,138	47,521
Primary Surplus *(TRY mn)*, Y-t-D	26,363	14,251	19,625
Central Bank FX Reserves	105,567	105,650	100,320
TURKISH BANKING SYSTEM *(TRY bn)*	30.06.2013	31.03.2013	31.12.2012
Assets	1,527.7	1,427.7	1,370.7
Loans to Assets	60.30%	58.38%	57.98%
Securities to Assets	17.95%	18.95%	19.70%

*As 2Q 2013 GDP growth rate is yet to be announced, this reflects 1Q 2013 level

**As June figure is yet to be announced, this reflects May figure

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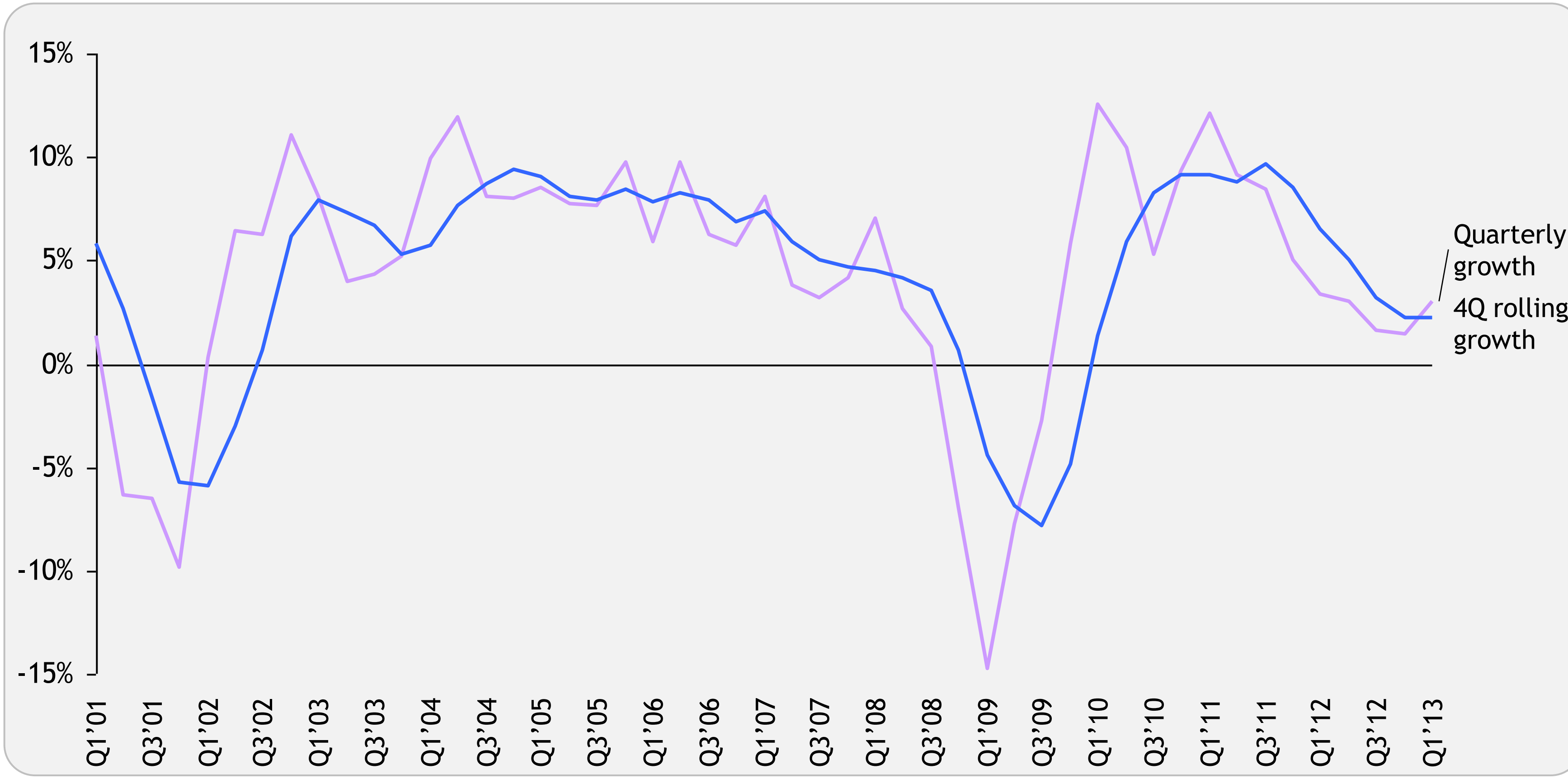
Economic activity - GDP growth rates



- Turkish economy went through a rebalancing period in 2012 as domestic demand weakened considerably on the back of the tight monetary conditions during the first half of the year. Consequently, GDP growth slowed down to 2.2% in 2012, from 8.8% in 2011
- Economic activity has been on recovery trend since the beginning of this year. GDP grew by 3% YoY in 1st quarter and 2nd quarter is likely to report further strenghtening. Yet, we see downward risks on the pace of growth in 2H due to possibly tighter global liquidity conditions and hence, expect FY growth rate at 4%

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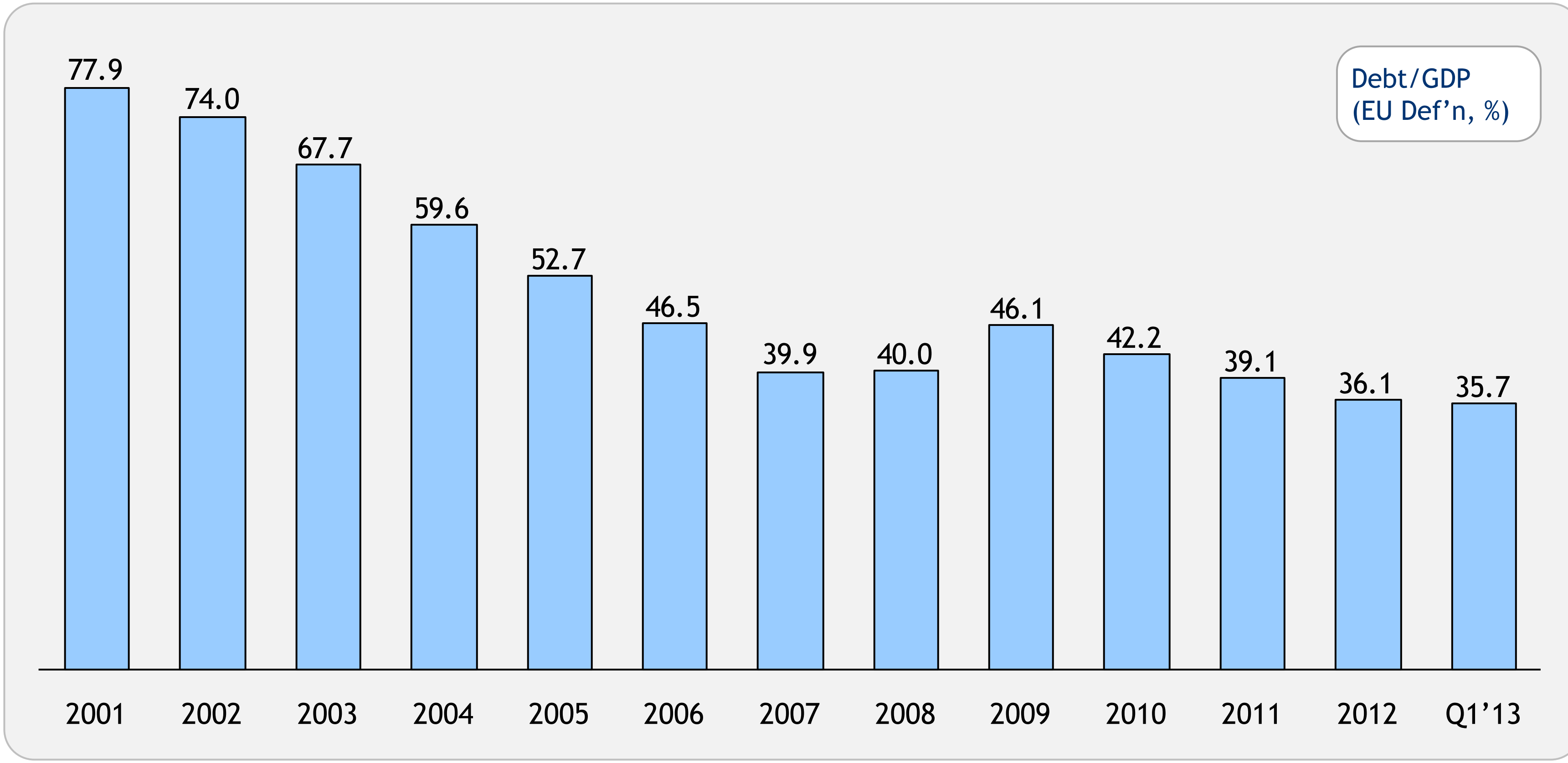
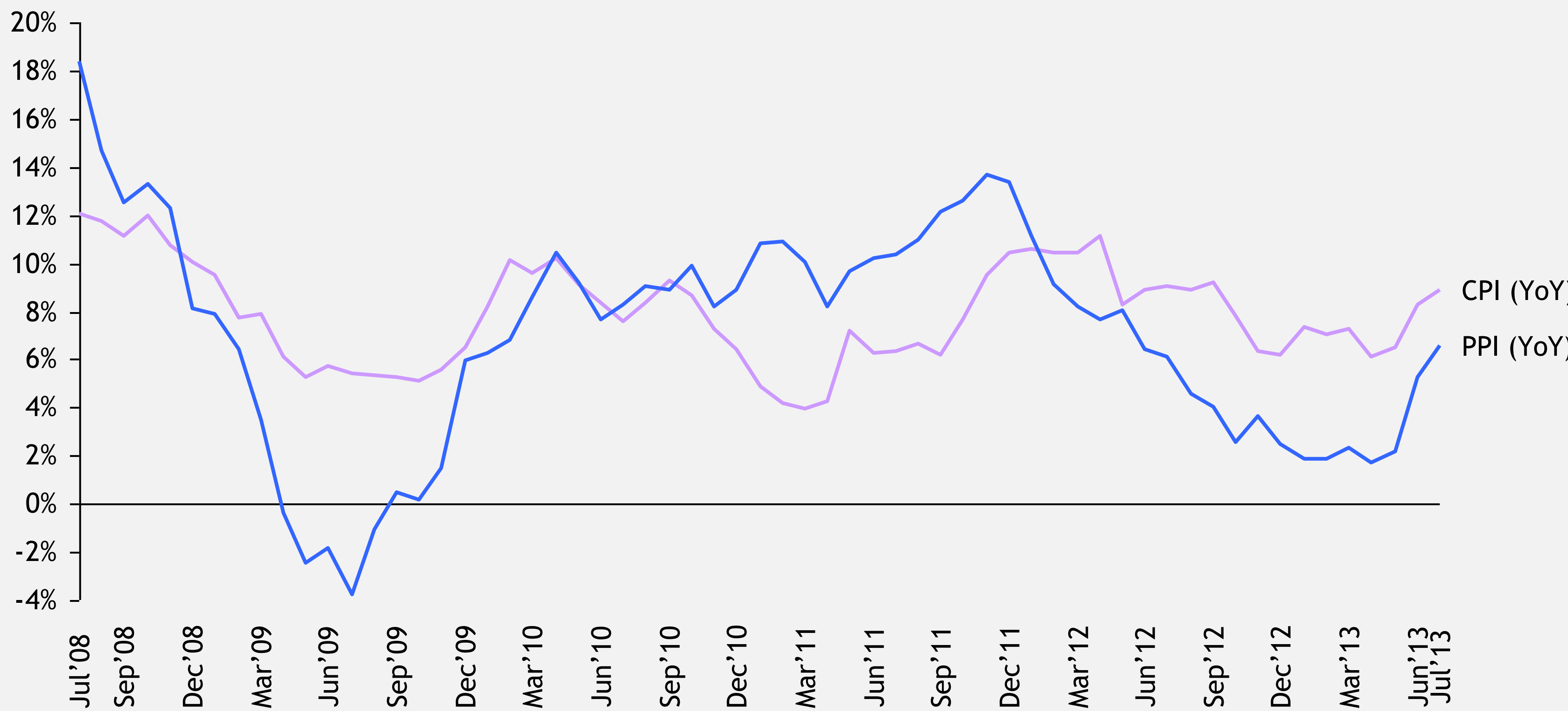
Debt outlook



Thanks to strong economic growth and commitment to fiscal discipline, gross public debt burden declined from a peak of 77.9% to 39.9% as of end-2007. Yet, global economic crisis weighed on debt outlook with gross public debt to GDP ratio beginning to increase in 2008 and ending 2009 at 46.1%. However, this trend has reversed in 2010, and debt burden eased down to 39.4% in 2011, 36.1% in 2012 and 35.7% in the 1st quarter of 2013

Inflation outlook



- Ending 2011 at 10.45%, annual inflation remained at double digits in the first 4 months of 2012 and hit a recent high at 11.14% in April, before it trended downward on the back of the benign course in food prices and eased to 6.16% at the year-end
- Headline CPI eased to 6.13% in April, before trending upward and reaching 8.88% in July, mainly on the back of the weakening in currency as of mid-May. We see year-end inflation exceeding CBRT's current projection at 6.2% and standing at 7.2% with risks accumulating on the upside if depreciation pressures on TRY continue, parallel to other EM currencies, as monetary expansion by advanced countries' central banks is seen to slowdown

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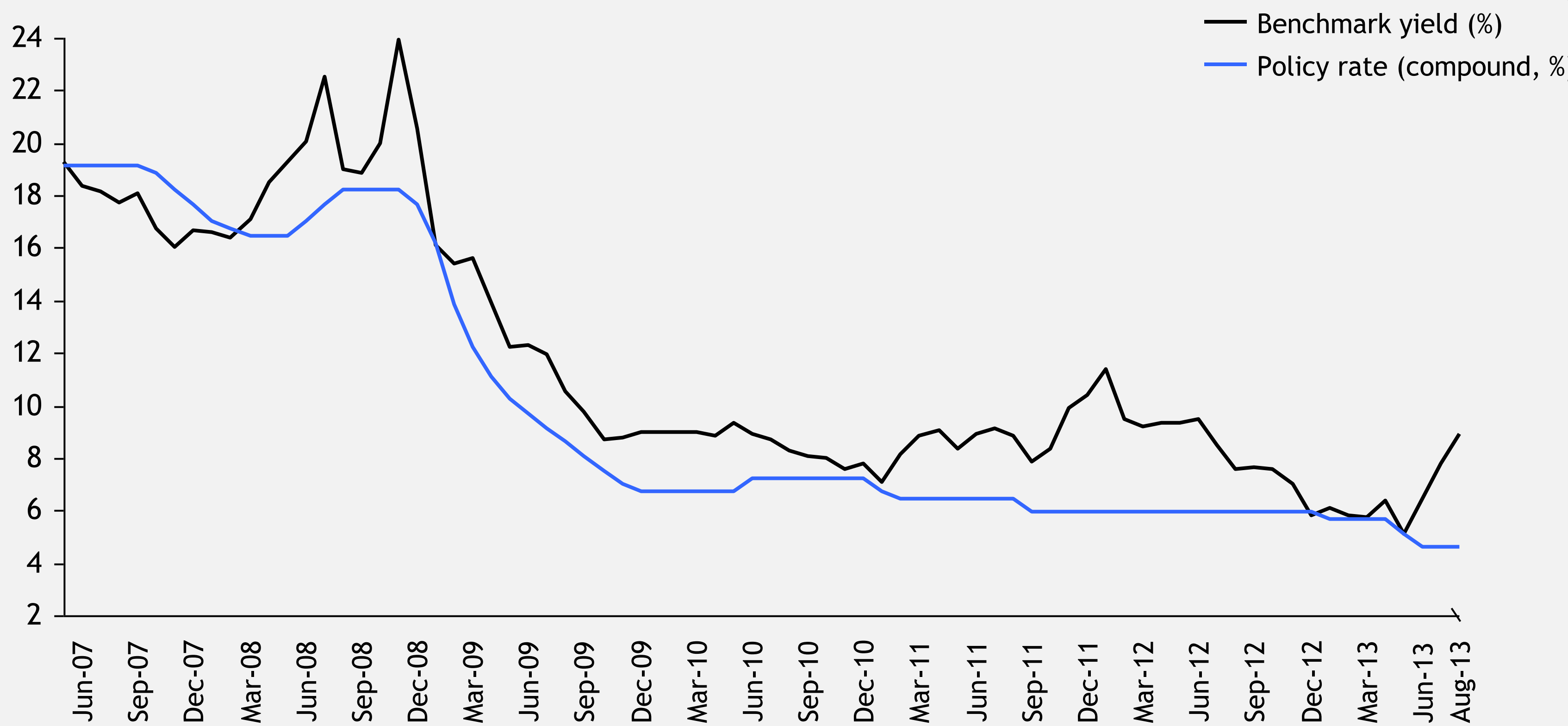
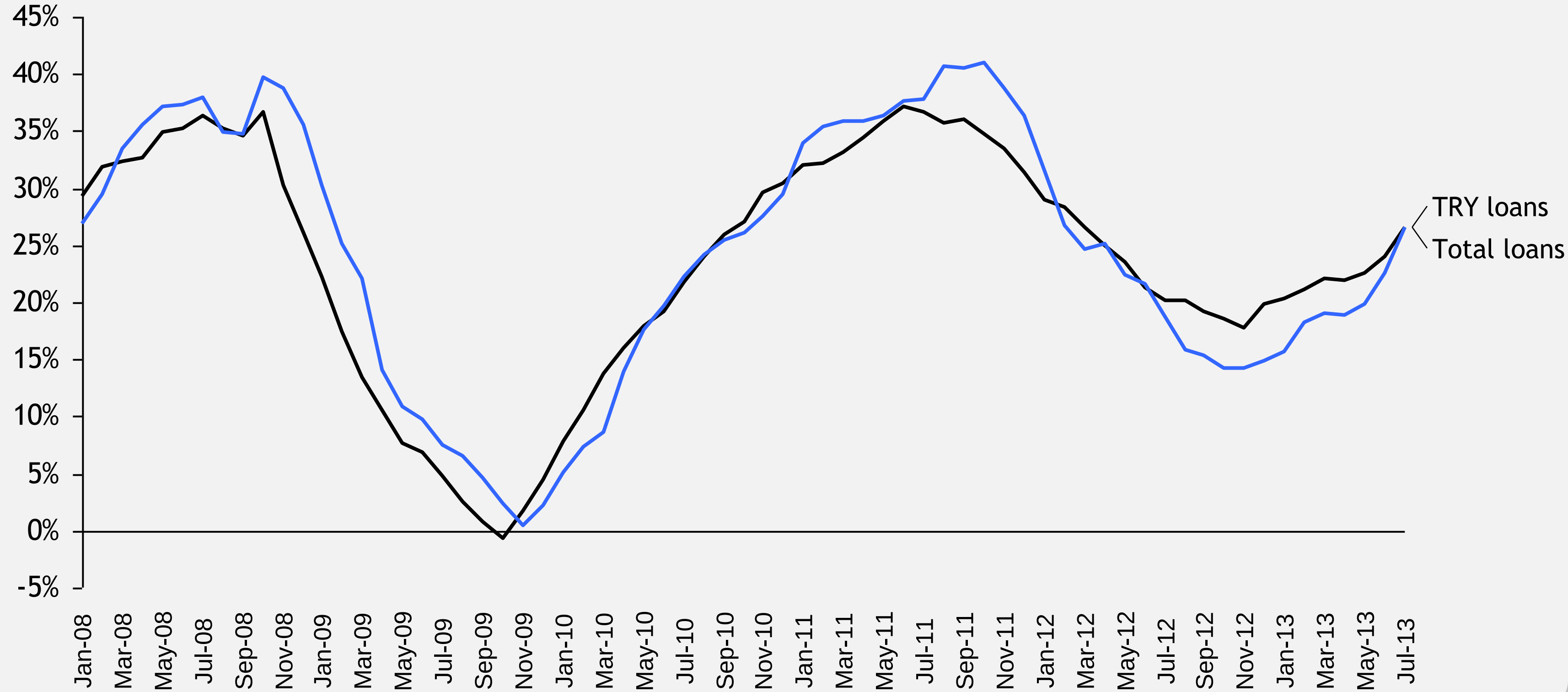
Monetary policy



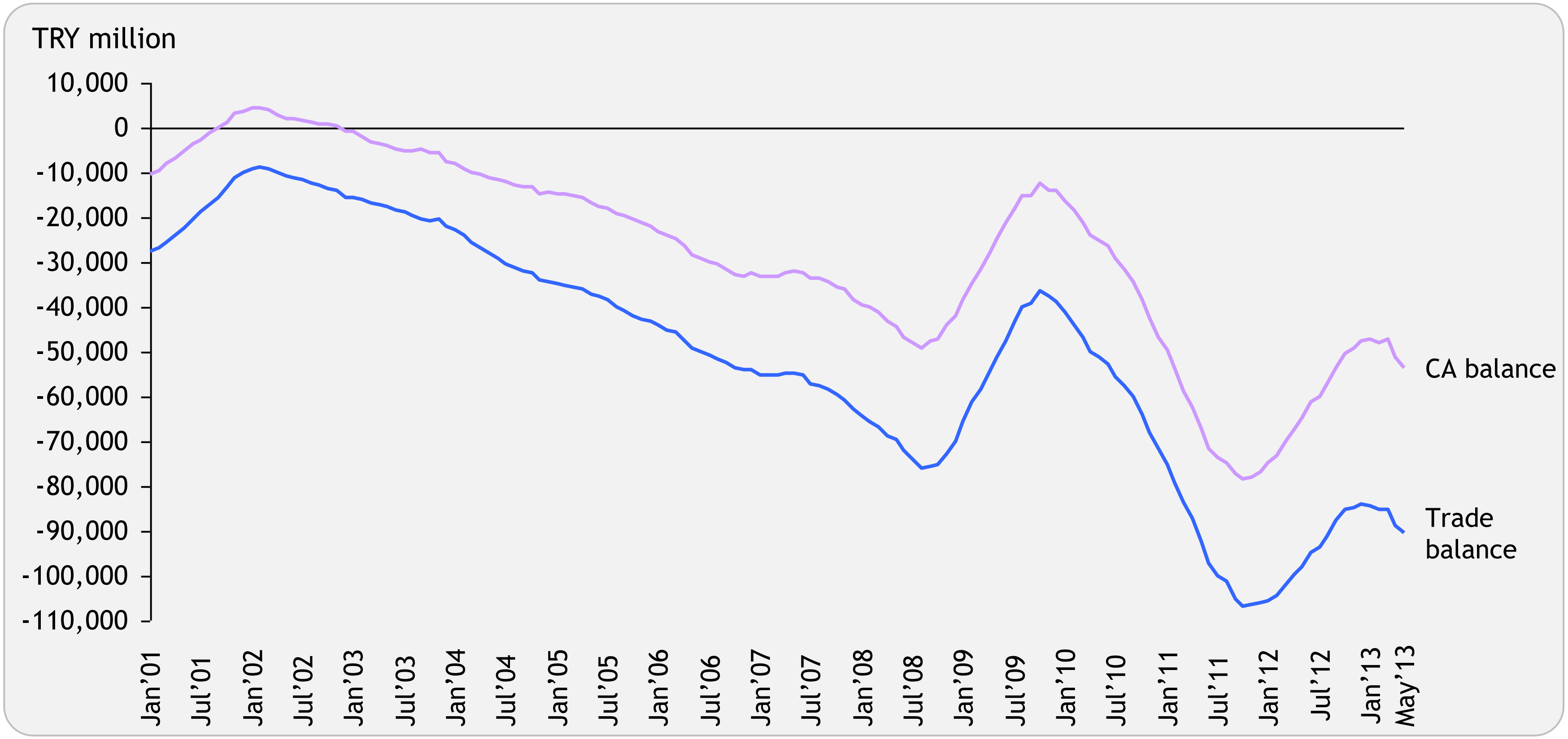
- CBRT's policy stance has been characterized by «low short term interest rates and tight macroprudential conditions» especially since November when Fitch upgraded Turkey to IG, in order to contain the unfavorable impacts of strong capital flows on credit growth and current account deficit. As such, in addition to cuts in the interest rate corridor, CBRT cut policy rate (1-week repo rate) by 125 bps to 4.5% during December 12 - May 13 period while hiking RRRs and ROCs
- The considerable slowdown in capital inflows following Fed's signal to taper asset purchases in 2H of 2013, along with the domestic unrest highlighted by Gezi protests, caused a shift in CBRT's policy stance. The Bank started to tighten liqudity conditions and hold FX sale auctions as of mid-June in order to contain the depreciation pressure on the currency. At a more recent step, CBRT hiked O/N lending rate by 75 bps, to 7.25% in July

Credit growth



- Authorities have been monitoring loan growth very closely after a rapid acceleration in 2010. In addition to CBRT’s policy mix that includes substantial increases in RRRs and regulatory measures from BRSA curbed the rapid pace of growth in loans to 28.2% in 2011
- After following a downward trend during first three quarters of 2012 on the back of the tight monetary conditions during 1H and slowdown in economic activity, credit growth started to accelerate in the final quarter and ended last year with a YoY growth rate of 18%. Currently, annualized credit growth rate hovers above 25%. Going forward, however, it is likely to slowdown as CBRT tightens liqudity conditions and provides the banking sector with costlier funding

External balance



- Thanks to the rebalancing in economy during last year and favourable contribution of gold exports CA deficit / GDP narrowed to 6% in 2012, down from 10% at the end of 2011
- On the back of the recovery in economic activity, however, cumulative deficit started to widen as of March and going forward, we foresee a continuation of this trend which would lead to a CA deficit/GDP ratio around 7.5% at the end of the year. Having said that, if external financing outlook deteriorates due to tighter global liquidity conditions, we might observe a visible adjustment in external balance

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