

29th THE GREEK ECONOMY CONFERENCE



Ταμείο Χρηματοπιστωτικής Σταθερότητας
Hellenic Financial Stability Fund

“The present and future of the financial and banking environment”

Presented by:

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Athens, December 3rd 2018

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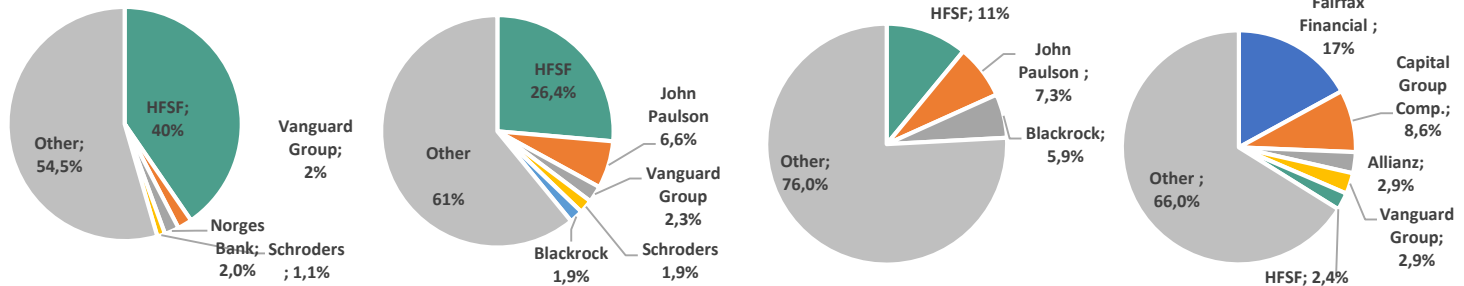
Snapshot of Greek Banks' NPEs evolution & Main indicators



Currently, HFSF is the largest shareholder & maintains oversight in the 4 systemic banks

	EUR 63,1bn 	EUR 59,2bn 	EUR 60,3bn 	EUR 57,2bn 	Claims ² €13.5bn funding gap covered 12 liquidating banks
Core Tier 1 Ratio (Q3'18 Results)	16,4%	13,7% ¹	18,3%	14,6%	
NIM (%)	2,7%	2,5%	2,9%	2,5%	
No of Employees (Greece)	9,500 ³	12, 262	8,208	9,076	
(Group)	11,100 ⁴	12,733	11,358	13,209	
HFSF shareholding 30/11/2018	40,39%	26,42%	10,96%	2,38%	

Greek Banks Shareholder Structures (%)



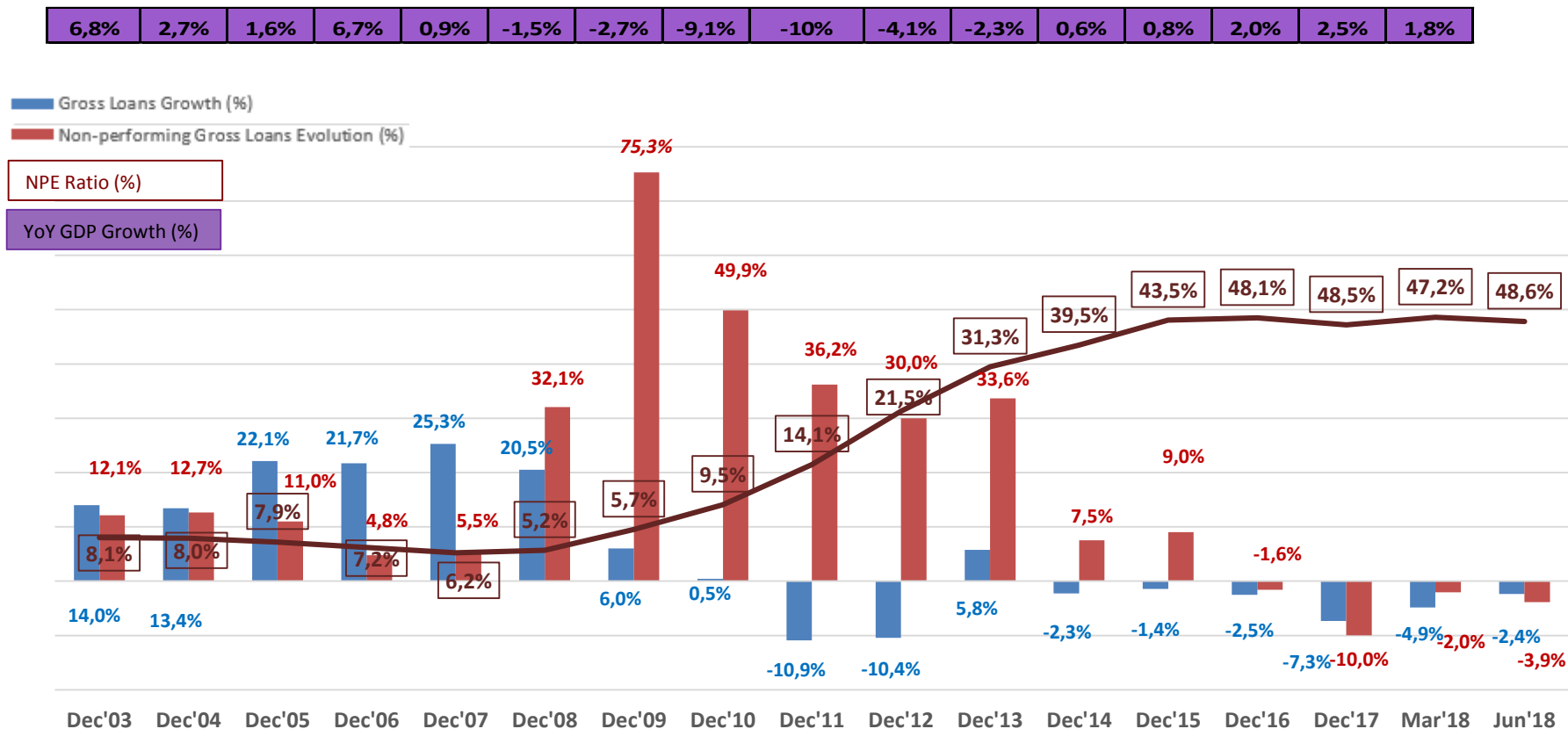
Source: Bloomberg, 17/09/2018

Source: Banks Corporate Presentations, Financial Statements.

1. Pro-forma ratio, thus adjusted for the Risk Weighted Assets relief from the capital plan actions (i.e. the sale of the 2 NPE portfolios (Amoeba and Arctos), Albania, Bulgaria and other disposals (€1.6bn in total) 14,2%.
2. Up to 31/03/2018 the total amount provided by the Fund to cover funding gap reached the amount of € 13,489mn, out of which € 656mn were recovered and € 11,182m were assessed as non-recoverable.
3. As of November 2018, VES has exceeded 500 employees. Only round figures were provided in the Group's 3Q Financial Results' presentation.
4. Excludes Ethniki Insurance, SABA and BROM employees. Only round figures were provided in the Group's 3Q Financial Results' presentation.

Greek Banking sector's asset quality profile

Evolution of Gross Loans' against Non performing volumes' evolution (%)



Sources: Hellenic Statistical Authority GDP (Seasonally and calendar adjusted figures) & BoG data on Loans & NPLs/NPEs

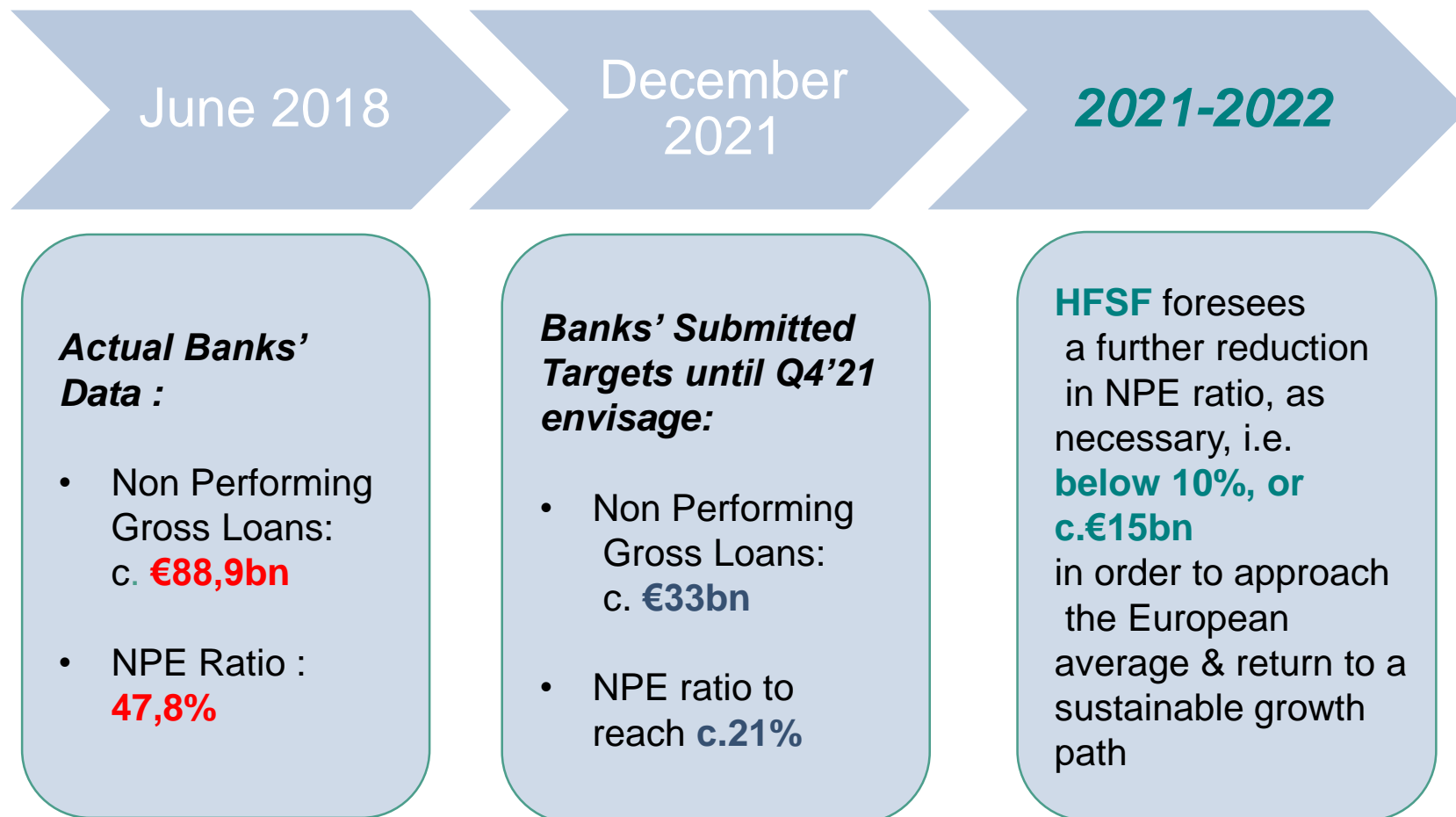
Comments

- All items are on solo basis and refer to on-balance sheet gross loans and advances of Greek commercial and cooperative banks.
- For 2014 onwards, the source is data from banks' submissions according to Act 42/2014 (as applicable) and European Banking Authority (EBA) rules and definitions.
- For 2002 - 9M 2014, the source is data from banks' submissions according to Act 2442/1999 with the following assumption:
 - Non-performing loans include also loans that have been restructured over the past 12 months.
- Balance changes between some quarters may be affected by the restructuring of the Greek banking system (resolution of banks, sale of foreign branches e.t.c.)
- All items refer to on-balance sheet loans and advances, in consistency with the operational targets for the reduction of non-performing loans. For that reason, balances and indicators may differ from previously published figures, where off-balance sheet items were also included in the perimeter.

2 HFSF's vision for Greek Banks regarding NPE burden



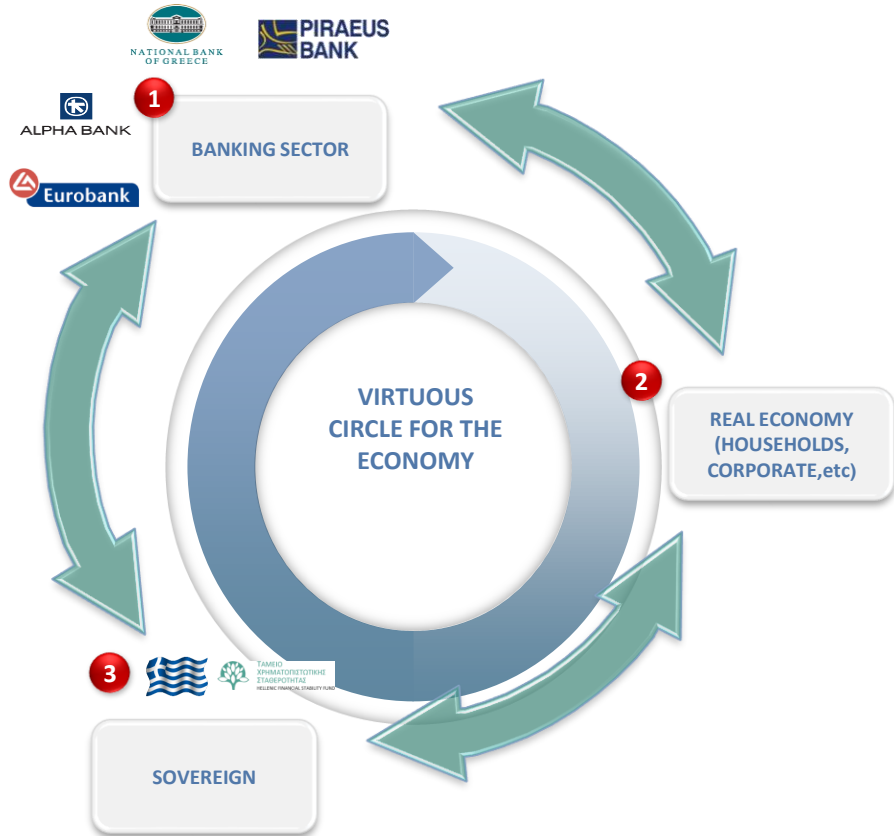
HFSF's view on NPE resolution 2021-2022



3 Levers to support the real economy



Issues to Be Addressed to Enable Greek Banks to Break the Vicious circle & Fuel the Greek Economy



1 THE RETURN OF GREEK BANKS TO SUPPORT THE GREEK ECONOMY

- Continue to pursue **NPE reduction**, employing **internal & external** solutions
- Promote **business models transformation** by reinventing their **customer engagement model**
- Boost **competitiveness** by becoming **digital for operational & cost efficiency**
- Endorse **holistic** balance sheet management

2 A KEY MILESTONE IN THE RECOVERY OF THE GREEK REAL ECONOMY

- **Greek SME/corporate borrowers** with debt trouble refocus on business expansion and employment creation
- **Restructure retail loans (especially SBBs & Mortgages)** to fuel the consumption and generate GDP growth

3 POSITIVE IMPACT ON SOVEREIGN

- **Improvement of the real economy and accompanying indicators**
- **Promote sustainable growth, value creation & financial stability**

Thank you

Q & As

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