

Finansbank Overview with Q1 2014 Financial Results

Investor Relations
May 2014

Agenda

NBG Group

Finansbank Overview

Financials

Macroeconomic Indicators

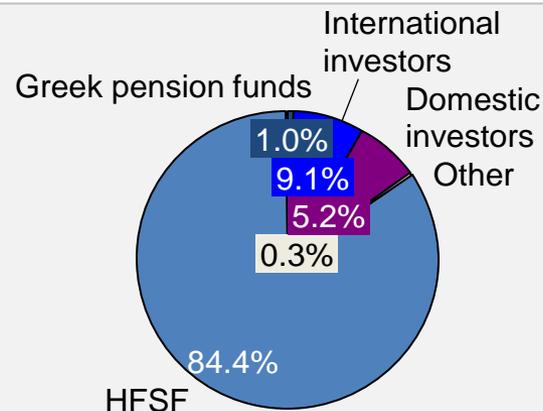
The NBG Group

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 37,591 employees
- It has the widest distribution network of products and services than any other Greek bank abroad (1,236 units) and a domestic network of 540 branches and 1,396 ATMs (31.12.2013)

Ratings and shareholder structure

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



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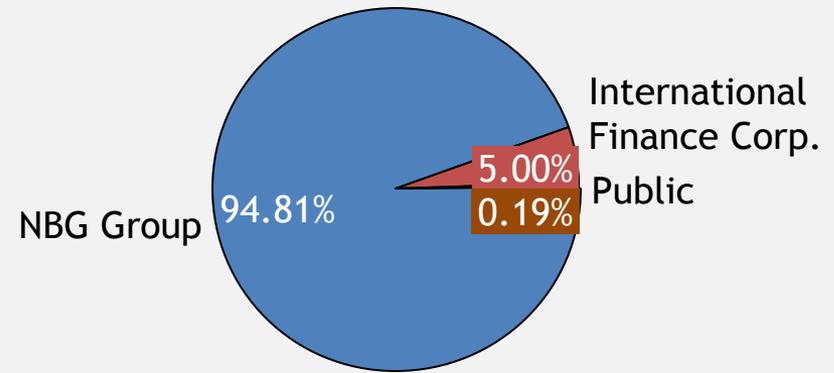
Financials

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 70bn of assets*
- Highest capital adequacy ratio among peer group private banks at 16.25%
- Tier 1 ratio is at 12.29%

(Million)	
Paid-in capital	TRY 2,700 (USD 1,233)
Shareholders' equity	TRY 7,851 (USD 3,584)

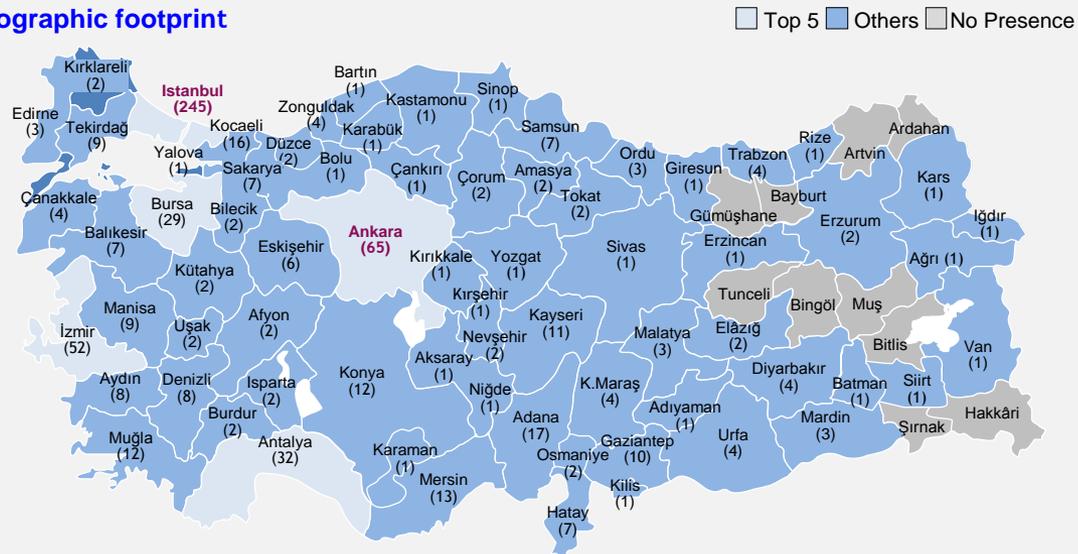
* According to bank only financials

Efficient branch network

- Comprehensive network covering 97% of GDP
- One of the youngest networks: 7.1 years average age
- High branch efficiency: TRY 33.5mn retail loans per branch

	2010	2011	2012	2013	Q1'14
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	649
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	674

Geographic footprint



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Q1'14 financial highlights

B/S

- Assets expanded by 6% and reached TRY 70bn
- Net loans increased 6% to reach TRY 45.5bn, mainly due to the rapid growth in SME and commercial loans
- Securities contracted 3%, constituting 12% of assets
- Customer deposits expanded by 8%, boosted by the growth in TRY deposits and expanded branch network
- Shareholders' equity rose 3% to reach TRY 7.9bn

P&L

- Net interest income adjusted for provisions shrunk 30%. Drop in NII were due to negative impact of regulations on overdraft/cards in H2 2013 and reclassification of installment loan filing fees and some card fees from interest income to fee income to be in line with sector practice
- Net fees and commissions income surged 47% due to the reclassification impact mentioned above and higher cards/payment service fees
- Operating expenses increased 21% mainly due to the addition of 92 new branches and increased staff number during 2013
- Net income is recorded at TRY 129mn with a quarterly NIM of 5%

Solid financial performance

B/S

	2013		Q1'14	
	USD million	TRY million	USD million	TRY million
• Total assets	30,928	66,010	32,012	70,101
• Securities	4,091	8,731	3,862	8,456
• Loans, net	20,105	42,910	20,785	45,514
• Customer deposits	17,327	36,980	18,277	40,022
• Funds borrowed & issuances	4,337	9,257	4,292	9,398
• Shareholders' equity	3,584	7,648	3,585	7,851

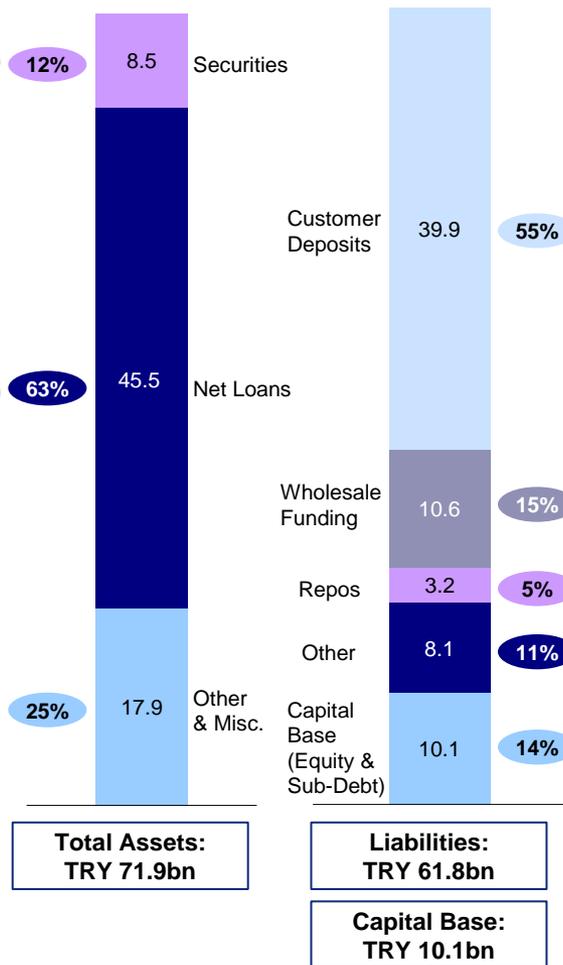
P&L

	Q1'13		Q1'14	
	USD million	TRY million	USD million	TRY million
• Net interest income	455	825	301	660
• Provisions	(108)	(196)	(104)	(227)
• Adjusted NII	347	629	198	433
• Net fees and commissions	143	260	174	381
• Opex	291	527	292	639
• Net Income	151	274	59	129

Loan Heavy and Deposit Based Balance Sheet

		<u>Maturity (Remaining)</u>	<u>AFS</u>	<u>TRY</u>	<u>TRY Yield</u>
CPI-linker	42%	6.3 years	35.8%	100%	10.0%
FRN	26%	3.4 years	100%	99%	9.3%
Fixed	32%	8.8 years	76.0%	43%	7.7%

		<u>Maturity (Remaining)</u>	<u>Collateral (1)</u>	<u>TRY</u>	<u>TRY Yield</u>	<u>Avg. Ticket Size (TRY'000)</u>
Corporate & Commercial	18%	3.3 years	29%	46%	13.8%	636.2
SME	30%	1.8 years	42%	93%	14.8%	32.7
Mortgage (2)	14%	6.0 years	99%	99%	10.1%	44.2
Consumer	15%	2.3 years	7%	100%	16.7%	5.1
Credit Cards	23%	0.2 years	-	100%	24.6 %	0.6



		<u>Maturity</u>	<u>Avg. Ticket Size (TRY'000)</u>	<u>TRY</u>	<u>TRY Cost</u>
Retail	62%	61 days	106	70%	9.7%
Corporate	38%	74 days	1,959	72%	10.3%

	<u>Maturity (Remaining)</u>	<u>TRY</u>	<u>Cost</u>
Syndication	0.7 years	0%	0.9%
Eurobond	2.7 years	0%	5.4%
TRY bond	0.1 years	100%	9.6%
Post finance	1.0 years	0%	1.9%
Due to banks	0.1 years	6%	1.8%
Securitization	6.7 years	0%	3.7%

		<u>Maturity (Remaining)</u>	<u>TR Y</u>	<u>Cost</u>
Sub-debt	20%	7.3 years	0%	4.6%
Equity (3)	80%	n.m.	100%	-

Source: BRSA consolidated data as of Q1'14

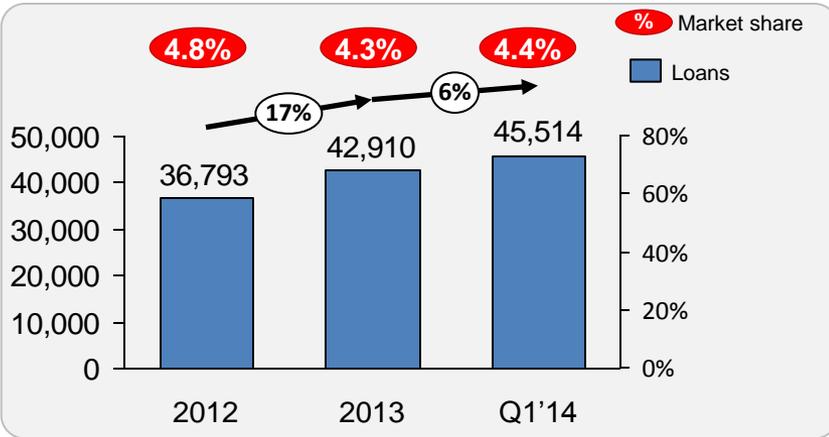
(1) Cash and mortgages

(2) LTV portfolio avg.: 50.1%

(3) Duration of equity is 2.52 years

Shifting towards SME and commercial

Net loans (TRY million)



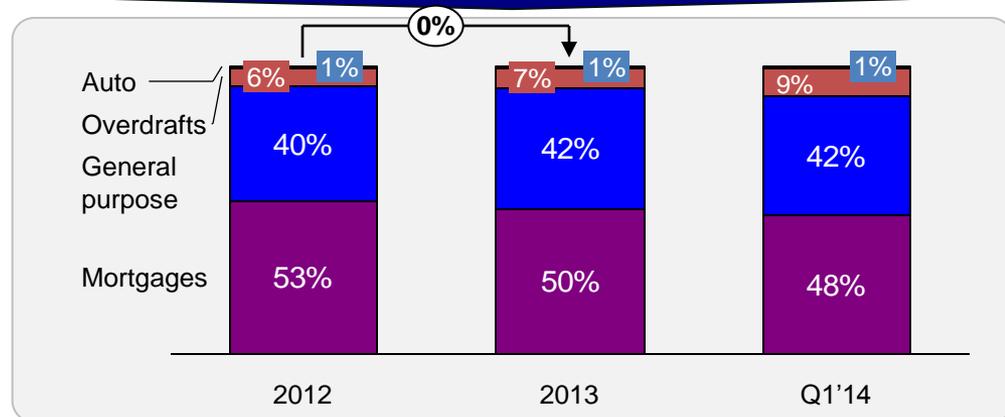
Loan breakdown



Business segmentation (By annual turnover)

- Corporates
> TRY 100mn
- Commercial companies
TRY 20mn-100mn
- SME
TRY 2mn-20mn
- Micro
< TRY 2mn

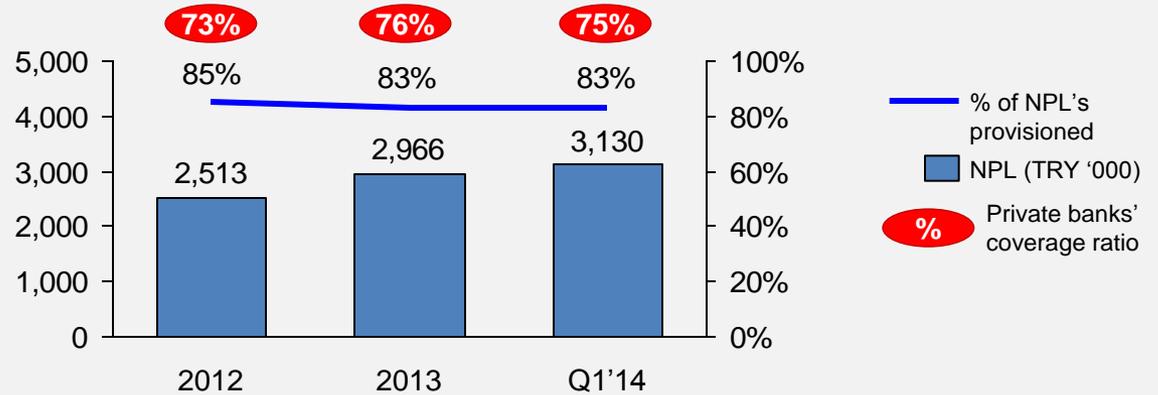
Retail loans



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

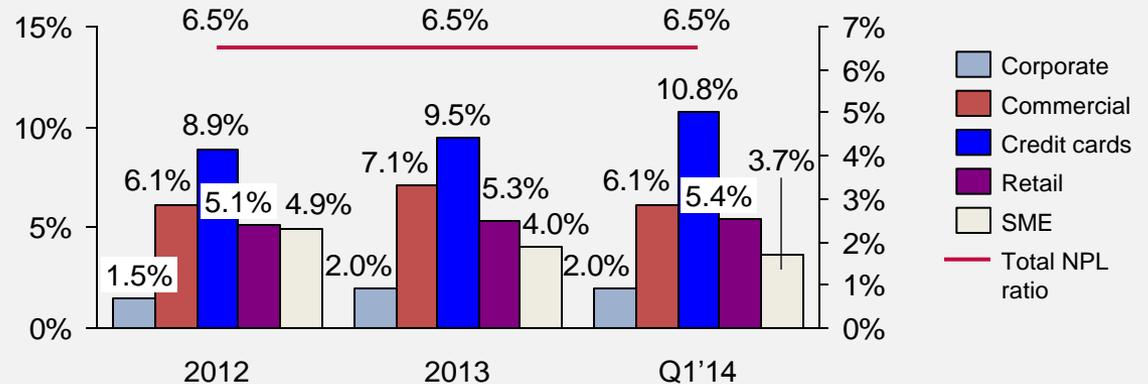
Higher coverage for better risk management

NPL provisioning



- TRY 918mn reserved in general provisions
- Very limited loan write-off of TRY 6.5mn in 2011 and TRY 5.1mn in 2012
- Total NPL sale of TRY 786mn since Sep'11

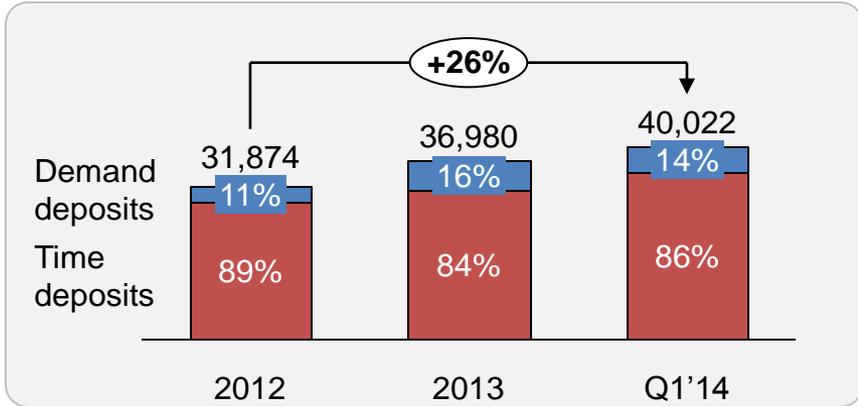
NPL ratio by segments



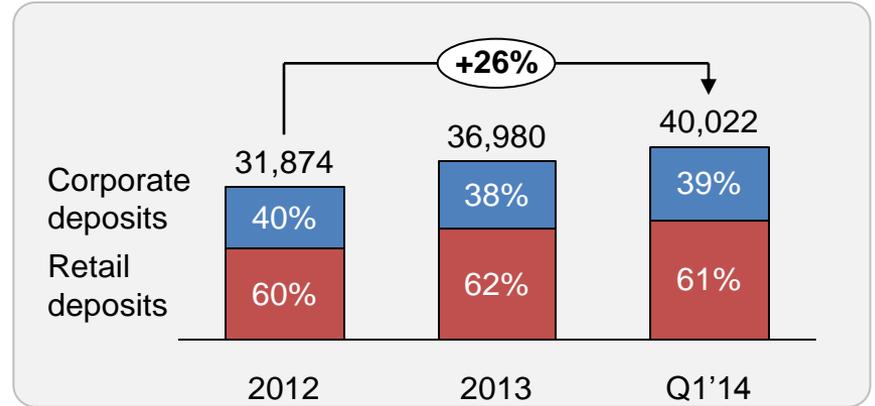
Growing deposit base

TRY million

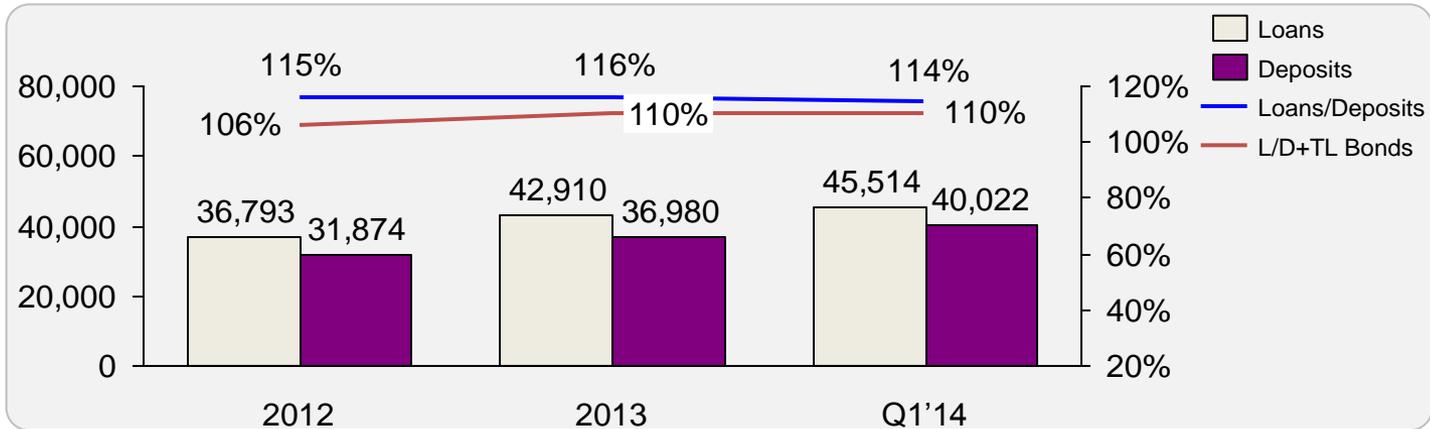
By type



By segment

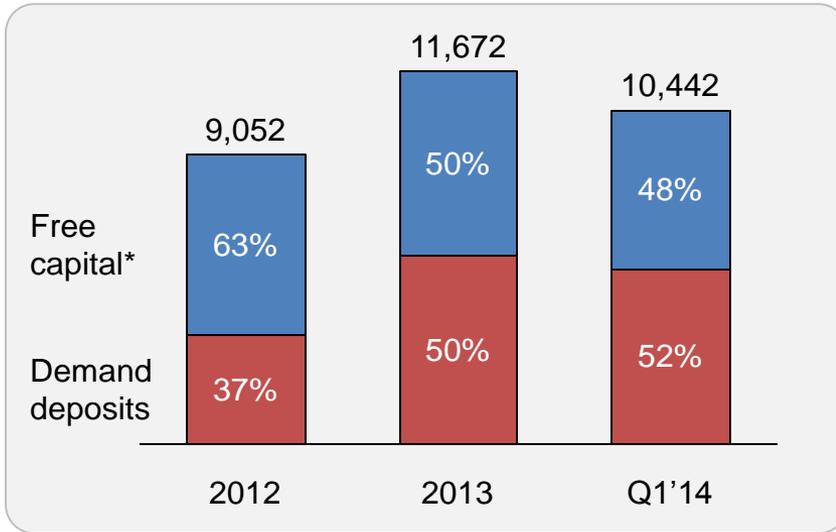


Loans/Deposits

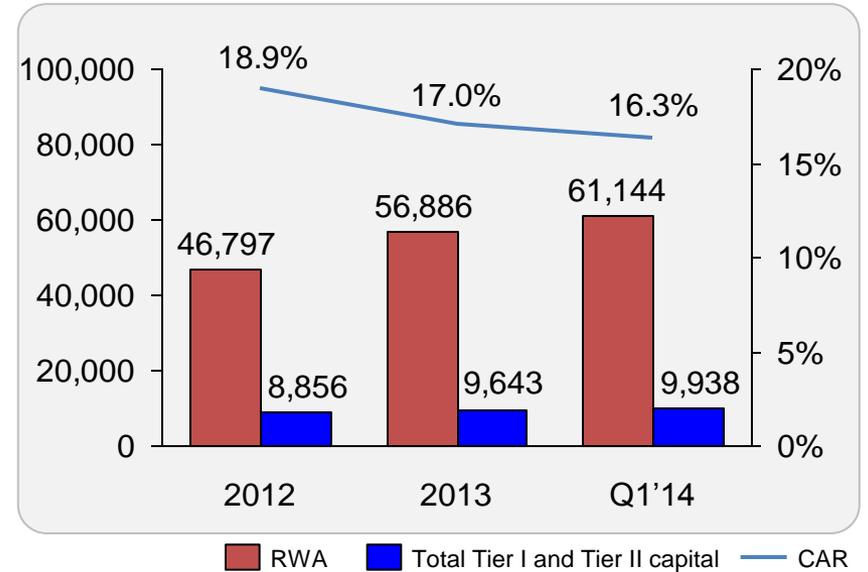


Strong capital and high liquidity

Free funds (TRY million)



Capital adequacy ratio (TRY million)

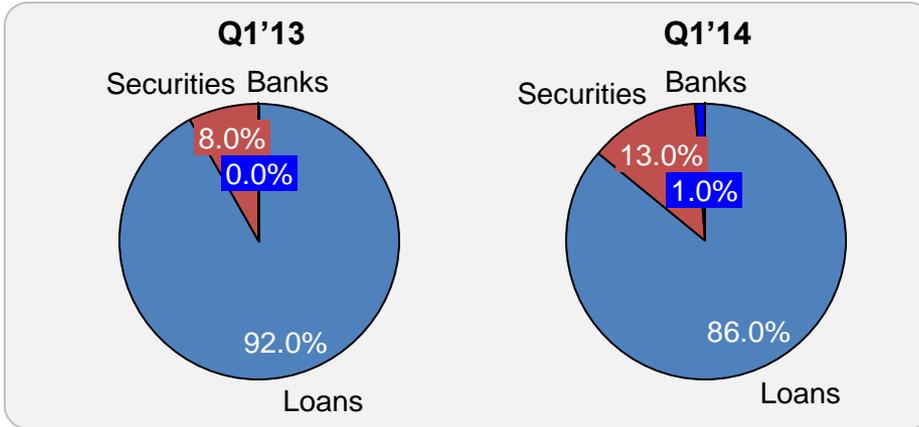


- The new Basel III compliance had a 15bps positive effect on CAR
- Tier 1 ratio is at 12.29%

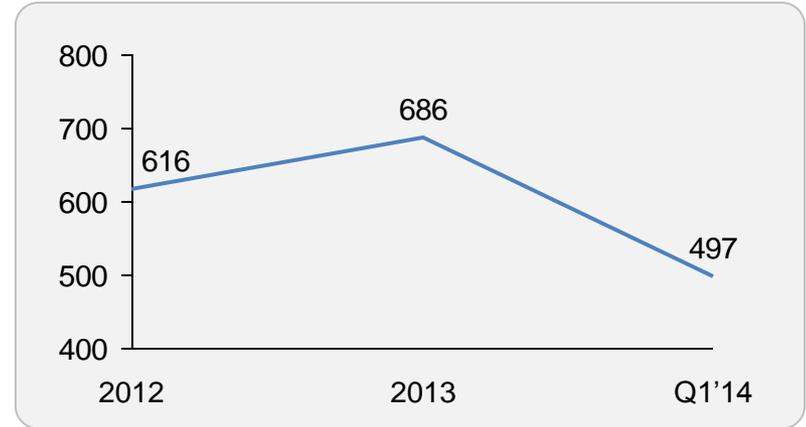
* Free capital = Shareholders' Equity – (Subsidiaries + Fixed Assets + Unprovisioned NPL)

High margins with strong fee income growth

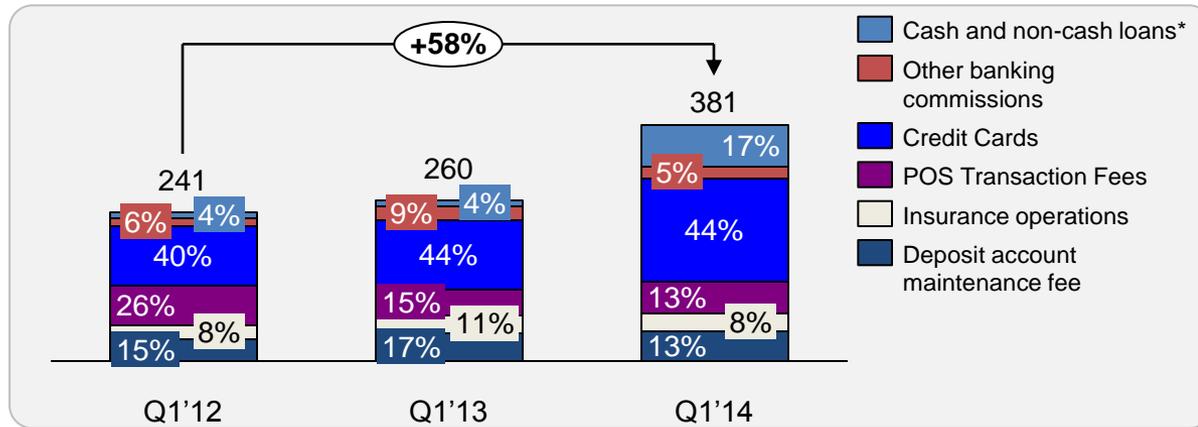
Breakdown of interest income



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 2015	USD	1	3
TRY Bond	July 2014	TRY	186.9	0.3
TRY Bond	March 15	TRY	63.4	0.9
TRY Bond	April 2014	TRY	295	0.3
TRY Bond	May-14	TRY	500	0.5
TRY Bond	May-14	TRY	170.5	0.3
TRY Bond	March 15	TRY	311	0.9
TRY Bond	March 15	TRY	60.2	1
Eurobond	May-16	USD	500	5
Eurobond	November 2017	USD	350	5
Eurobond	April 2019	USD	500	5
Syndicated Term Loan USD Tranche	November 2014	USD	167	1
Syndicated Term Loan EUR Tranche	November 2014	EUR	264.5	1
DPR Securitisation	November 2017	USD	75	5
DPR Securitisation	November 2017	EUR	10	5
Subordinated Debt from NBG	October 2020	USD	325	11
Subordinated Debt from NBG	October 2021	USD	200	12
EIB	November 2019	USD	13	7
EIB	December 2015	EUR	21.5	7
EIB	October 2017	EUR	28.6	7
EIB	December 2015	EUR	19.9	6
EIB	May-16	EUR	29.9	7
Subordinated Debt from NBG	December 2021	USD	125	12
Subordinated Debt from NBG	December 2021	USD	260	10
DPR Securitisation	November 2024	EUR	50	12

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Macroeconomic data and forecasts

Economic Growth	2012	2013	2014F
GDP growth (%)	2.1	4.0	1.7
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	-6.0
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	2.2500
TRY/EUR (period-end)	2.3547	2.9365	2.9250
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

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