



# 1<sup>st</sup> Half 2011 Results Presentation September, 2011

# Disclaimer – Forward Looking Statements

## **FORWARD LOOKING STATEMENTS**

*This document contains forward-looking statements about the Bank.*

*Except for historical information, the matters discussed in this presentation are forward-looking statements that are subject to certain risks and uncertainties that could cause the actual results of operations, financial condition, liquidity, performance, prospects and opportunities to differ materially, including but not limited to the following: the uncertainty of the national economy; economic conditions generally and the banking sector specifically; competition from other banks; timing of financial statements; resources in audit and finance department; adequacy of internal controls the Bank's ability to take advantage of new technologies as well as to integrate new computer systems into its operations and to use these systems to enhance productivity.*

*Although the Bank believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, it can give no assurance that its expectations will be attained. The forward-looking statements are made as of the date of this presentation, and we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.*

*By attending this presentation, you agree to be bound by the foregoing limitations.*

# 1<sup>st</sup> Half 2011 Results Presentation - Agenda

## *Hellenic Postbank History*

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- Income Statement Highlights
- Balance Sheet Highlights
- Recurring Revenue Growth
- Containment of Costs
- Impairment estimation of Greek Government Bonds (PSI)
- Asset Development in Banking Activities
- Loan Portfolio Development
- Deposit Base Development
- Strong Asset Quality
- Sufficient Capital Base

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- Unique Synergy with Hellenic Post
- Human Recourses Update
- New IT Systems

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- Supporting Business Plan Realization

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### *Contacts*

# Hellenic Postbank History

- Hellenic Postbank established in 1900 in Kreta, in the context of the Hellenic Post Office Organization.
- It started its function in 1902 with a network of 26 branches.
- In 1970 Hellenic Postbank became autonomous with the foundation of Greek Postals.
- In 2002 it acquired a new corporate status and became a Societe Anonyme, under the law 3082/16.12.2002.
- In 2005 the banking network consisted of 136 branches all over the Greece. The Bank's presence is additionally supported from Hellenic Post Office (ELTA) 820 branches cooperation, as an alternative network which assists selling activities, based on the well product range of the Bank.
- In April 2006 it acquired a full banking license and since then Hellenic Postbank have been operating under the supervision of the Bank of Greece.
- In June 2006, the Bank became an ASE listed company, through a public offer of 34,84% of the existing shares, at the period.
- By the end of 2006 the alternative network of Hellenic Posts increased to 839 branches and the existing agreement expanded to lending products.
- Hellenic Postbank has initiated a new contemporary integrated banking system through which all daily operations are performed and controlled fully on line. At the same time, the Bank's number of ATMs is following an increasing trend, in an effort to facilitate daily transactions. By the end of 2008 the ATM's amounted 191 pieces, of witch 148 were placed at the Bank's network and the rest at the alternative network of Hellenic Post Office.
- On July 11, 2007, the "Hellenic Republic", major shareholder of the Bank, proceeded in a successful sale of 28,173,354 common shares which consisted the 20% of the Bank's outstanding share capital via accelerated book building process to international and Greek qualified investors. The offering took place within the frameworks of State's gradual, privatization program.
- On December 20, 2007, Hellenic Postbank increased its share capital following the exercise of the stock option plan, by 1,366,212 common shares, at the issue price of 3.70 Euro.
- On March 12, 2008, the logo of the bank has changed from "Greek Postal Savings Bank" to "**Hellenic Postbank**", representing the new vision of the Bank "**to establish the Hellenic Postbank as the large Bank that cares, protect and supports the citizens**".
- Hellenic Postbank now supports a full range product mix such as mortgages, personal loans, credit cards, mutual funds and all types of bank deposit / saving activities. The Banking corporation also includes treasury, asset management, private banking and custody activities in its product portfolio.
- Enhancement of the Bank's capital adequacy due to the share capital increase amounting to 224,96 mil. Euros (60,800,000 preferred stocks), decided by the EGM held on January, 28<sup>th</sup>, 2009, according to article 1 of law 3723/2008, "For the enhancement of liquidity of the economy in response to the impact of the international financial crisis". Completed on May 25<sup>th</sup>, 2009.
- Further enhancement of the Bank's capital adequacy in the frameworks of the share capital increase amounting up to 526,3 mil Euros, decided by the EGM held on April, 22<sup>th</sup>, 2009. Successfully completed on July, 3<sup>rd</sup> 2009.
- Establishment during 2009 of 2 new subsidiaries : Post Insurance Brokerage S.A. and Postbank Green Institute S.A..

## Hellenic Postbank at a Glance

€mm	IFRS				% growth			IFRS			% growth	
	Dec-07	Dec-08	Dec-09	Dec-10	'08-'07	'09-'08	'10-'09	Jun-10	Jun 2011 - exl PSI	Jun-11	'11-'10 - exl PSI	'11-'10
Loans	6.110,36	7.126,07	8.042,77	8.216,11	16,62%	12,86%	2,16%	8.086,84	8.029,39	8.029,39	(0,71%)	(0,71%)
Total assets	13.187,83	14.897,76	17.955,52	16.566,34	12,97%	20,52%	(7,74%)	18.166,06	16.650,60	16.395,55	(8,34%)	(9,75%)
Deposits and repos	11.155,69	11.211,24	12.632,22	12.124,80	0,50%	12,67%	(4,02%)	12.690,36	10.918,63	10.918,63	(13,96%)	(13,96%)
Shareholders' equity (excl. non contr.int)	746,44	532,16	1.224,49	912,89	(28,71%)	130,10%	(25,45%)	853,44	860,77	605,71	0,86%	(29,03%)
Net Interest Income (NII)	294,37	321,78	263,30	384,60	9,31%	(18,18%)	46,07%	180,63	203,42	203,42	12,62%	12,62%
Total operating income	293,45	301,91	369,00	319,02	2,88%	22,22%	(13,55%)	106,87	187,17	187,17	75,13%	75,13%
Income (before tax)	50,25	2,61	46,74	7,61	(94,80%)	-	(83,72%)	(39,75)	(39,49)	(604,20)	0,65%	-
Net Income (after tax)	43,45	2,85	22,65	(32,93)	(93,45%)	-	(245,40%)	(55,11)	(46,66)	(498,43)	15,34%	-
*Net Income (after tax) Adjusted	-	-	12,11	(50,33)	-	-	-	(63,75)	(55,76)	(507,53)	12,53%	-
<b>Financial Ratios</b>												
Loans / Deposits	54,77%	63,56%	63,67%	67,76%				63,72%	73,54%	73,54%		
Capital adequacy	9,89%	8,59%	17,10%	18,50%				15,74%	17,91%	11,00%		
NII / Total Assets	2,23%	2,16%	1,47%	2,32%				1,99%	2,44%	2,48%		
NII / Total Operating Income	100,31%	106,58%	71,35%	120,56%				169,01%	108,68%	108,68%		
NPL / Gross Loans	1,32%	2,69%	3,29%	3,96%				3,82%	4,94%	4,94%		
Loans / Total Assets	46,33%	47,83%	44,79%	49,60%				44,52%	48,22%	48,97%		
Provision Expense / Gross Loans	0,47%	0,51%	0,50%	0,66%				0,27%	1,04%	1,04%		
ROA (excl. non contr int)	0,33%	0,02%	0,13%	(0,20%)				(0,61%)	(0,56%)	(6,08%)		
*ROA Adjusted	-	-	0,07%	(0,30%)				(0,70%)	(0,67%)	(6,19%)		
ROE (of common shares)	5,82%	0,53%	2,27%	(4,79%)				(17,51%)	(14,68%)	(261,82%)		
*ROE Adjusted (of common shares)	-	-	1,21%	(7,32%)				(20,25%)	(17,54%)	(266,60%)		
Cost / Income	73,09%	76,92%	72,13%	73,72%				110,68%	62,22%	62,22%		
**Cost / Income Adjusted	67,56%	66,75%	69,99%	73,56%				-	-	-		
Cost / Income (excl. trading results)	63,78%	57,69%	92,28%	56,32%				61,38%	54,85%	54,85%		

- \* (a) Period 2009 adjusted figures includes the accrued Preference Shares obligation (10% on the 224.96 mil. Euros Capital), amounted to 10.54 mil. Euros (net, after tax) for the year end  
 (b) Period 2010 adjusted figures includes the accrued Preferences Shares obligation (10% on the 224.96 mil Euros Capital), amounted to 17.40 mil. Euros (net, after tax) and 8.63 for the 1<sup>st</sup> Half  
 (c) Period 2011, adjusted figures includes the accrued Preferences Shares obligation (10% on the 224.96 mil Euros Capital), amounted to 9.10 mil. Euros (net, after tax)
- \*\* (a) Period 2007, adjusted figures excludes the one off provision expense, due to personnel legal demands, amounted to 16.05 million Euros (12/2007)  
 (b) Period 2008, adjusted figures excludes the one off expense, due to voluntary retirement of initials 132 employees, amounted to 15.70 million Euros.  
 (c) Period 2009, adjusted figures excludes the one-off expense, due to voluntary retirement of 44 employees, amounted to 7.90 mil. Euros.  
 (d) Period 2010, adjusted figures excludes the one-off expense, due to voluntary retirement, amounted to 0.50 mil. Euros.

## Income Statement Highlights

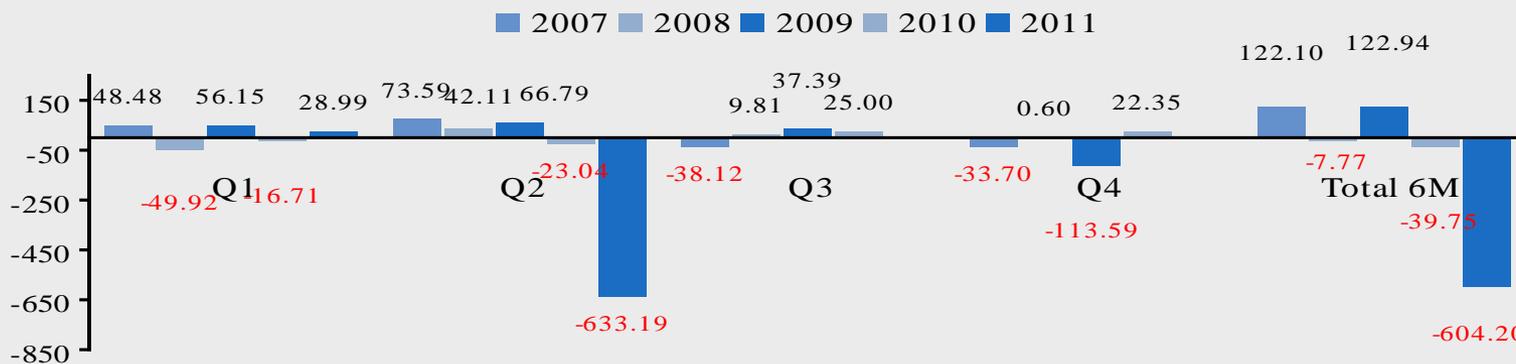
€mm	IFRS			% growth			IFRS			% growth		
	Dec-07	Dec-08	Dec-09	Dec-10	'08-07	'09-08	'10-'09	Jun-10	Jun 2011 - exl PSI	Jun-11	11-'10 - exl PSI	'11-'10
Net Interest Income	294,37	321,78	263,30	384,60	9,31%	(18,18%)	46,07%	180,63	N/A	203,42	N/A	12,62%
Net fee and commission income	11,26	16,78	15,88	24,78	49,02%	(5,37%)	56,04%	7,92	N/A	6,24	N/A	(21,22%)
Dividend income	4,14	8,17	7,70	7,21	97,28%	(5,71%)	(6,44%)	3,55	N/A	2,09	N/A	(40,98%)
Trading income	(17,36)	(47,41)	80,56	(98,58)	173,12%	(269,91%)	(222,37%)	(85,83)	N/A	(25,14)	N/A	70,71%
Other operating income	1,04	2,58	1,56	1,01	147,12%	(39,65%)	(34,97%)	0,60	N/A	0,55	N/A	(8,14%)
<b>Total operating income</b>	<b>293,45</b>	<b>301,91</b>	<b>369,00</b>	<b>319,02</b>	<b>2,88%</b>	<b>22,22%</b>	<b>(13,55%)</b>	<b>106,87</b>	N/A	<b>187,17</b>	N/A	<b>75,13%</b>
*Personnel expenses	101,08	102,88	124,20	128,03	1,77%	20,73%	3,08%	65,04	N/A	63,91	N/A	(1,74%)
Administrative expenses	99,31	112,05	118,17	90,51	12,82%	5,47%	(23,41%)	43,47	N/A	43,51	N/A	0,10%
Depreciation	10,18	10,91	11,36	11,88	7,15%	4,13%	4,62%	5,86	N/A	5,60	N/A	(4,43%)
Other operating expenses	3,91	6,39	12,44	4,77	63,14%	94,81%	(61,68%)	3,91	N/A	3,42	N/A	(12,42%)
<b>Operating expenses</b>	<b>214,49</b>	<b>232,22</b>	<b>266,17</b>	<b>235,18</b>	<b>8,26%</b>	<b>14,62%</b>	<b>(11,64%)</b>	<b>118,28</b>	N/A	<b>116,45</b>	N/A	<b>(1,55%)</b>
Provisions for loan losses	28,71	36,07	40,61	54,24	25,64%	12,58%	33,56%	21,58	N/A	83,46	N/A	286,75%
Other provisions	-	31,00	16,18	3,74	-	(47,82%)	(76,91%)	-	N/A	-	N/A	-
Impairment losses of GGB's	-	0,00	-	-	-	-	-	-	-	564,71	-	-
Share profit/(loss) from associates	-	-	0,70	(18,25)	-	-	-	(6,75)	(26,75)	(26,75)	296,01%	296,01%
Regular Income Tax	6,80	(0,23)	16,81	36,17	(103,43%)	-	115,18%	10,99	7,17	(105,77)	(34,75%)	-
Extraordinary Income Tax	-	-	7,29	4,37	-	-	-	4,38	-	-	-	-
<b>Net income (after tax)</b>	<b>43,45</b>	<b>2,85</b>	<b>22,65</b>	<b>(32,93)</b>	<b>(93,45%)</b>	-	-	<b>(55,11)</b>	<b>(46,66)</b>	<b>(498,43)</b>	<b>(15,34%)</b>	-
** Net income (after tax) adjusted	-	-	12,11	(50,33)	-	-	-	(63,75)	(55,76)	(507,53)	(12,53%)	-
<b>Earnings Per Share</b>	<b>0,3087</b>	<b>0,0186</b>	<b>0,0474</b>	<b>(0,1823)</b>	<b>(93,45%)</b>	-	-	<b>(0,2248)</b>	<b>(0,1661)</b>	<b>(1,8026)</b>	<b>(15,34%)</b>	-
***Earnings Per Share Adjusted	-	-	0,0955	(0,1214)	-	-	-	(0,1946)	(0,1343)	(1,7709)	-	-
Nominal Tax Rate	25,00%	25,00%	25,00%	24,00%	-	-	-	24,00%	20,00%	20,00%	-	-
Effective Tax Rate	13,53%	(8,93%)	51,55%	-	-	-	-	38,66%	(18,16%)	17,51%	-	-
**** Effective Tax Rate Adjusted	-	-	23,55%	-	-	-	-	(23,27%)	-	-	-	-

- \* (a) Period 2007, includes the one off provision expense, due to personnel legal demands, amounted to 16.05 mil. Euros.  
 (b) Period 2008, includes the one off expense, due to voluntary retirement of initials 132 employees, amounted to 15.70 mil. Euros.  
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 (b) Period 2010, includes the Preference Shares obligation (10% on the 224.96 mil. Euros capital), amounted to 17.40 mil. Euros (net after tax) for the year end and 8.63 for the 1<sup>st</sup> Half.  
 (c) Period 2011, includes the Preference Shares obligation (10% on the 224.96 mil. Euros capital), amounted to 9.10 mil. Euros (net after tax) for the 1<sup>st</sup> Half.

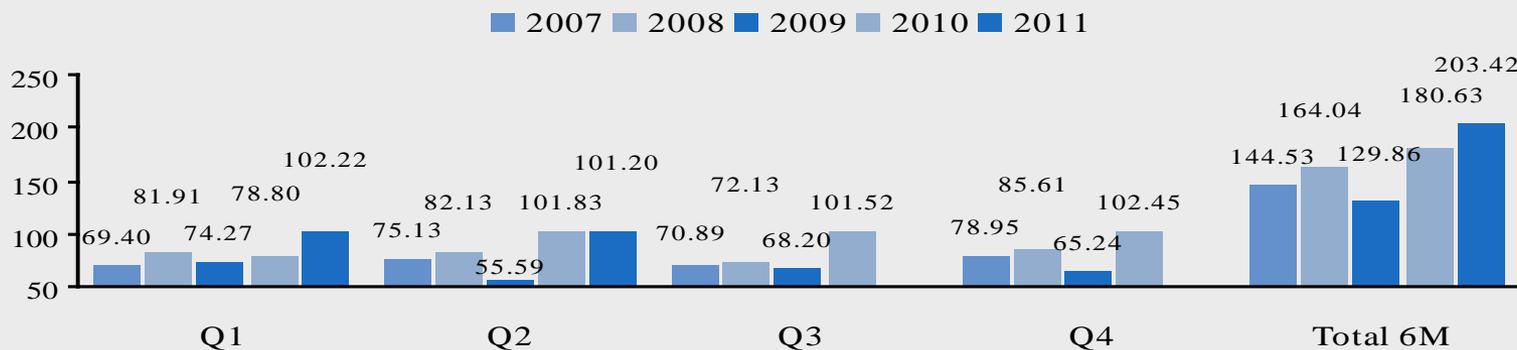
- \*\*\* (a) Period 2009, excludes the Preference Shares obligation (10% on the 224.96 mil. Euros Capital), amounted to 10.54 mil. Euros (net after tax) for the year end.  
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 (c) Period 2011, includes the Preference Shares obligation (10% on the 224.96 mil. Euros capital), amounted to 9.10 mil. Euros (net after tax) for the 1<sup>st</sup> half.
- \*\*\*\* (a) Period 2009 adjusted figures, excludes i) the extraordinary taxation, amounted to 7.29 million Euros, and ii) the recognised withholding tax, amounted to 7.80 mil. Euros, due to the new government bill for the year end.

## Income Statement Highlights (including PSI impairment estimation of GGB's)

### Profits before tax (€mm)

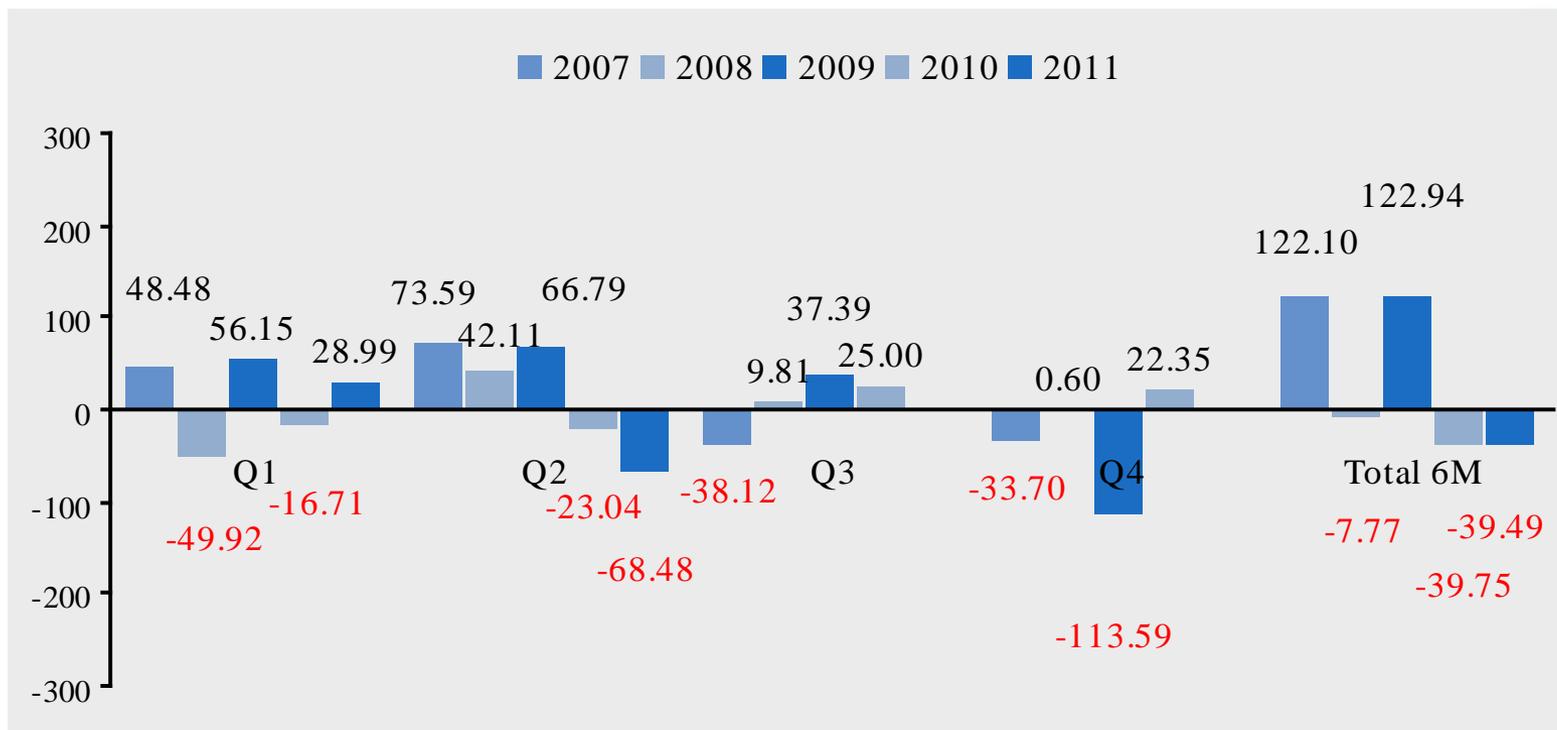


### Net Interest Income (€mm)



## Income Statement Highlights (excluding PSI Impairment estimation of GGB's)

### Profits before tax (€mm)

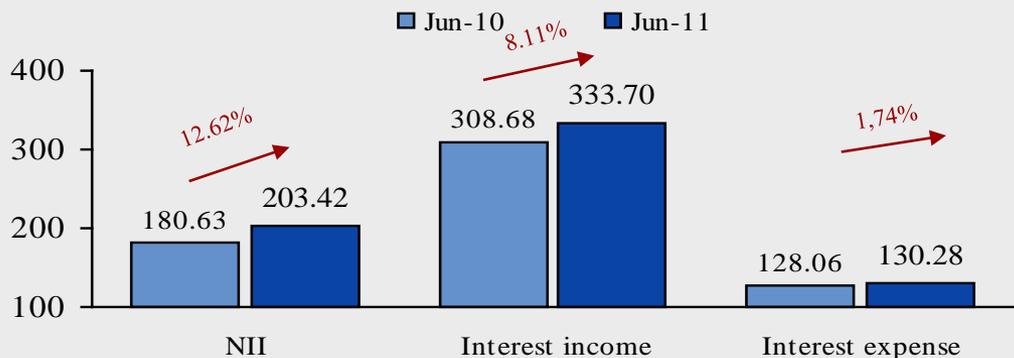


## Balance Sheet Highlights

€mm	IFRS				%growth			IFRS		
	Dec-07	Dec-08	Dec-09	Dec-10	'08-'07	'09-'08	'10-'09	Jun-10	Jun-11	'11-'10
<b>Assets</b>										
Cash and balances with CB	129,34	179,94	109,69	361,83	39,13%	(39,04%)	229,87%	287,48	457,91	59,28%
Claims on credit institutions	2.584,42	3.008,41	2.339,37	931,92	16,41%	(22,24%)	(60,16%)	2.569,21	961,69	(62,57%)
Trading portfolio	904,59	456,02	446,09	75,92	(49,59%)	(2,18%)	(82,98%)	75,30	102,60	36,25%
Derivative Investments	23,00	5,13	6,10	3,58	(77,68%)	18,90%	(41,33%)	1,47	2,62	78,43%
Loans, (net of provisions)	6.023,51	7.003,98	7.879,89	7.999,77	16,28%	12,51%	1,52%	7.902,39	7.729,69	(2,19%)
Debt securities	-	-	22,70	3.200,43	-	-	-	3.222,61	3.153,89	(2,13%)
Available for sale	3.126,80	2.439,20	5.773,76	845,58	(21,99%)	136,71%	(85,35%)	1.462,16	654,73	(55,22%)
Held to maturity	-	1.143,28	450,74	2.135,53	-	(60,58%)	373,79%	1.573,83	2.216,40	40,83%
Investment in associates	-	94,59	125,68	119,53	-	32,88%	(4,90%)	137,66	99,86	(27,46%)
Property, plant and equipment	112,57	115,25	130,45	135,62	2,38%	13,19%	3,97%	134,51	136,79	1,69%
Intangible assets	10,29	19,81	25,45	25,46	92,62%	28,45%	0,04%	24,43	24,31	(0,48%)
Deferred tax assets	49,14	101,54	157,39	221,28	106,64%	55,00%	40,59%	269,18	280,46	4,19%
Other assets	224,18	330,61	488,19	509,90	47,47%	47,67%	4,45%	505,84	574,60	13,59%
<b>Total assets</b>	<b>13.187,83</b>	<b>14.897,76</b>	<b>17.955,52</b>	<b>16.566,34</b>	<b>12,97%</b>	<b>20,52%</b>	<b>(7,74%)</b>	<b>18.166,06</b>	<b>16.395,55</b>	<b>(9,75%)</b>
<b>Liabilities</b>										
Due to credit institutions	1.038,03	2.804,68	3.666,97	3.102,28	170,19%	30,74%	(15,40%)	4.109,99	4.497,32	9,42%
Due to customers	11.155,69	11.211,24	12.632,22	12.124,80	0,50%	12,67%	(4,02%)	12.690,36	10.918,63	(13,96%)
Derivative instruments	10,90	87,64	158,30	154,99	704,09%	80,62%	(2,09%)	232,84	101,16	(56,55%)
Deferred tax liabilities	11,74	9,50	35,81	49,58	(19,04%)	276,80%	38,46%	58,79	46,42	(21,04%)
Other liabilities	224,44	240,75	220,41	204,25	7,27%	(8,45%)	(7,33%)	204,99	210,83	2,85%
Shareholders' equity	746,44	532,16	1.224,49	912,89	(28,71%)	130,10%	(25,45%)	853,44	605,71	(29,03%)
Non - controlling interest	0,59	11,79	17,31	17,54	1.910,84%	46,87%	1,29%	15,63	15,47	(1,06%)
<b>Total equity and liabilities</b>	<b>13.187,83</b>	<b>14.897,76</b>	<b>17.955,52</b>	<b>16.566,34</b>	<b>12,97%</b>	<b>20,52%</b>	<b>(7,74%)</b>	<b>18.166,06</b>	<b>16.395,55</b>	<b>(9,75%)</b>

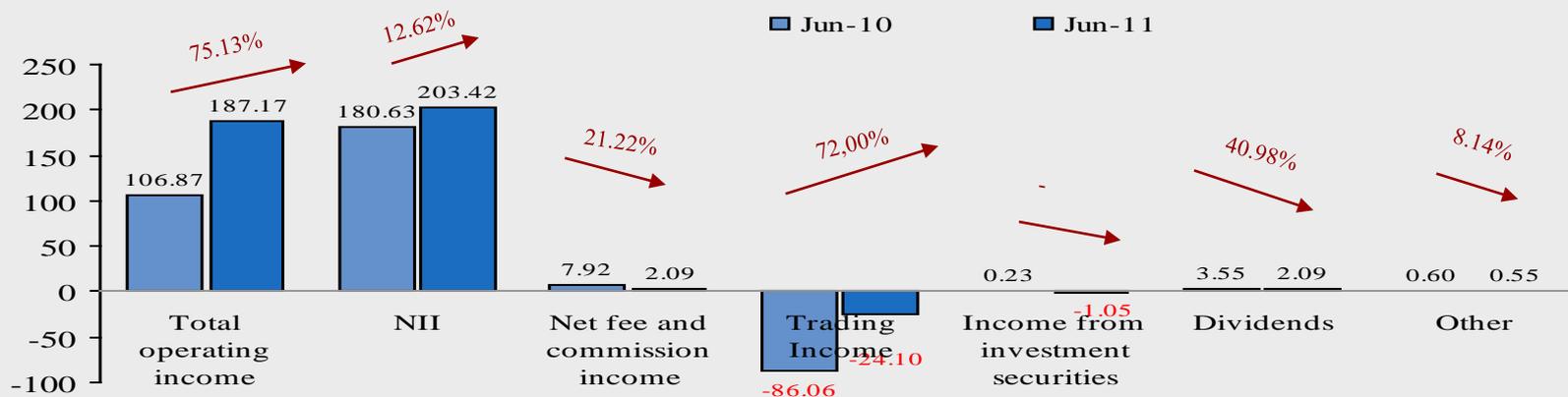
## Recurring Revenue Growth

### Recurring Revenue Growth (€mm)



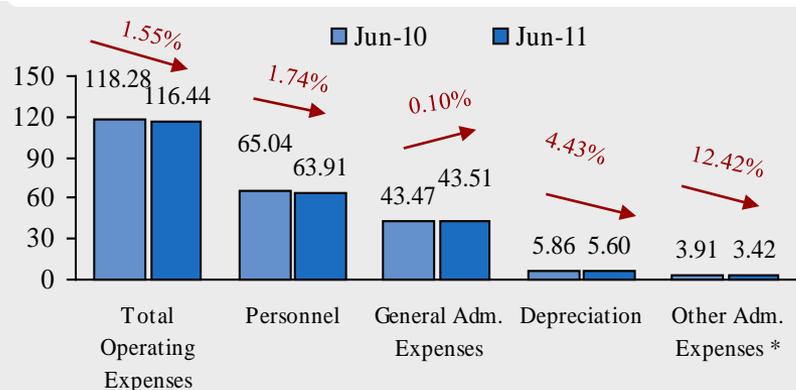
- Net interest income increased by 12.62%, mainly supported by higher Loans Portfolio interest income (by 13.73%)
- Total interest income increased by 8.11%.
- Total interest expense slightly increased by 1.74%, mainly due to higher funding costs.
- Improvement of trading results

### Total Operating Income



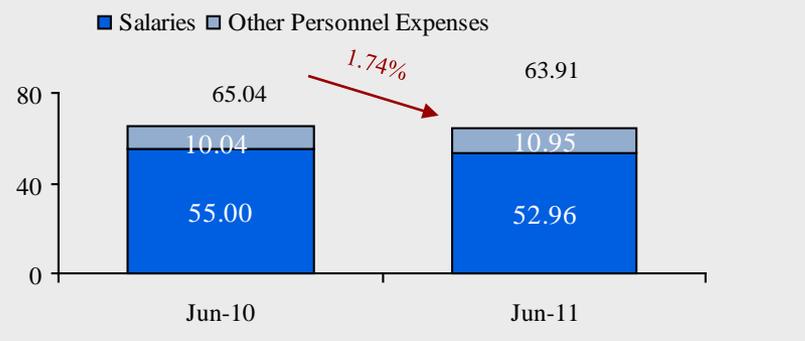
## Containment of Costs

### Total Operating Expenses (€mm)

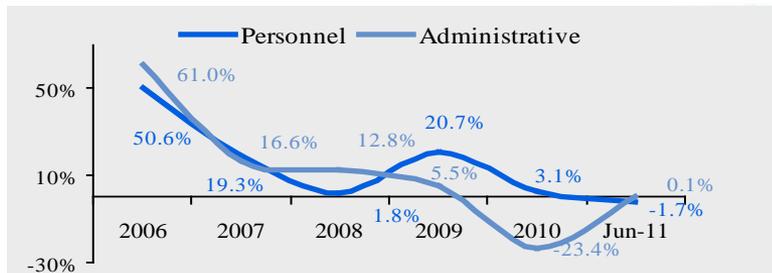


- Further improvement of Total Operating Expenses (excluding provisions) by 1.55%.
- Cost of Personnel decreased by 1.74%, compared to H1 of 2010.
- General & Other Administrative decreased by 0.94% compared to H1 of 2010

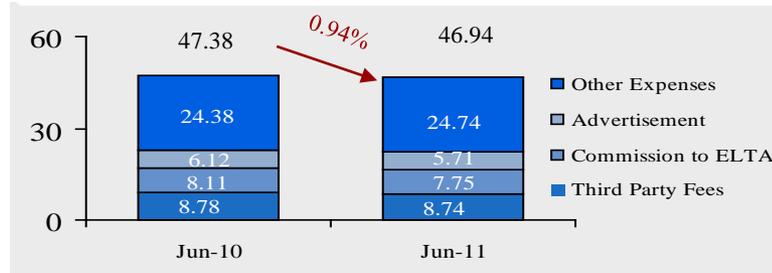
### Personnel Expenses (€mm)



### Evolution of personnel & administrative expenses



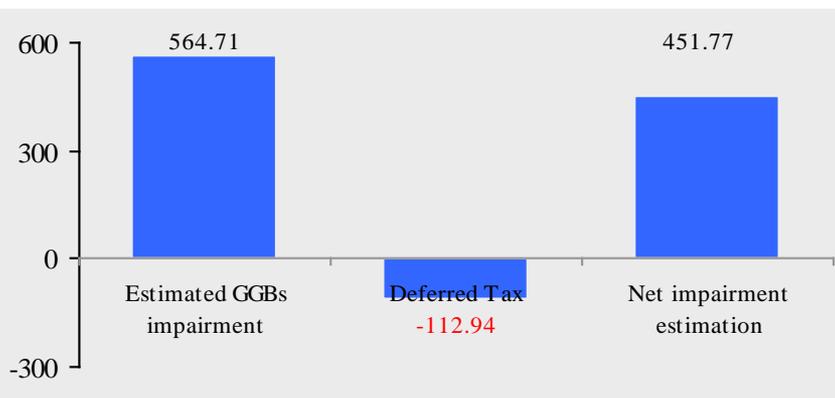
### General & Other Adm. Expenses (€mm)



\* Includes hedging ineffectiveness result for the period 2010, amounted to 1.59 mil. Euros and for the period amounted to 0.13 mil. Euros.

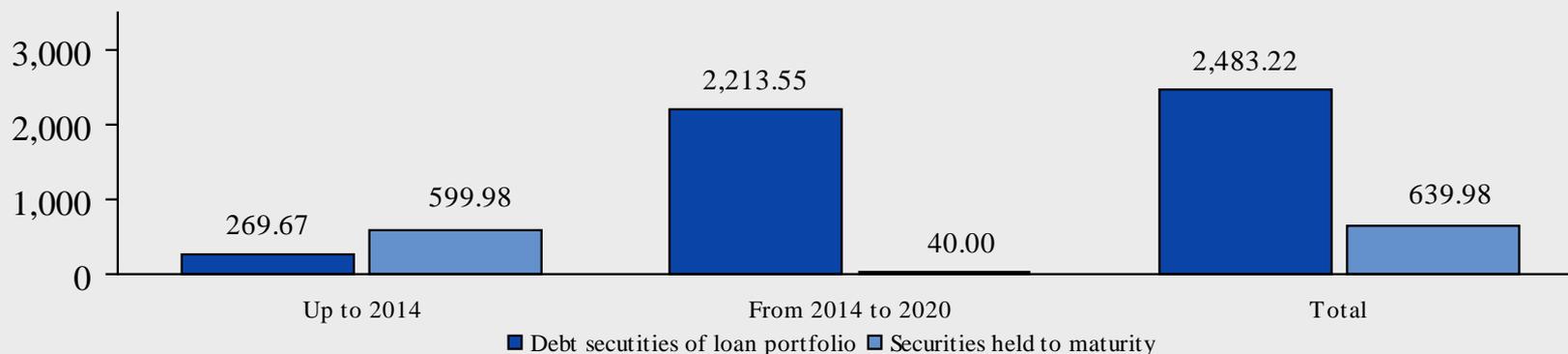
## Impairment estimation of Greek Government bonds (PSI)

### Impairment losses estimation (PSI) - €mm



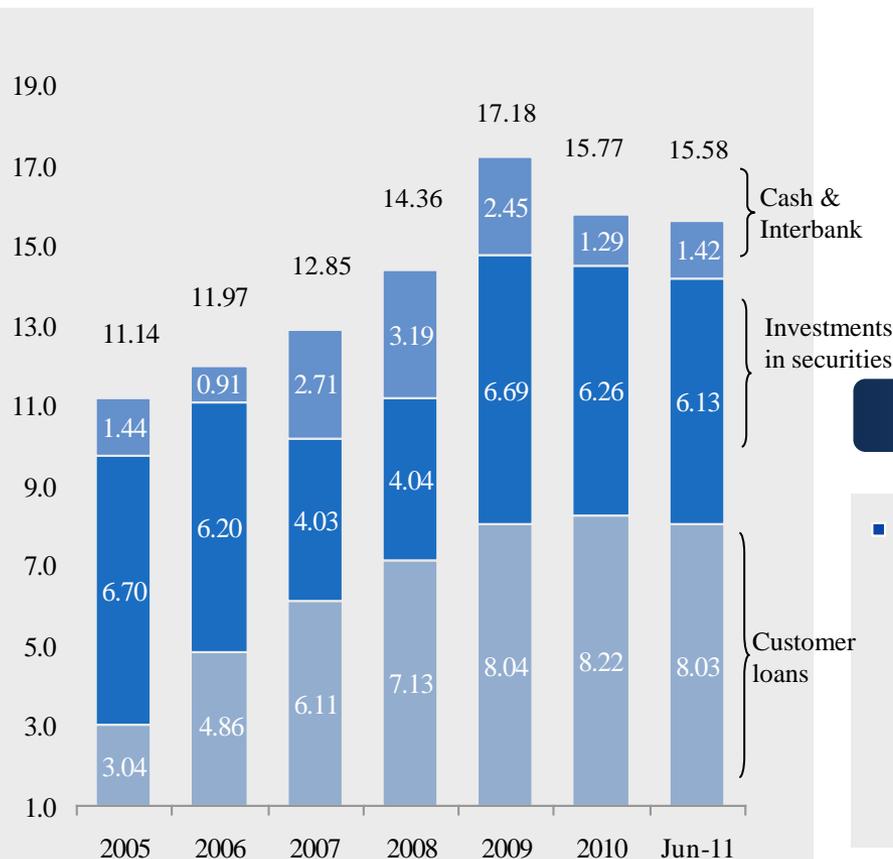
- The total estimated net after tax, impairment loss for GGBs, due to the Bank's intention to participate to the PSI plan, amounted to €451,77 mil.
- Total Eligible GGB's nominal value (expiring till 2020) amounts as of 30/6/2011 to €3.123,20 mil.
- It is noted that regarding the degree of estimated GGB's impairment that participate in the PSI plan, it has been based on the current levels of the thirty-year mid swap rate, as well as on the management's estimation for the four available options. Therefore the final amount of impairment which will be determined on the date of the ultimate agreement with the Greek State (estimated in the middle of October 2011), it may vary according to final interest rates and management's decision, concerning the four alternative options after the definition of their terms.

### PSI eligible GGBs by portfolio and maturity (nominal value - €mm)



## Asset Development in Banking Activities

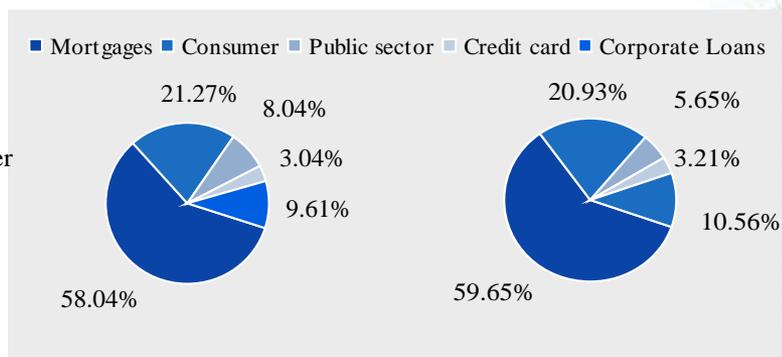
### Asset Breakdown (€bn)



### Asset Side restructure continues

- Loans decreased by 2.27%, since December 31, 2010, mainly due to large corporate loans repayments.
- Investment in securities decreased by 2.07% since December 31, 2010
- Cash & Interbank increased by 9.73% since December 31, 2010

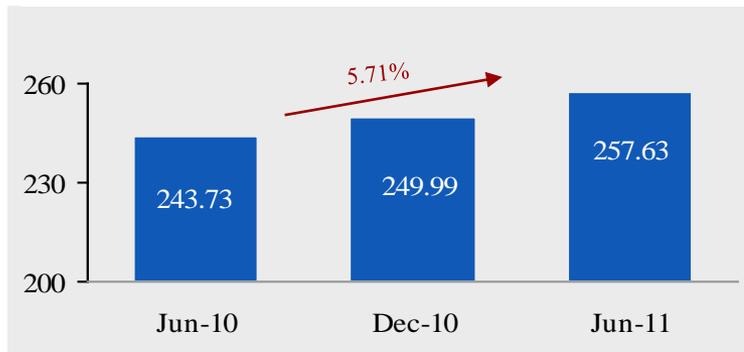
### Gross loan portfolio segmentation (%)



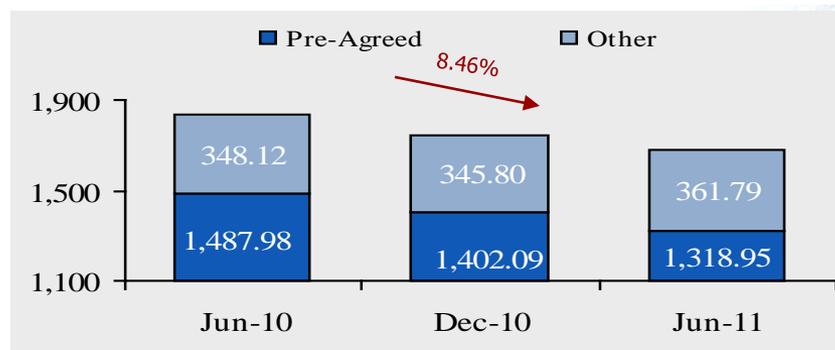
Dec - 2010 : €8,216.11 mm Jun - 2011 : €8,029.39 mm

## Loan Portfolio Development

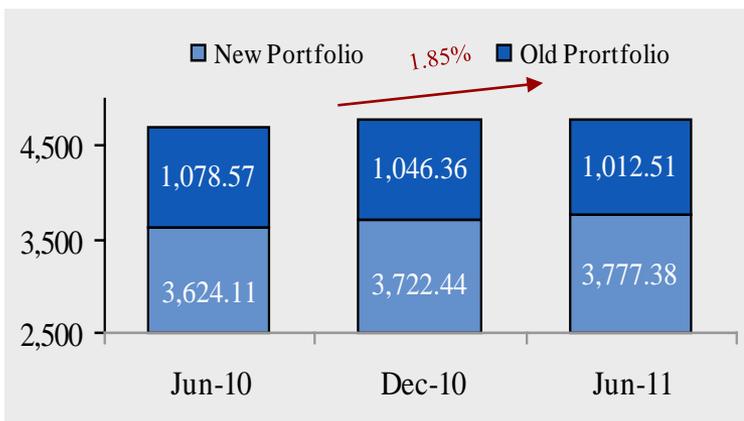
### Credit Cards (€mm)



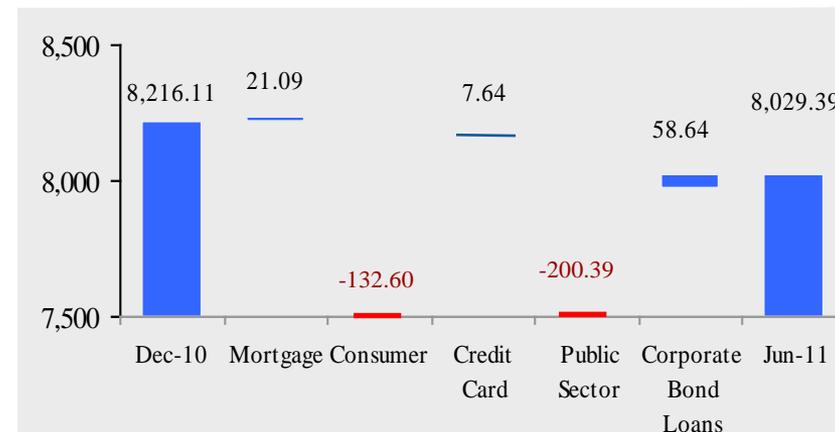
### Consumer Loans (€mm)



### Mortgages (€mm)

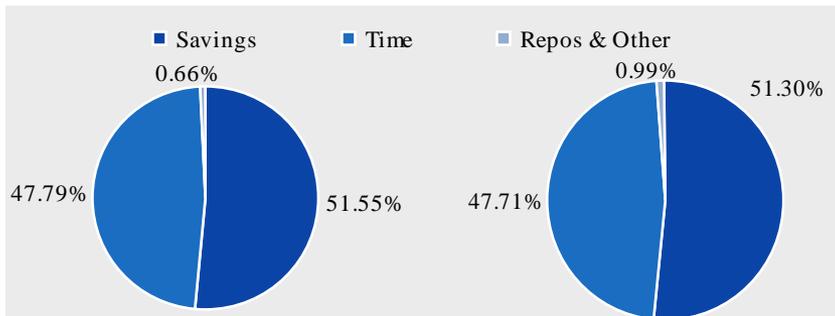


### Gross loan portfolio development (€mm)



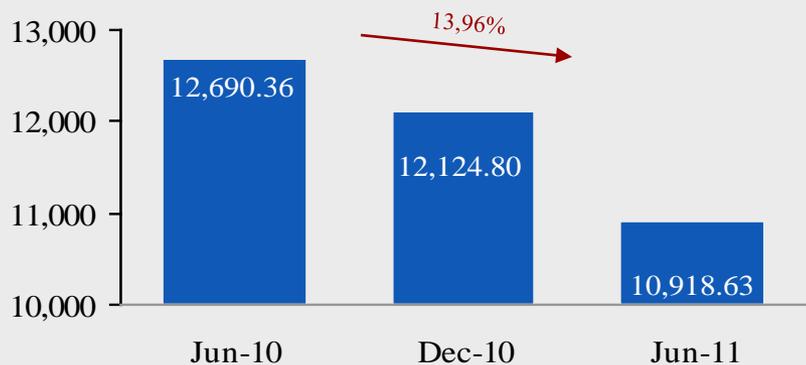
## Deposit Base Development

### Deposit segmentation (%)

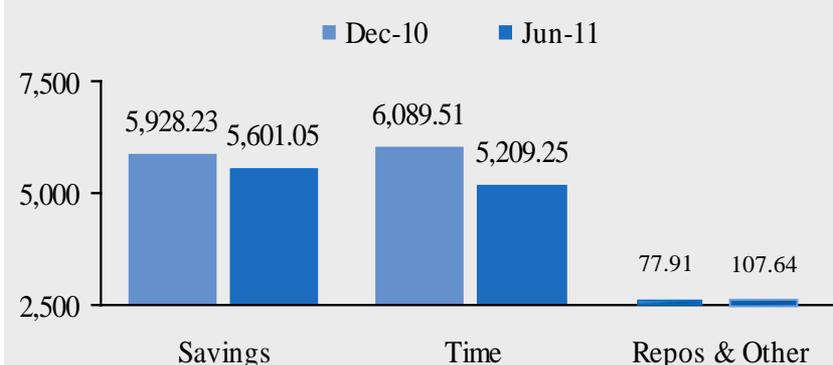


Dec - 2010 : €12,124.80 mm    Jun - 2011 : €10,918.63 mm

### Deposit development (€mm)



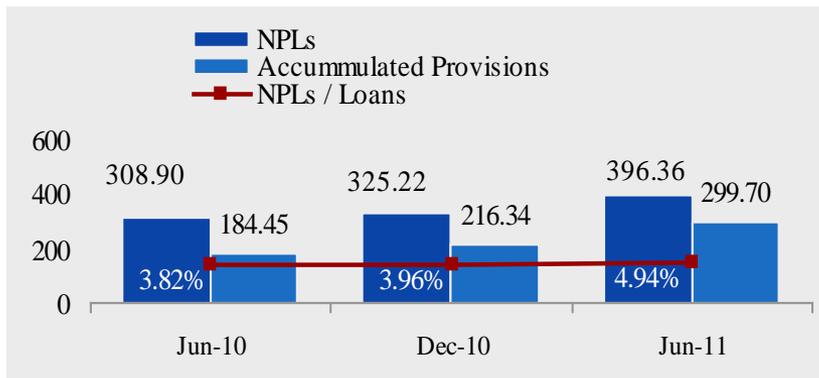
### Deposits by Type (€mm)



- The deposit base affected negatively by 9.95% since 31/12/2010, following the overall downward trend in the banking sector deposits.
- Approximately 3 mil. active accounts.
- Establishment of scaling rates to the saving deposits products.

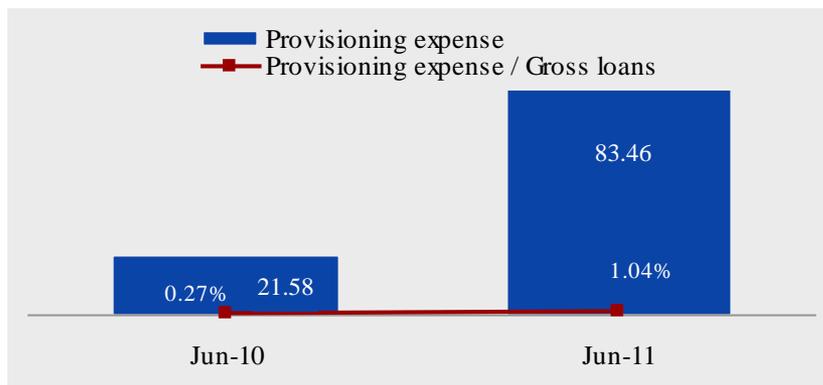
## Strong Asset Quality

### NPLs (€mm)

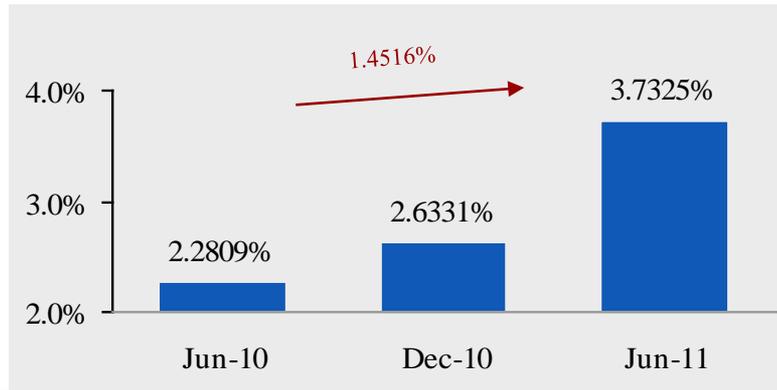


- Hellenic Postbank has a very low NPL level (Past Due >90 days), standing at 396.36 mil. Euros (4.94% of total loans)
- Very sufficient accumulated provisions with NPL coverage ratio at 75.61%.
- Provisions exceeds the minimum reserve requirements according to the BOG regulations.

### Provisions coverage overview (%)

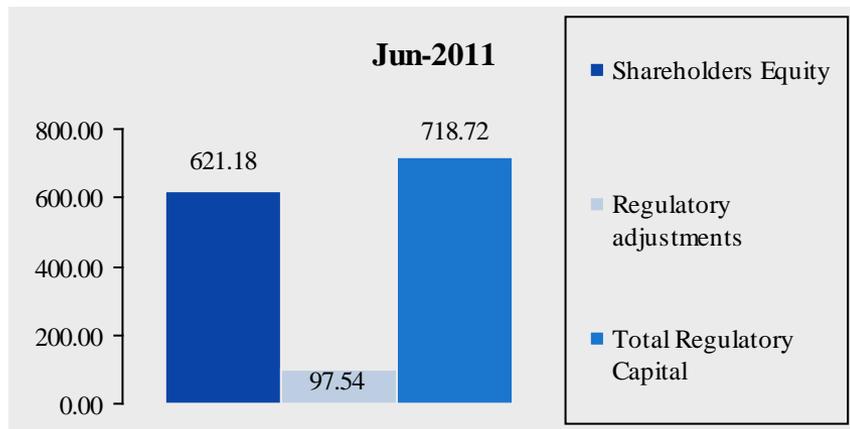


### Accumulated provisions coverage overview (%)

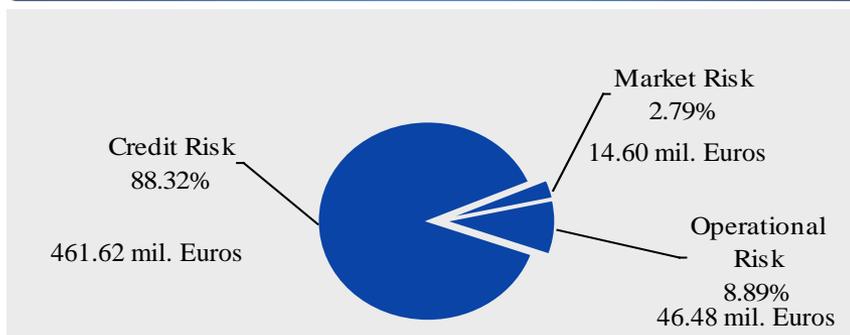


## Sufficient Capital Base

### Regulatory Capital (€mm)



### Capital requirements



- Capital adequacy ratio approximately at 11.00%, including the PSI, as of June 30, 2011
- Regulatory adjustments to shareholders equity represents:
  - AFS portfolio reserve (minus **-221.72** mil. Euros)
  - Minus : Intangible fixed Assets (24.32 mil. Euros)
  - Minus : Attica Bank participation (99.86 mil. Euros)
- No non-equity instruments in capital
- Enhancement of the Bank's capital adequacy due to the share capital of preferred shares increase, amounting to 224.96 mil. Euros (60,800,000 preferred stocks), decided by the EGM held on January, 28<sup>th</sup>, 2009, according to article 1 of law 3723/2008, "For the enhancement of liquidity of the economy in response to the impact of the international financial crisis". Completed on May, 25<sup>th</sup> 2009
- Further enhancement of the Bank's capital adequacy in the frameworks of the share capital of common shares increase, amounting up to 526,3 mil Euros, decided by the EGM held on April, 22<sup>th</sup>, 2009. Successfully completed on July, 3<sup>rd</sup> 2009

## Expanding products - palette

From mortgage loans for civil servants to a palette of mortgage and pre-approved consumer loans offering, complemented by traditional consumer finance and card products

### Mortgage loans

- Improved product functionality
  - Longer tenor introduced up to 40 years
  - Grace period up to the first 3 years (interest only) mortgage loan introduced
  - Home equity / debt consolidation products
  - Fixed / floating interest rates
  - Final approval time shortened to 1 month
- Successfully branded products
- Currently exclusively distributed through own branch network and Hellenic Post Office (ELTA)
- Solar Roofs Programme, from €15.000 , up to 20 years



### Consumer loans

- Typical consumer finance product offering
- Rates starting from 8.95% (floating rates) and tenors ranging from 1 to 12 years
- Seasonally branded product offerings
- Cautious initial expansion to be followed by more active marketing
- No alternative channels used (except ELTA)
- Pledge loans, from 6% (plus VAT 23%)
  - Up to €5.000
  - Up to 3 months



### Pre-approved consumer loans to civil servants

- Unique product offering on the basis of PSB relationships with other public sector organisations
- Credit line from €5.000 to €30.000 secured through equal instalments deducted by employer directly from payroll (monthly instalments)
- Framework agreement signed with 1,800 organisations
  - Low penetration levels
  - 188,000 loans outstanding approximately
- Interest rates from 6.90% and tenor ranging from 2 to 10 years

### Credit Card offering

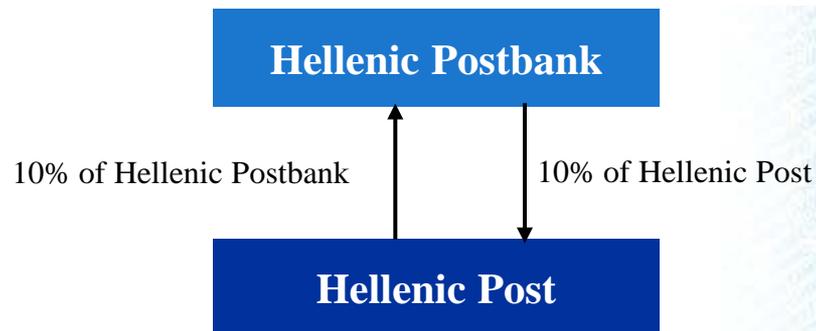
- Member of VISA International
- MasterCard
- Flagship Hellenic Postbank Classic and Hellenic Postbank Gold products
- Annual membership fee and attractive interest rates, from 14,75% to 17,50%
- Balance transfer functionality
- Acquiring POS infrastructure through FirstData Co.
- Direct marketing channel is the biggest contributor to new cards origination



## Unique Synergy with the Hellenic Post

- **Historical relationship with Hellenic Post Office, formalised through comprehensive exclusive agreement, entered into 2001**
  - Since 2009 expanded up to 2021, subject to renewal
  - Governs personnel issues, branches layout, commission fees and charges, exclusivity
- **Historical focus on deposit acceptance through Hellenic Post's 803 branches and distributors as well**
  - Cooperation extension envisaged to include Hellenic Postbank's expanded product offering in lending activities. This present moment 306 branches provide loan services.
- **Cooperation strengthened through cross-shareholding of 10% in each company effected in April 2006 (sale of existing shares by the Hellenic Republic).**

### Cross-shareholding establishment<sup>1</sup>



- **Nowadays 94 ATMs operate in different Hellenic Post branches**
- **The design of the interface between the IT of Hellenic Postbank and Hellenic Post has been completed and is currently in the implementation phase. The roll out of the first pilot branches started at the end of June 2007 and up to now have been connected 436 Hellenic Post branches. The rest of Hellenic Post branches have already been “connected” through call center procedure. Total accounts are held now on the core banking system “PROFITS”.**
- **A “shop in the shop” plan operates 81 separate spaces of the Hellenic Postbank into Hellenic Post's branches.**

<sup>1</sup> Ownership structure prior to PSB IPO

## Human Resources Update

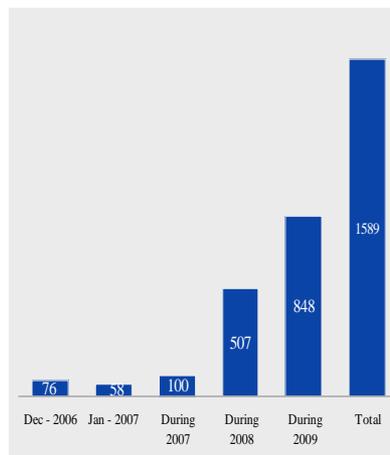
### Headcount will be strengthened with hiring of significant new entry level personnel

- A first group of 134 new employees join the bank during December 2006 and January 2007.
- A second group of 399 banking experienced new employees join the bank, as a result of an Hellenic Postbank competition procedure.
- A third group of 81 runners-up from competition procedure also hired plus 27 for IT
- New hires (university graduates) to be allocated in certain support functions currently outsourced and man branch network.
- New hires to replace natural attrition of existing personnel that has staggered departures over the following years.
- 1.09% of company shares were allocated to Personnel (became shareholder) through a private placement with a 10% discount on the IPO price.
- Cost potential save, upon the new hires by replacing the outsourcing personnel
- 1,366,212 new shares were allocated to personnel, through a stock option plan capital increase, by the end of 2007
- 14 Senior management incomers
- Voluntary retirement of initials 132 employees (2008) and 44 employees (2009) out of a target of 176, as a total.
- Voluntary transfer of 61 employees back to other Public Sector Companies (without cost), during 2008-2009
- A fourth group of 848 banking experienced new employees joined the bank in 2009, as a result of an Hellenic Postbank competition procedure and personnel enhancement

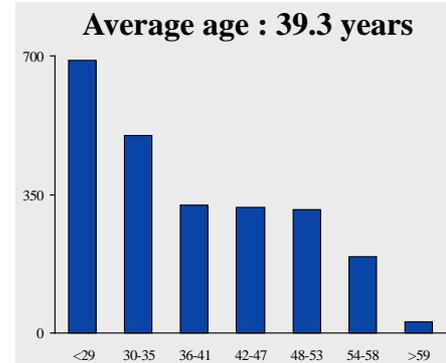
### Facilitated by the hiring of seasoned retail banking executives

- Experienced executive consultants have been hired within the restriction of previous operating framework to man critical business and support operations.
- Executives hired with extended banking sector experience or higher education.

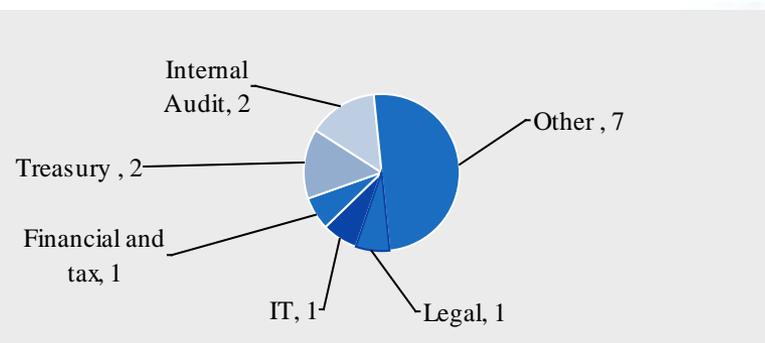
### Executes new hires as a replacement of the existing outsourcing



### Present Position (by age)



### Executive consultants by function



# New IT system (s) (in operation) have extended functionality allowing for more efficient operations

### Core banking system – PROFITS

- Full management of customers and products (lending, deposit, transfers, etc.)
- Accounting and general ledger
- Reconciliation system
- MIS, budgeting and cost allocation (on a final stage)
- Support systems and data warehouse system
- Interface with interbanking and international systems / networks
  - Handling of transactions originated from Post Office
  - DIAS (National Interbanking and Clearing House)
  - SWIFT
  - FirstData (Cards and ATM process system)
  - E-banking (on a final stage)

### Dealing room – BTS VISION

- Full support for Front – Middle - and Back - Office operations, connected to PROFITS
- Real time connection to Reuters RT, SWIFT capabilities

### Cost Control System (on a development stage)

- Cost allocation unit
- General and analytical ledger
- Payments have sufficient budget authority and prior verification
- Actual versus budgeted cost follow up

### Payroll and HR Management System

- Full payroll and employees records
- Training and development schedules
- Performance assessment

### Help Desk System

- Remedy Help Desk System supporting the Hellenic Postbank's PROFITS users

**Technical infrastructure (central systems, LAN infrastructure, communications network, new IT building) has been installed and fully operational**

## Hellenic Post Bank: targeting growth and profitability

### Identifying the potential

- Wide distribution network with 148 self owned branches
- 249 ATM service point network (in progress 19 ATM's)
- Additional 803 sales points through Hellenic Post branches
- Large depositor client base
- Historical position in mortgage lending
- High liquidity
- Strong capital / low cost base
- New integrated IT whole banking system
- 2.497 group employees out of which 1.091 with graduate degrees (216 with post-graduate degrees)

### Preparing infrastructure to capture it

- Asset side composition restructuring
- Enriching product palette with simple, honest and profitable products
- Investment portfolio risk decrease
- Strengthening of the relationship with Hellenic Post
- Exploitation of the strong customer base in cross selling activities
- Full implementation of the new integrated banking IT system
- Risk Management System establishment (in 2010-2011)
- Cost Control System establishment (in 2010-2011)
- Continuous personnel training and motivation
- Reconciliation system
- Lateral hires of senior executives
- Gradual replacement of outsourced personnel with permanent employees
- Capital structure optimization and increase
- Reorganization of internal procedures
- Full compliance to the regulatory environment
- Organization chart improvement

### Targeting future

- Retail loan portfolio controlled growth
- Expansion to the Corporate Lending market
- Establishment of cross selling activity
- Effective liquidity management
- Increase of client base penetration
- Conservation of market share in deposits
- Achieving recurring business profitability
- Maintain sufficient liquidity and capital
- Empowerment of new banking business areas (i.e. bank assurance, custody, personal banking)

## Supporting Business Plan Realization

### Real asset growth

- Controlled Increase loans / deposits ratio
- Mortgages driving portfolio growth
- Decrease of Investments portfolio risks

### Diversification of income

- Declining share of investment driven trading income
- Growing NII and fee income
- Effective liquidity management
- Empowerment of the new business areas, introduced

### Maintain cost leadership

- Cost Containment
- Stable cost / income ratio
- Managed credit costs through controlled credit expansion

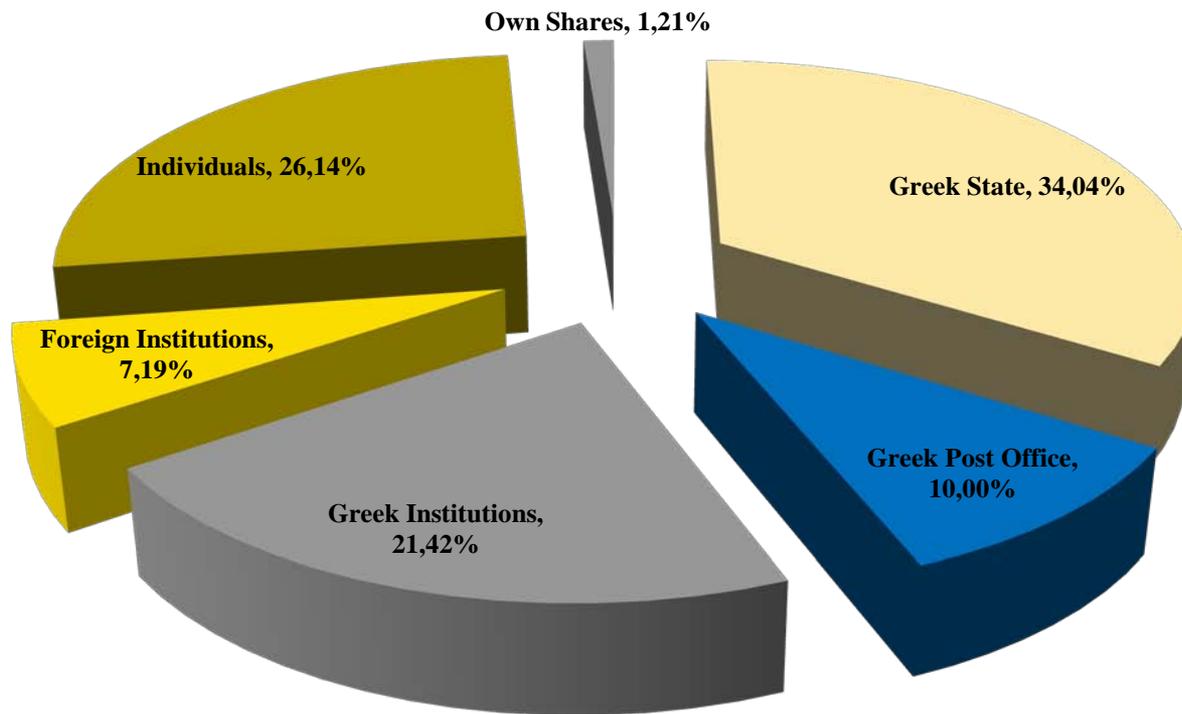
### Targeting

- Enrichment of profitability from the recurring activities
- Continuing growth from product expansion through our own and Post Office network utilization
- Best liquidity utilization
- Capital adequacy
- Market opportunities exploitation

## Stock Data

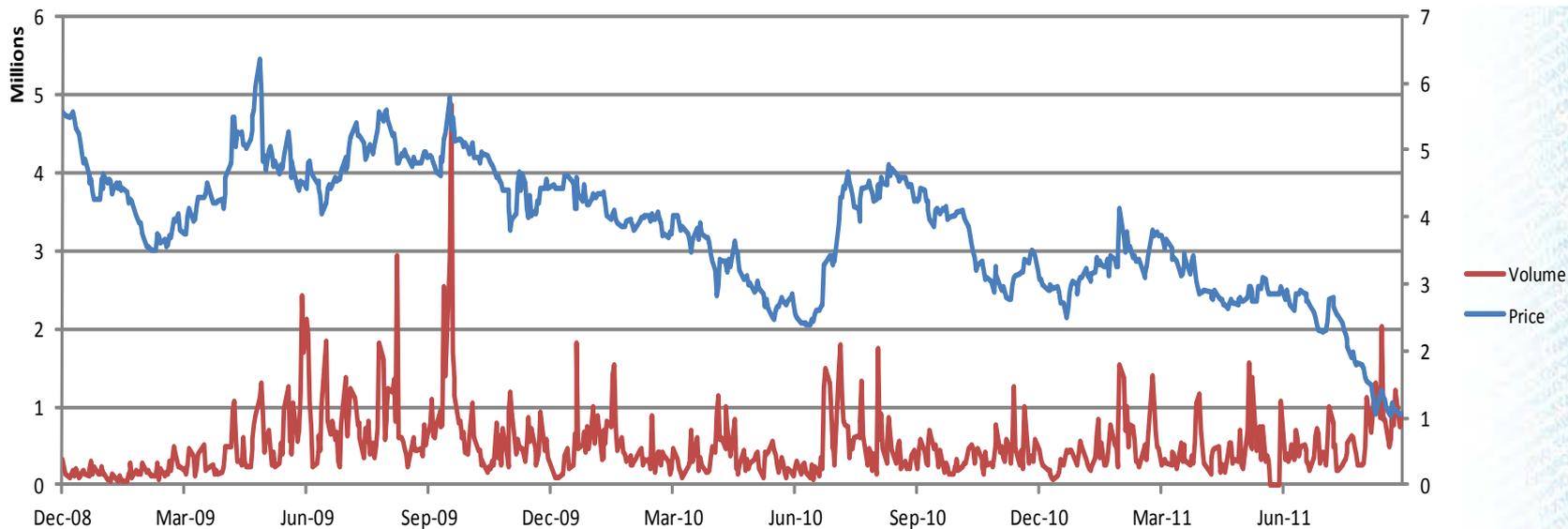
Common Shares outstanding	284,465,964	Price (14/09/2011)	1.09 Euro
Preferred Shares (from 25/05/2009)	60,800,000	Market capitalization	310.07 mil. Euro
		Performance (from 01/01/2011)	-75.40%

## Postbank Shareholder Structure



## Stock Data

### Hellenic Postbank Stock Performance



#### Stock Symbols

**ATHEX**

**TT**

**Bloomberg**

**GPSr.AT**

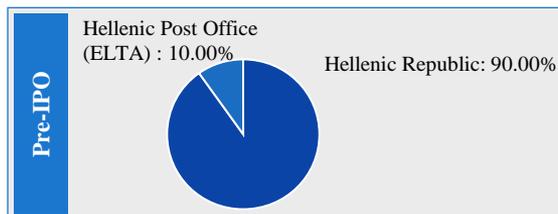
**Reuters**

**TT GA**

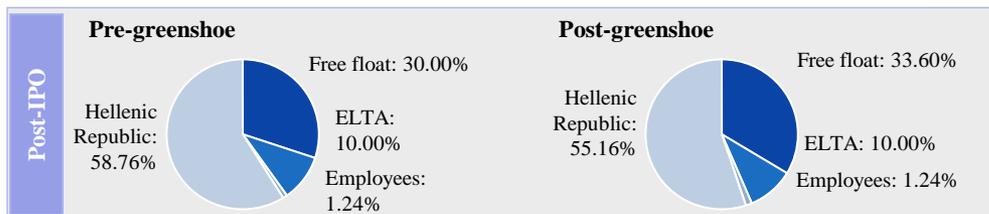
## IPO details (May 2006)

Key offering terms	Comments
Issuer	■ Hellenic Postbank
Seller	■ Greek Government (Hellenic Republic)
Listing	■ Athens Stock Exchange
Distribution	■ Global institutional offer under Reg S ■ Offering to QIBS in the US under Rule 144A ■ Domestic retail offering
Structure	■ Sale of secondary shares equal to 30.00% of market cap. ■ Secondary greenshoe issue of up to 3.60% of market cap. (up to 12.00% of the offer size) ■ Employee offering of secondary shares equal to 1.24% of market cap. ■ Sale of secondary shares equal to 10.00% of market cap to the Hellenic Post Office (ELTA) pre-IPO to strengthen exclusive product distribution agreement
Shares	■ Ordinary shares
Lock-up	■ 180 days for Hellenic Republic, Hellenic Postbank and Hellenic Post Office (ELTA)
Use of proceeds	■ Part of Hellenic Republic Privatisation programme ■ Proceeds will be used to repay Government debt
Pricing Date	■ May 26, 2006
International Bookrunners	■ JPMorgan, Goldman Sachs
Local Bookrunners	■ National Bank of Greece, Piraeus Bank

### Ownership structure—pre and post IPO



Note: ELTA is owned by Hellenic Republic



# Share Capital Increase details (May 2009) – Preferred Shares

### Key offering terms    Comments

Issuer	■ Hellenic Postbank
Listing	■ Not listed
Distribution	■ Hellenic Republic (Preferred shares)
Shares	■ 60,800,000 preferred shares of nominal value of 3.70 Euros per share
Use of proceeds	■ Law 3723/2008 for liquidity enhancement due to the international credit crisis
Completed Date	■ May 25, 2009

# Share Capital Increase details (July 2009) – Common Shares

### Key offering terms    Comments

Issuer	■ Hellenic Postbank
Listing	■ Athens Stock Exchange
Distribution	■ Domestic retail offering (ordinary shares)
Shares	■ 142,232,982 ordinary registered shares of nominal value of 3.70 Euros per share
Use of proceeds	■ Strengthen capital base
Pricing Date	■ July 13, 2009
Local Consultants	■ Piraeus Bank S.A. , Investment Bank of Greece S.A. (Marfin Group)

# Contacts

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# 1<sup>st</sup> Half 2011 Results Presentation

## September, 2011