



Presentation

December 2010

HELLENIC
POSTBANK

Agenda



Greece: Macro outlook

The Greek Banking Industry

TTBank -- Xray

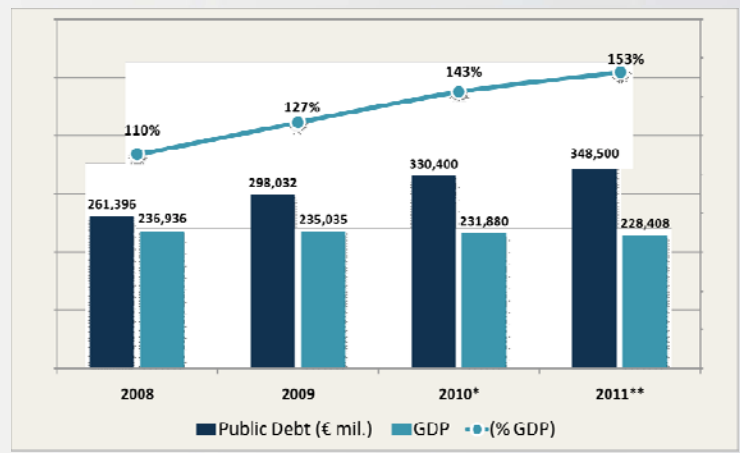
Greece: Macro Outlook



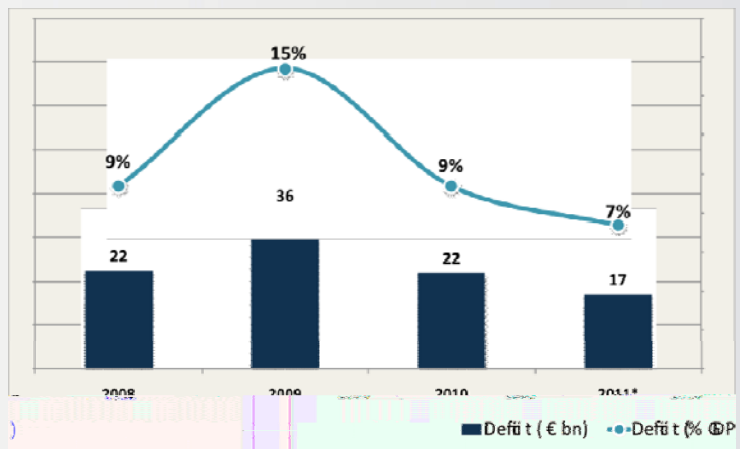
Greece's reform measures towards fiscal consolidation are gaining grounds on credibility

- ✓ The success of the fiscal adjustment efforts will minimize the duration of the greek recession.
- ✓ The EC, ECB and IMF staff confirm Greece's actions for reform and the success of the austerity measures thus giving the green light for the 3rd installment of the joint EC, ECB & IMF Financial Stability Fund
- ✓ For 2011 the government maintains its aggressive approach. It targets a budget deficit of 6.9% of GDP.
- ✓ The successful implementation of the 2011 budget will outperform IMF criteria thus reopening access to international funding and the bond market.
- ✓ The target of positive growth in 2012 is attainable.
- ✓ The private sector is the least leveraged in EU.

Greece: Public debt evolution



Greece: Deficit evolution



Source: Ministry of Finance – Hellenic State 2011 Budget
 *, **: Projections by the Ministry of Finance

The Greek Banking Industry



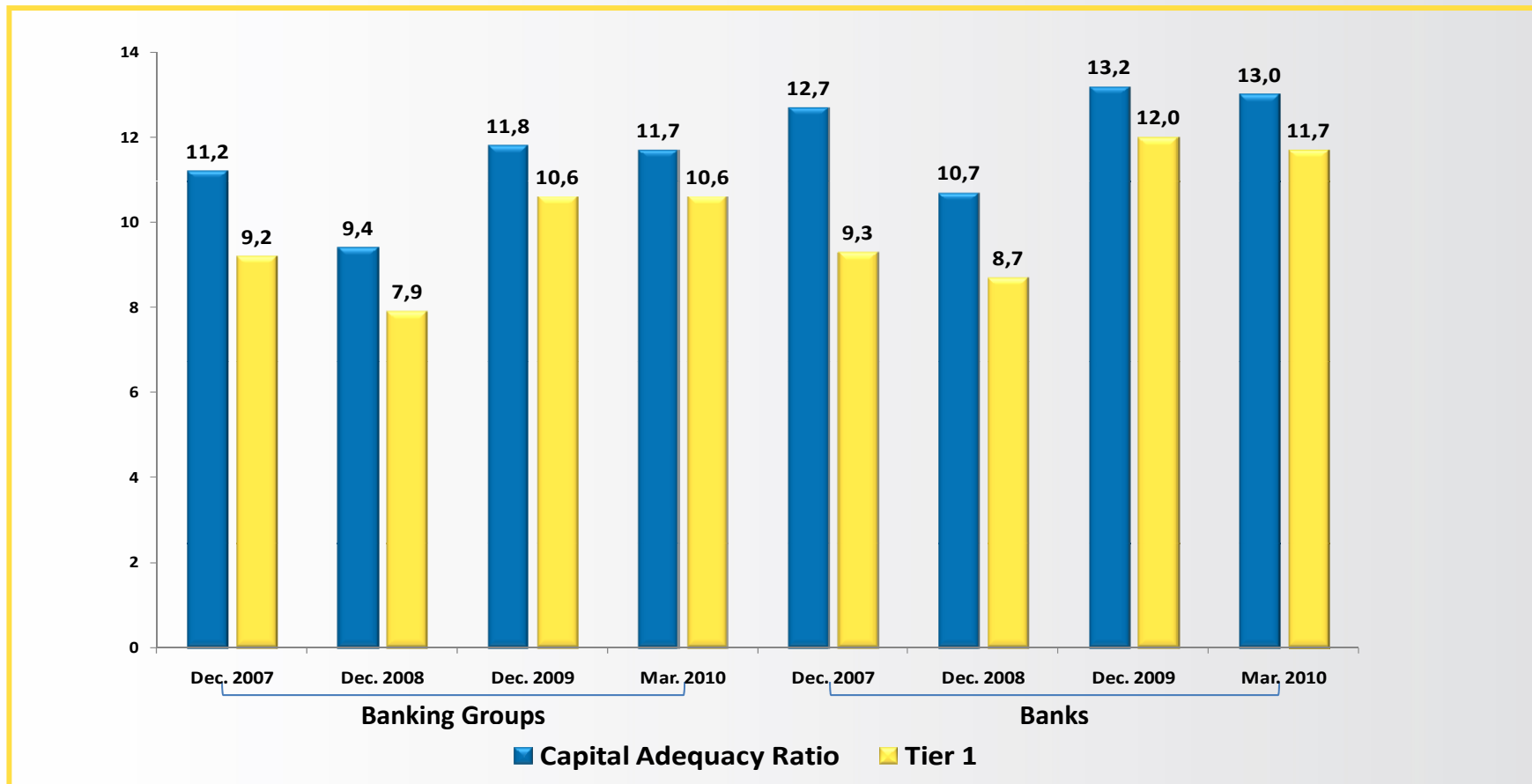
Banks are coping well with the crisis despite the decreasing margins stemming from the rising spreads

- ✓ The crisis posts a **unique opportunity** for **solid reforms** to occur
- ✓ Greek banks with strong liquidity, capital adequacy and solid ties to the communities have a **unique opportunity** to recoup traditional banking services, and reactivate the average business
- ✓ Liquidity enhanced through the injection of € 25 bn by the government in banks and guarantees
- ✓ **IMF has reinforced the financial support mechanism** to support the banking system by an additional €10 bn in the case of deteriorating conditions
- ✓ No toxic, conservative

The Greek Banking Industry



Capital adequacy of Greek commercial banks and their groups

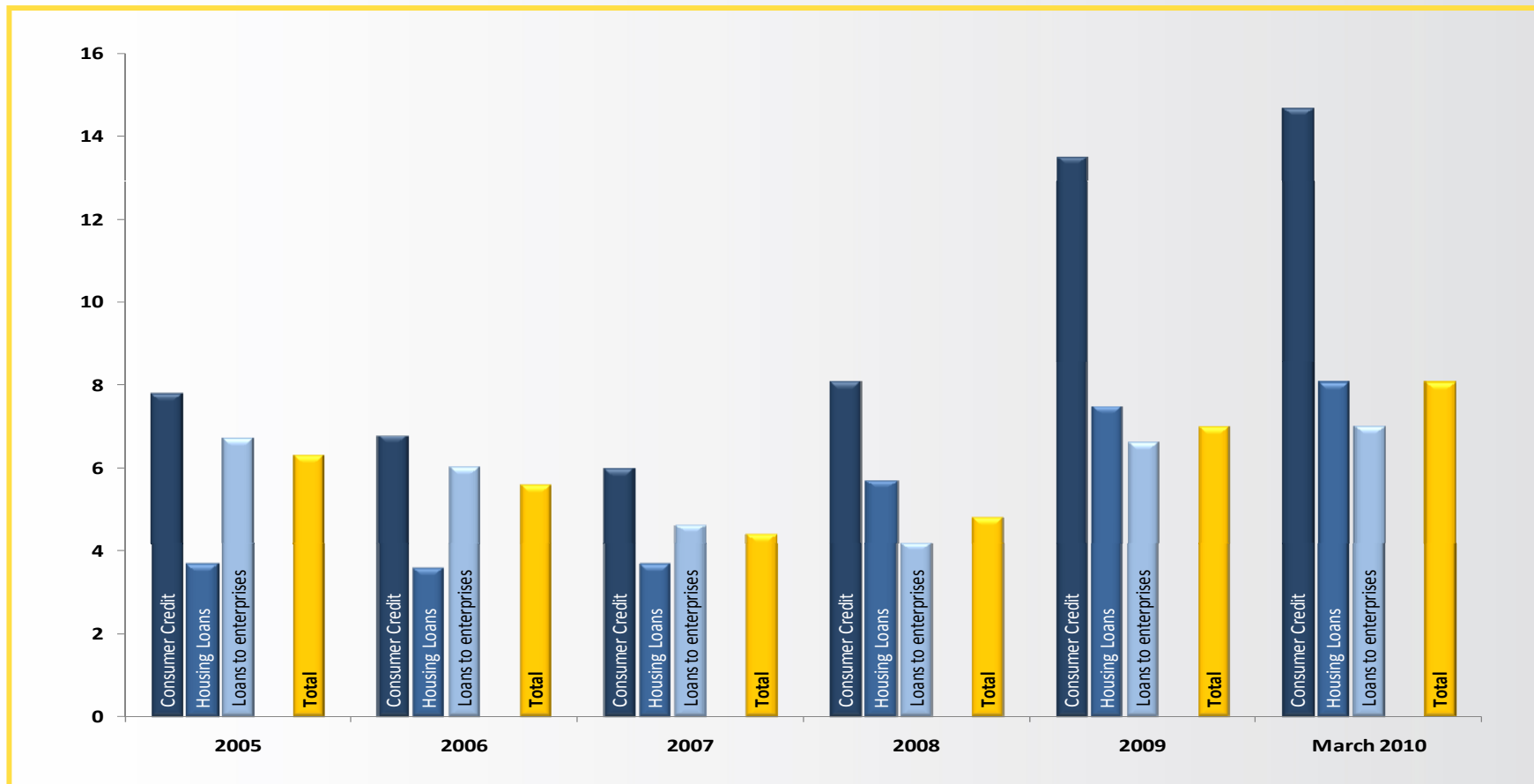


Source: Bank of Greece, 2009 Annual Report, April 2010 & Financial Stability Report, June 2009

The Greek Banking Industry



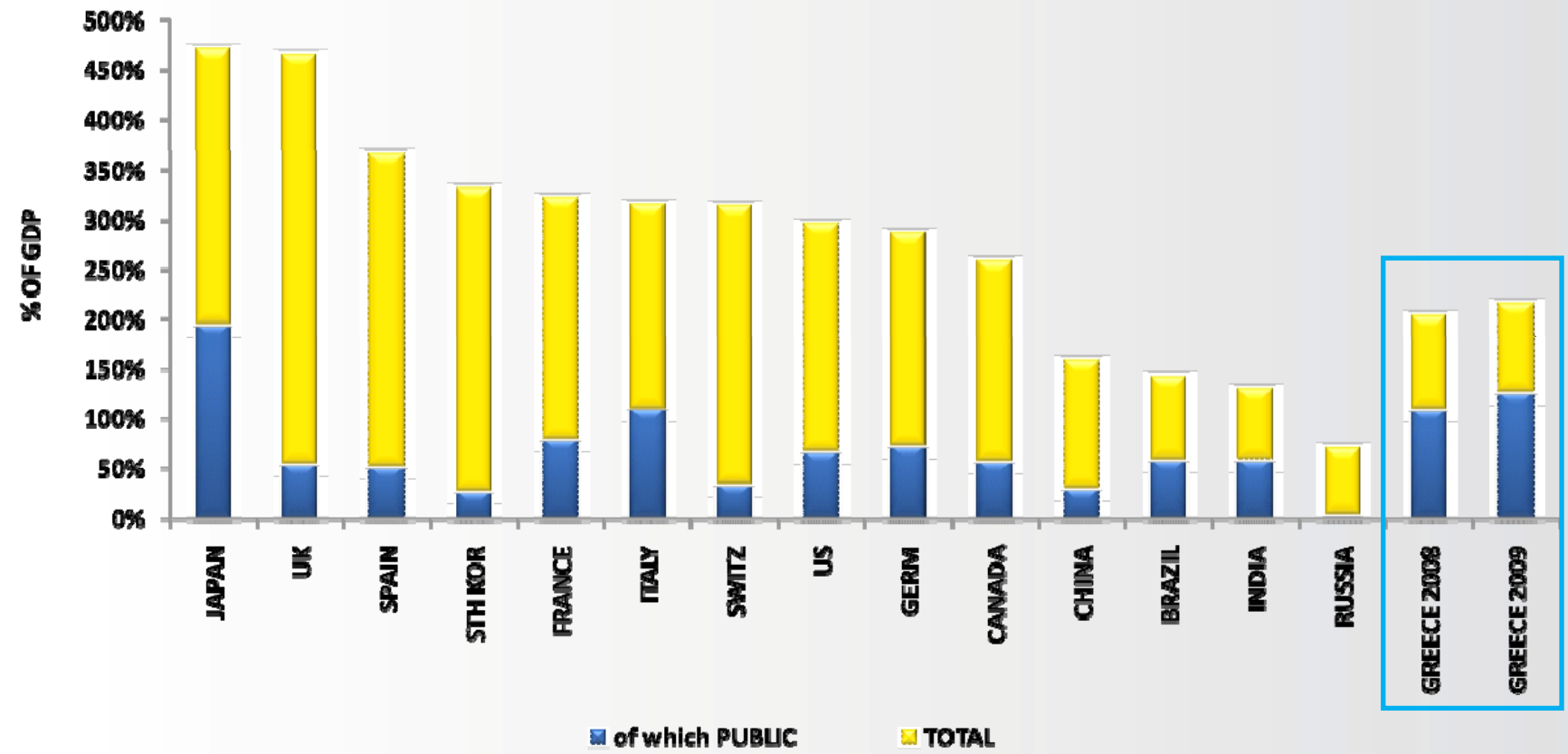
Non performing loans (%)



Source: Bank of Greece, Financial Stability Report, July 2010

DEBT / GDP



Latest data



Source: ECB, Bank Of Greece, P.D.M.A.

At a glance



-  Hellenic PostBank (HPB) is a prominent bank established in 1900 and is today among the largest retail banks in the Greek market, with 2.8 million active deposit accounts.
-  HPB offers a full product range in deposits and is capitalizing on its long standing relations with Greek households to offer a broad range of mutual funds, mortgage loans, credit cards, personal loans and to a smaller degree loans to government as well as corporate loans & bond financing to large enterprises. The bank is also offering home and life insurance products

Key Figures

- ✓ 2,500 Employees
- ✓ 147 branches
- ✓ Additional benefits from Hellenic Post's 844 branches
- ✓ 247 ATMs
- ✓ 3 million active accounts
- ✓ 204,000 consumer loans

	FY 09	9M 10
NII	€ 263.3 mil.	€ 282.1 mil.
Pre provision income	€ 102.1 mil.	€ 33.2 mil.
Assets	€ 17,956 mil.	€ 17.390 mil.
Gross Loans	€ 7,880 mil.	€ 7,860 mil.
Deposits	€ 12,632 mil.	€ 12,483 mil.
Gross Loans/Deposits	63.67%	64.53%
Tangible Equity	€ 974.8 mil.	€ 660.6 mil.
CAR Ratio	17.1%	16.54%
NPL Ratio*	1.22%	1.44%

*Includes bad debt only

Growth Drivers

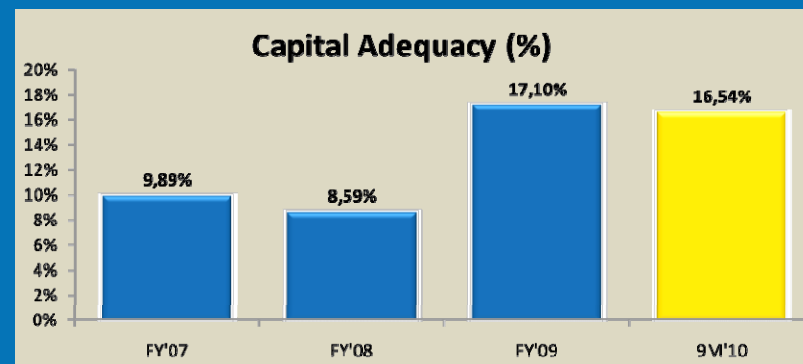


Strong capital base

Operating restructuring

Enhance revenues

- **Solid capital adequacy at 16.54%** in 9M 2010, one of the highest in EU
- **Solid capital base** following the SCI of preferred shares (€ 224.96 – May '09) and of common shares (€ 526.3 – July '09)
- TTBank was the top performer amongst Greek banks in the recent stress test results



Growth Drivers



Strong capital base

Operating restructuring

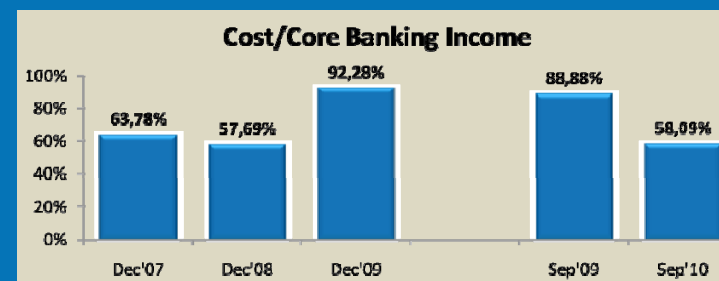
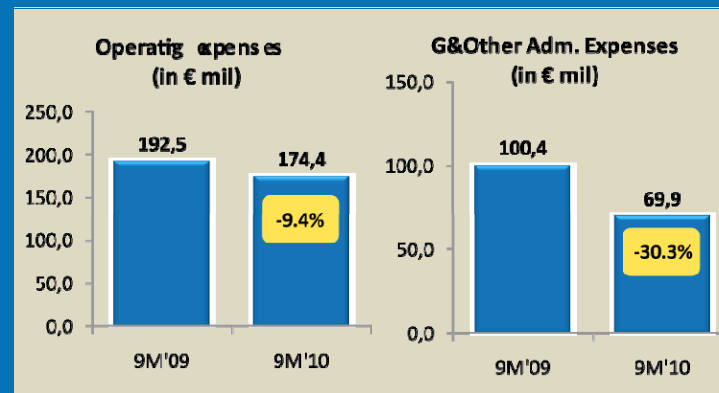
Enhance revenues

Cost Control and Operating efficiency:

- Application of cost control mechanism.
- Constant reduction of operating expenses
- Improved Cost/income ratio

New IT system in place:

- New core banking system
- New cost control system
- New payroll & HR management system
- New help desk system



Growth Drivers



Strong capital base

Operating restructuring

Enhance revenues

- Expansion of products palette:
- New mortgage loans
- Attractive consumer loans
- Pre-approved loans // corporate loans
- Wholesale banking
- SBLs planning and gradual expansion
- Explore synergies with Hellenic Post:
- Accept deposits through 844 shops, 441 of which are interconnected with the bank & 81 shop-in-shop
- 47 ATMS
- New interface used to connect 441 shops



Pillars of Strategy



Pillars of Strategy

“Sustainable Growth by providing simple and transparent banking”

- 🗑️ Gradual rebalancing of the Assets mix leading to higher Loans/Deposits
- 🗑️ Portfolio optimization // gradual reduction of GGB position
- 🗑️ Prudent expansion to corporate lending activity
- 🗑️ Gradual expansion in other market segments and cross selling activity
- 🗑️ Upgrading backbone operating system and management information systems
- 🗑️ Continuous containment of cost



Strategy

Rebalancing of the Assets mix

- Controlled Increase of loans / deposits ratio
- Mortgages driving portfolio growth – cautions expansions into corporate / sbl loans

Portfolio optimization

- Asset side composition restructuring
- Capital structure optimization and increase
- Decrease of Investments portfolio risks
- New Risk Management System 2009-2010

Expansion to corporate lending

- Expansion to Large Corporate names
- Strong Liquidity allows to tap some of the best names
- SBL rollout expected spring 2011

Investment Thesis



Strategy

Expansion in other market segments

- Bank assurance products
- Green banking products
- Personal banking
- Custodian Services

Upgrading backbone operating system

- Full management of customers and products (lending, deposit, transfers, etc.)
- MIS, budgeting and cost allocation (on a development stage) and data warehouse system
- Full support for Front –Middle -and Back -Office operations, connected to PROFITS
- Performance assessment

Cost Containment

- Decreasing cost / income ratio
- Managed credit costs through controlled credit expansion
- Cost allocation unit /Cost Control System establishment 2010
- Tight budget monitoring
- Full implementation of the new integrated banking IT system
- Reorganization of internal procedures

Strategy & Outlook



Expanding Products - palette

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

Mortgage loans

- Improved product functionality
- Successfully branded products
- Distributed through own branch network and Hellenic Post Office (ELTA)

Pre-approved consumer loans

- Framework agreement signed with 1,800 organizations
 - > Low penetration levels (37% approximately)
 - > 204,000 loans outstanding approximately

Consumer loans Credit

- Seasonally branded product offerings
- Cautious initial expansion to be followed by more active marketing
- No alternative channels used (except ELTA)

Loans Credit Card offering

- Flagship Hellenic Postbank Classic & Hellenic Postbank Gold products
- Attractive interest rates, from 14.75% to 17.50%
- Balance transfer functionality
- Acquiring POS infrastructure through First DataCo.
- Direct marketing channel is the biggest contributor to new cards origination

Wholesale Banking

- Strong Liquidity position allows to tap some of the best corporate names.

SBL Planning

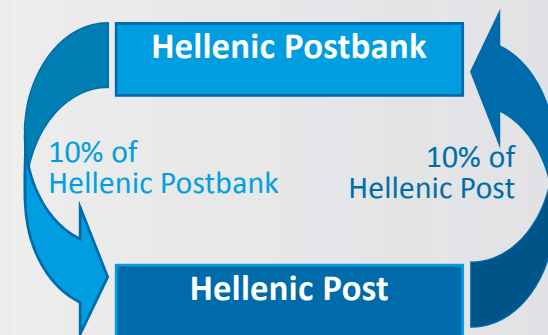
- Community banking provides for solid client referral and screening.
- Rollout expected in spring 2011.



Unique synergies with the Hellenic Post

- **Exclusive cooperation agreement** with **Hellenic Post Office** in 2001 up to 2021, subject to renewal.
- Focus on deposit acceptance through **Hellenic Post's 844 branches** (310 branches currently provide loan services).
- **Cross-shareholding of 10%** in each company as of April 2006 (sale of existing shares by the Hellenic Republic).
- **ATMs** operate in Hellenic Post branches
- **IT Integration between Hellenic Postbank and Hellenic Post** is almost completed.
- A **“shop in the shop”** plan is underway. The plan for 2010 foresees the creation of separate HPB space in 200-300 Hellenic Post branches. Up to now 81 shop in shops have been created.

Cross-shareholding establishment¹



¹ Ownership structure prior to PSB IPO



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