

# HAALSE – The Future of Greek Banking

Greek Banks' Funding Challenge

March 9<sup>th</sup>, 2016

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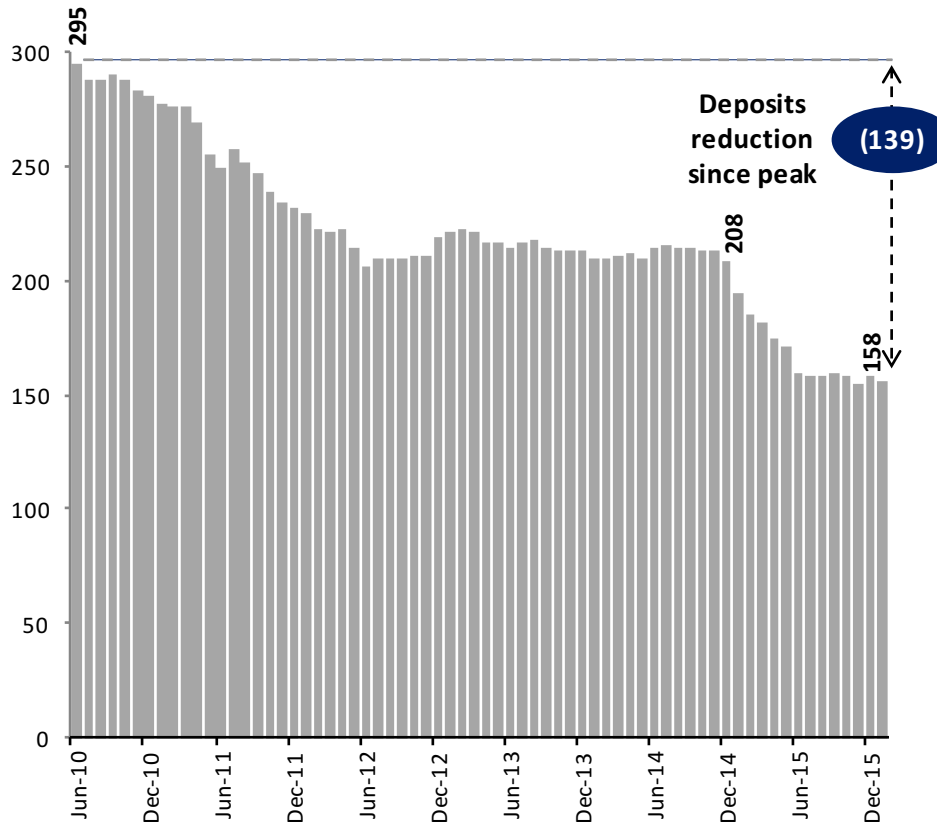
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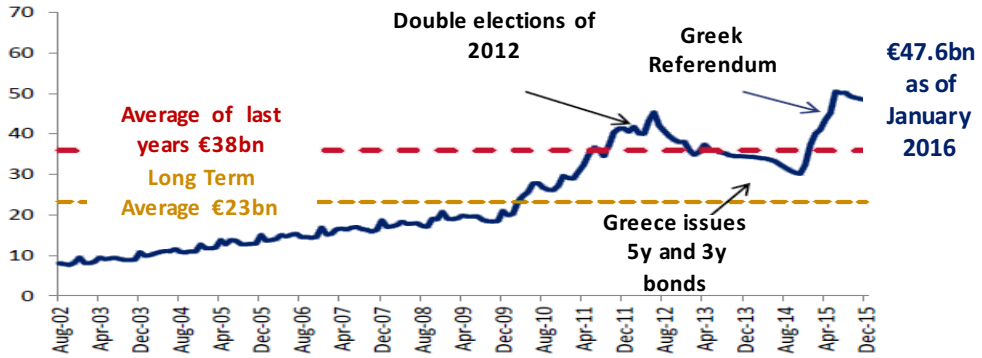
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# Greek Banks Funding Challenges – Deposits Flight

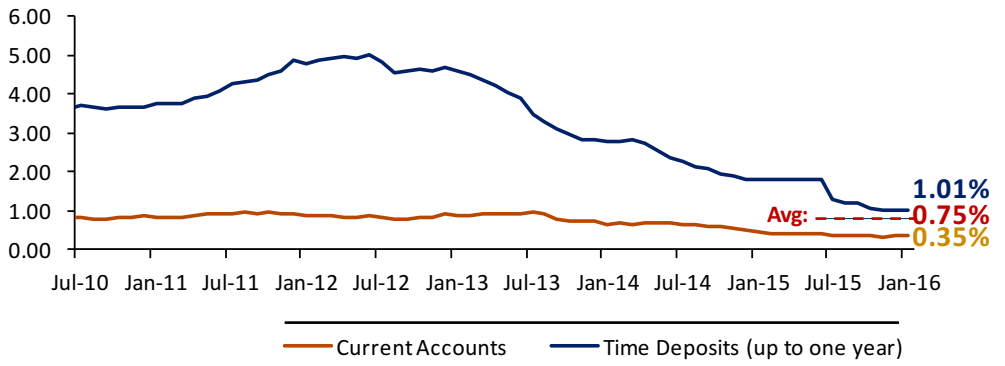
Total Deposits in Greece (€bn)



Banknotes in Circulation (M0 Aggregate, €bn)



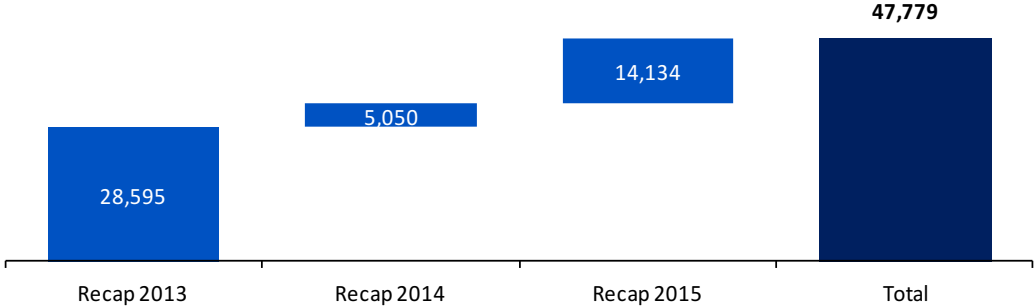
New Deposits Cost Evolution (%)



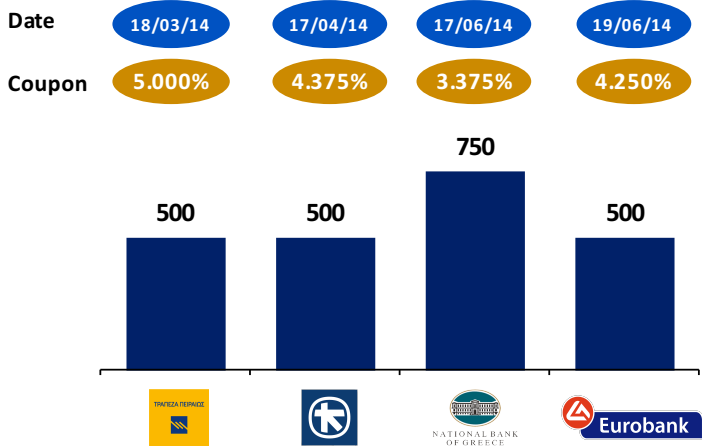
1 Source: Bank of Greece, Greek Banks disclosure

# Greek Banks Funding Challenges – Current Sources

Capital Contributed to Greek Banks since 2013 (€m) (2)



Last Wholesale Market Access (€m)



ECB and Interbank Funding (€bn) (1,2)

|  | 114 | Est. Collateral Haircut | Est. Cost (bps) | Cost p.a. (€m) | Excess Cost p.a. vs. Depos (€m) |
|--|-----|-------------------------|-----------------|----------------|---------------------------------|
| <b>Interbank</b>                                     | 7   |                         |                 |                |                                 |
| <b>ELA Pillar II (Government Guarant'd bonds)</b>    | 14  | ~45%                    | 304             | 414            | 312                             |
| <b>ELA (GGBs/T-bills, loans &amp; credit claims)</b> | 58  | 10% - 55%               | 155             | 897            | 463                             |
| <b>ECB (EFSF bonds)</b>                              | 36  | < 5%                    | 5               | 18             | 775                             |

ILLUSTRATIVE CALCULATION

**Key catalysts to address GR Banks' funding challenge are:**

- ECB to reinstate waiver for minimum credit rating requirement of collateral issued or guaranteed by the Greek State
- Return of confidence in the Greek banking sector to drive:
  - i) abolishment of capital controls and return of deposits
  - ii) further increase in interbank funding

Source: Bank of Greece, Greek Banks disclosure  
 (1) As of Dec-15 for Alpha Bank and Eurobank and as of Sep-15 for NBG and Piraeus Bank, based on publicly available sources. (2) Data refers to the four Greek pillar banks: Alpha Bank, Eurobank, NBG, Piraeus Bank