

# Praxia bank

Greece's First Digital Bank

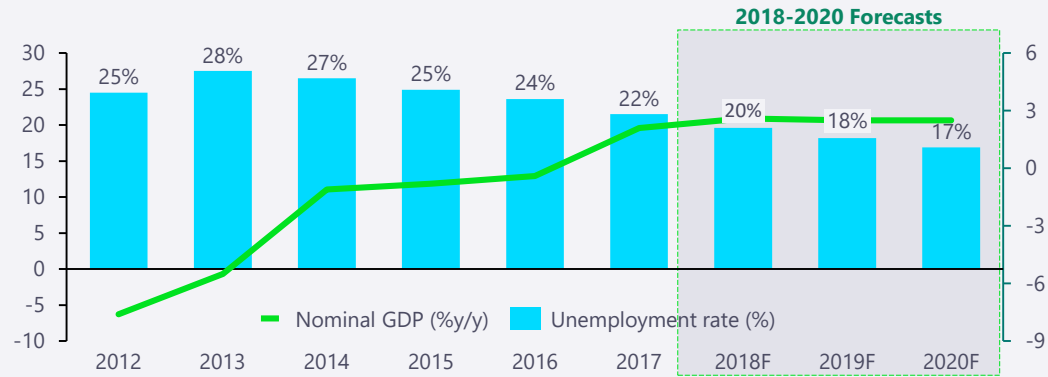
June 2019

# Changes in the banking industry favor the creation of new digital banks, which specialize in high-potential, underserved markets

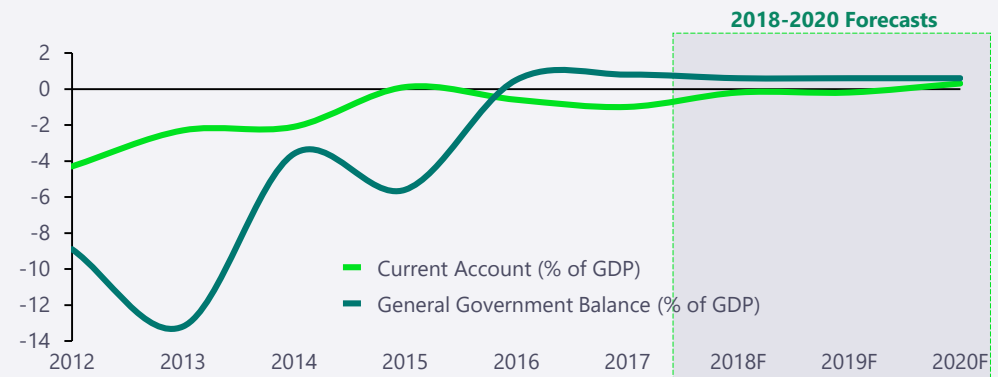


# AMC Identified A Unique Market Entry Opportunity In The Post Crisis Greek Economy...

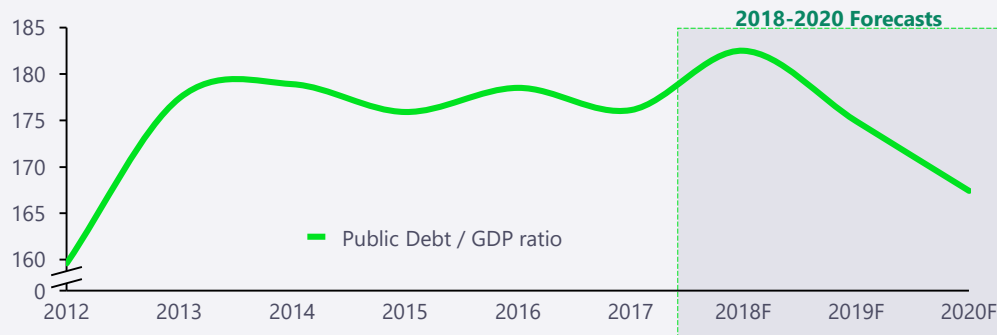
**GDP Growth turned positive & Unemployment falling**



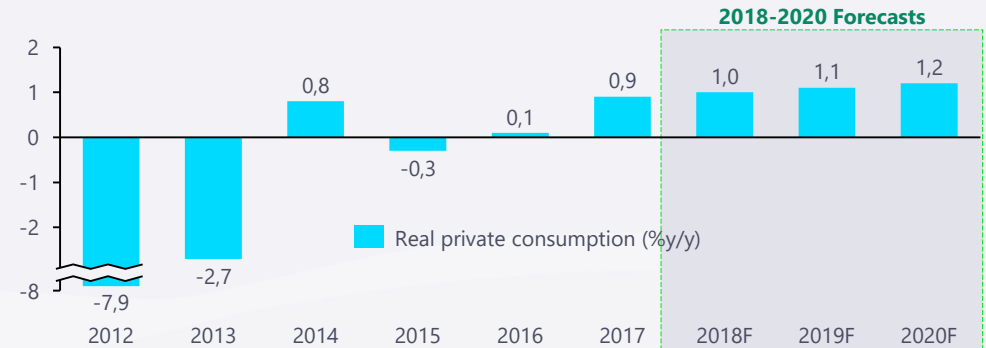
**Fiscal & Trade Deficits have normalized**



**Public debt / GDP ratio has peaked in 2018**



**Private Consumption returning to positive territory**

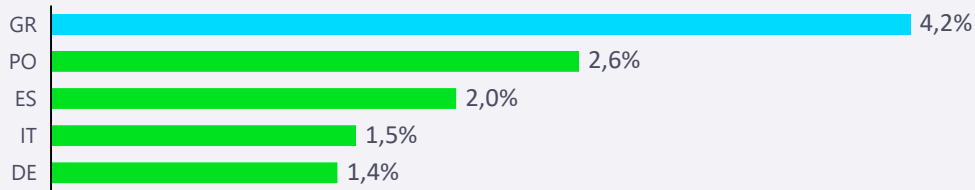


Source: Eurostat, ECB, European Commission, OECD, Thomson Reuters DataStream, Credit Suisse estimates  
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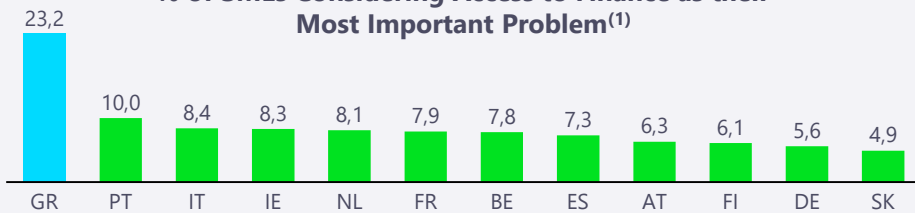
# ...via a trade play in the Macro Correlated Greek Banking Sector

Exhibiting strong fundamentals...

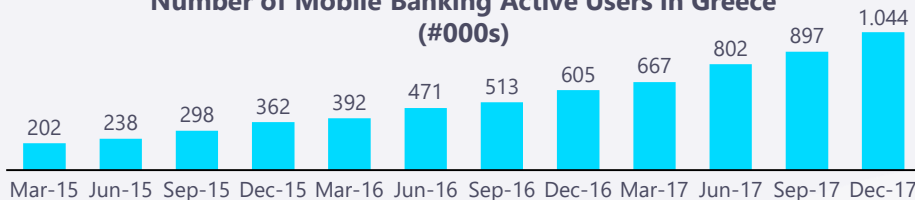
Yields on Loans to Non-financial Corporations



% of SMEs Considering Access to Finance as their Most Important Problem<sup>(1)</sup>



Number of Mobile Banking Active Users in Greece (#000s)



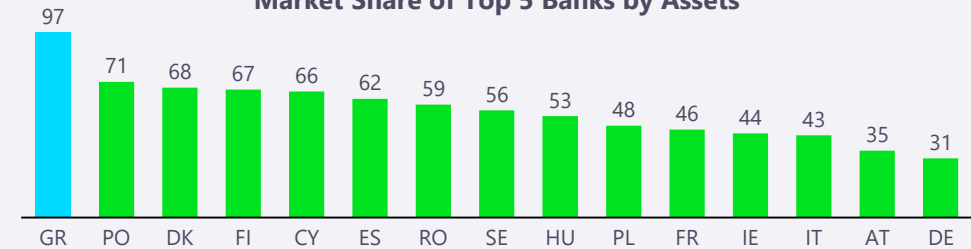
Sources: ECB Structural Financial Indicators, ECB, Eurostat. Piraeus Bank, Alpha Bank, NBG and Eurobank as of 12M2018.

Notes: (1) Figures are based on a ECB survey as of 1H 2017.

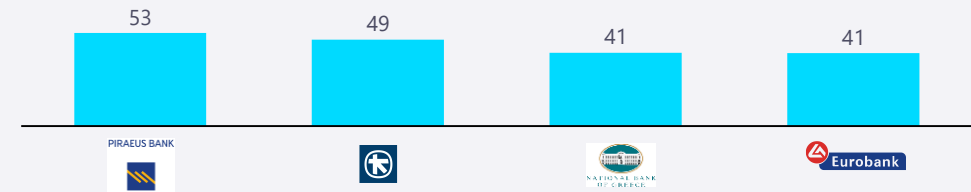
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...coupled with a weakening competitive market landscape

Market Share of Top 5 Banks by Assets



NPE Ratios (%), 2018

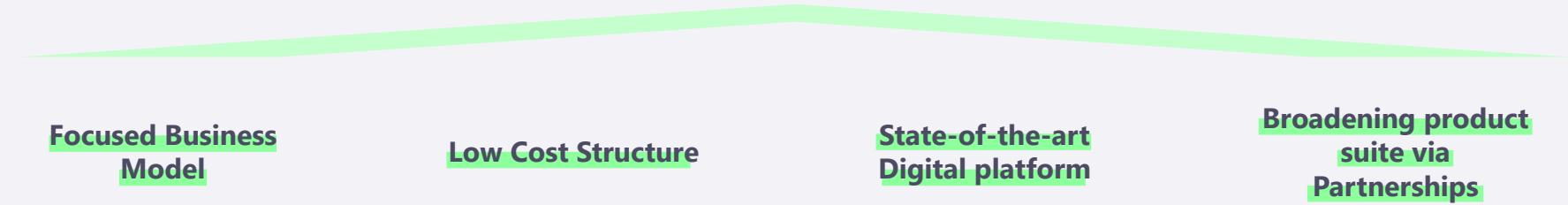


Government Ownership (%)



# The Vision for PRAXIA BANK: The First Greek Digital Bank...

*Mission: To capitalise on a recovering Greek economy by selectively deploying innovative products and services through a modern state of the art digital platform*



<b>Product Offering</b>	<b>Lending</b>	<b>Funding Products &amp; Services</b>
	Corporate Lending	Current Accounts
	Consumer Finance	Time Deposits
	Car Financing	Debit Cards
	Continuously add new products, services, and features to support long-term loyalty and enhanced revenue per customer	

# ...Which Will Do Things Differently...

## From old fashioned banks...

## ... to Praxiabank



All customers are the same



Offer personalized service



Store only account opening



Remote **digital customer on-boarding**



Very long decision times and complex processes



Simple, **automated processes** and **near-real time** approvals



Multiple, complex, inflexible legacy systems all over



Single, **agile digital platform** everywhere



Rare digital banking feature upgrades



**Continuous innovation** and **feature abundance**

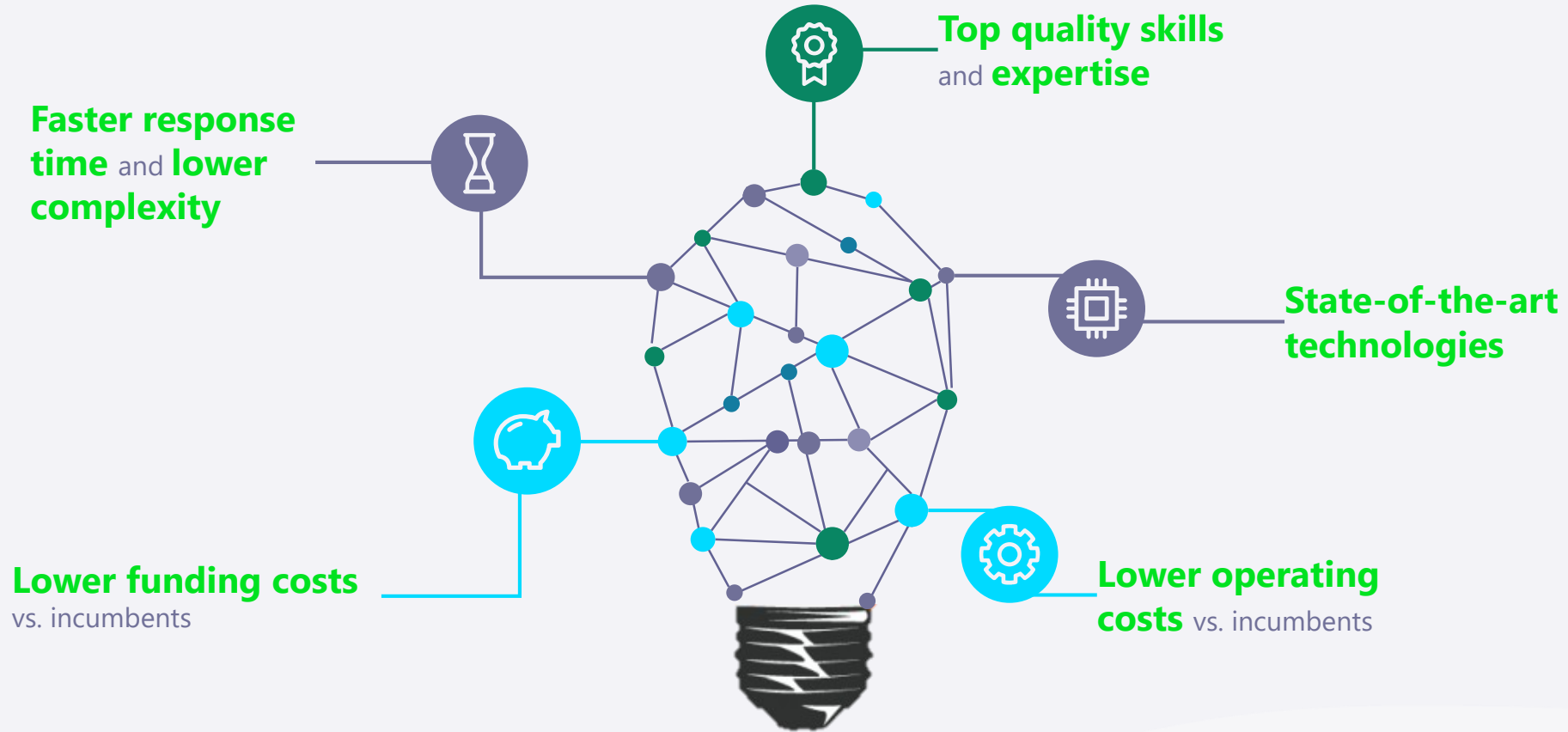


Introverted, focused on restructuring



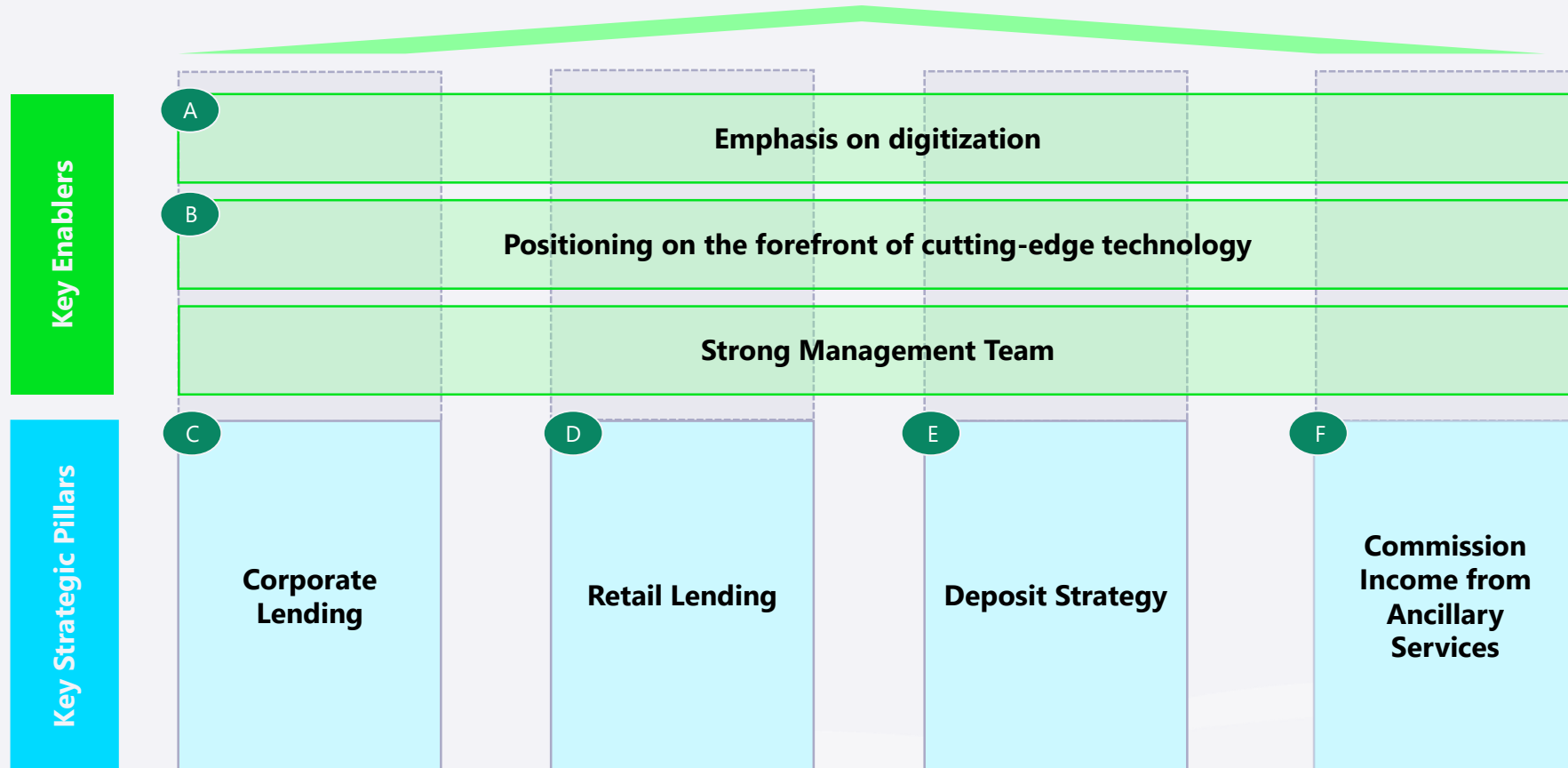
Extroverted, **focused on customer**

# ... by relying on sustainable competitive advantages...



# ...and solid Strategic pillars that will help our business to grow

## Praxiabank





# A Digital strategy...



## Customer Acquisition and Retention

- Attract customers through superb digital offering with advanced remote on-boarding capabilities
- Online sales with end-to-end digital fulfilment. Near-real time approval of loan applications.
- Retain customers via Personal/Business Finance Management, continuous innovation and excellent service

## Outstanding User Experiences

- Omni-channel design to secure seamless experience across channels
- Single digital platform to serve ALL customers at ALL touchpoints
- Mobile-1st strategy for Retail, unique mobile banking platform, messaging apps support

## Innovation for SMEs

- Digitisation of all products and services. Minimal visits to points of presence. Mobile account officers with tablets.
- Integration of digital banking with ERP systems and provision of cloud services
- Integration of latest fintech innovations for SMEs

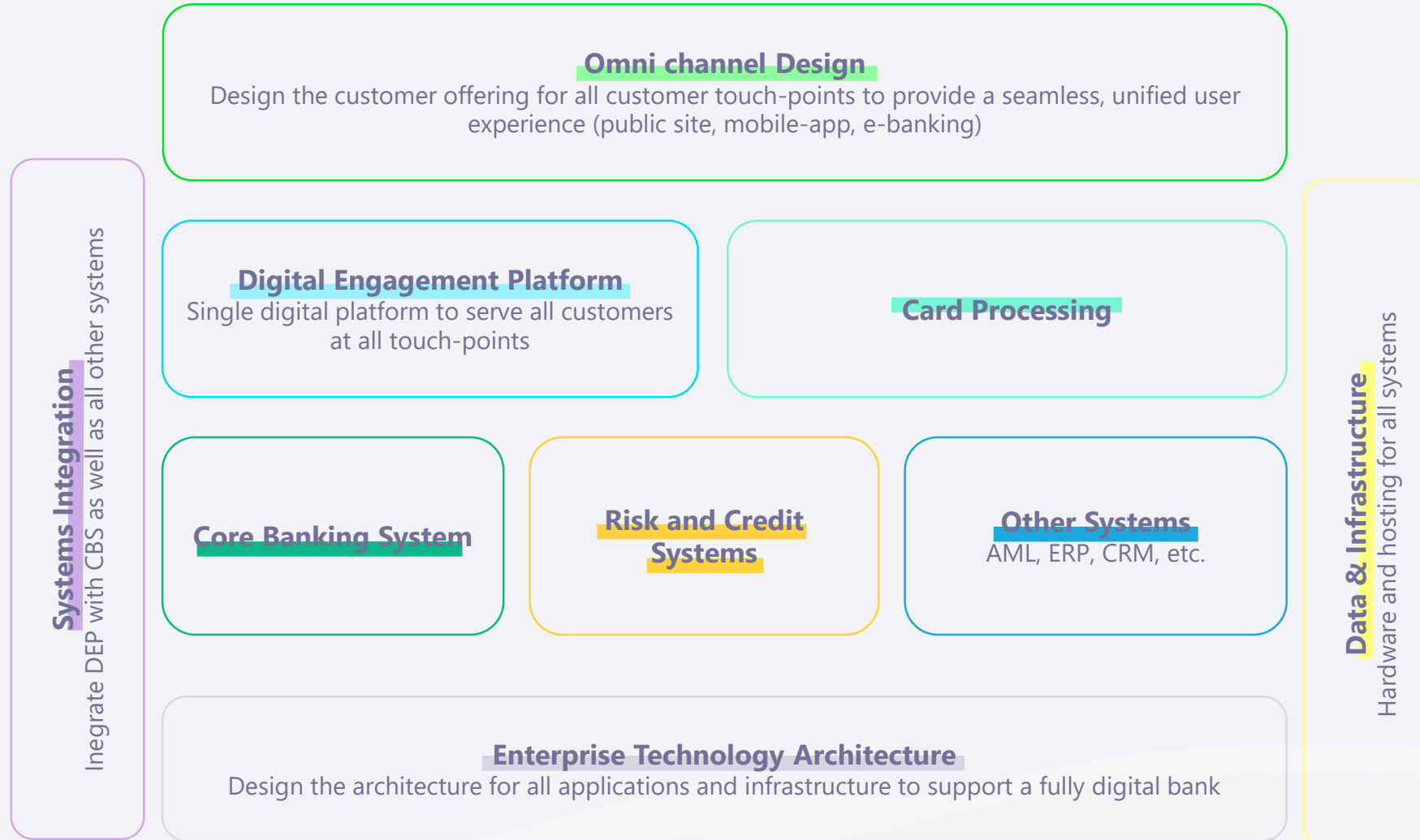
## Open Banking

- Open Banking strategy, API-based platform, full PSD2 compliance and utilization
- Cooperation with business customers and fintechs through rich set of APIs
- Aggregation of other banks' accounts via their APIs

## Cutting edge Technology

- Latest version of top core banking system, suited to our business model
- Digital-ready, cloud-friendly systems and applications
- Agile development and continuous integration of new functionalities

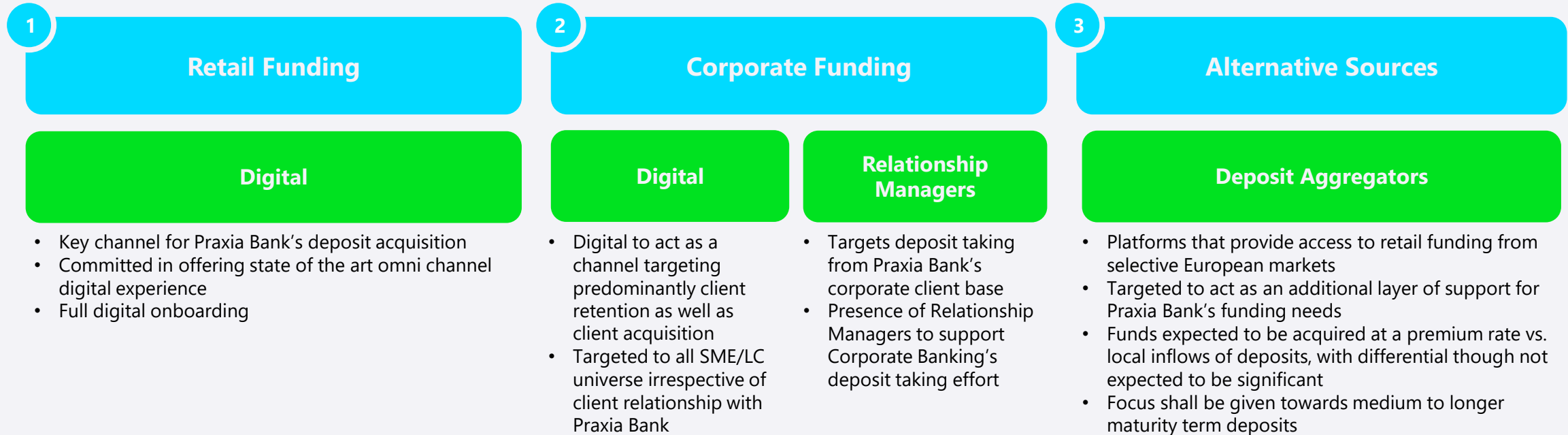
# B ...enabled by a tailor made IT architecture



# C Lending Strategy focused on key distinct market opportunities

	Categories	Key Characteristics
Corporate Lending	Trade Finance to SMEs	<ul style="list-style-type: none"> <li>Factoring services of which (&lt; 20%) will be insured (non recourse)</li> <li>Revolving Credit Facilities to companies up to €10M annual turnover</li> </ul>
	Investment Finance to SMEs	<ul style="list-style-type: none"> <li>Term loans to finance new capital investments involving immovable property (real estate) and movable property (production lines, equipment, fleet)</li> <li>Term loans to refinance existing loans (remaining term) extended by other Banks involving, inter alia, immovable property (real estate)</li> <li>Term loans provided to finance M&amp;A transactions</li> </ul>
	Acquisition Finance to REICs	Term loans provided to REICs for acquisition of real estate assets emerging from auctions or private sale processes (e.g. repossessed assets)
Retail Lending	Cash Loans (Non special purpose lending)	<ul style="list-style-type: none"> <li>Unsecured credit facility catered towards non special frequent client needs</li> <li>Focus on unique digital onboarding and real time funds disbursements</li> </ul>
	Micro Loans	Special purpose consumer loans to Professionals and Sole Proprietors
	Car Financing	Financing of acquisition of new and used cars based on strong cooperation relationships with car dealers (both first and second hand)

# E Deposit Strategy anchored around three main sources of funding



# F Strong Commission Income driven by Ancillary Services

Continuous exploration and selective addition of products and services drawn from the **fintech universe** so as to create a **single "go-to" ecosystem** that offers our customers an **integrated suite of innovative products and solutions** to enhance their **experience and engagement**

## Trade Finance

Facilitating trade transactions by offering lending solutions including letter of credit, bank guarantee, etc.

## Receivables & Supply Chain Finance

Lending solutions for financing specific goods and/ or products across the supply chain

## Payments & Cash Management

Payment services to facilitate national and international payments for corporates

## Advisory

Advise corporate clients in identifying new opportunities driven by M&A transactions, viable debt restructurings or WC/capital structure optimization projects

## Bancassurance

Offer life and non-life insurance products via 3<sup>rd</sup> party partnerships with premium local and international vendors

## Debit Card

State-of-the art card offering with unique services and customer experience focusing on differentiated delivery and distinguished functionality

# Business Plan targets a € 4 Bn Asset Book by 2024

**2024**



**Total Assets**

**~ €4 Bn**



**Net Profit**

**~ €100 m**



**RoE**

**>20 %**



**Thank you**