



warrants

# Warrants in Athens Exchange

## Review, Statistics and Analysis

November, 29<sup>th</sup> 2013

Strategic Planning, Communication & I.R. Division



ΟΜΙΛΟΣ ΕΛΛΗΝΙΚΑ ΧΡΗΜΑΤΙΣΤΗΡΙΑ  
HELLENIC EXCHANGES GROUP

# Key Features of Warrants

- Warrants have been issued within the framework of the recapitalization of the Greek banks and incorporate the characteristics of **Bermudan style covered call warrants**, i.e. they give their holders the right but not the obligation, to receive
  - **a specific number of the underlying common shares** of the Bank which is recapitalized
  - **at a specific price** (exercise price)
  - **on specific future dates**until a predetermined time in the future, **4.5 years** (or 54 months) from the issue date of the warrants.
- The above type of warrants **are covered** , meaning that the shares expected to be received by the holders of warrants upon exercise are already issued and listed on the Athens Exchange (ATHEX) and undertaken by the Hellenic Financial Stability Fund (HFSF). This practically means that no dilution for existing shareholders can occur upon warrants' exercise, just a simple transfer of the shares from the account of the HFSF to the account of the holder who exercises the warrant

## Key Features of Warrants (Cont.)

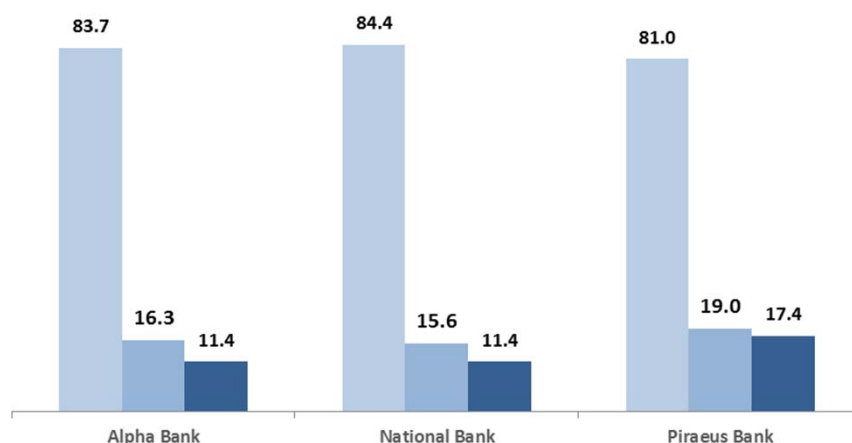
- **Exercise Dates:** The holder of the warrant may exercise his right to receive shares on specific future dates as defined in the MCA and specified in the Issuer's Prospectus. Specifically, on **9 future dates, every 6 months**, starting from the first day of warrants' trading and expiration after 4.5 years from that date, the holder may exercise his warrant and receive shares upon payment of the exercise price. On each of those exercise dates, the holder of the warrant may exercise either **partially or totally or not at all** his right to receive shares from the HFSF.
- **Exercise Prices:** The exercise price of each Call warrant, in order to receive the existing shares undertaken by the HFSF, is equal to the issue price as defined in the MCA for the participation of HFSF in the SCI plus accrued interest - **with an annual interest rate of 3% - plus an increment of:**
  - 1% (100 basis points) for the first year on the issue date of the warrants,
  - 2% (200 basis points) for the second year,
  - 3% (300 basis points) for the third year,
  - 4% (400 basis points) for the fourth year and
  - 5% (500 basis points) for the remaining period until the warrants expirymultiplied by the number of New Shares the holder of the Warrant is entitled to receive upon exercising them.

# The Details of the Share Capital Increases

	Alpha Bank	National Bank	Piraeus Bank
<b>Ex Date:</b>	13/05/2013	24/05/2013	05/06/2013
<b>Close Price on Ex Date:</b>	€1.360	€0.900	€0.195
<b>Adjusted Close Price:</b>	€0.485	€4.530	€1.710
<b>New Shares Ratio:</b>	1.94	2.22	35.68
<b>New Shares Issue Price:</b>	€0.44	€4.29	€1.70
<b>Reverse Split:</b>	-----	1 New / 10 Old	1 New / 10 Old

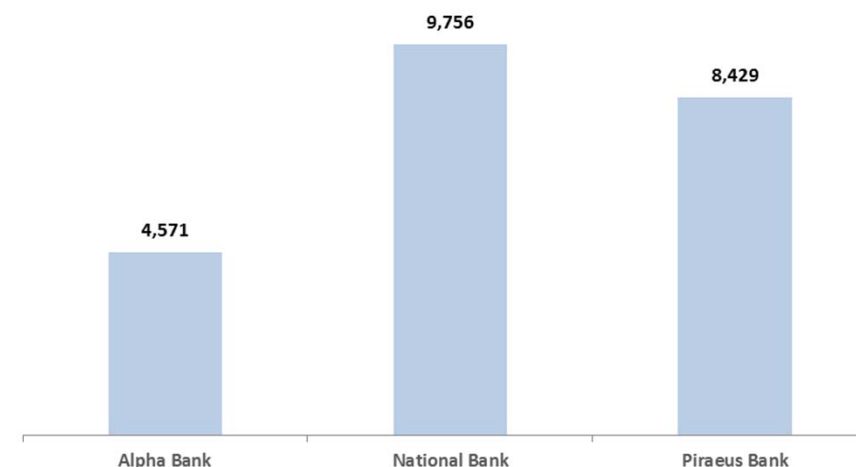
**Participation in Banks Share Capital Increase (%)**

■ HFSF Holdings    ■ Free Float    ■ Private Investors Participation

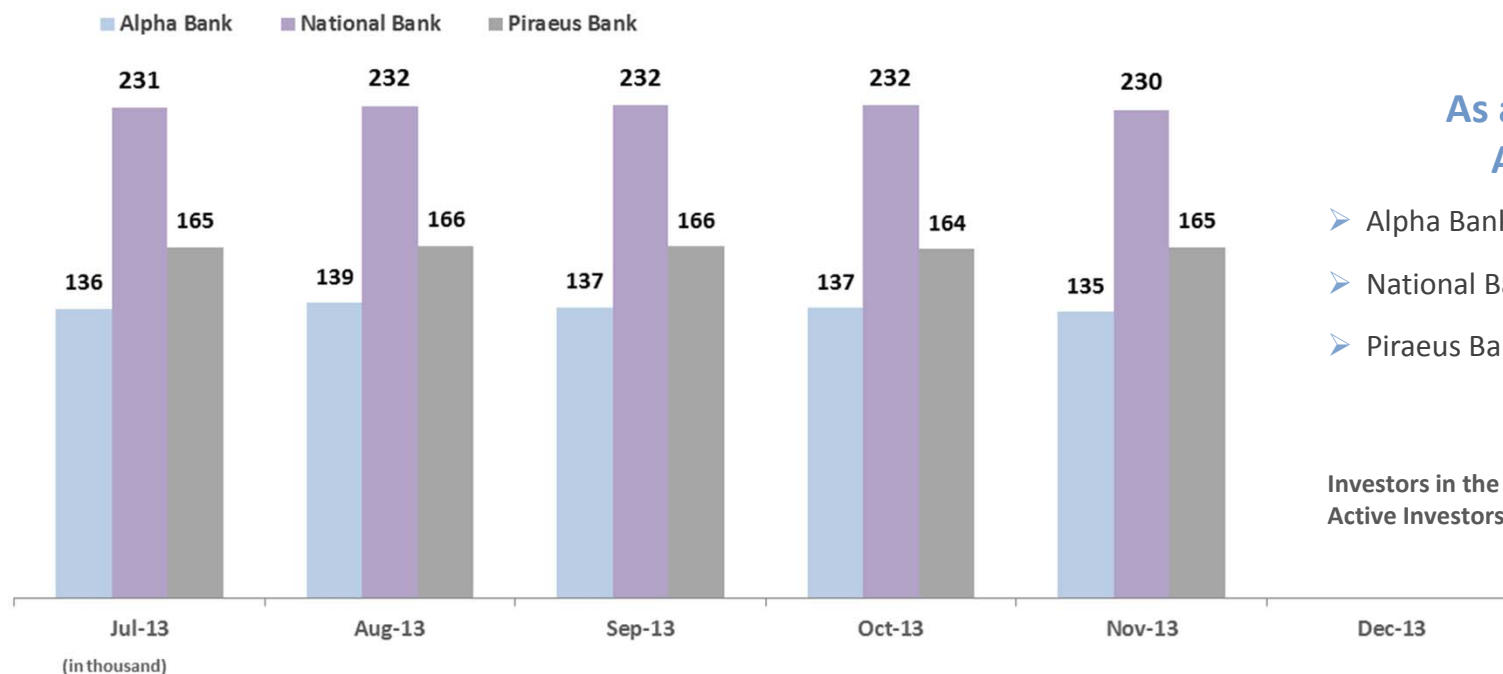


**Capital Raised (in € mil)**

Total Capital Raised: 22,756



## Average Number of Investors



## As a % of Total ATHEX Active Investors

- Alpha Bank: 15.5%
- National Bank: 26.3%
- Piraeus Bank: 18.9%

Investors in the Stock over Total number of ATHEX  
Active Investors on Nov13

- **Large** initial dispersion of the stocks
- **Strong** participation of retail investors
- **Small** changes in the dispersion over time
- **Significant** percentage of ATHEX active investors

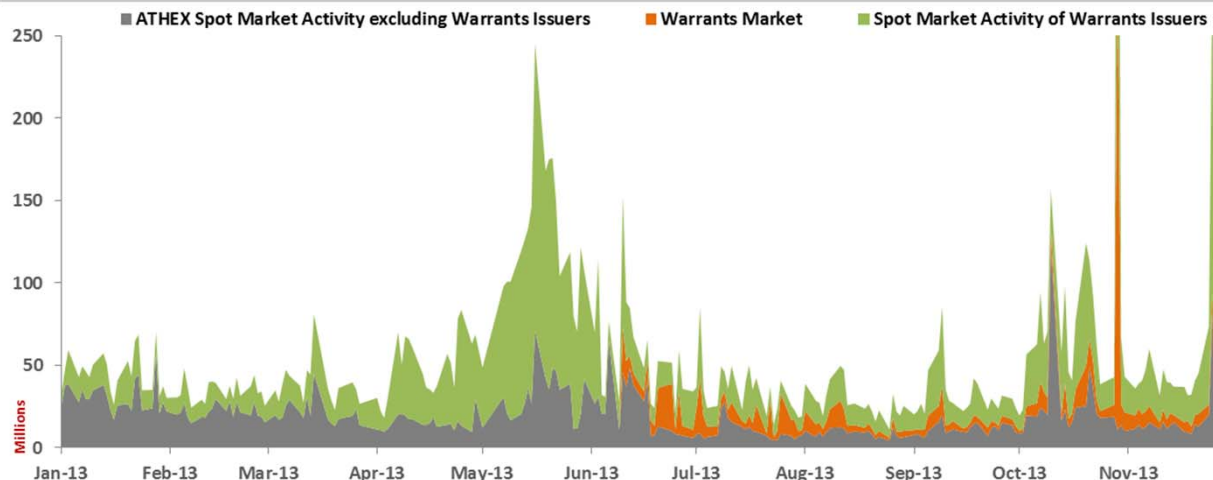
# Warrants Overview

	Alpha Bank	National Bank	Piraeus Bank
<b>Issue Date:</b>	June 11 <sup>th</sup> 2013	June 27 <sup>th</sup> 2013	July 3 <sup>rd</sup> 2013
<b>Number of Warrants Issued:</b>	1,233 <sub>mil</sub>	245 <sub>mil</sub>	849 <sub>mil</sub>
<b>Price Close 1<sup>st</sup> Trade Date:</b>	€0.560	€1.380	€0.424
<b>Duration:</b>	4.5 years		
<b>Number of Exercises:</b>	9		
<b>Exercise Frequency:</b>	Every 6 months		
<b>Exercise Style:</b>	Bermudan		
<b>Multiplier Ratio<sup>1</sup>:</b>	7.408683070	8.22923881005499	4.47577327722
<b>1<sup>st</sup> Exercise Date:</b>	December 10 <sup>th</sup> 2013	December 27 <sup>th</sup> 2013	January 2 <sup>nd</sup> 2014
<b>1<sup>st</sup> Exercise Price:</b>	€0.4488	€4.3758	€1.7340
<b>Current Price:</b>	€1.360	€1.560	€0.835
<b>Δ from 1<sup>st</sup> Trade Date:</b>	+142.9%	+13.1%	+96.9%

1: Number of underlying securities corresponding to 1 warrant if exercised

# High Liquidity in All ATHEX Markets Equities, Warrants, Derivatives

## Spot Market Liquidity (Daily Trading Volumes)

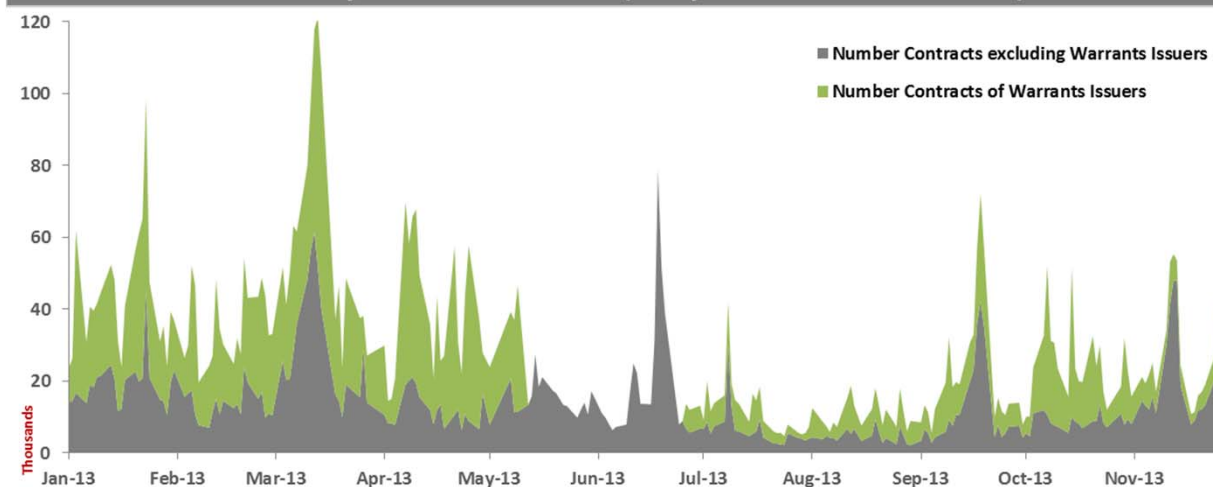


## Spot and Warrants Market Data

- ATHEX Spot Market: **53.9**
- Activity excluding Warrants Issuers: **19.5**
- Activity of Warrants Issuers: **28.7**
- Warrants Market: **5.6**

Average Daily Trade Volumes for 2013 in mil shares

## Activity on Stock Futures (Daily Number of Contracts)



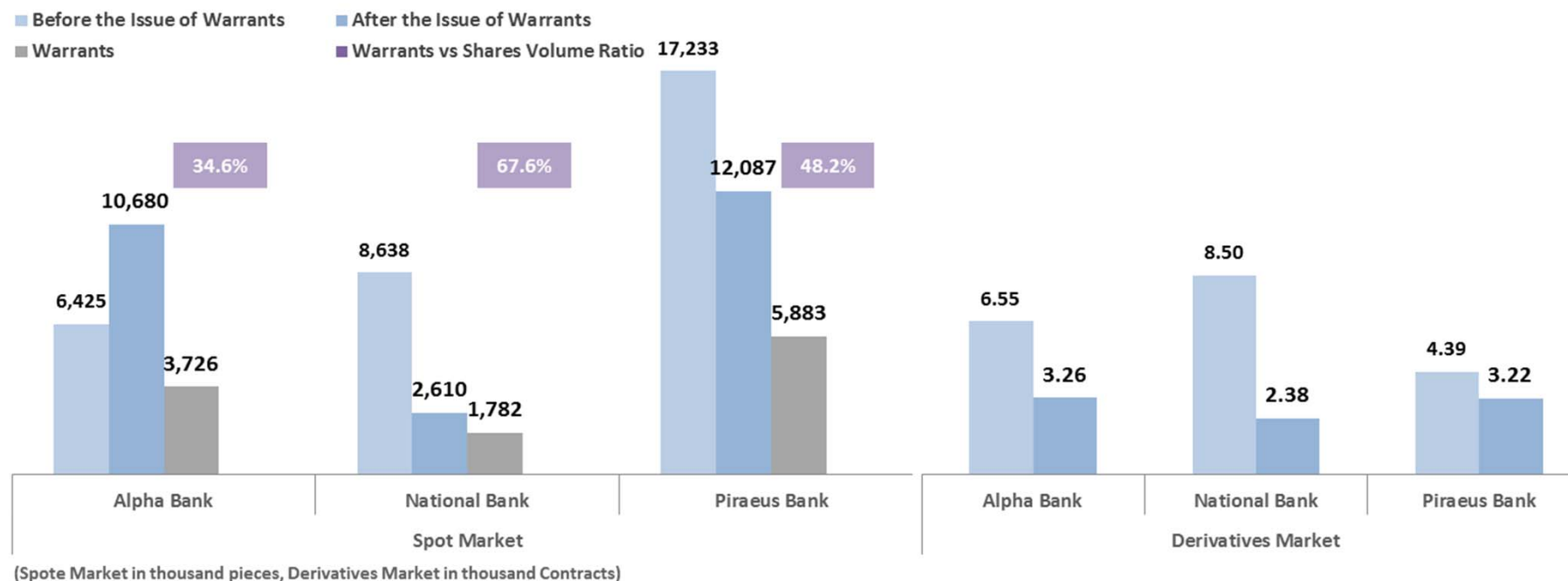
## Derivatives Market Data

- ATHEX Derivatives Market: **28.4**
- Activity excluding Warrants Issuers: **14.3**
- Activity of Warrants Issuers: **14.2**

Average Daily Number of Futures Contracts in thousand contracts

# Trading Activity Breakdown by Warrants Issuer

## Trading Volumes in 2013 Trading Volume Year Average Before and After the Warrants Issue



- Warrants trading in ATHEX have attracted significant interest from the investment community.
- The Average Daily Trading Volumes ratio of Warrants over Equities is significant for all the 3 listings

Warrants Issue Data, ALPHA June 11<sup>th</sup> 2013, NBG June 27<sup>th</sup> 2013, PEIR July 3<sup>rd</sup> 2013



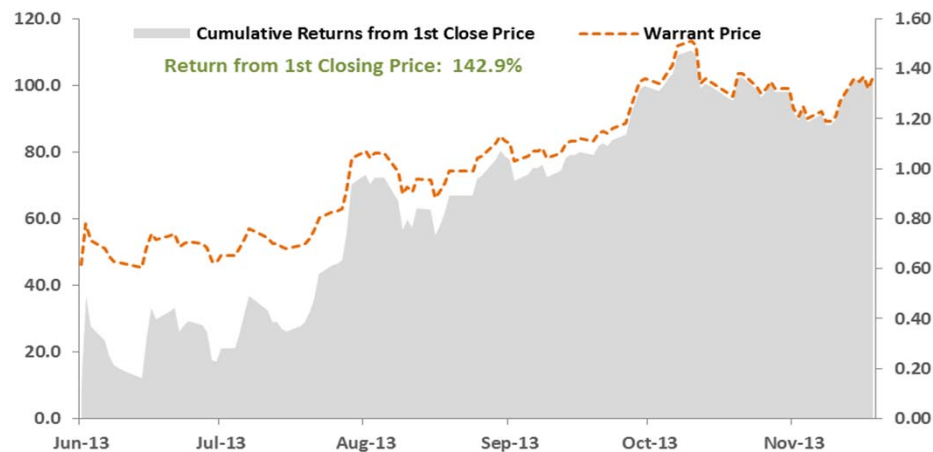
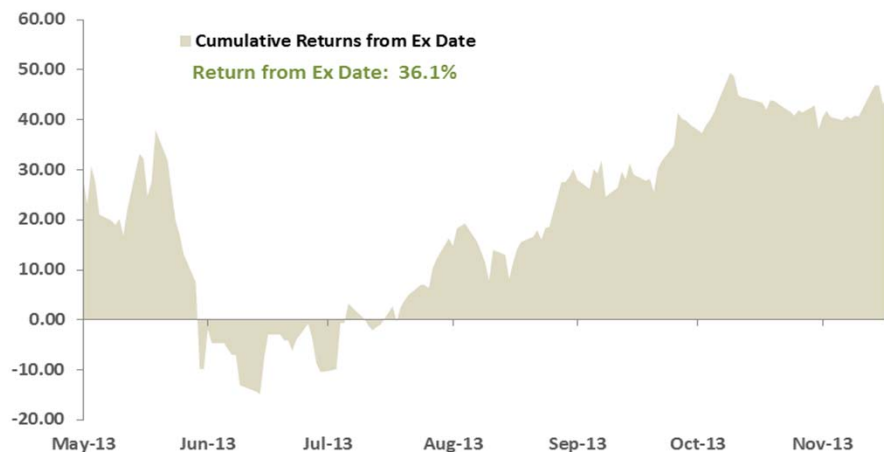
# A Quick Look to Volumes & Returns

## Alpha Bank

### Daily Trading Volumes & Closing Prices



### Cumulative Returns



Adjusted Historical Prices and Volumes as a result of the corporate action share capital increase on May 13<sup>th</sup> 2013.

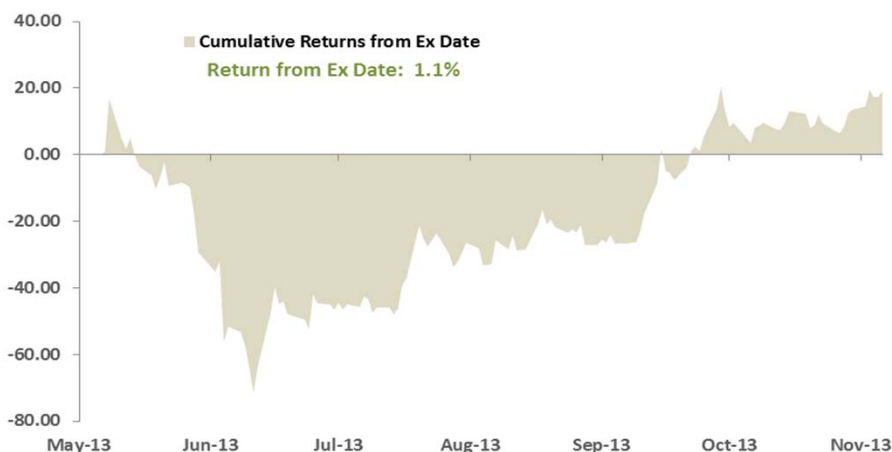
# A Quick Look to Volumes & Returns

## National Bank

### Daily Trading Volumes & Closing Prices



### Cumulative Returns



Adjusted Historical Prices and Volumes as a result of the corporate action share capital increase on May 24<sup>th</sup> 2013.

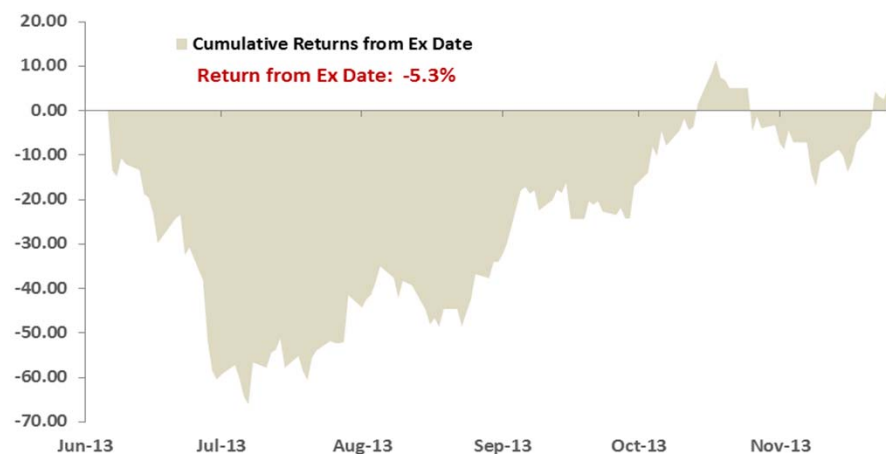
# A Quick Look to Volumes & Returns

## Piraeus Bank

### Daily Trading Volumes & Closing Prices



### Cumulative Returns



Adjusted Historical Prices and Volumes as a result of the corporate action share capital increase on June 5<sup>th</sup> 2013.

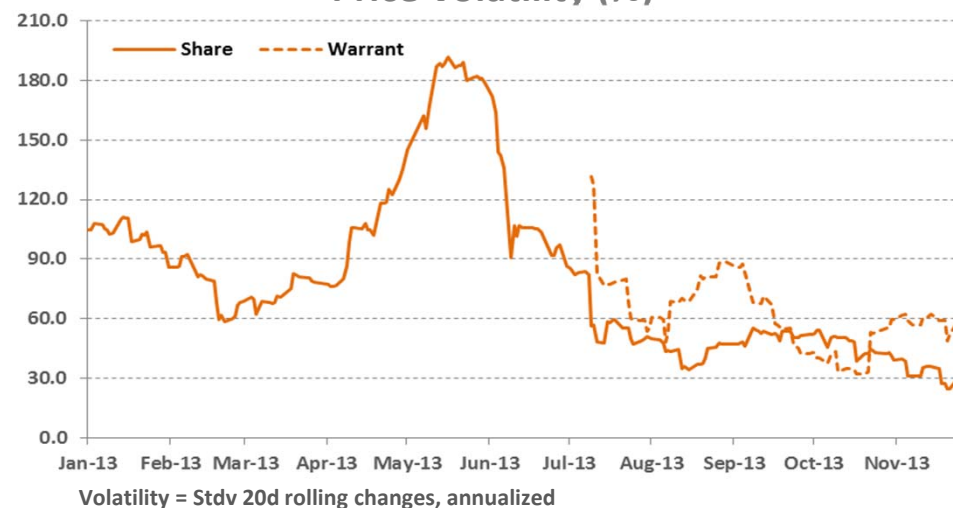
# Equity & Warrant Price Analysis Summary

## Alpha Bank

Price Fluctuation in Common Scale

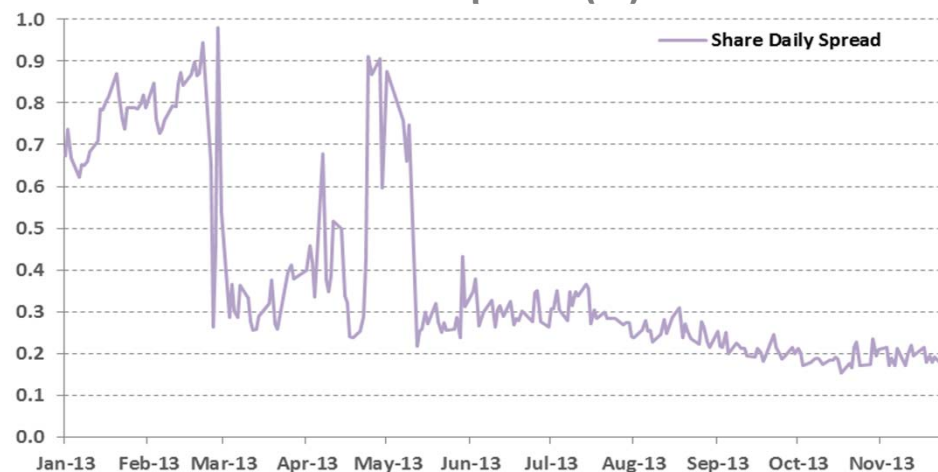


Price Volatility (%)



- Strong correlation between stock and warrant prices **70%**
- High volatility of warrant in the first trading days. Current levels are **32%** for the stock against **54%** for the warrant.
- Stock spread decreased after a period of high and volatile spread, before and during, the company share capital increase (Year Average **0.377%**)

Stock Spread (%)



# Equity & Warrant Price Analysis Summary

## National Bank

Price Fluctuation in Common Scale



Price Volatility (%)



Volatility = Stdv 20d rolling changes, annualized

Stock Spread (%)



- Strong correlation between stock and warrant prices **67%**
- High volatility of stock & warrant prices with an increase of the warrant volatility in the last month. Current levels **38%** for stock and **91%** for warrant)
- Stock spread decreased after a period of high and volatile spread before and during the company share capital increase (Year Average **0.422%**)



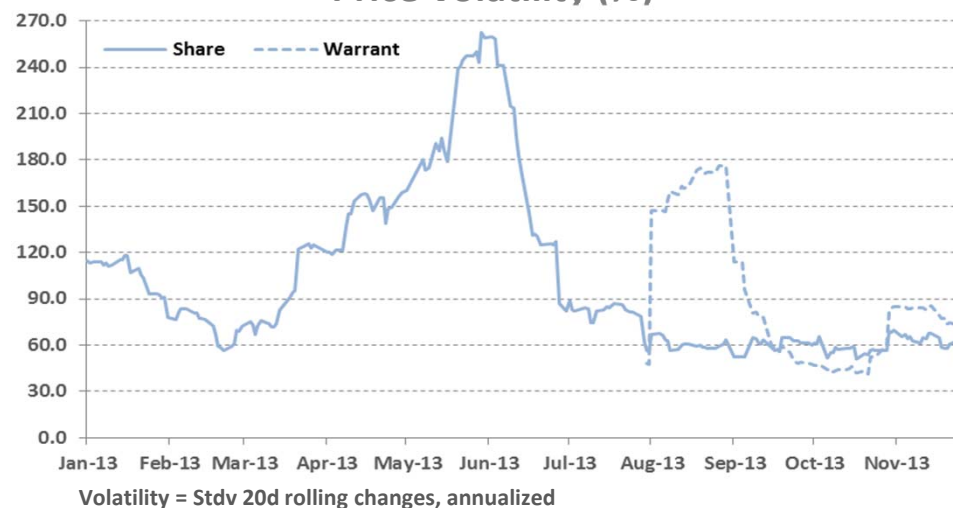
# Equity & Warrant Price Analysis Summary

## Piraeus Bank

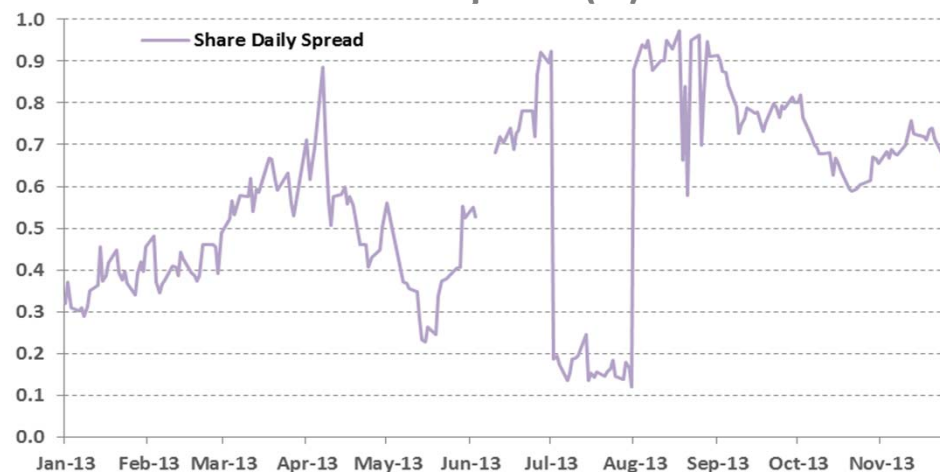
Price Fluctuation in Common Scale



Price Volatility (%)



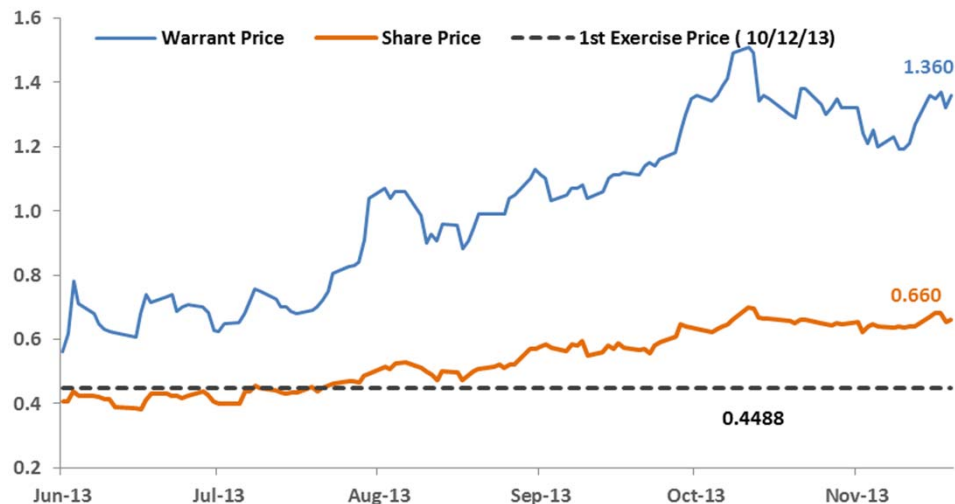
Stock Spread (%)



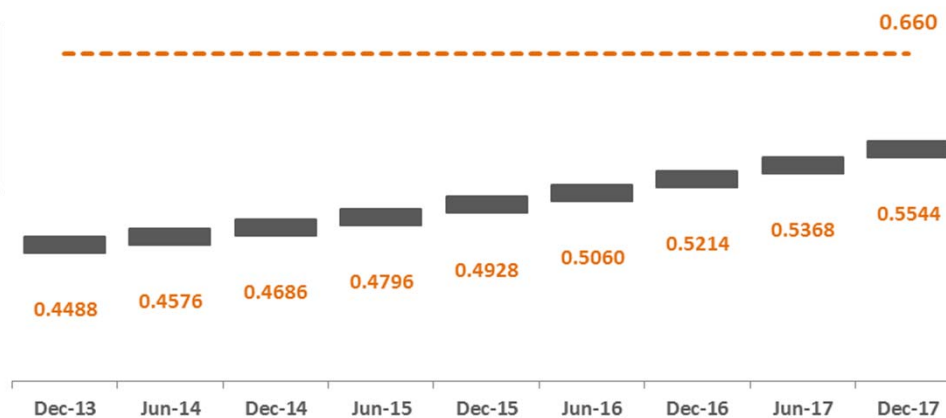
- Weaker correlation between stock and warrant prices **56%**
- High volatility of warrant in the first trading days. Current levels are **58%** for the stock against **38%** for the warrant.
- Stock Spread decreased after a period of high and volatile spread, before and during, the company share capital increase (Year Average **0.564%**)

# Moneyiness and Options Exercises

## Alpha Bank



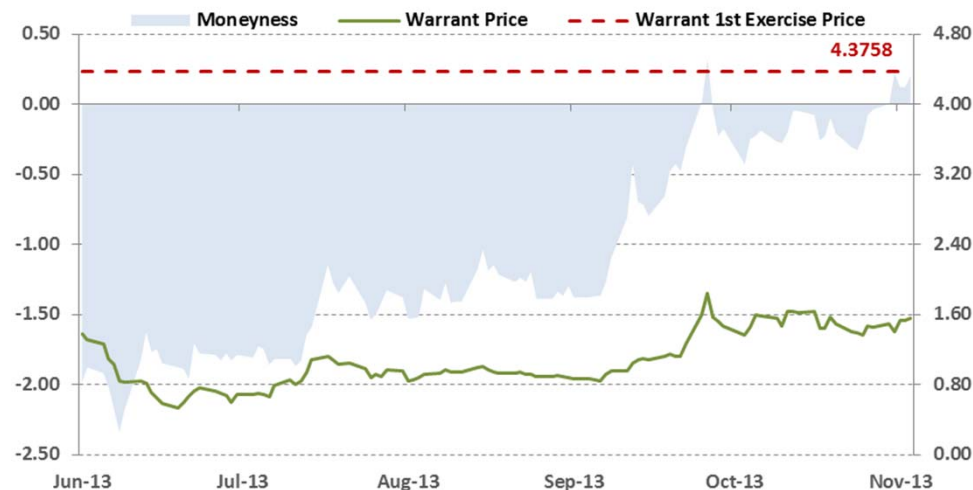
**Deep In the Money**  
with Increasingly positive Moneyiness



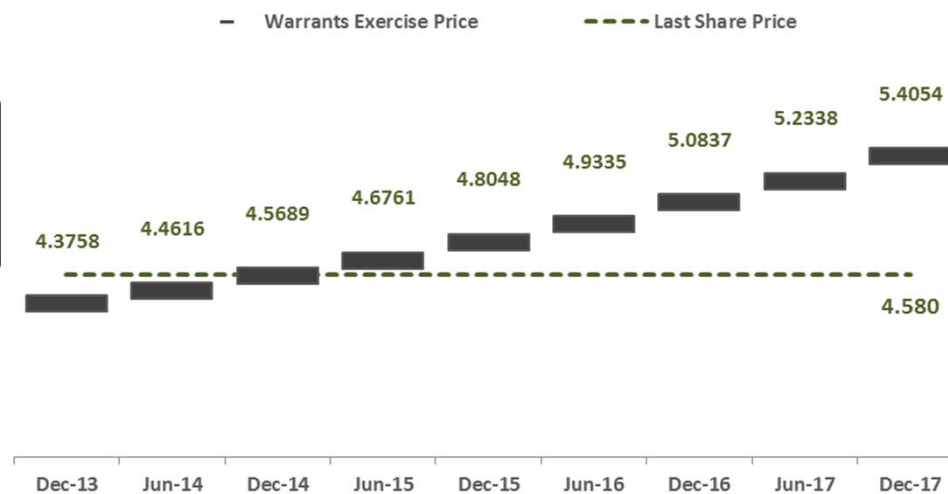
Moneyiness in respect to the 1<sup>st</sup> exercise date on December 10<sup>th</sup> 2013

# Moneyiness and Options Exercises

## National Bank



**Out of the Money**  
with slightly **Negative**, but improving, Moneyiness

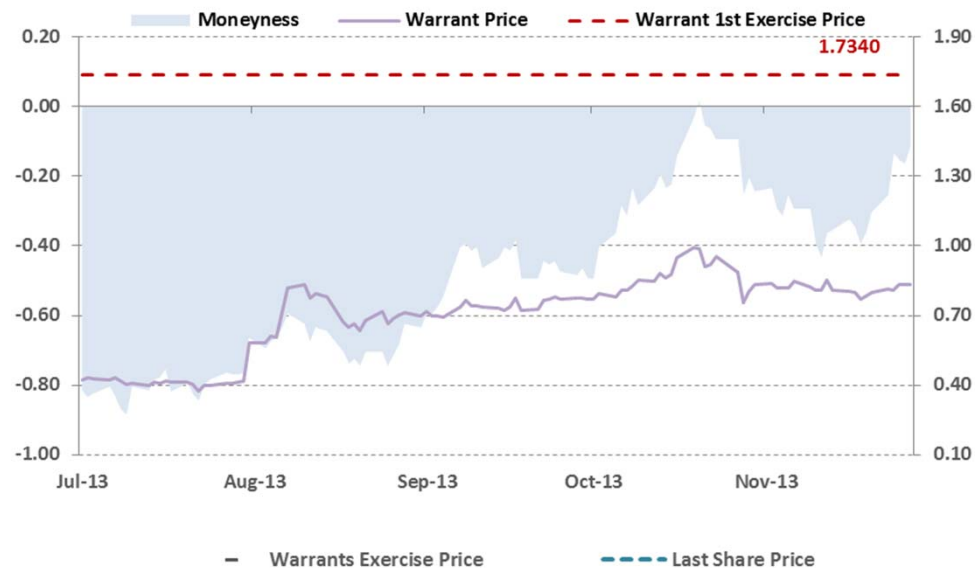
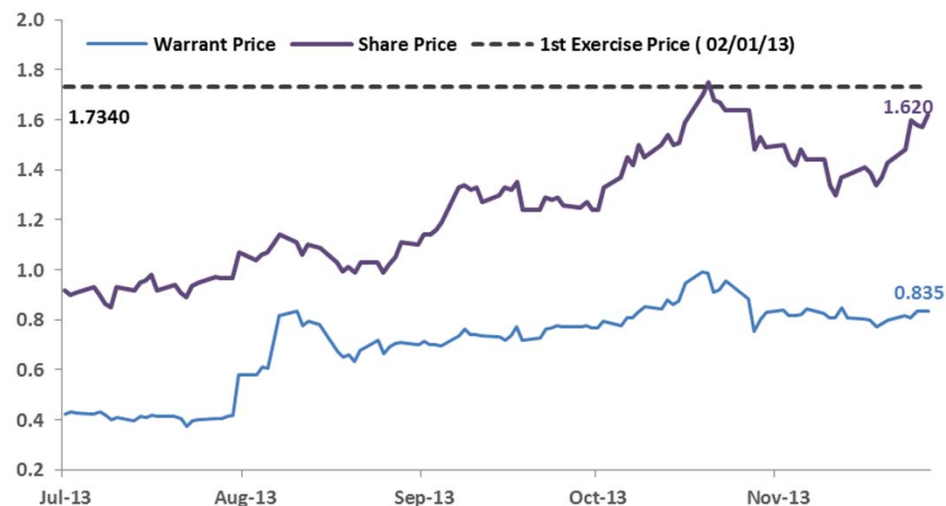


Moneyiness in respect to the 1<sup>st</sup> exercise date on December 26<sup>th</sup> 2013

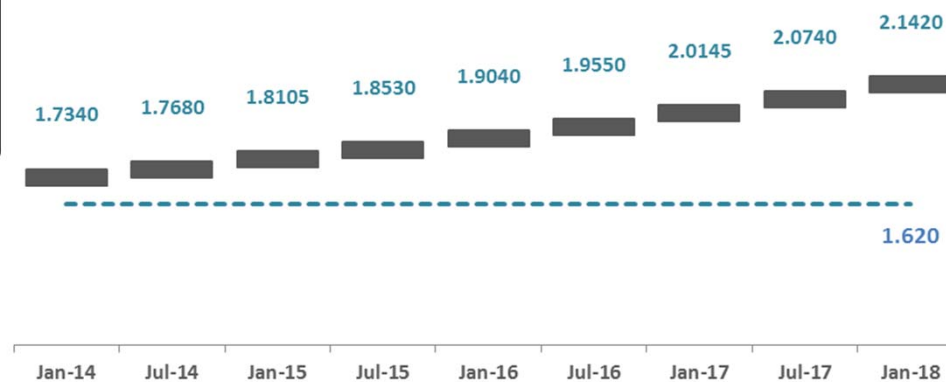


# Moneyiness and Options Exercises

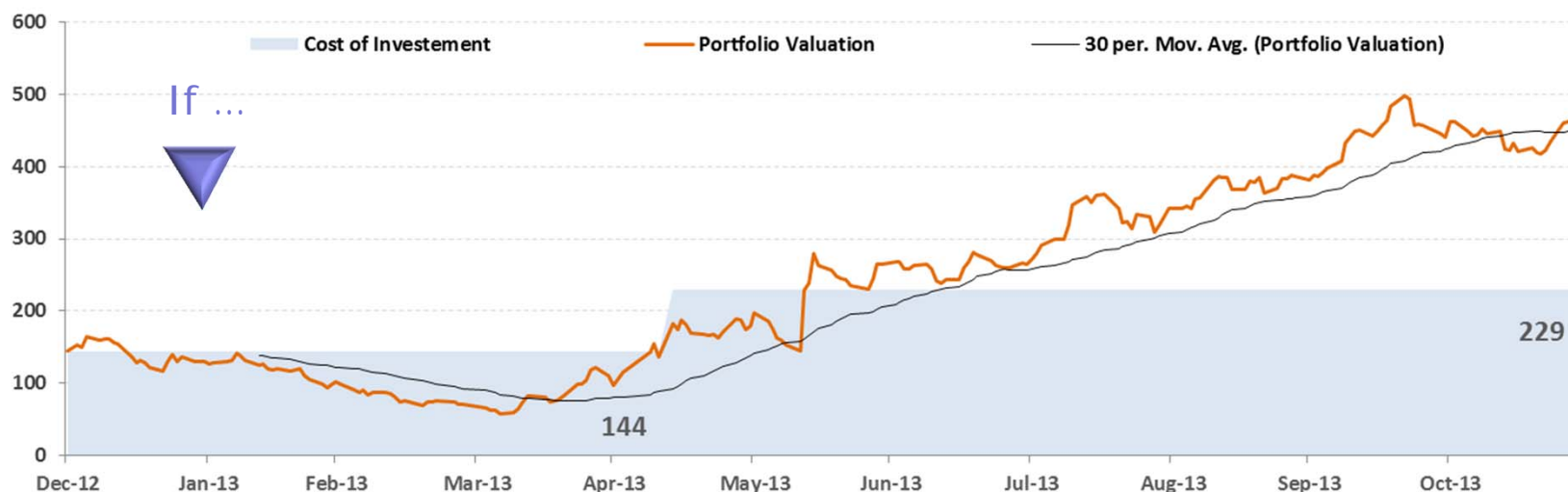
## Piraeus Bank



**Out of the Money**  
with slightly Negative and improving Moneyiness



Moneyiness in respect to the 1<sup>st</sup> exercise date on January 2<sup>nd</sup> 2013



... then

Portfolio  
Valuation

**+101.7%**

### Investment Details - Example

- **31/12/2012**: Initial investment of **100 shares** @ €1.44. Total cost of investment **€144**
- **10/05/2013**: Portfolio valuation €136 → R = **-5.5%** (on last trade date before share capital increase).
- **13/05/2013**: Participate in share capital increase. Terms : 1.94456 new / 1 old + €0.44 plus 1 warrant / 1 new share.  
Additional cost **€85.36**. Total cost of investment **€229.4**.
- **11/06/2013**: Receive 1.94456 warrants as a sweetener for every 1 old share.
- **Portfolio : 294 shares (194 +100) and 194 warrants**  
Each warrant may be converted to 7.40 shares at €0.4488 on 1<sup>st</sup> execution date
- **29/11/2013**: Portfolio valuation (294s \* €0.662 = €194.4) + (194w \* € 1.36 = €263.8) = €457.9 → R = **+99.6%**

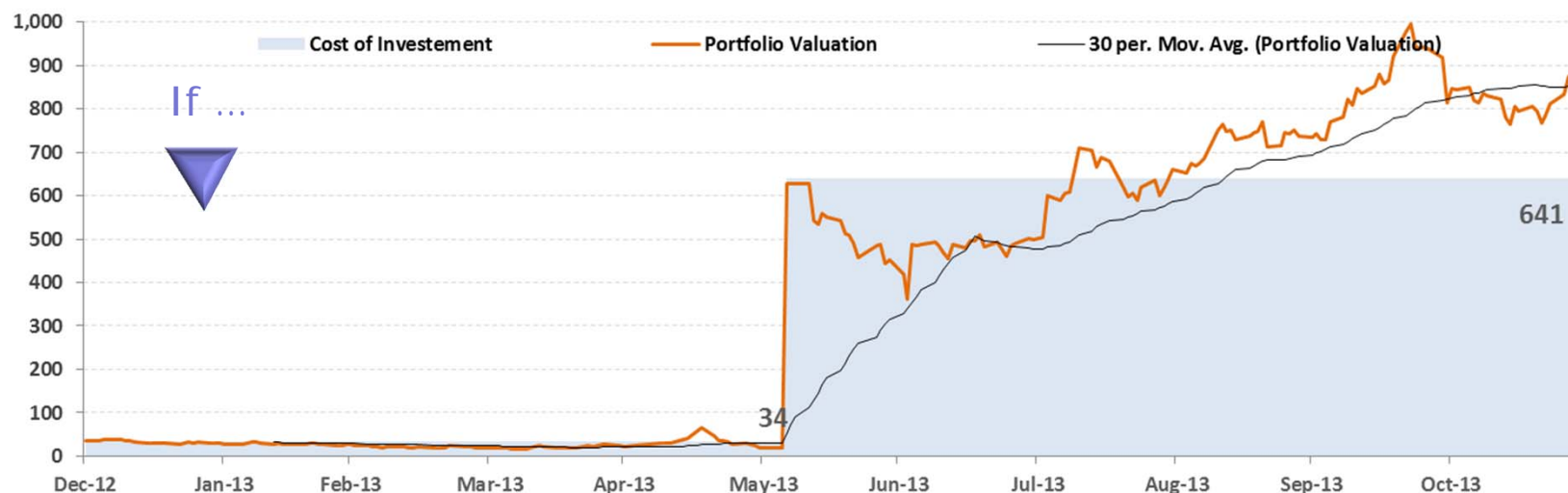
**Initial Investment Date**

**Valuation on Cum Date**

**Participation in SCI**

**First Trade Date of New**

**Last Valuation Date**



... then

Portfolio  
Valuation  
**-25.6%**

### Investment Details - Example

- **31/12/2012:** Initial investment of **100 shares** @ €1.29. Total cost of investment **€129**
- **23/05/2013:** Portfolio valuation €90 → R = **-30.2%** (on last trade date before share capital increase).
- **24/05/2013:** Reverse Split in terms of 1 new share / 10 old shares. Participate in share capital increase.  
*Terms:* 2.225 new / 1 old + €4.29 plus 1 warrant / 1 new share. Additional cost **€94.38**. Total cost of investment **€223.4**
- **27/06/2013:** Receive 2.225 warrants as a sweetener for every 1 old share.  
**Portfolio : 32 shares (22 +10) and 22 warrants**  
Each warrant may be converted to 8.22 shares at €4.3758 on 1<sup>st</sup> execution date
- **29/11/2013:** Portfolio valuation (32s \* €4.58 = €146.6) + (22w \* € 1.56 = €34.3) = €180.8 → R = **-19.0%**

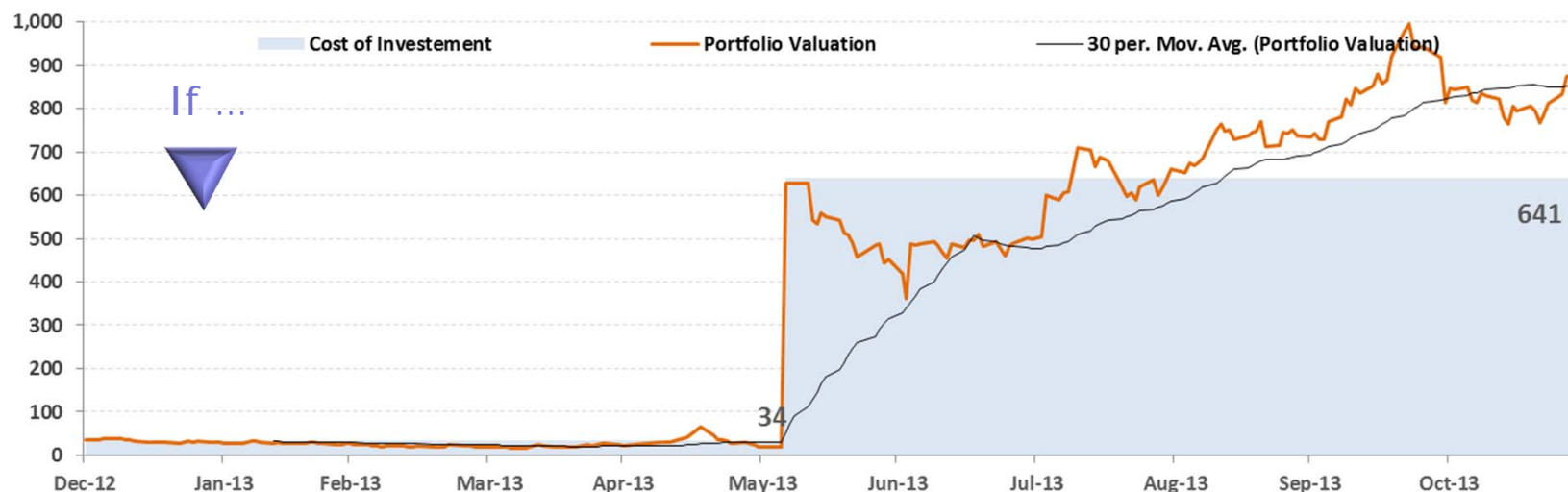
Initial Investment Date

Valuation on Cum Date

Participation in SCI

First Trade Date of New

Last Valuation Date



### Investment Details - Example

- **31/12/2012:** Initial investment of **100 shares** @ €0.338. Total cost of investment **€33.8**
- **04/06/2013:** Portfolio valuation €19.5 → R= **-40.9%** (on last trade date before share capital increase).
- **05/06/2013:** Reverse Split in terms of 1 new share / 10 old shares. Participation in share capital increase.  
*Terms:* 35.68 new / 1 old + €1.70 plus 1 warrant / 1 new share. Additional cost **€606.90**. Total cost of investment **€640.7**
- **03/07/2013:** Receive 35.680197 warrants as a sweetener for every 1 old share.  
**Portfolio : 367 shares (357 +10) and 357 warrants**  
Each warrant is converted to 4.4757 shares at €1.7340 on 1<sup>st</sup> execution date
- **29/11/2013:** Portfolio valuation (367s \* €1.62 = €594.5) + (357w \* € 0.835 = €298.1) = €892.6 → R = **+39.3%**

Initial Investment Date

Valuation on Cum Date

Participation in SCI

First Trade Date of New

Last Valuation Date

---

## General Description about Warrants

<http://www.athex.gr/content/en/ann.asp?annid=167990>

---

## Informative Material

<http://www.athex.gr/content/gr/ann.asp?AnnID=167996>

---

## Legal and Regulatory Framework

<http://www.athex.gr/content/gr/ann.asp?AnnID=167998>

---

## Contact Information

<http://www.athex.gr/content/gr/ann.asp?AnnID=168013>

---

### Disclaimer

This presentation was prepared by Hellenic Exchanges S.A. Information contained herein has been obtained from company and external sources believed to be reliable, but not guaranteed as to its accuracy or completeness. Past performance is no guarantee of future results. This presentation is for informational purposes and is not to be construed as an offer to sell or a solicitation to buy shares and warrants.