NATIONAL BANK OF GREECE

Athens, November 12th 2002

Press Release

2002 9-MONTH RESULTS

National Bank of Greece announced today the results of the Group and the parent company for the nine-month period ended 30 September 2002.

NBG Group profit before tax and after minorities totalled €276.3 million for the 9 months of 2002, posting a decline of 51.5% compared with the same period in 2001. The reduction in profits was due principally to the fall in trading gains, which amounted to €59.8 million for the period compared with €301.1 million for the same period last year. The results were further burdened by the one-off cost of €18 million of the voluntary early retirement scheme offered to staff at NBG and ETEBA. Without this one-off cost, the 9-month Group profits would have declined by 48.3%.

For the same reasons, the profit before tax of the parent Bank amounted to €260.0 million for 9-month 2002, compared with €540.5 million 9-month 2001.

Notwithstanding adverse market conditions, the core profitability of the Group showed improvement. The following trends are characteristic of this improvement:

- Net interest income for the Group was higher in 9-month 2002 than in the same period last year (2002: €875.3 million, 2001: €840.3 million), reaffirming the rising trend of the previous quarters. This development reflects the improvement in interest income in the third quarter of 2002, up 11.5% relative to Q3 2001.
- A similar trend is evident in the Group's net interest margin, which in 9-month 2002 rose to 240 bps, as compared with 238 bps in the first half of 2002 and 234 in the first quarter of the year.
- Despite the substantial decline in capital market commissions (down by 24.5%), Group commission income in 9-month 2002 remained virtually unchanged at €274.2 million (9-month '01: €274.8 million). This was achieved largely because of the

significant growth in retail banking commissions, up 15.4%, and is indicative of the Bank's dynamic expansion in this sector.

- The international network has further increased its profitability in the 9-month 2002 contributing to 24.2% to the NBG Group profit before tax, excluding trading gains.

These developments led to further qualitative improvements in the composition of the Group's income, with core sources of income in 9-month 2002 representing more than 95.1% of total income, as compared with 91.6% in the first half of the year.

Group profitability was helped substantially by the systematic effort to contain operating costs, as reflected in the trends outlined below:

- In 9-month 2002, Group staff costs increased marginally by 1.5% compared with the same period in 2001, while Q3 '02 saw these costs decline by 5.9% relative to Q2 2002. The completion of the voluntary early retirement scheme for staff at NBG and ETEBA will result in the departure of approximately 720 individuals by the end of the year. The cost for the scheme is expected to be in the region of €24 million, while the corresponding annual wage expense for this group of employees would have been in excess of €40 million. In the same period, over and above these reductions, a total of 180 employees left the Bank through attrition, while the Bank's domestic and international subsidiaries reduced their staff by 50 employees and 420 employees respectively. These changes should help reduce staff costs and contribute to improvements in Group performance over the coming quarters.
- The Group's operating expenses amounted to €227.4 million in 9-month 2002, up by just 2.4% on the average level for 2001. This development reflects systematic efforts by the Group to contain operating costs, which in Q3 2002 were 2% lower than in Q2 2002.

At 30 September 2002, the Group's loan and corporate bond book stood at €22.8 billion, up 10.8% on an annual basis. Retail banking, including small business lending, continues to show robust growth, having reached 43% of gross loans at the end of September 2002 compared with 38% at the end of 2001. This trend confirms the Group strategy for the gradual shift towards a higher loan to asset ratio as well as an improved loan to deposit ratio. As a result the ratio of loans and corporate bond to deposits grew to about 50% compared with 48% at the end of 2001

In particular, consumer credit balances (credit cards, consumer and personal loans) have grown by an annual rate of 25%. Similarly, mortgage balances grew by an annual rate of 23.2% a strong pace if account is taken if the size and the age of the mortgage book.

Despite the substantial growth of the Group's loan portfolio, its high quality has been maintained. Loans in arrears (after provisions) represent 2.1% of the total loan portfolio and are fully collateralized.

Amounts owed to customers posted an annual increase of 10%. Despite the rate cut effected in May 2002, saving deposits increased by 9.1% on an annual basis.

The Group's efficiency ratio stood at 72.5% for 9-month '02 compared with 60.4% in 2001, due to the decline in trading gains. It may be noted that if trading gains are excluded from the calculation, the Group's efficiency ratio was virtually unchanged, at 76.2%, compared with 75.9% at 31 December 2001. For the same reason, the Group's 9M2002 pre-tax return on average equity stood at 15.4% compared with 27% in 2001, while the Group's return on average assets stood at 0.69% compared with 1.40% in 2001.

The Group remains strongly capitalised. At the end of June 2002 Tier I capital adequacy ratio stood at 7.51% while total capital adequacy ratio reached 10.63%.

Group income statement

thousand €	**30.9.02**	**30.9.01**	**± %**	**3Q.02**	**2Q.02**	**± %**
Net interest income	875 306	840 330	+4.2%	301 712	298 877	+0.9%
Dividend income	16 486	32 713	-49.6%	5 303	6 986	-24.1%
Net commission income	246 464	253 676	-2.8%	80 582	85 686	-6.0%
Other operating income	21 480	22 977	-6.5%	5 768	7 217	-20.1%
Operating income	**1 159 736**	**1 149 696**	**+0.9%**	**393 365**	**398 766**	**-1.4%**
Trading gains	59 760	301 136	-80.2%	(10 698)	2 355	-554.3%
Total income	**1 219 496**	**1 450 832**	**-15.9%**	**382 667**	**401 121**	**-4.6%**
Staff costs	(540 016)	(532 218)	+1.5%	(175 728)	(186 763)	-5.9%
Administrative & other expenses	(227 375)	(208 636)	+9.0%	(76 841)	(78 408)	-2.0%
Depreciation	(116 332)	(100 397)	+15.9%	(39 205)	(38 485)	+1.9%
Provisions	(107 510)	(117 958)	-8.9%	(35 701)	(34 517)	+3.4%
Extraordinary income	48 534	86 679	-44.0%	(9 969)	30 807	-132.4%
Profit before tax and minorities	**276 797**	**578 302**	**-52.1%**	**45 223**	**93 755**	**-51.8%**
Minority interests	(449)	(8 080)	-94.4%	2 343	(1 139)	-305.7%
Profit before tax	**276 348**	**570 222**	**-51.5%**	**47 566**	**92 616**	**-48.6%**

Group commission income

thousand €	**30.9.02**	**30.9.01**	**± %**	**3Q.02**	**2Q.02**	**± %**
Retail [1]	103 727	89 906	+15.4%	40 079	34 963	+14.6%
Corporate[2]	44 143	44 448	-0.7%	11 658	15 845	-26.4%
Asset management	34 142	25 860	+32.0%	10 804	11 514	-6.2%
Other [3]	62 721	75 503	-16.9%	21 870	19 802	+10.4%
	244 733	**235 717**	**+3.8%**	**84 411**	**82 124**	**+2.8%**
Investment and capital markets [4]	29 473	39 034	-24.5%	10 193	9 318	+9.4%
Total	**274 206**	**274 751**	**-0.2%**	**94 604**	**91 442**	**+3.5%**

[1] Commissions on mortgages and consumer loans, credit cards, retail deposit account charges and telecommunication duties.
[2] Commissions on corporate loans, letters of guarantee, imports-exports and corporate account charges.
[3] Commissions on money transfers, foreign exchange transactions and other intermediation.
[4] Commissions on custodian services, brokerage and investment banking fees.

Group trading gains

thousand €	**30.9.02**	**30.9.01**	**± %**	**3Q.02**	**2Q.02**	**± %**
Bond trading and hedging	64 387	230 054	-72%	(2 076)	(4 400)	-52.8%
FX trading	26 502	26 924	-1.6%	16 502	1 716	+861.7%
Equity trading	3 836	46 793	-91.8%	(5 780)	9 740	-159.3%
Income from derivatives trading	(13 919)	(2 635)	+428.2%	(8 092)	(3 642)	+122.2%
Equity method investments	(21 046)	-	-	(11 252)	(1 060)	+961.5%
Total Group	**59 760**	**301 136**	**-80.2%**	**(10 698)**	**2 354**	**-554.5%**

Group loans

mil €	**30.9.02**	**±ytd%**	**±yoy%**	**31.12. 01**	**30.9. 01**
Portfolios:					
Commercial loans	11 906.2	-2.6%	-1.7%	12 226.7	12 110.3
Consumer loans	1 406.8	+15.9%	+20.7 %	1 214.3	1 166.0
Credit cards	955.3	+20.2%	+32.1%	795.0	723.2
Mortgages	5 667.9	+18.1%	+23.2%	4 800.1	4 600.8
Total loans	**19 936.2**	**+4.7%**	**+7.2%**	**19 036.1**	**18 600.3**
Corporate bonds	2 665.0	+13.3%	+50.5%	2 352.9	1 771.0
Total loans & corporate bonds (before provisions)	**22 601.2**	**+5.7%**	**+10.9%**	**21 389.0**	**20 371.3**
Provisions	(1 038.3)	+2.9%	-2.2%	(1 009.4)	(1 061.3)
Total loans & corporate bonds	**21 562. 9**	**+5.8%**	**+11.7%**	**20 379.6**	**19 310.0**
Loans breakdown:					
Performing	18 479.5	+4.8%	+7.6%	17 630.4	17 173.1
Non-performing [1]	1 456.7	+3.6%	+2.1%	1 405.7	1 427.2
Total	**19 936.2**	**+4.7%**	**+7.2%**	**19 036.1**	**18 600.3**

Loan portfolio ratios:

	30.9.02	31.12. 01	30.9. 01
NPLs /Gross loans	7.3%	7.4%	7.7%
Net NPLs / Gross loans	2.1%	2.1%	2.0%
Provision coverage	71.3%	71.8%	74.4%

[1] Under its accounting policies, the Bank classifies as non-performing consumer loans and credit card balances with overdue interest and/or principal for 100 days and over. Commercial loans are classified as non-performing after 180 days. As of 1 January 2002 mortgage loans are also treated as non-performing after 180 days while prior to 2002 the threshold was 360 days.

Group key ratios

	9.02	9.01	2001
Net interest margin	2.40%	2.51%	2.43%
Return on average assets (ROAA)	0.69%	1.58%	1.40%
Return on average equity (ROAE)	15.4%	27.7%	27.0%
Efficiency (cost: income)	72.5%	58.0%	60.4%