



NATIONAL BANK
OF GREECE



Trading Update Q2.15

October 2015

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Table of Contents

- 1** Financial Highlights
- 2** Liquidity
- 3** Profitability
- 4** Asset quality





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Key themes

1



Q2.15 Financial Highlights & Themes

- **Q2.15 Group PPI reaches 421m (+18%) fending off sustained TL devaluation; Group PPI margin at 269bps**
 - Group NII resilient at €750m (-3.7% qoq), despite increased ELA reliance in the domestic business and further depreciation of TL in Q2
 - Turkish NII up by an impressive 8.3% qoq in TL terms (2.2% in Euro terms)
 - Group C:I at 57%
- **Group 90dpd formation drops sharply to €133m in Q2 vs €477m in Q1**
 - Domestic formation stood at €41m vs €336m in Q1
 - Group 90dpd ratio at 24.6%, 30bps up qoq
 - Domestic 90dpd +10bps qoq to 32.1%, driven by subdued delinquency flows in the retail segment (€142m vs €377m in Q1.15)
 - Restructuring flows gather pace in Q2 and Q3
- **Domestic L:D at 104%¹ despite substantial deposit outflows in Q2**
 - Greek banks' anticipated recapitalization is expected to allow for the gradual relaxation of capital controls, improving household and business confidence levels
 - Liquidity conditions remain tight, however, following the agreement, deposit flows have turned positive and Eurosystem funding is supportive
 - Domestic outflows slowed to €3.6bn from €4.8bn in Q1 - returned to positive territory in Q3
 - NBG operates with a best-in-class L:D of 104% in Greece and 112% at the Group level
 - Eurosystem funding at the end of Q3 stood at €25.6bn (ELA: €15.6bn) from €23.6bn in March. Cash value of excess collateral at €8.0bn

1: assumes Q1.15 run rate of provisions



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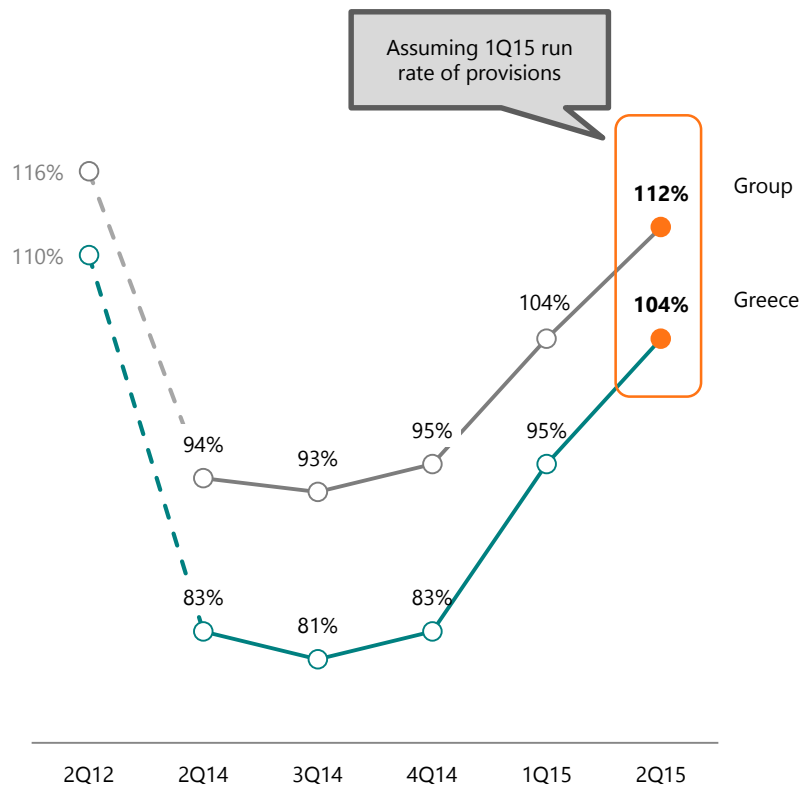
Liquidity

2

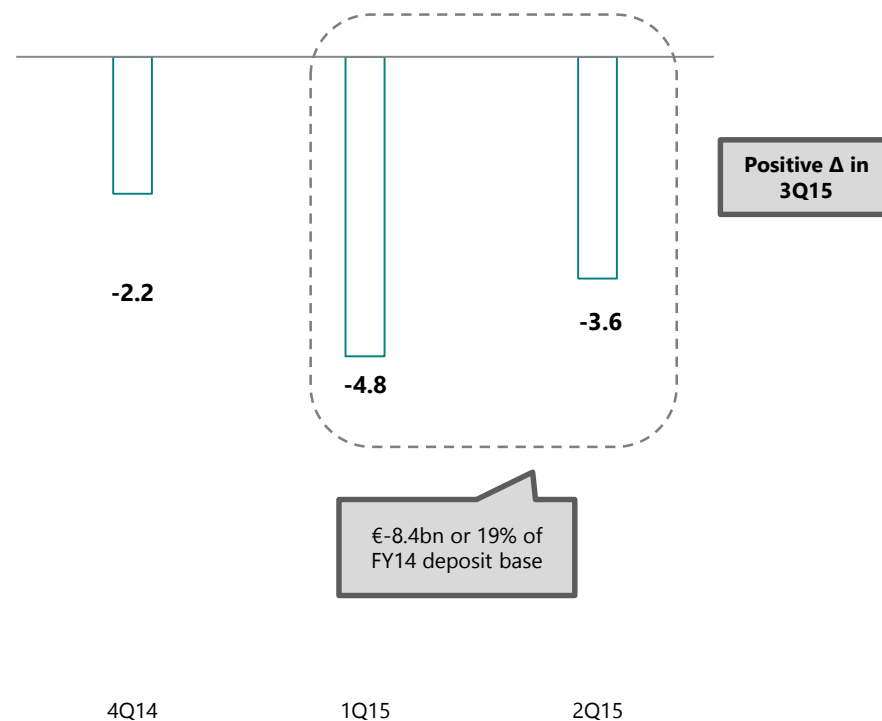


Pre capital controls domestic L:D ratio at 104%

L:D ratio evolution

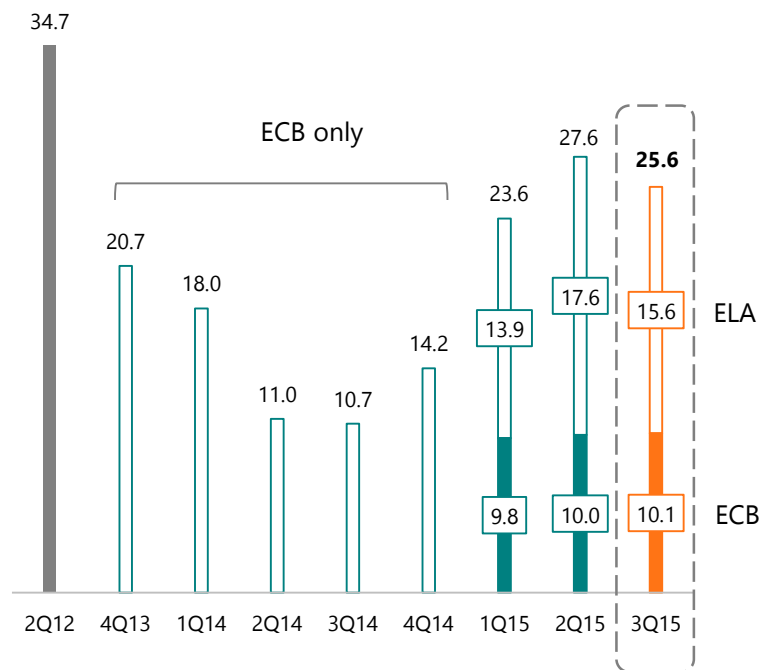


Greek deposit flows per quarter (€ bn)

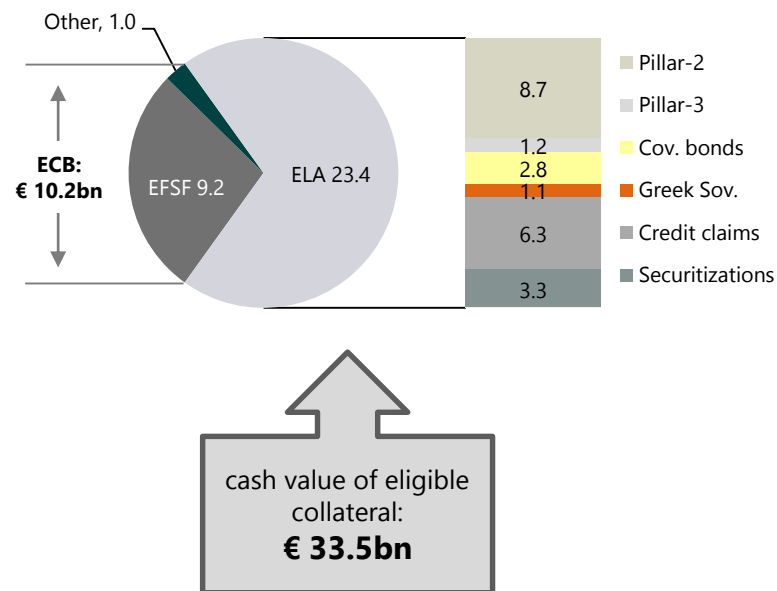


Cash value of excess collateral at €8bn

Eurosystem funding (€ bn)

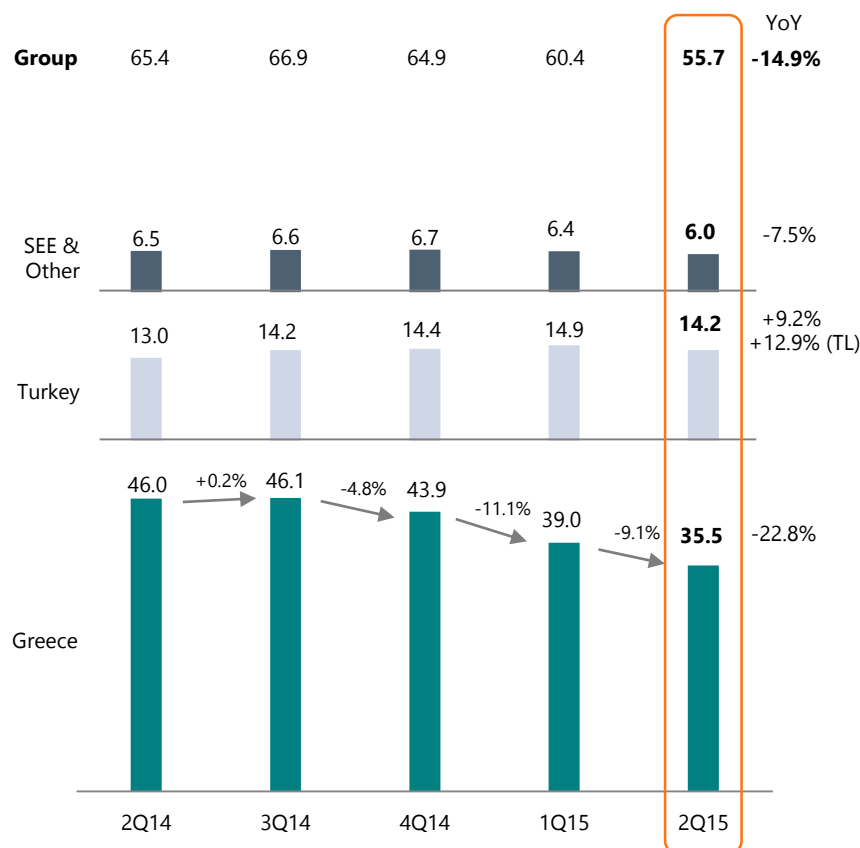


Eurosystem collateral cash values (€ bn) – 3Q15

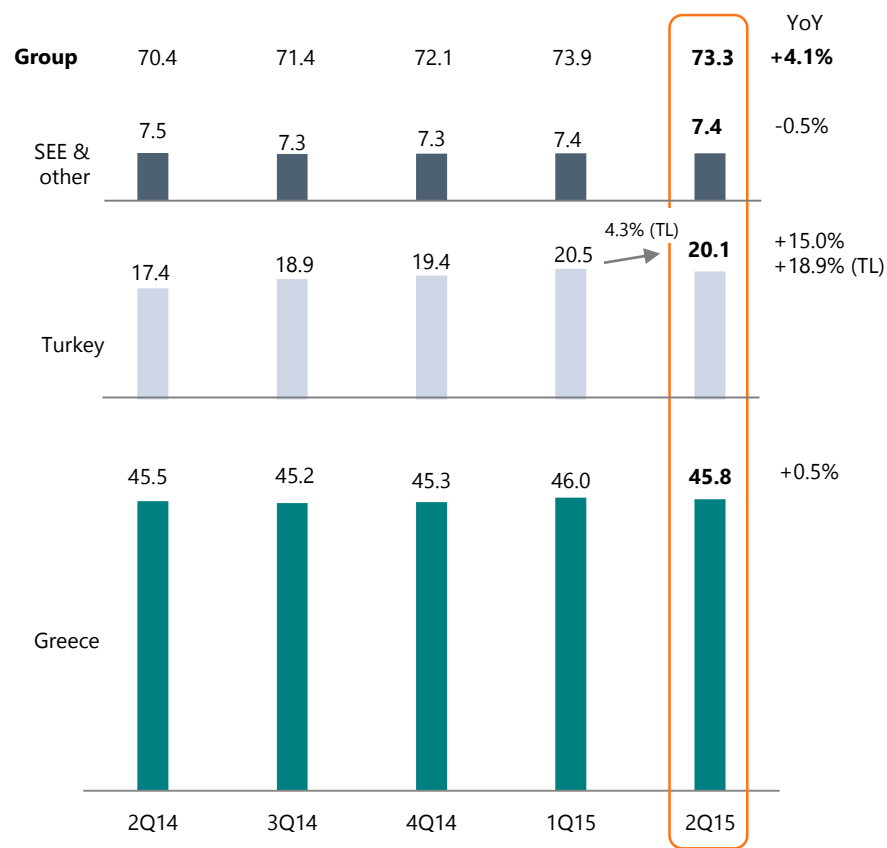


Domestic deposit outflows moderate in 2Q, in positive territory in 3Q

Deposits' evolution by geography (€ bn)



Gross loans' evolution by geography (€ bn)





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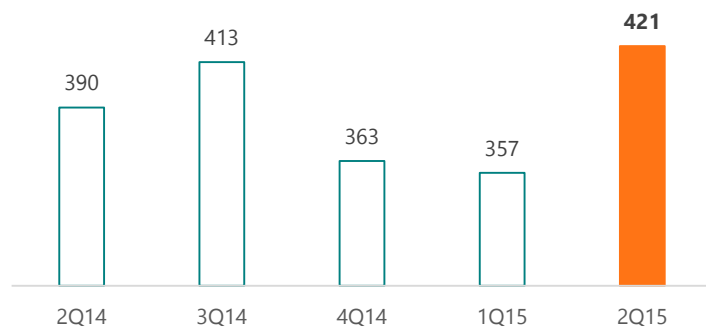
Profitability

3

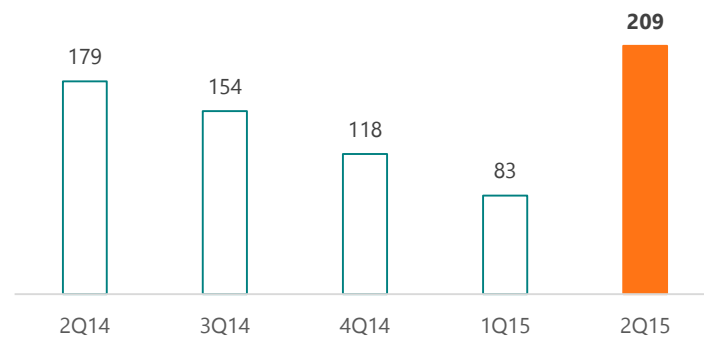


Group PPI rises 18% qoq as non-core income normalizes

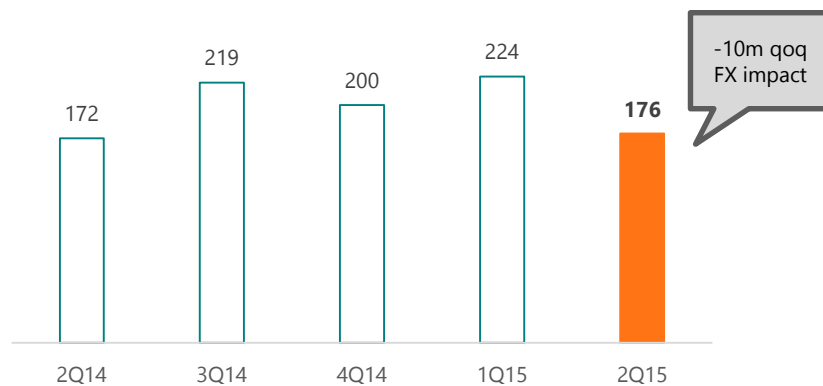
PPI Group (€ m)



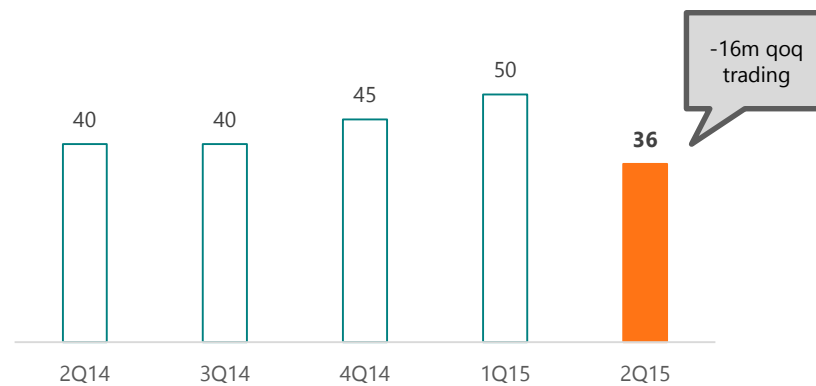
PPI Greece (€ m)



PPI Turkey (€ m)

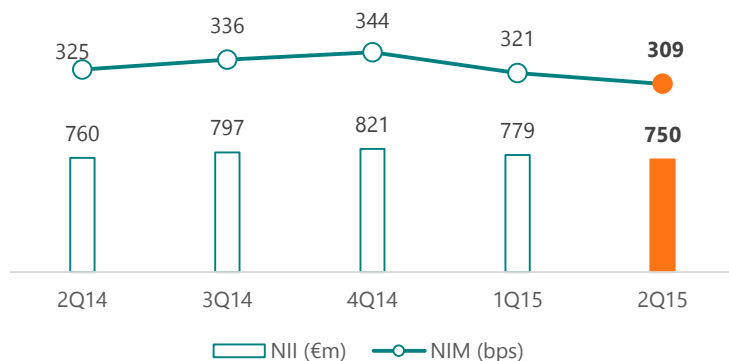


PPI SEE & other (€ m)

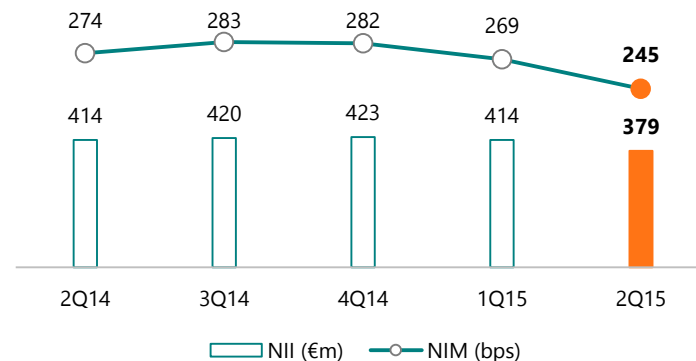


Group NIM at 309bps (-12bps qoq) reflects ELA substitution impact

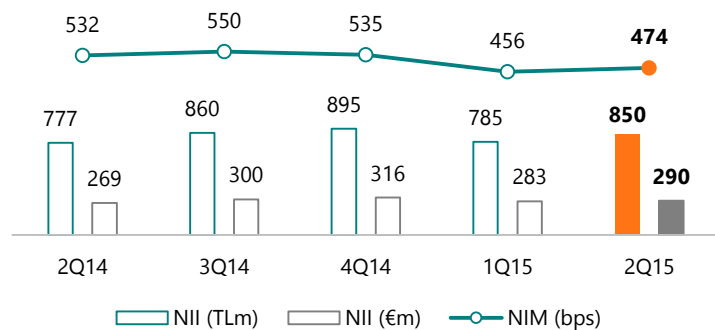
Group



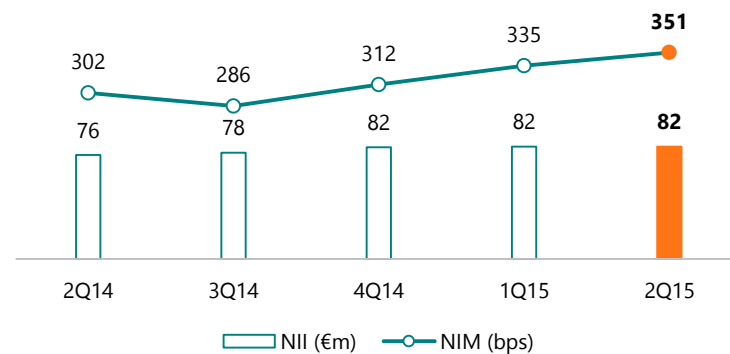
Greece



Turkey

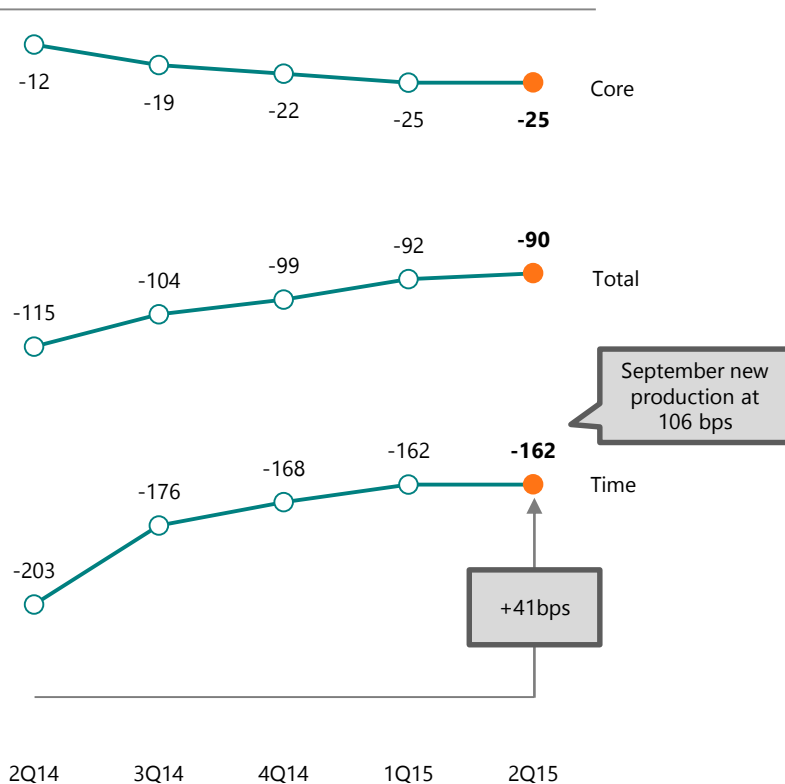


SEE & Other

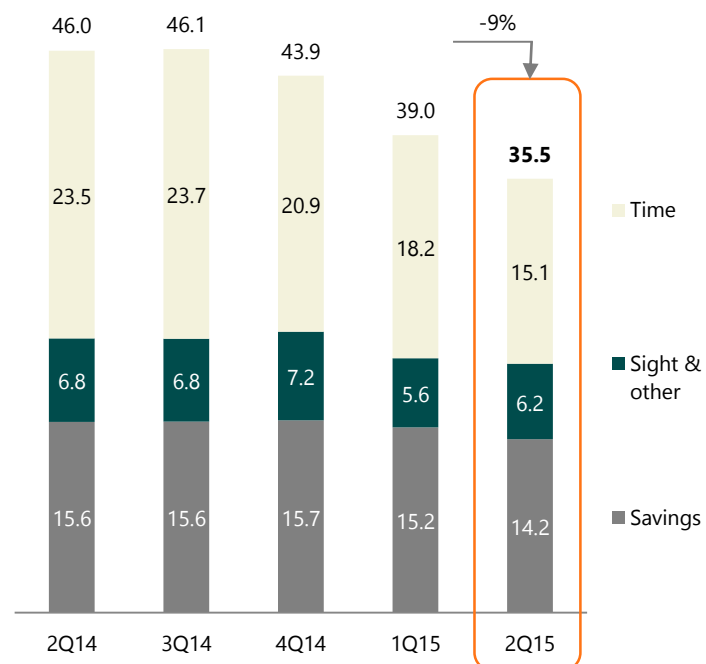


Lower pricing in time deposits to reduce further funding costs

Greek deposit spreads (bps)

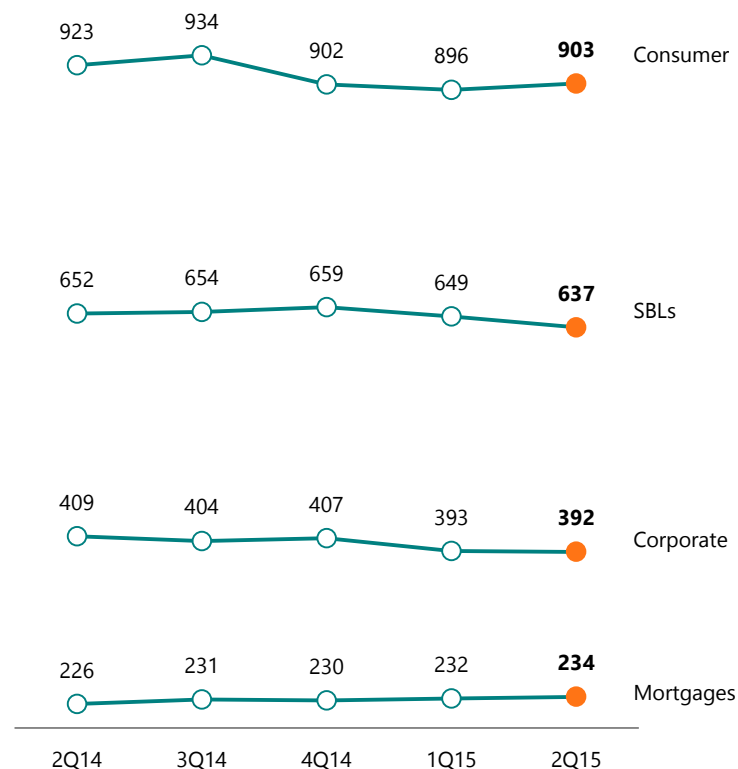


Greek deposits evolution (€ bn)

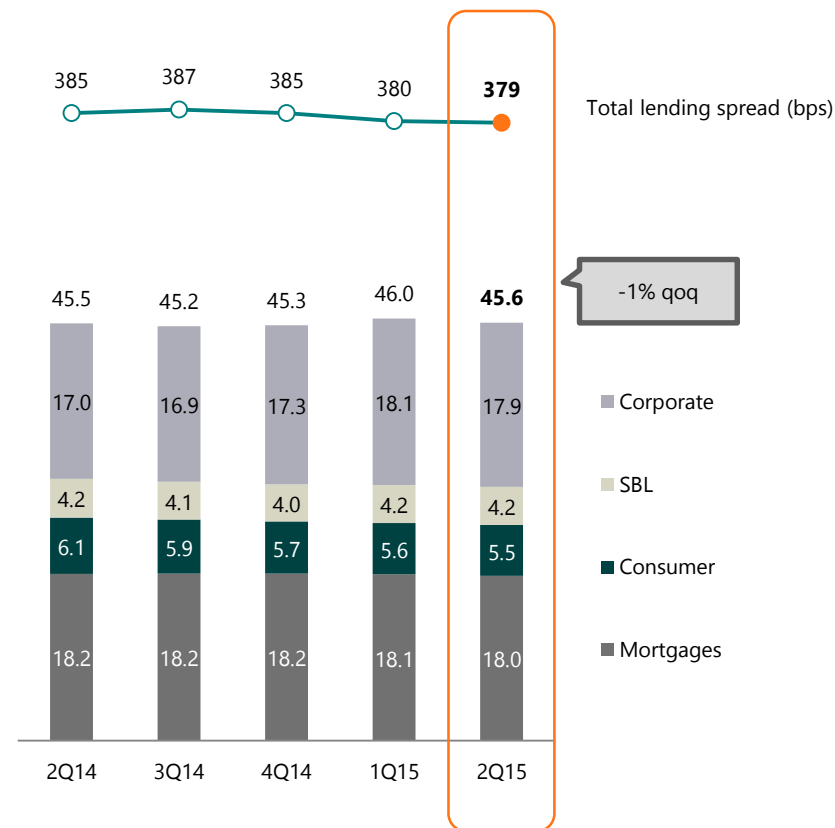


Greek lending spread remains steady at 379bps

Greek lending spread (bps)



Greek gross loans evolution (€ bn)



Domestic C:I continues to improve

Group Opex by geography (€ m)

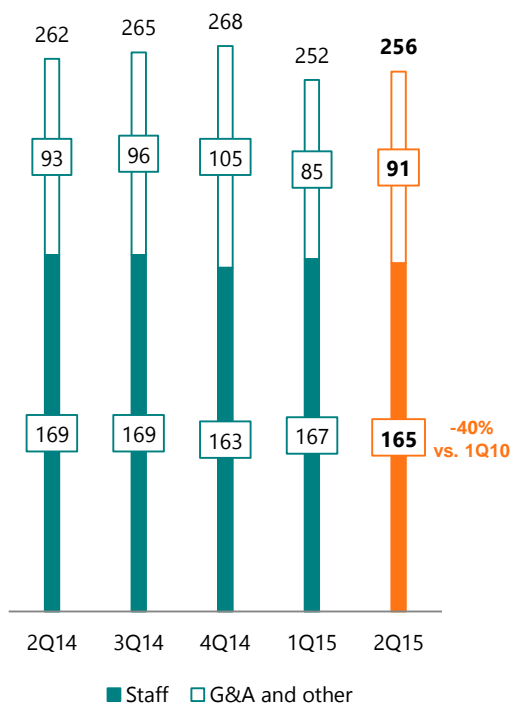
	2Q15	1Q15	2Q14	qoq	vs. 2Q14
Greece	256	252	262	1.7%	-2.3%
Turkey	228	209	180	9.4%	26.7%
SEE & other	68	64	62	5.6%	9.7%
Group	552	524	504	5.2%	9.5%

Incl. €7m cash bonus

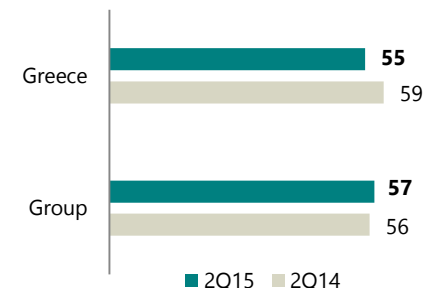
Group OpEx by category (€ m)

	2Q15	1Q15	2Q14	qoq	vs. 2Q14
Personnel	305	291	278	4.8%	9.7%
G&As	196	183	175	7.4%	12.0%
Depreciation	50	50	51	0.2%	-2.0%
Group	552	524	504	3.0%	7.1%

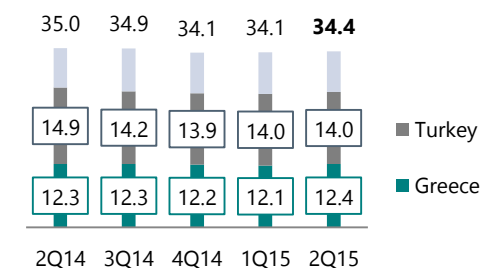
Greek OpEx evolution (€ m)



Cost-to-income ratios (%)



Headcount evolution ('000)





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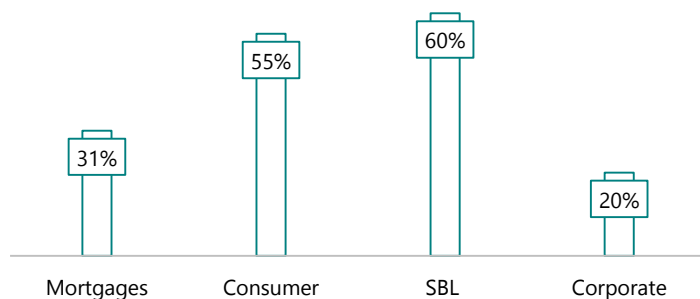
Asset quality

4

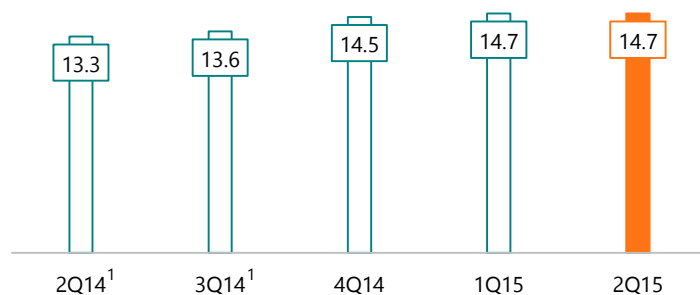


Domestic 90dpd stock stable in Q2; formation contracts

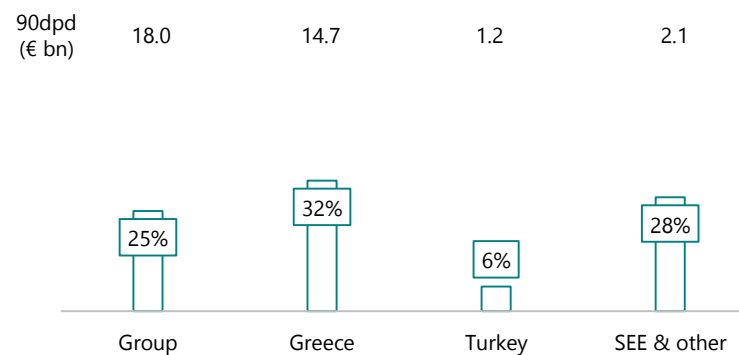
Greek 90dpd ratio per segment



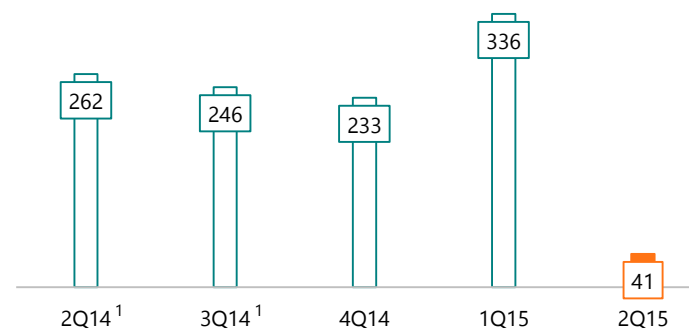
Greek 90dpd stock (€ bn)



90dpd ratio per geography



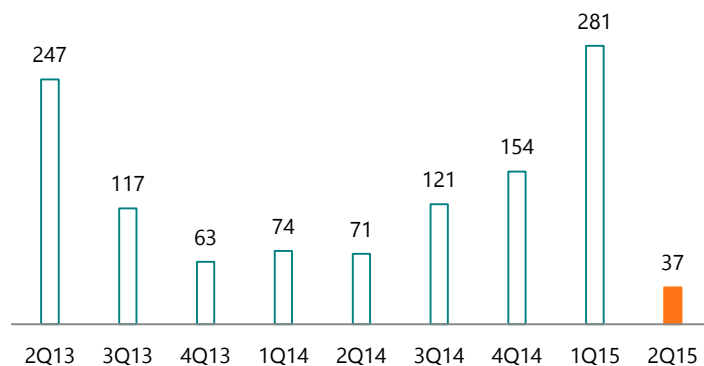
Greek 90dpd formation(€ m)



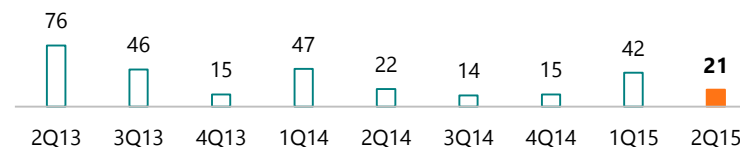
1. Mortgages at 180dpd

Domestic formation abates in 2Q reflecting accelerated restructuring efforts

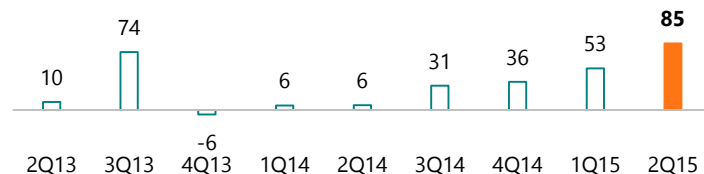
Mortgages¹ (€ m)



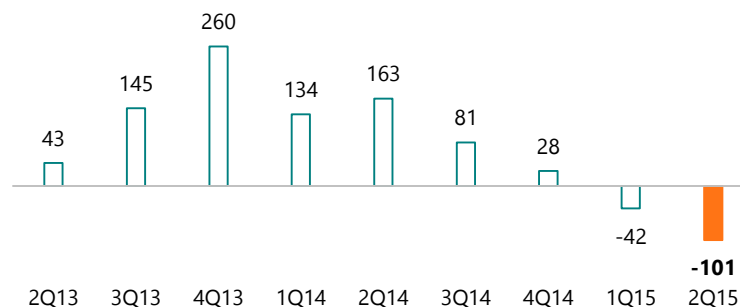
Consumer (€ m)



SBLs (€ m)



Corporate (€ m)



1. Mortgage formation up to 3Q14 is on 180dpd basis; 4Q15 onwards is on a 90dpd basis



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