



NATIONAL BANK
OF GREECE



Q2.15 Financial Results

October 31, 2015

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Table of Contents

- 1** Financial Highlights
- 2** Liquidity
- 3** Profitability
- 4** Asset quality
- 5** Capital
- 6** Appendix





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Key themes

1



Q2.15 Financial Highlights & Themes

- **Q2.15 Group PPI reaches €434m (+22%) fending off sustained TL devaluation; Group PPI margin at 282bps**
 - 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 55%
- **Group 90dpd formation drops sharply to €133m in Q2 vs €477m in Q1 in large extent to more effective Troubled Asset strategy in both retail and corporate portfolios**
- **AQR induced provisions drive domestic NPE coverage up by 8.5ppts qoq**
 - Q2 domestic loan loss provisions of €2.3bn reflecting AQR result drive NPE coverage to 53% and 90dpd coverage to 73%
 - Domestic formation stood at €41m vs €336m in Q1 with negative formation in the corporate Special Asset Unit (SAU)
 - Group 90dpd ratio at 24.6%, 25bps up qoq due to deleveraging in the domestic market
 - Domestic 90dpd +15bps qoq to 32.1%, driven by improved collections efforts in the retail segment (€142m vs €377m in Q1.15)
 - Restructuring flows gather pace in Q2 and Q3
- **Domestic L:D at 98% 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 on a new programme, deposit flows have turned positive and Eurosystem has been reduced
 - 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 98% in Greece and 108% at the Group level
 - Eurosystem funding at the end of Q3 stood at €25.6bn (ELA: €15.6bn) down from €23.6bn in March. Cash value of excess collateral at €8.0bn



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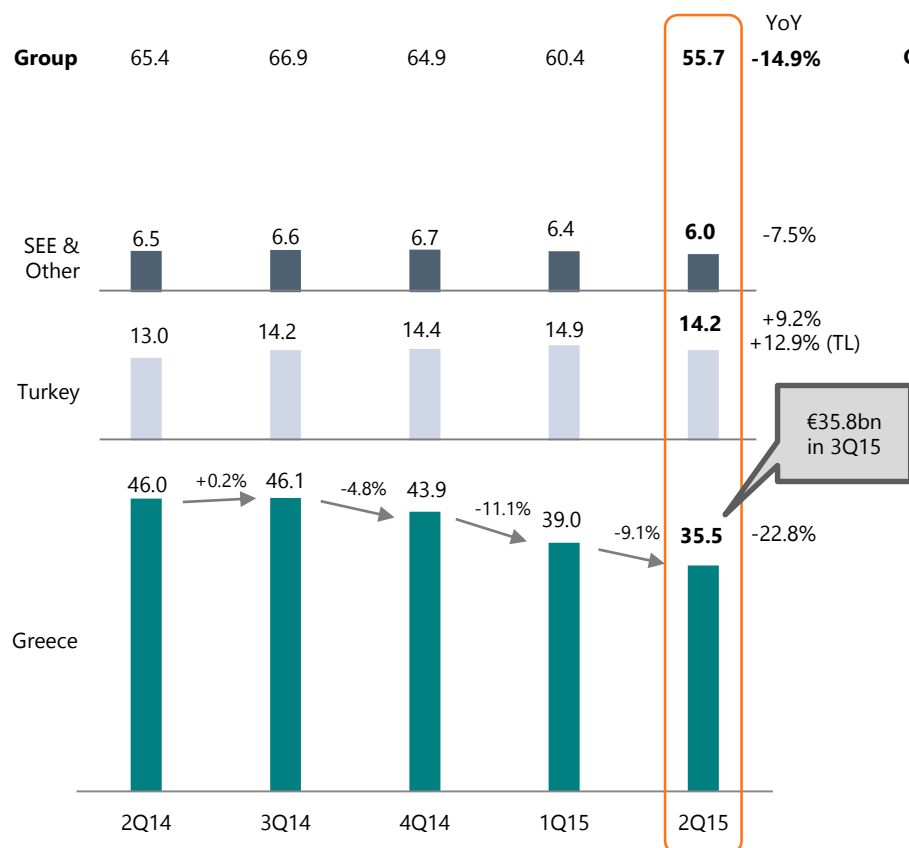
Liquidity

2

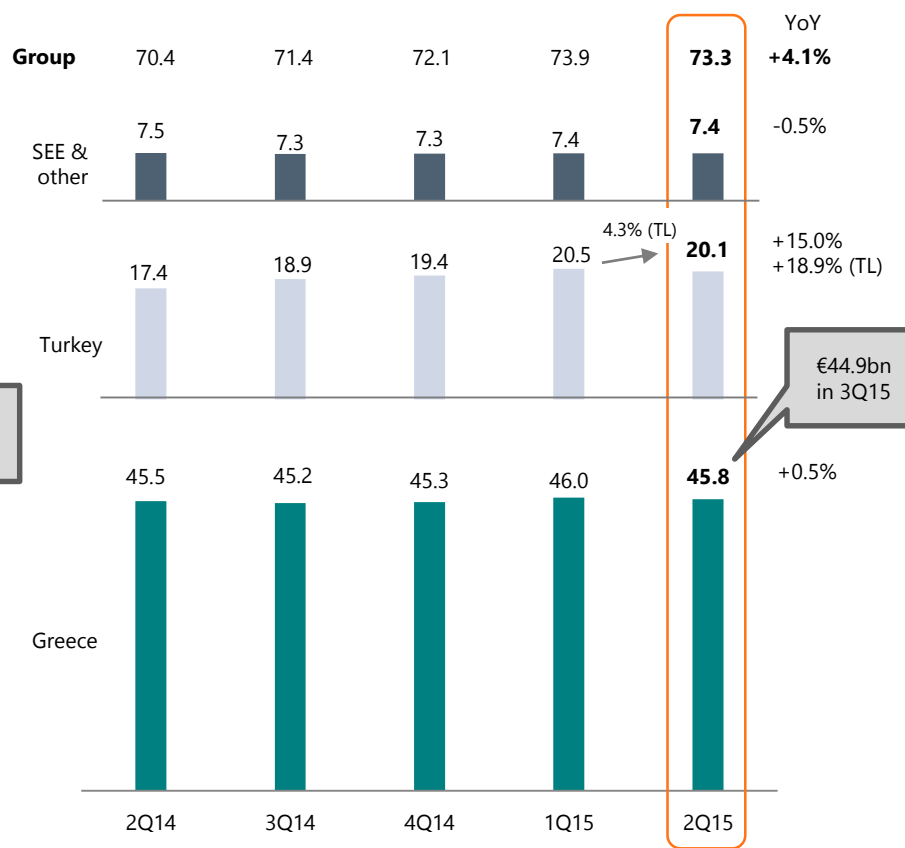


Domestic deposit outflows moderate in 2Q, in positive territory in 3Q

Deposits' evolution by geography (€ bn)

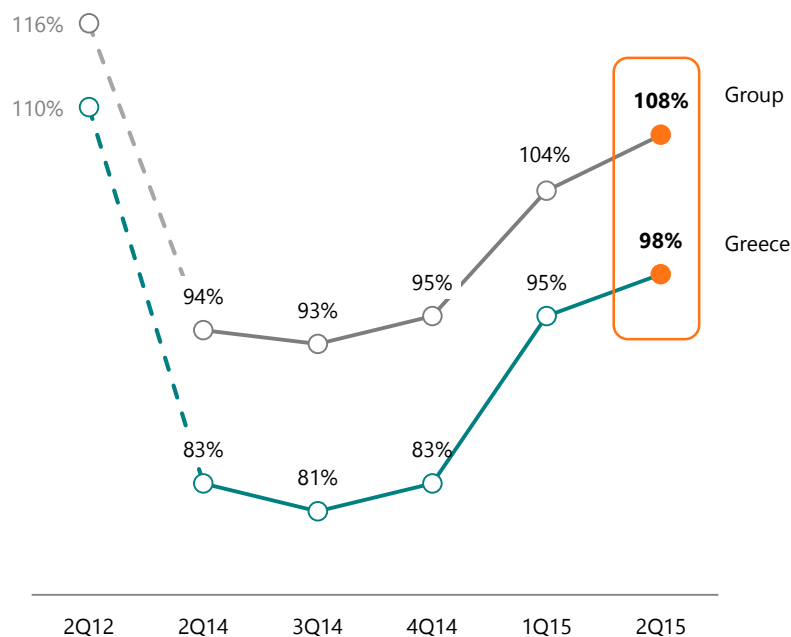


Gross loans' evolution by geography (€ bn)

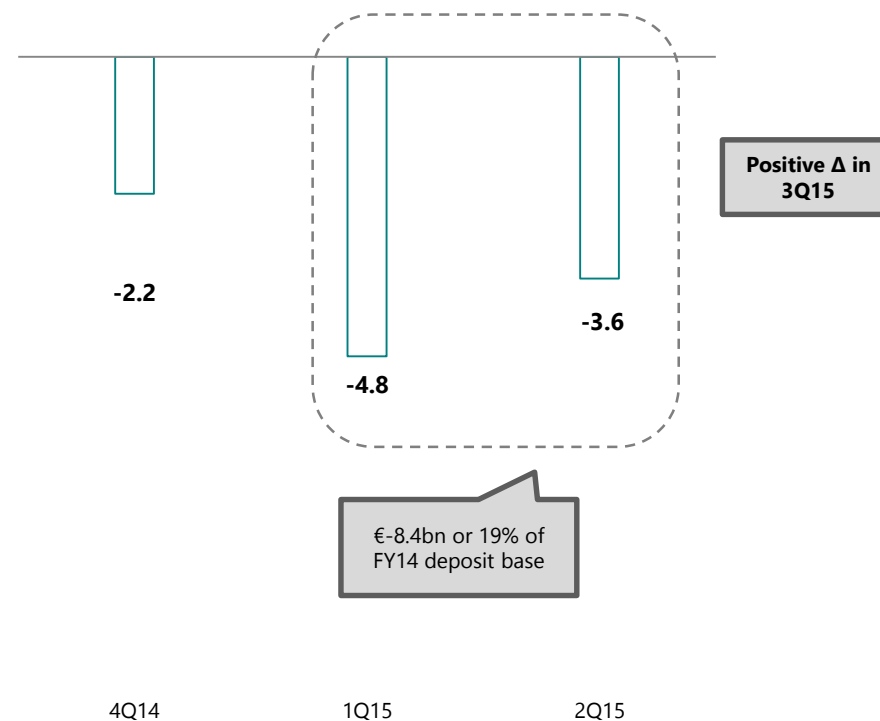


Domestic L:D ratio below 100% despite cumulative deposit outflows of 23% from 3Q14 level

L:D ratio evolution

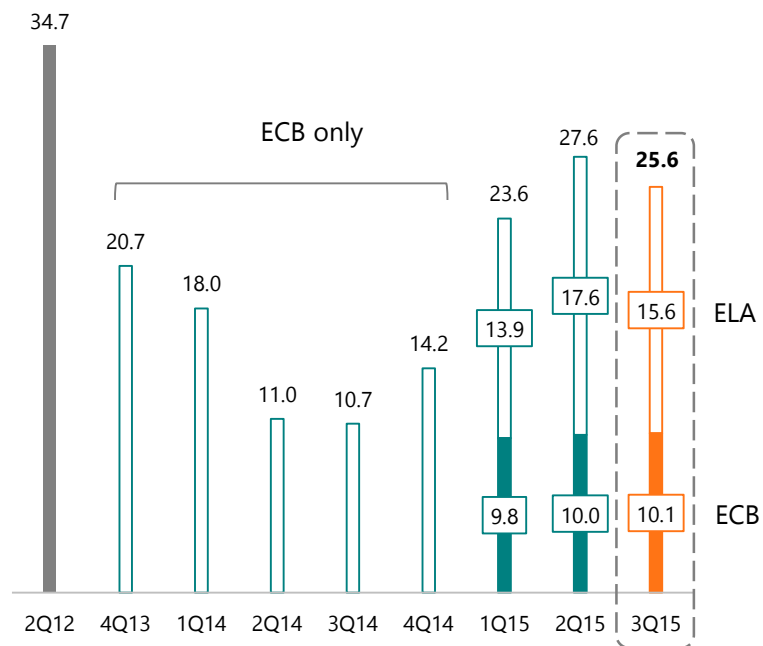


Greek deposit flows per quarter (€ bn)

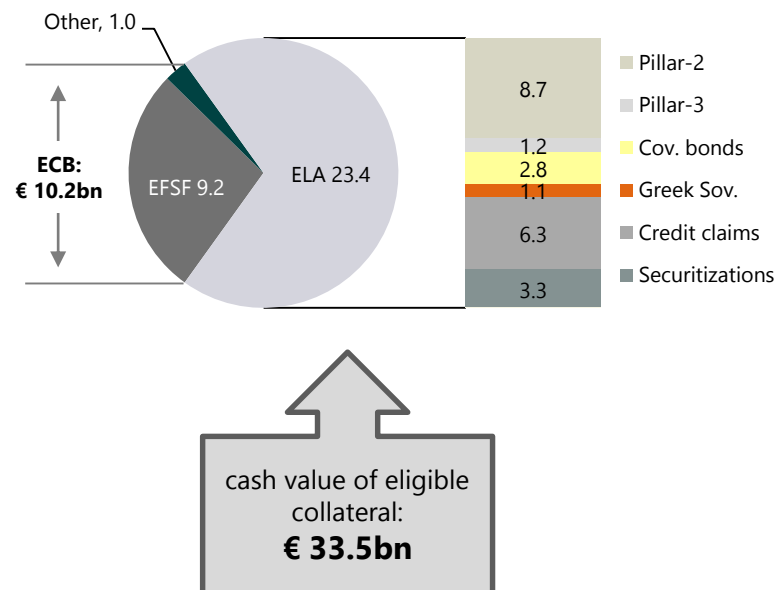


Cash value of excess collateral at €8bn

Eurosystem funding (€ bn)



Eurosystem collateral cash values (€ bn) – 3Q15





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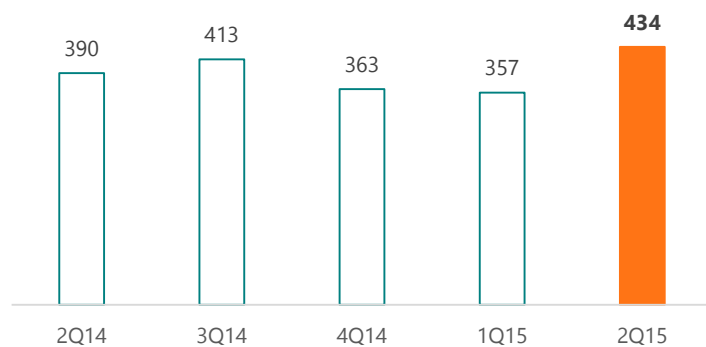
Profitability

3

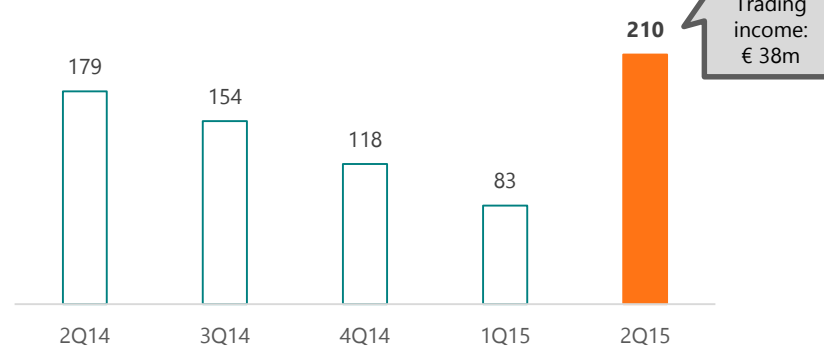


Group PPI rises 22% qoq as non-core income rebounds

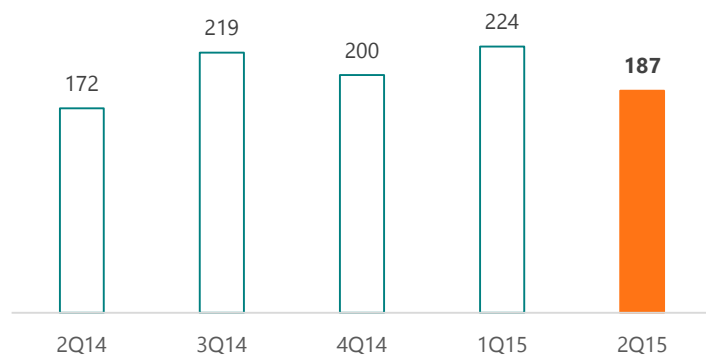
PPI Group (€ m)



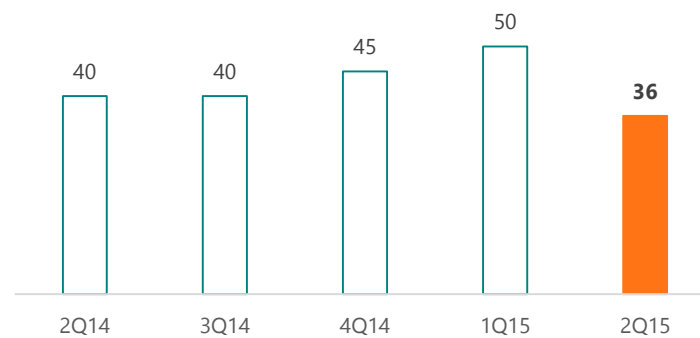
PPI Greece (€ m)



PPI Turkey (€ m)

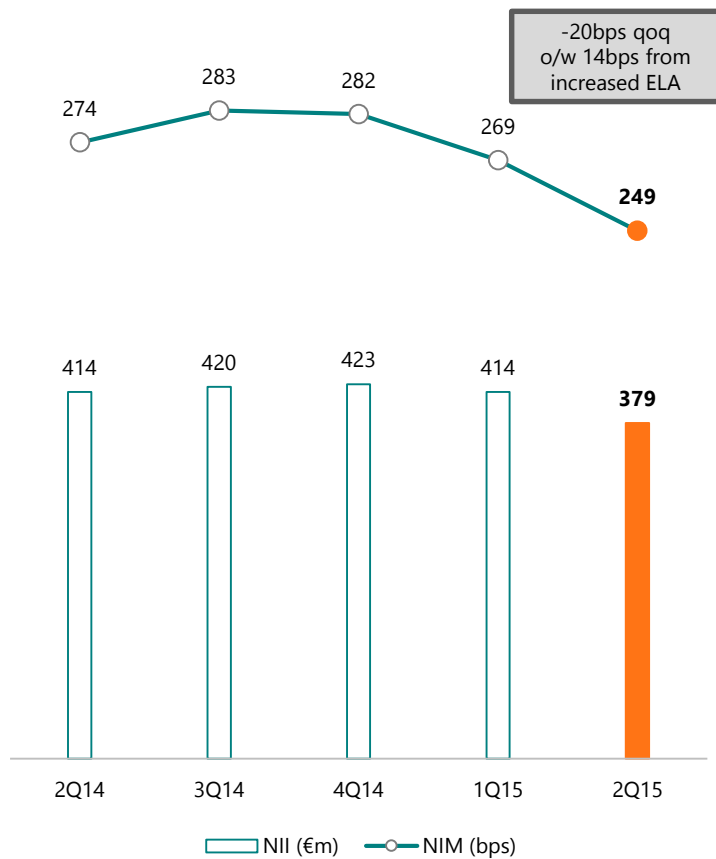


PPI SEE & other (€ m)

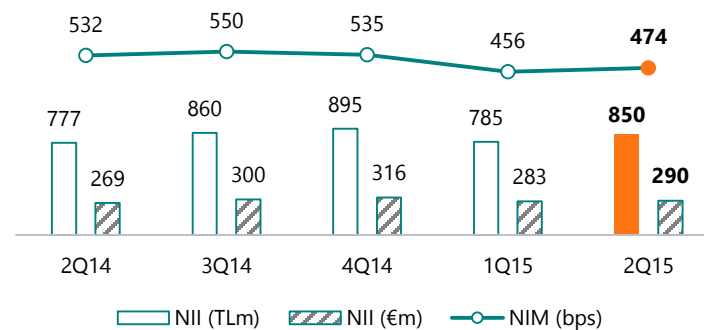


Greek NII drops qoq due to cost from shift to ELA; international NII edges up

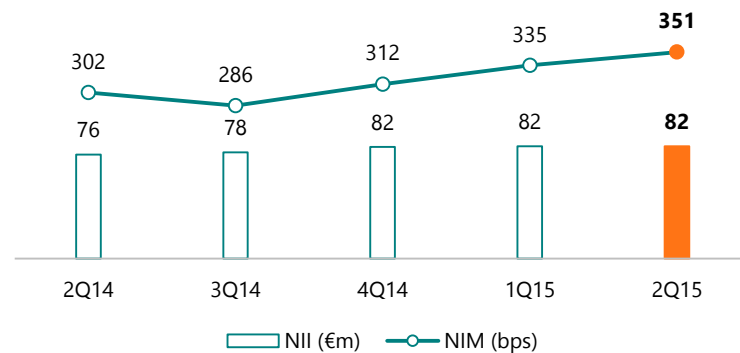
Greece



Turkey

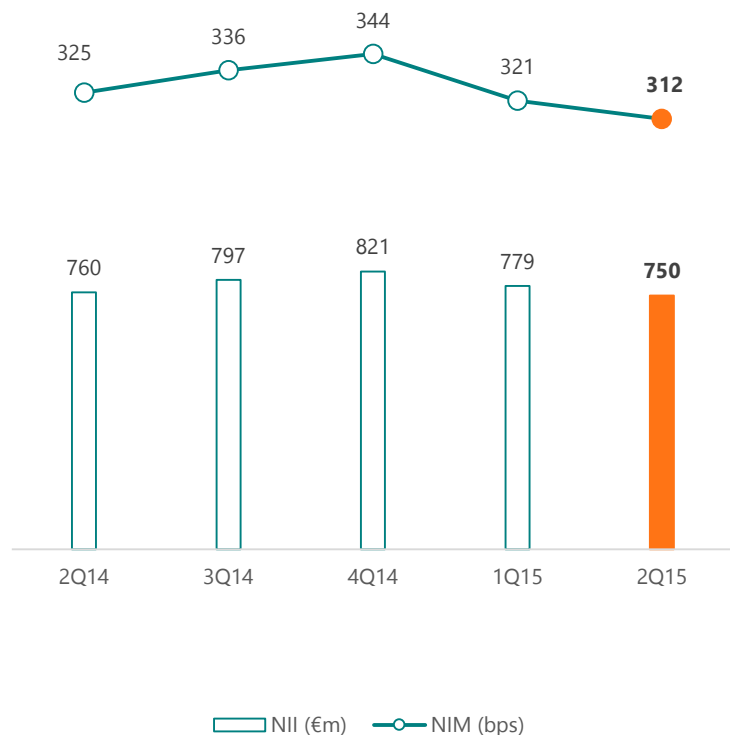


SEE & Other

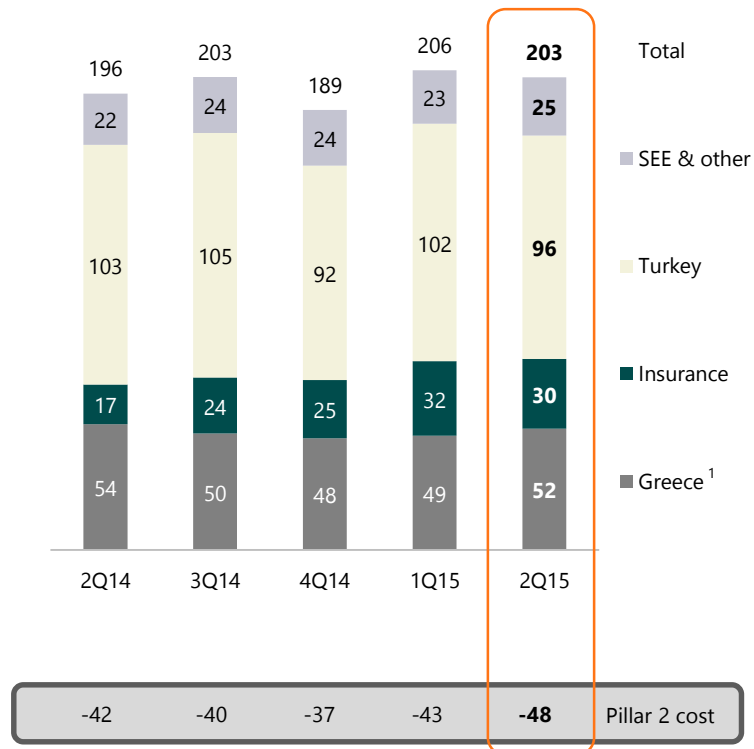


Group NIM down by 9bps qoq on domestic funding cost pressure; commissions broadly flat and gradually recovering in domestic market

Group NII & NIM



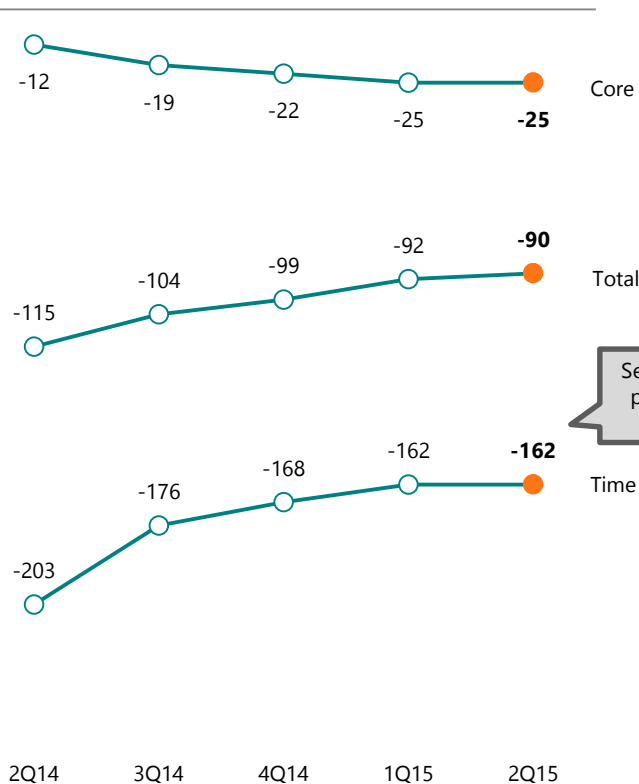
Group fees & commissions and insurance income



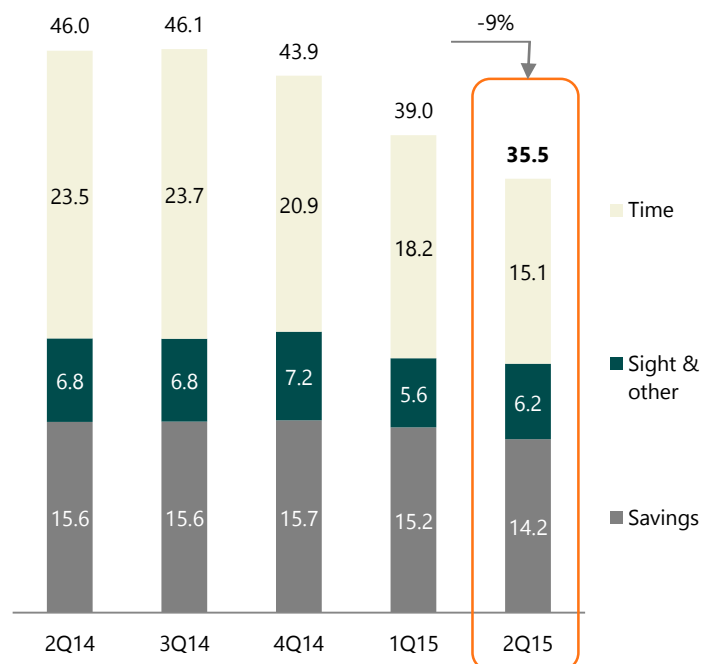
1. Excluding cost for Pillar-2 Govt. guarantees

Frontbook time deposit repricing continues signaling further funding cost reduction

Greek deposit spreads (bps)

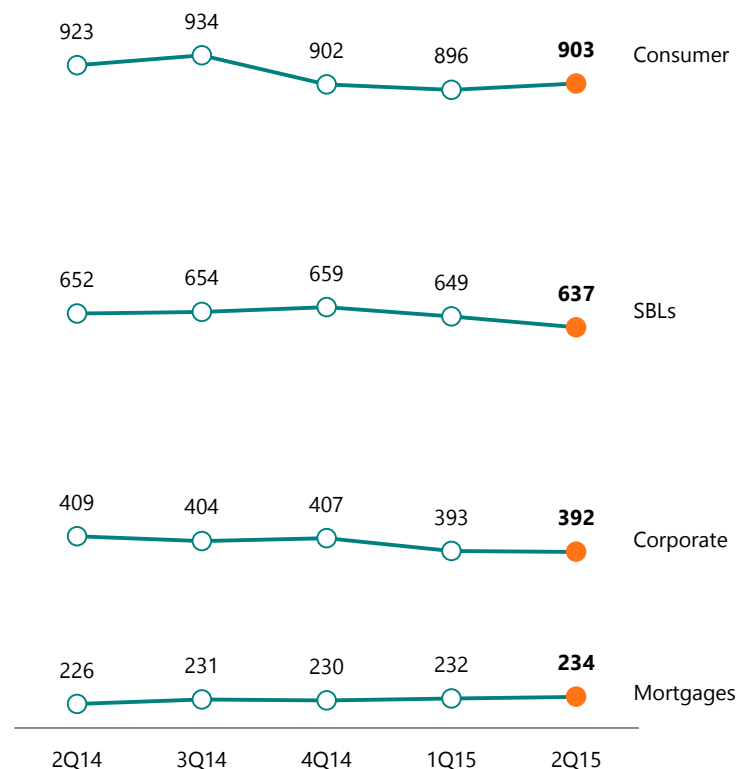


Greek deposits evolution (€ bn)

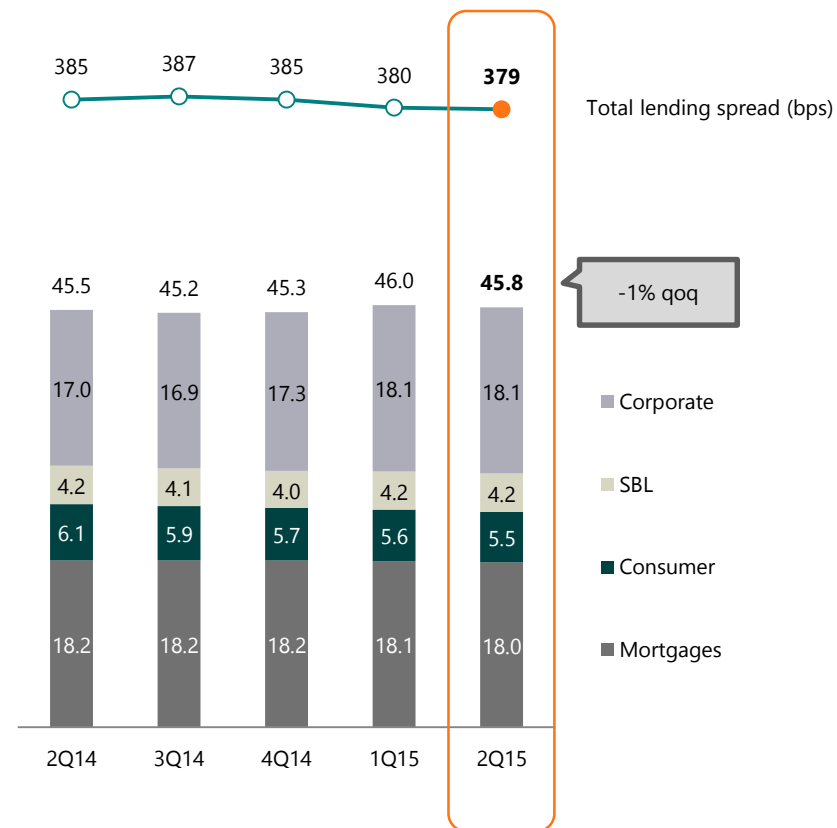


Greek lending spread remains steady at 379bps

Greek lending spread (bps)



Greek gross loans evolution (€ bn)



Domestic C:I improves

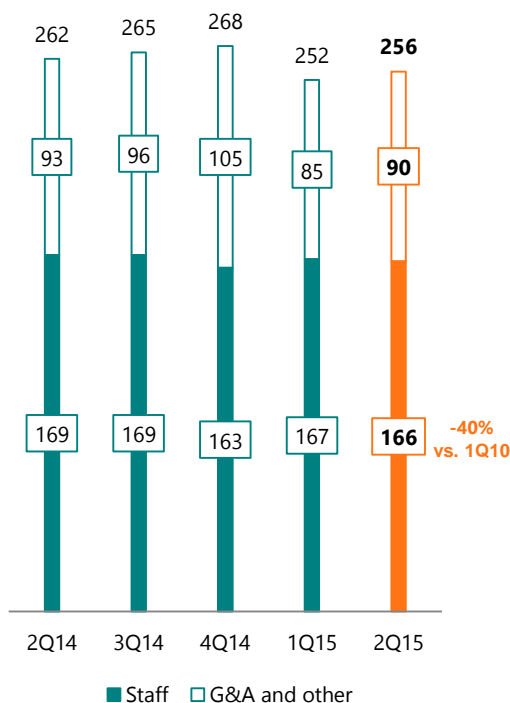
Group Opex by geography (€ m)

	1H15	1H14	yoy
Greece	508	518	-2.0%
Turkey	426	370	+15.0%
SEE & other	132	122	+8.0%
Group	1,065	1,010	5.4%

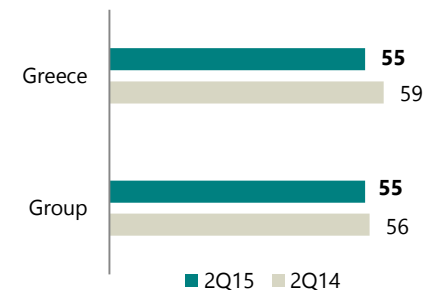
Group OpEx by category (€ m)

	1H15	1H14	yoy
Personnel	598	554	7.9%
G&As	368	358	2.7%
Depreciation	100	98	1.5%
Group	1,065	1,010	5.4%

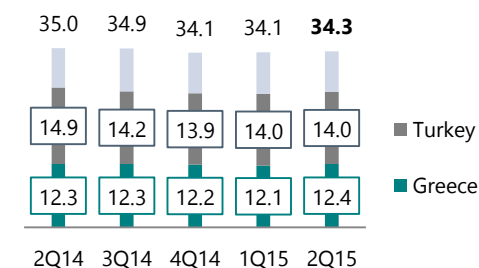
Greek OpEx evolution (€ m)



Cost-to-income ratios (%)



Headcount evolution ('000)





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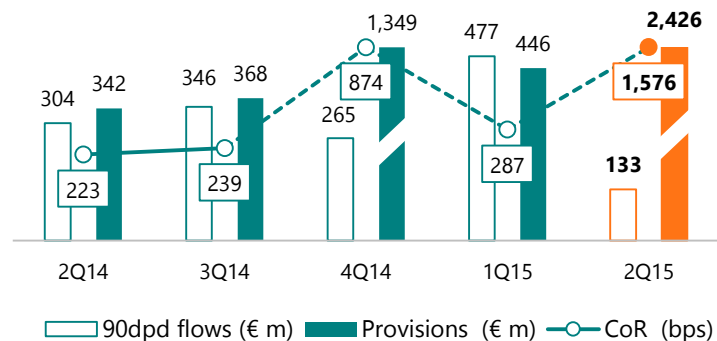
Asset quality

4

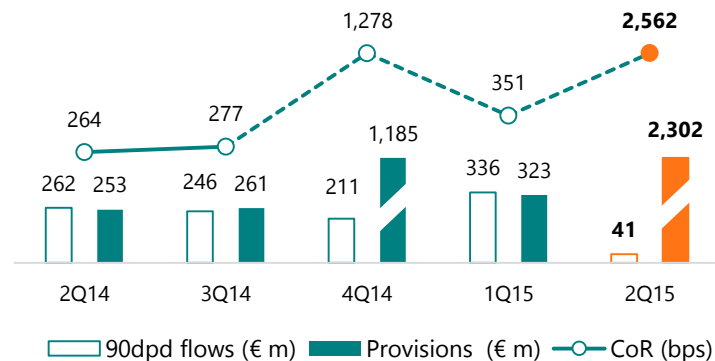


CoR jumps on the back of increased provisions; expected to normalize going forward

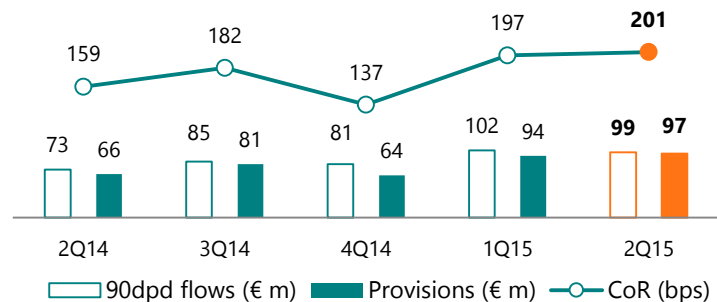
Group



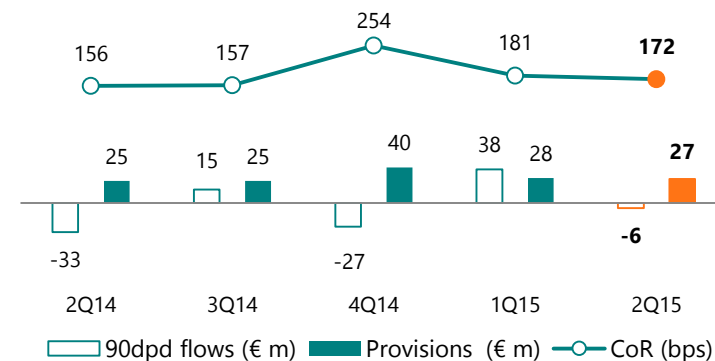
Greece



Turkey

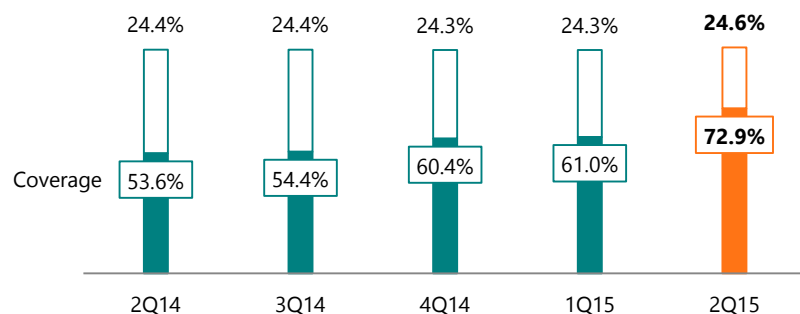


SEE & other

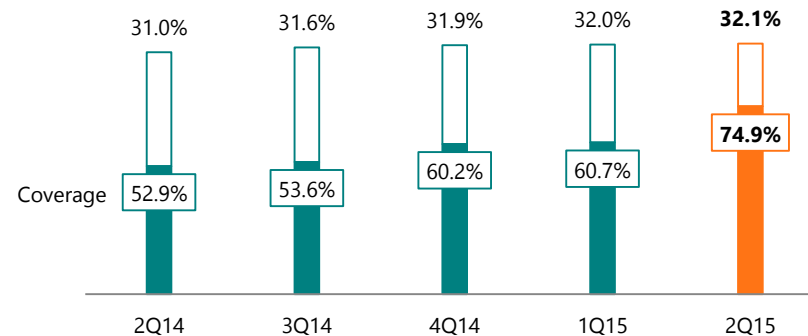


Domestic 90dpd up by just 15bps qoq, coverage increases to 75%

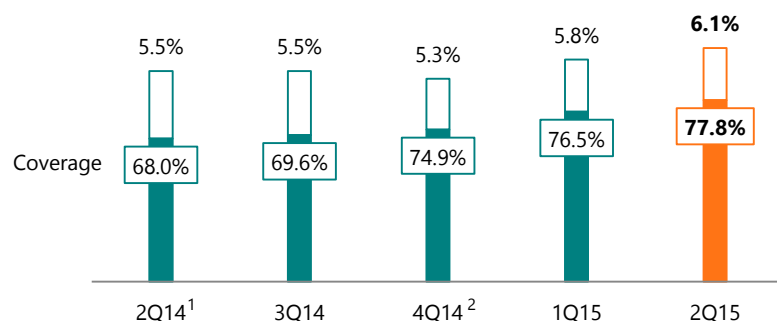
Group 90 dpd ratio



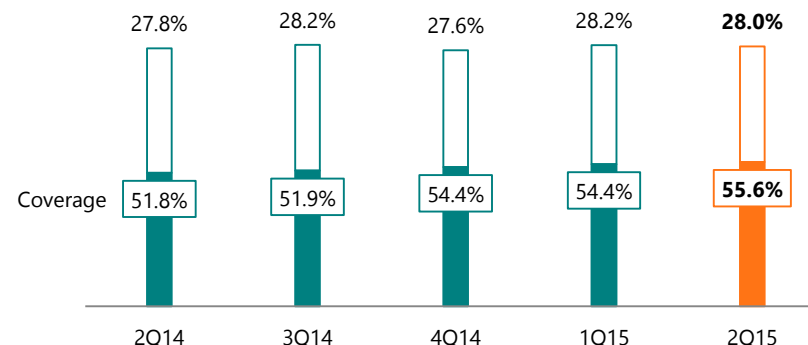
Greece 90 dpd ratio



Turkey 90 dpd ratio



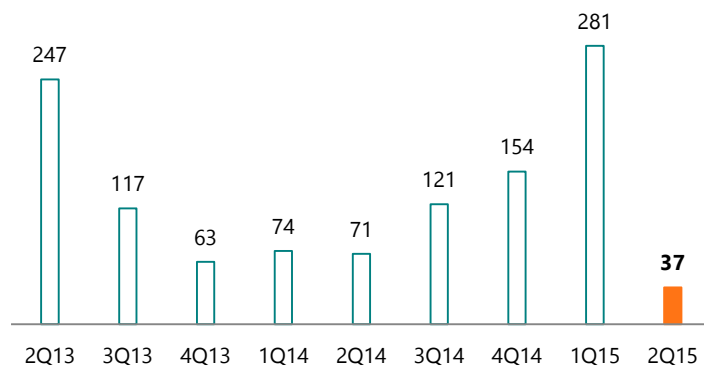
SEE & other 90 dpd ratio



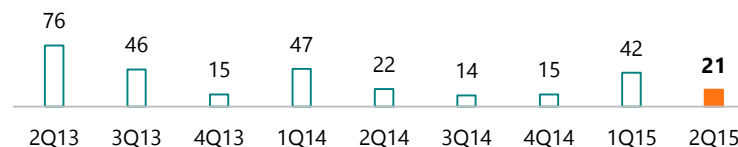
1. Incl. TL 0.5bn NPL sale; 2. incl. TL 0.3bn NPL sale

Domestic formation abates in 2Q reflecting accelerated restructuring activity

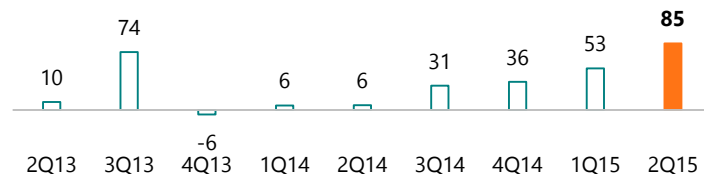
Mortgages¹ (€ m)



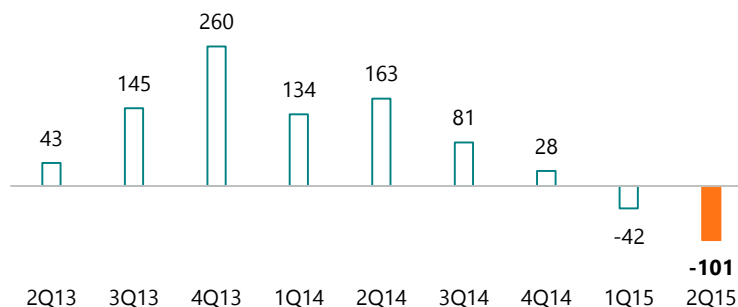
Consumer (€ m)



SBLs (€ m)



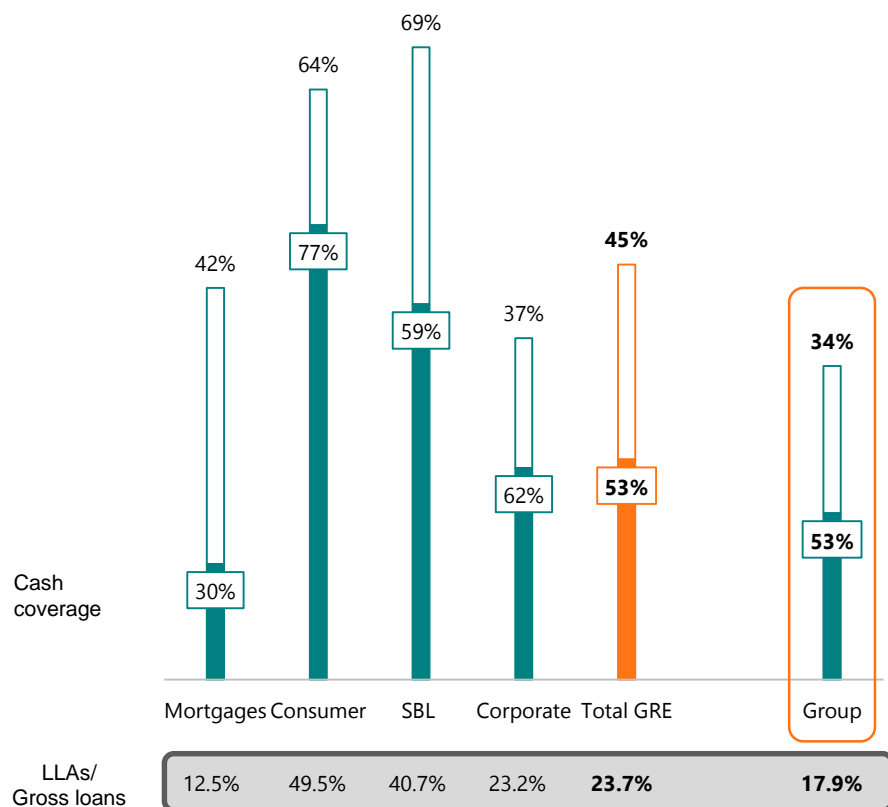
Corporate (€ m)



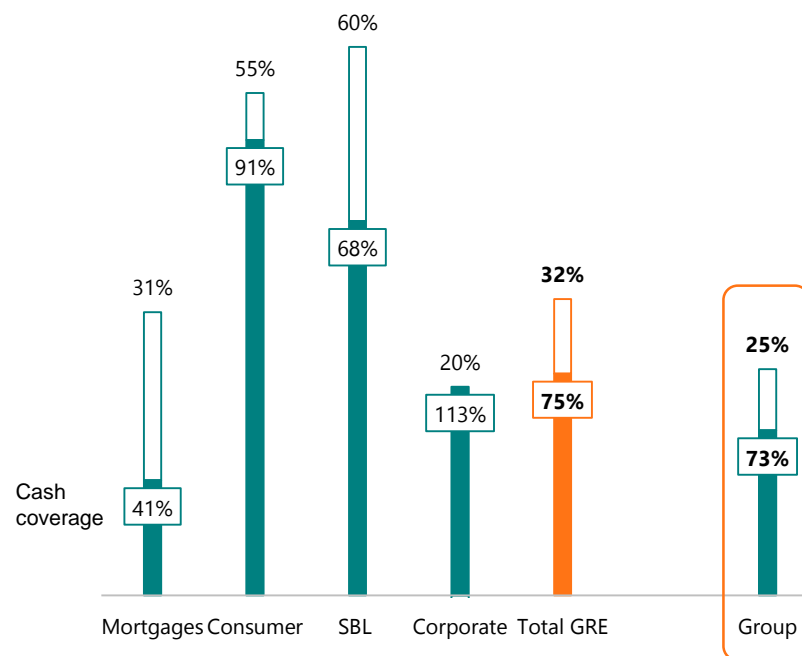
1. Mortgage formation up to 3Q14 is on 180dpd basis; 4Q15 onwards is on a 90dpd basis

Increased provisioning drives domestic NPE coverage up by 8.5ppts to 53%; 90dpd coverage to 73%

Greek NPEs per segment (post AQR)



Greek 90dpd per segment





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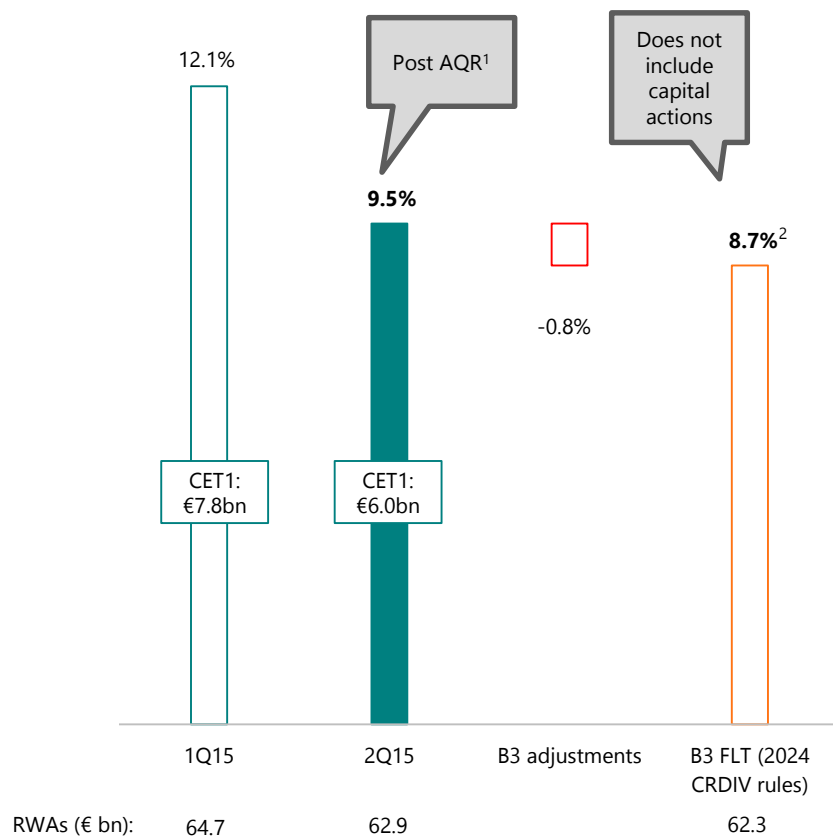
Capital

5



CET1 at 9.5% post AQR

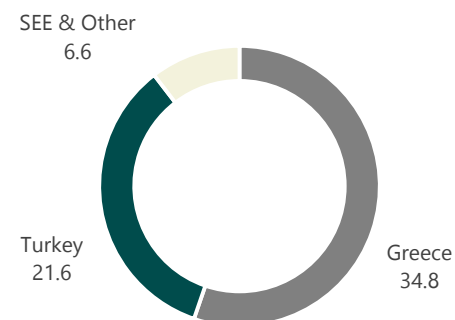
CET 1 ratio



Ordinary equity to CET 1 reconciliation (€ m)



RWAs distribution per geography (€ bn)



1. Including additional DTC not accounted for in the 2015 Comprehensive Assessment,

2. Pro-forma for conversion of State prefs into common equity;



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Appendix

6



Appendix: P&L 1/2

Group

€ m	1H15	1H14	yoy%	2Q15	1Q15	qoq%
NII	1 529	1 511	+1%	750	779	-4%
Net fees	257	266	-3%	126	131	-4%
Insurance income	63	37	+69%	30	32	-5%
Trading & other income	8	24	-67%	68	(61)	-
Income	1 856	1 838	+1%	974	881	+11%
Operating Expenses	(1 065)	(1 010)	+5%	(541)	(524)	+3%
Pre-Provision Income	790	828	-5%	434	357	+22%
Provisions	(2 872)	(705)	>100%	(2 426)	(446)	>100%
Operating Profit	(2 082)	123	-	(1 992)	(89)	>100%
Minorities, non cash charges & other impairments	(166)	(41)	>100%	(119)	(47)	>100%
Taxes	504	26	>100%	525	(21)	-
PAT (before one-offs)	(1 743)	109	-	(1 586)	(157)	>100%
Other one-offs	(30)	1 037	-99%	(28)	(2)	-2%
Attributable PAT	(1 773)	1 146	-	(1 614)	(159)	>100%

Greece

€ m	1H15	1H14	yoy%	2Q15	1Q15	qoq%
NII	792	832	-5%	379	414	-9%
Net fees	11	25	-56%	5	6	-18%
Insurance income	61	37	+66%	29	32	-10%
Trading & other income	(63)	43	-	54	(118)	-
Income	801	937	-15%	467	334	+40%
Operating Expenses	(508)	(518)	-2%	(256)	(252)	+2%
Pre-Provision Income	293	419	-30%	210	83	>100%
Provisions	(2 625)	(517)	>100%	(2 302)	(323)	>100%
Operating Profit	(2 332)	(98)	>100%	(2 091)	(241)	>100%
Minorities, non cash charges & other impairments	(161)	(33)	>100%	(116)	(45)	>100%
Taxes	540	67	>100%	543	(2)	-
PAT before one-offs	(1 953)	(62)	>100%	(1 665)	(288)	>100%
Other one-offs	8	1 037	-99%	10	(2)	-
Attributable PAT	(1 945)	975	-	(1 656)	(290)	>100%

Turkey

TL m	1H15	1H14	yoy%	2Q15	1Q15	qoq%
NII	1 635	1 547	+6%	850	785	+8%
Net fees	566	579	-2%	284	283	+0%
Core Income	2 201	2 126	+4%	1 134	1 068	+6%
Trading & other income	187	(67)	-	55	132	-58%
Income	2 389	2 059	+16%	1 189	1 200	-1%
Operating Expenses	(1 222)	(1 101)	+11%	(642)	(580)	+11%
Pre-Provision Income	1 167	959	+22%	547	620	-12%
Provisions	(545)	(407)	+34%	(285)	(260)	+10%
Operating Profit	622	551	+13%	262	360	-27%
Taxes	(87)	(112)	-22%	(44)	(43)	+4%
Minorities & other one offs	(108)	(2)	>100%	(108)	(1)	>100%
Attributable PAT	427	438	-2%	111	317	-65%

SEE & other

€ m	1H15	1H14	yoy%	2Q15	1Q15	qoq%
NII	164	155	+6%	82	82	-0%
Net fees	49	45	+6%	26	23	+8%
Core Income	212	200	+6%	108	105	+3%
Trading & other income	5	7	-29%	(4)	10	-
Income	218	206	+6%	104	114	-9%
Operating Expenses	(132)	(122)	+8%	(68)	(64)	+6%
Pre-provision income	86	85	+2%	36	50	-28%
Provisions	(56)	(51)	+10%	(27)	(29)	-5%
Operating Profit	31	34	-10%	9	22	-58%
Other impairment	(1)	(7)	-82%	(0)	(1)	-70%
Taxes	(6)	(4)	+63%	(3)	(3)	-19%
Minority	(1)	(1)	+23%	(1)	(1)	0%
Attributable PAT	23	22	+1%	6	17	-66%

Appendix: Balance Sheet



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Balance Sheet | Group

€ m	1H15	1H14	yoy%	2Q15	1Q15	qoq%
Cash & Reserves	4 649	5 156	-10%	4 649	5 367	-13%
Interbank placements	3 761	2 926	+29%	3 761	3 438	+9%
Securities	25 693	24 909	+3%	25 693	26 896	-5%
Loans (Gross)	73 282	70 417	+4%	73 282	73 945	-1%
Provisions	(13 126)	(9 197)	+43%	(13 126)	(10 981)	+20%
Goodwill & intangibles	1 674	1 752	-5%	1 674	1 770	-5%
Tangible assets	2 039	2 061	-1%	2 039	2 113	-4%
Other assets	15 556	13 157	+18%	15 556	16 719	-7%
Total assets	113 526	111 181	+2%	113 526	119 266	-5%
Interbank liabilities	32 011	18 525	+73%	32 011	28 475	+12%
Due to customers	55 681	65 446	-15%	55 681	60 416	-8%
Debt securities	6 063	5 418	+12%	6 063	6 298	-4%
Other liabilities	11 475	10 198	+13%	11 475	13 738	-17%
Hybrids	83	80	+4%	83	83	-0%
Minorities	714	707	+1%	714	783	-9%
Equity	7 500	10 807	-31%	7 500	9 473	-21%
Total liabilities and equity	113 526	115 464	+2%	113 526	119 266	-5%

Summary Balance Sheet | Turkey

TL m	1H15	1H14	yoy%	2Q15	1Q15	qoq%
Cash & Reserves	7 710	8 272	-7%	7 710	9 521	-19%
Interbank placements	2 167	484	>100%	2 167	300	>100%
Securities	9 344	9 218	+1%	9 344	9 938	-6%
Loans (net)	57 229	48 658	+18%	57 229	55 052	+4%
Goodwill and intangibles	249	230	+8%	249	245	+2%
Tangible assets	1 523	1 505	+1%	1 523	1 488	+2%
Other assets	6 793	3 934	+73%	6 793	6 394	+6%
Total assets	85 015	72 302	+18%	85 015	82 937	+3%
Interbank liabilities	9 623	6 646	+45%	9 623	9 393	+2%
Due to customers	42 582	37 725	+13%	42 582	42 040	+1%
Debt securities	15 192	12 931	+17%	15 192	14 986	+1%
Other liabilities	6 987	5 202	+34%	6 987	6 046	+16%
Minorities	184	170	+8%	184	183	+0%
Equity	10 446	9 628	+9%	10 446	10 289	+2%
Total liabilities and equity	85 015	72 302	+18%	85 015	82 937	+3%



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Contact details

Paul Mylonas

Deputy CEO

+30210 334 1521

pmylonas@nbg.gr

Ioannis Kyriakopoulos

CFO

+30210 334 3051

ikiriakopoulos@nbg.gr

Greg Papagrigoris

Head of IR

+30210 334 2310

papagrigoris@nbg.gr

ir@nbg.gr

Anthony Kouleimanis

Investor Relations

+30210 334 3037

akouleimanis@nbg.gr

ir@nbg.gr

Maria Kanellopoulou

Investor Relations

+30210 334 1537

mkanellopoulou@nbg.gr

ir@nbg.gr

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