ΕΘΝΙΚΗ ΤΡΑΠΕΖΑ

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PRESS RELEASE

AGM Resolutions

Today, 26 June 2014, National Bank of Greece held its Annual General Meeting of Shareholders in the Megaro Mela, Athens, which was attended also by the Minister of Finance, Gikas Hardouvelis, the new governor of the Bank of Greece, Yannis Stournaras, chairmen of banks, the Chief Executive Officer of the Hellenic Financial Stability Fund, the Secretary General of the Hellenic Bank Association, other key figures of the financial world, and many Shareholders.

The Bank's AGM today elected, upon the recommendation of the Board of Directors and following a proposal by the Corporate Governance & Nominations Committee, Dimitris Dimopoulos, Paul Mylonas and Paula Hadjisotiriou as new Board members. In addition, the AGM was informed of the wish of Maria Frangista and Panagiotis Thomopoulos to end their term of office on the Bank's Board as of today.

Following the conclusion of the AGM's proceedings, the Board of NBG convened, and Mr. Petros Christodoulou, hitherto Deputy Chief Executive Officer, submitted his resignation as Deputy CEO, expressing his desire to remain as a non-executive member of the Board. The Board thanked him for his valuable contribution to the Bank and his notable success in implementing the manifold tasks he had been assigned.

Whereupon, and taking into account the proposal of the Corporate Governance & Nominations Committee, the Board elected its newly elected members Dimitris Dimopoulos, Paul Mylonas and Paula Hadjisotiriou as Deputy CEOs, designating them executive directors, each having specific areas of responsibility. The new Deputy CEOs have long and highly successful and diverse banking experience and, as pointed out by the Board, will certainly contribute to the further growth and strengthening of NBG and its Group.

Accordingly, following its constitution into a body, the Board's membership is as follows:

Executive members:

- Alexandros Tourkolias, CHIEF EXECUTIVE OFFICER
- Dimitris Dimopoulos, DEPUTY CEO
- Paul Mylonas, DEPUTY CEO
- Paula Hadjisotiriou, DEPUTY CEO

Non-executive members:

- George Zanias, CHAIRMAN OF THE BOARD
- Petros Christodoulou, member
- Stavros Koukos, member
- Efthymios Katsikas, member

Independent non-executive members:

- Dimitris Afendoulis, member
- Stefanos Vavalidis, member
- Spyridon Theodoropoulos, member
- Alexandra Papalexopoulou-Benopoulou , member
- Petros Sabatacakis, member

Representatives of the Hellenic Republic and the Hellenic Financial Stability Fund (under Law 3723/2008, Law 3864/2010):

- Alexandros Makridis, member, Representative of the Hellenic Republic
- Charalambos Makkas, member, Representative of the HFSF

At the AGM, the Chairman of NBG, George Zanias, stated, *inter alia*, the following: "Since the end of 2013, the Greek economy has achieved two very important positive gains. For the first time in 12 years the economy posted a positive primary surplus and, for the first time in several decades, a positive external balance. Tools used by economists indicate that the deficit of competitiveness which had accumulated after the country joined the euro area has now been restored. Very important also -- following the accumulation of a critical mass of achievements -- is the shift from a period of underperformance in respect of targets to a period of outperformance. The best example in this case is the achievement of a primary budget surplus a year earlier than scheduled under the adjustment program. With these achievements verified by the strictest of our external monitors, no one speaks any longer of the country leaving the euro, an eventuality that now looks like a receding nightmare. Speculators are no longer betting against the country, but are hastening rather to cash in on the positive outlook which is becoming increasingly firmer. These developments serve as the catalysts for the consolidation of the dynamic recovery of confidence in the Greek economic story, which made its first nascent signs in 2013 and is now translating into increased investor interest in our country. The key challenge now is to restore the economy to positive growth. This is the third and final positive characteristic that the Greek economy needs to secure, since it is the common denominator for solving a host of problems right across society as well as the banks that serve it, which have become increasingly irksome over the long period of crisis. The immediate shift to positive economic growth is the critical outstanding parameter for certifying the progress of the country. For it is worth noting that in essence, during the first quarter of the current year, the recession finally bottomed out, posting quarter-on-quarter growth (after the removal of seasonal fluctuations) of zero percent. In other words, in Q1:2014 we had neither growth nor recession, an unprecedented state of affairs for anyone observing our financial affairs six years ago. Indeed, it is highly likely that, at this very moment, at the end of the second quarter of the year, we have already achieved positive growth versus Q1:2014 (taking account, again, of seasonal fluctuations). The return of the economy to a growth path, in conjunction with the finalization of the processes by which the long-term sustainability of the Greek public debt will be secured beyond any question of doubt, through supplementary facilities from the euro area, are the two main outstanding issues that, within a short space of time will resolve so as to enable Greece to truly exit the crisis and start a new chapter economic chapter in 2014. The challenges of course are not behind us, the need being to provide immediate relief for and gradual healing of the huge social ills brought about by the crisis, and to ease some of the pressure that continues to trouble a large part of the Greek corporate sector, the viability of which continues to be threatened. For the corporate sector to regain momentum, enhance productive potential and thereby generate new jobs, it is essential that the initiatives are implemented regarding critical structural reforms, optimal use of financial resources, and further enhancing the business and legislative environment. By rapidly removing the distortions of the unutilized productive dynamic, and tapping the big potential and comparative advantages of the country, the country can build on its substantial reserves for economic development and thereby shape the conditions for achieving sustainable long-term growth." Mr Zanias went on to discuss the banking environment, noting that "The NBG Group and the Greek banking system in general have completed the capital-enhancing measures required of them, gradually restoring their capital adequacy ratios to internationally competitive levels, while moving ahead with the last round of supplementary actions to enhance their capital structure. The deceleration in creation of new loan delinquencies and accordingly the reduced need to create higher provisions, combined with the stabilization of the deposit base, the substantial cuts in operating costs and the gradual return to the markets, are making access to liquidity easier while supporting sound, long-term core profitability. Thus, while the Greek economy is winning the struggle to stabilize the economy and meet the challenges for future growth, the banking system is also winning its own struggle to re-establish its health and strength. Further institutional and legislative fusion of the euro area with the gradual integration of the banking union, despite its imperfections, also inspires a greater sense of systemic stability. Against this backdrop, as the NBG Group passes out of a protracted period of unprecedented challenges arising from the crisis and the unprecedented slowdown, it is pushing through a far-reaching web of strategies that place it in a strong position, whereby it can serve as a co-creator of the new day for the Greek economy.

The CEO of NBG, Alexandros Tourkolias also addressed the Meeting: "Allow me to welcome you to this AGM, which happens to coincide, to the day, with the election just two years ago of the new management of the Bank. We undertook our task at an extremely difficult moment, when the Bank was in a position of negative net worth due to the restructuring of the Greek sovereign debt and the rapid outflow of deposits that stemmed from fears of a possible exit of the country from the euro. Our primary objective was to shield the Bank from these two overriding risks, i.e. the lack of capital and liquidity. Accordingly, we sought the adequate and rapid recapitalization of the Bank so as to restore confidence in its viability. This was carried out by means of two very successful capital increases. As a result, alongside the more successful implementation of economic policy on a national level, the Bank's liquidity -- one of its traditional strengths -- was successfully reinforced. Today, the results speak for themselves: economic specialists and non-specialist alike can see that the NBG Group has met the obstacles successfully throughout this extremely challenging economic crisis. For instance, according to Basel III rules, which are not due to come into full effect until 2024, the Bank's Core Tier 1 capital stands at 11.6%, while the average level for European banks is 10%. In addition, we continue to be the only bank in the country with a loan-to-deposit ratio below 100%: 93% for the Group, 84% for Greece, among the best figures Europe-wide. It is important to stress that dependence on Eurosystem funding has been reduced to just 7% of assets, and at the end of the first half of 2014, it has dropped to around 5%, with zero exposure to the costly ELA emergency liquidity mechanism for nigh on nine months now. Of course, capital adequacy and liquidity are sustainable only if the Bank is consistently profitable. Through a combination of actions and policies in 2013 we succeeded in being the first Greek bank to report profitability. Indeed, we currently count six consecutive profitable quarters. I should also mention the continuing significant contribution to Group results by Finansbank, our subsidiary in Turkey, and the return to profitability by our subsidiaries in SE Europe. The key drivers behind the Group's return to profitability have been:

- the reduction in operating costs, and
- the deceleration in creation of new loan delinquencies.

Our strategy to reduce operating costs in Greece contributed to a substantial rationalization of the expenses side: over the past four years (2009-2013), NBG reduced operating expenses by 27%. A further 19% (or €155 million) reduction will be posted for the current year owing to the voluntary retirement scheme implemented at the end of 2013 (taking into account the respective cost) with the retirement of 2,500 employees, or circa 20% of the Bank's staff. According to the latest data for Q1:2014, the cost/income ratio for our domestic activities is 52%, which is lower than that of 2011.

As regards the serious issue of loan delinquencies, I am pleased to draw attention to the following developments. Q1:2014 was the fifth consecutive quarter for NBG in which the rate of growth of domestic delinquencies declined. As a result of this slowdown, provisions further declined by 40% in 2013. These developments are consistent with the BlackRock results which confirmed that NBG does indeed have the best quality loan portfolio amongst Greek banks. Specifically, it presents the lowest level of credit loss projections in combination with the highest coverage ratio. Let me say a few words about how NBG addressed the problem of loan delinquencies. We received instructions from the Bank of Greece, which we are examining and preparing to implement. If we compare today's situation with the past, we can see that loan delinquencies used to stand at 6% and were aimed at liquidity. Inflation continued to rise. Currently, the situation is different. Changes have to be radical and long-term. We are required to invest in training bank officers to deal effectively with a corresponding crisis – though not for long, I hope --, an event that falls somewhat beyond the narrow scope of the BoG guidelines. I do not doubt their usefulness, but I believe we need to go much deeper. We are called on to be in a constant state of adjustment to current developments".

As regards economic policy, Alexandros Tourkolias noted the following: "Basic challenges remain: to sustain and increase the attractiveness of our business environment through the enhancement of other parameters, including:

- Stability and competitiveness of the tax regime.
- Improving infrastructures.
- Modernizing and upgrading the judicial system in respect of civil, taxation and administrative affairs.
- Upgrading current options for extrajudicial settlement of disputes, bankruptcy law, and the regulatory environment for markets in goods and

services.

- And, last but not least, upgrading our educational system, which should be viewed as the supreme investment both for the present and future of our country.

All these policy directions will accelerate the realization and development of our competitive advantages, thereby enabling us to advance both quantitatively and qualitatively and foster the spread of long-term, production-oriented investments. In the context of my work, I recently had the opportunity to see much of Greece. It is my aim to get NBG to offer financing to at least two medium-sized businesses per prefecture throughout country. In addition, we must work to formulate and undertake ownership of a mentality based on business extroversion and solid productive capacity, which will foster sustainable improvement in business export and efficiency ratios. A new generation of dynamic and export-oriented Greek businesses, which will evolve into clear visibility in the near future, will become the new backbone of the economy. Looking further ahead, some of them will develop into strong medium and large businesses in Greece. The NBG Group intends to be a key player in enabling this transformation".

Mr Tourkolias added: "The Bank's key asset is its human resources. And we focus considerable investment in our HR. Our key concern within the context of the Bank's restructuring is appropriate training of the staff. We have launched our Academy for Credits; we promote talent, and we implement extensive training as a long-term investment, so as to develop the new framework that will be governed by a new system of values. Our staff is potentially highly skilled; what it needs is appropriately directed training. With my 37 years of experience in the banking sector, I would like to assure you that the dedication shown by the Bank's people and their consistent efforts to meet the manifold challenges over the past years is certainly remarkable, particularly at this time when we all come up against diverse other problems within our broader social environment.

The Bank has already mapped out and launched the actions needed, in particular, to deal with the management of NPLs and to foster the recovery of operating income as well as the sale of non-core assets. Such actions should soon lead to satisfaction of your justified expectations for increased returns and further enhancement of the private nature of NBG's business status -- hopefully, as of the next Annual General Meeting".

In closing his remarks, Alexandros Tourkolias asked both the political leadership of the Greek economy and the new Governor of the Bank of Greece to focus their efforts on:

- Ensuring stability in the banking system, whatever this may entail, especially over the next six-month period.
- Linking taxation policy to the need to increase and spread investments.
- Enhancing the momentum of exports, since this leads to the new economic model founded on production rather than consumption.