



NATIONAL BANK
OF GREECE



FY19 Financial Results

March 31st, 2020



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NBG Strengths & Positioning

1





NBG is well positioned to withstand the Covid-19 induced economic shock

1

Strong capital buffers of c.700bps in place

- YE19 CET1 and Total Capital actual ratios at 16.0% and 16.9%
- Post the **€515m of capital gains from the GGB swap in 1Q20, CET1 and Total Capital ratios stand at 17.4% and 18.3%** on a pro forma basis
- 2020 OCR capital requirements reduced by 250bps to 11.5%
- **GGBs in HTCS securities portfolio at just c.€1b** following sales of c.€0.7b in January, realizing **additional gains of c.€0.3b**

2

Liquidity reserves at very high levels – c.€11b cash value

- **Cash buffer of €4.8b**, above the mandatory requirements
- Additional **€6.6b in unencumbered assets**
- Only **€1.4b** of outstanding interbank exposure

3

Robust mechanism in place to respond to the crisis, mobilizes the organization swiftly and effectively

- **Response mechanism** through a **results-driven new management team** and the **Crisis Management Committee**
- Quick shift to **new operating model** based on **“Work from Home”** principles
- **Redirect successful Transformation Program**, with previous track record in implementing successful reforms, towards the challenges of **responding effectively to Covid-19**



Business continuity quickly attained

Emergency response	<ul style="list-style-type: none">• Strict Crisis Management governance in place• Structured internal and external communications providing guidance
Employee and customer health & safety	<ul style="list-style-type: none">• Branch network:<ul style="list-style-type: none">– All branches in operation with c35% of staff, with restrictions on type of transactions and client access at any moment– Strict health and safety measures (e.g., regular disinfection, temporary closure of branches with suspect cases)• Head Office:<ul style="list-style-type: none">– Split of Head Office teams across locations; c75% of staff working remotely– Strict guidance on distance between individuals enforced, incl. in call and collection centers and centralized ops• Active monitoring of health status of all employees
Business continuity	<ul style="list-style-type: none">• Remote operating model with appropriate controls in place, prioritizing key customer-facing processes (e.g., Corporate lending, Trade Finance, restructurings) & key Head Office functions (e.g., Treasury, IT); enhancement of digital capabilities facilitates transactions• Daily reporting/dashboard on KPIs
Transformation	<ul style="list-style-type: none">• Acceleration of digital transformation – incl. promotion of existing and development of new capabilities• Workplace transformation and new ways of work in a secure environment (e.g., remote access, virtual team rooms); foundation of a more flexible and paperless long term operating model



Policy response provides unprecedented support to the economy

Regulatory and monetary measures endorse credit extension, support sovereign bond yields and safeguard the smooth operation of the financial system

- **Lower capital requirements** via allowance to operate inside P2G and CCB
- Frontloading of allowance of **P2R fulfillment by Tier2 instruments**
- **Flexibility in debtor classification** following the provision of credit facilities backed by State guarantees
- **NPE plans delayed** so as to factor in economic uncertainty and risk off mode affecting distressed assets
- **Pandemic Emergency Purchase Program (PEPP)** of €750b and **QE of €120b extended to GGBs**
- **TLTRO facility** rate reduced to -75bps, enhancing uptake via relaxation of eligibility criteria & terms
- **EBA/ECB flexibility in debtor classification** regarding identification of default & migration to SICR/S2 buckets (IFRS9)

The fiscal stimulus package, provides support to corporate P&Ls, liquidity, employment and disposable incomes

- **€12b fiscal support package** comprises of c€6b of direct State support and another c€6b from EU-related funding to support the health system, employment and liquidity conditions, as well as to allow for a smooth implementation of the PIB (Coronavirus Response Investment Initiative CIF, reallocation of EU structural funds)
- The State support includes **social transfers to affected employees**, along with a **suspension of tax and social security obligations for the most vulnerable households and corporates**, enhancing business capacity to cope with the shock, safeguarding employment and disposable incomes.
- **Guarantees on interest payments** of performing corporates and **loan principal payment push back** granted by the Banks to enhance liquidity

Coming out of a 10 year crisis, the Greek economy is structurally resistant to economic shocks

- **Government pro-activeness and swift policy response**, including via enforcing a complete lock down of the country much sooner than in most other countries, has resulted in the **Greek epidemic curve currently flatter than most European countries**
- The Greek **economy remains relatively closed**, has **low fixed capital formation** coming out of a 10 year crisis and a high share of consumption focused on basic and **largely inelastic categories of goods and services**
- More than half of **exports are basic goods**, not conditional on international supply chains; service exports, especially **tourism, will be a significant drag on activity** if the crisis extends through the full summer months



Our results indicate that considerable P&L & NPE clean up progress has been made

Solid track record of NPE reduction; launch of a large scale securitization as soon as market conditions allow

- Slashed NPEs by 1/3rd in 2019 driving the **stock to €10.6b at Bank level**
- With nearly 2/3rds of the current NPE stock in mortgages, NBG will continue preparing for a **large scale securitization of >€6b**, so as to launch as soon as market conditions allow

Recovery across organic lines in FY19, pushed COP up by nearly 40%. Capital gains have provided a big P&L cushion for one off charges

- **Core income expansion** (+6% yoy), **cost containment** (domestic Personnel and G&A expenses¹ down by 8% and 9% yoy respectively) and relatively **low CoR**, at 123bps, pushed **group core operating profit (COP) c40% higher** yoy to €235m
- **Positive organic P&L trends** benefitted from efficient utilization of our Greek sovereign exposure, higher lending volumes, strong performance in retail fees, and rigorous cost cutting including a large scale VES for c.1,100 FTEs
- In 2019 and in 1Q20, the Bank secured capital gains, enhancing P&L capacity, as well as boosting equity and capital. **Gains ytd amount to c.€0.8b**, materializing through EU sovereign bond sales and the GGB swap

The Transformation Program has been a key driving force behind the 2019 achievements

- **Supported** NPE sales, and the enhancement of the branch network restructuring capacity
- **Oversaw** cost management regarding VES, G&A demand management and branch network consolidation
- **Revamped** the Corporate function, strengthened the RM workforce and set up dedicated corporate branches
- **Enhanced** the Retail function, strengthening the RM workforce, increasing 3rd party retailer partnerships and investing heavily in digital capabilities including via introducing digital onboarding in Greece
- **Focused** on revising HR labor code, introducing a new PMS and kick starting the replacement of the core banking system



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Financial Result Highlights

2



FY19 COP of €235m (+38% yoy) reflects core income expansion and cost cutting; PAT continuing ops reaches €484m

P&L Highlights

FY19 Group PAT from continuing operations at €484m (>7x up vs FY18), marks a recovery in key operating lines and is supported by strong capital gains. Core income expansion, significant cost reduction and contained CoR despite aggressive NPE clean up, led **core operating profit** higher by 38% yoy to €235m. More specifically:

- **FY19 NII grew 7% yoy to €1,186m**, driven by securities interest income absorbing the 2H19 cost of the €400m Tier 2 issuance, as well as a contained reduction of 2.8% yoy in lending NII, reflecting abating loan deleveraging; FY disbursements reached €3.3b, up by 13% yoy
- **Fees and Commissions, up by 6% yoy**, indicate strong recovery in retail banking fees (+13% yoy)
- **Trading and other income benefited from large realized gains** from the GGB swap transaction, a hotel disposal and sovereign bond portfolio sales
- **Bank OpEx was reduced by 11% yoy**, excluding the IFRS16 adjustment to Pangaea, on the back of strong containment of domestic personnel costs (-8% yoy), reflecting part of the success of the 2019 VES that reached c800FTEs; in 1Q20 an additional c300 employees left. On **G&As**, domestic costs were reduced by 9% yoy adjusting for the impact of IFRS16 post Pangaea deconsolidation. **FY19 C:CI dropped by 6.8ppts to 58%; FY19 C:I at 50.1%**
- **CoR settled at 123bps** in FY19 relative to 114bps⁴ in FY18

FY19 loss from discontinued operations of €494m also includes the impairment of Ethniki Insurance; **LEPETE issue definitively resolved**

P&L | Group

€ m	FY19	FY18	YoY	4Q19	3Q19	QoQ
NII	1,186	1,113	+7%	288	299	-4%
Net Fees & Commissions	255	241	+6%	71	64	+10%
Core Income	1,441	1,353	+6%	359	363	-1%
Trading & other income	240 ¹	(71)	n/m	(17)	106	n/m
Income	1,681	1,282	+31%	342	470	-27%
Operating Expenses	(841)	(882)	-5%	(221)	(213)	+4%
Core PPI	599	471	+27%	138	151	-9%
PPI	839	400	>100%	120	257	-53%
Loan Impairments	(365)	(300) ²	+22%	(105)	(59)	+76%
Operating Profit	474	99	>100%	16	198	-92%
Core Operating Profit	235	171	+38%	33	91	-64%
Other impairments	23	(10)	n/m	4	16	-74%
PBT	497	90	>100%	20	213	-91%
Taxes	(13)	(25)	-47%	(2)	(3)	-15%
PAT (cont. ops)	484	65	>100%	18	210	-92%
PAT (discont. ops)	(494)	(37)	>100%	(571)	(23)	>100%
LEPETE	(90)	-	n/m	(54)	(36)	+50%
VES, restr. & other one-offs ³	(136)	(78)	+75%	(26)	(5)	>100%
Minorities	(18)	(34)	-47%	(0)	(1)	-100%
PAT	(255)	(84)	>100%	(633)	146	n/m

1. Includes €65m of trading gain from the GGB swap, €30m gain from Grand Hotel disposal and a €207m gains from sovereign bonds, 2. Includes recoveries of €42m from NPL sales, 3. VES costs of €96m, restructuring costs of €14m and termination of leases and other one offs of €27m for 2019 (VES costs of €66m and restructuring costs of €12m for 2018), 4. FY18 CoR of 114bps excludes recoveries of €42m from the sale of an unsecured 90dpd portfolio reported CoR at 100bps

Bank NPE reduction of €4.7b in FY19 well above targets; CET1 ratio at 16.2%²

Asset Quality, Liquidity & Capital Highlights

Domestic NPE stock reduced by nearly 1/3rd or €4.7b in 2019

- **NPE reduction continued in 4Q19 (-€0.8b)**, driven by organic means (€0.5b), namely restructurings involving debt forgiveness, as well as lower redefaults and higher curings
- At the FY level, reflecting a series of transactions, Bank **NPEs were reduced by €4.7b**, exceeding the FY19 SSM NPE reduction target by €0.5b; NBG's Bank level NPE exposure at YE19 stood at €10.6b, c.€11b lower vs beginning 2016 levels
- A work in progress **large scale securitization of >€6b**, comprising c.2/3rds of the existing NPE stock, will be launched as soon as market conditions allow

Domestic deposits reach €42.2b (+€0.8b qoq)

- Domestic private deposits expand by €2.3b yoy in FY19, excluding State deposit outflows of €1.8b; LCR & NSFR ratios at levels well above 100%, far exceeding regulatory thresholds

CET1 ratio at 16.2%² and 12.9%² on a FL basis

- **4Q19 CET1 of 16.2%²**, 16.0% ex agreed divestments, comfortably above 2020 SREP levels; **Total Capital ratio at 17.1%²**
- 1Q20 capital ratios will benefit from the **€515m of capital gain from the GGB swap, equal to 138bps of additional core capital**

1. FY18 CoR of 114bps excludes recoveries of €42m from Project Earth; reported CoR at 100bps
 2. Including the impact of agreed divestments in Egypt and Cyprus
 3. Including period PAT and the impact of agreed divestments in Romania, Egypt and Cyprus

Key P&L Ratios | Group

	FY19	FY18	4Q19	3Q19
NIM (bps)	268	272	259	270
Risk Adjusted NIM (bps)	145	158	115	189
Cost-to-Core Income	58%	65%	62%	59%
PPI margin (bps)	285	133	166	350
Cost of Risk (bps)	123	114 ¹	144	81

Key BS Ratios | Group

	FY19	FY18	9M19	1H19
Liquidity				
Loans-to-Deposits	67%	70%	68%	70%
LCR	207%	144%	198%	171%
NSFR	115%	108%	116%	113%
Asset quality				
NPE ratio	31.3%	40.4%	33.5%	36.0%
NPE coverage	53.4%	59.2%	54.5%	55.9%
Capital				
CET1	16.2% ²	16.1%	16.8% ³	16.0% ³
CET1 FL	12.9% ²	12.8%	13.4% ³	12.6% ³
RWAs (€ bn)	36.9 ²	35.0	37.0 ³	37.4 ³



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Profitability

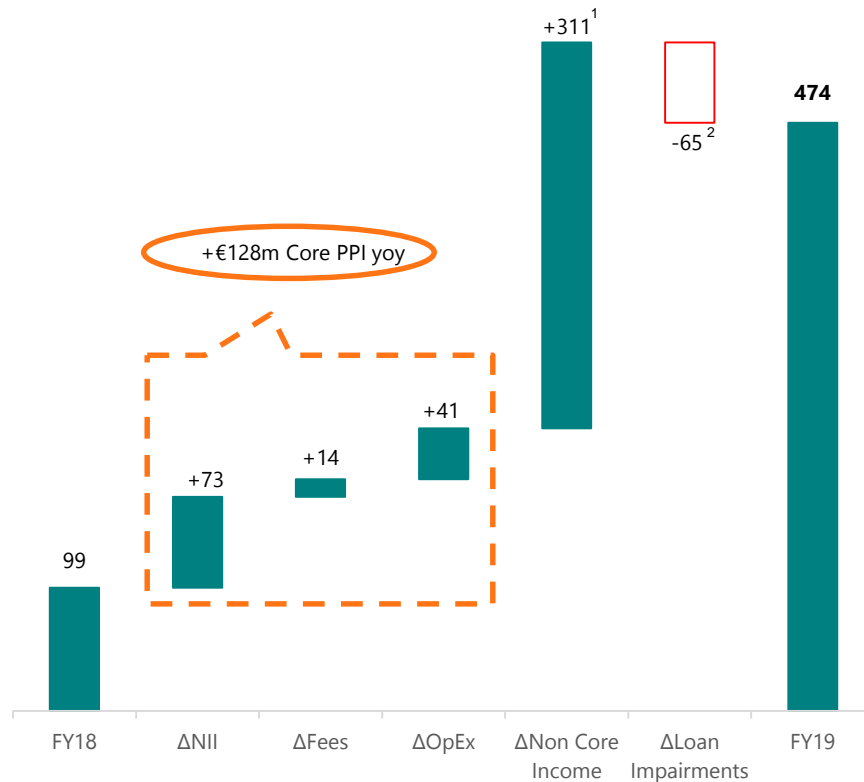
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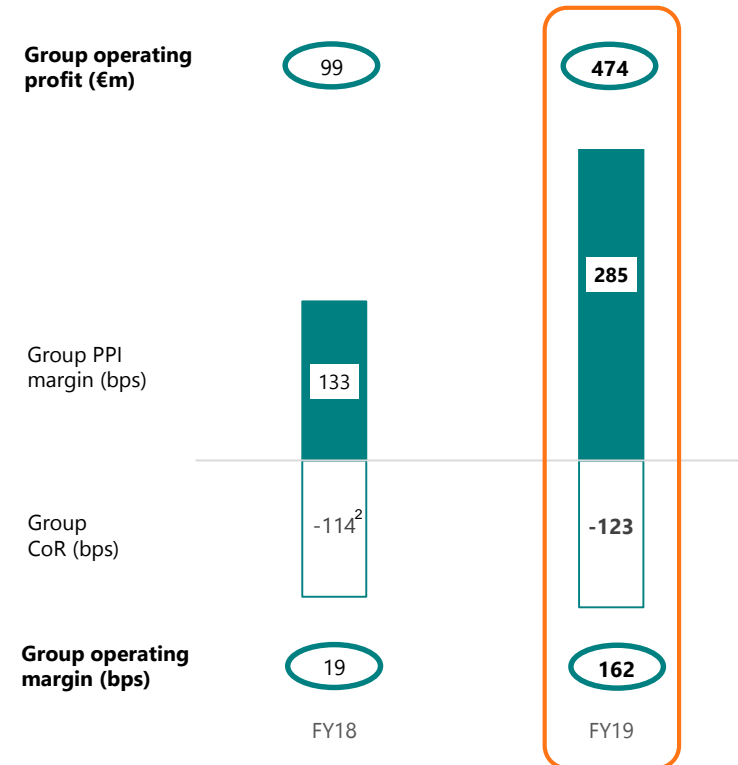


FY19 Group operating profit at €474m, driven by strong operating performance (+€128m yoy) and trading gains

Group operating profit bridge FY19 (€ m)



Group operating margin decomposition³ FY19 (bps)

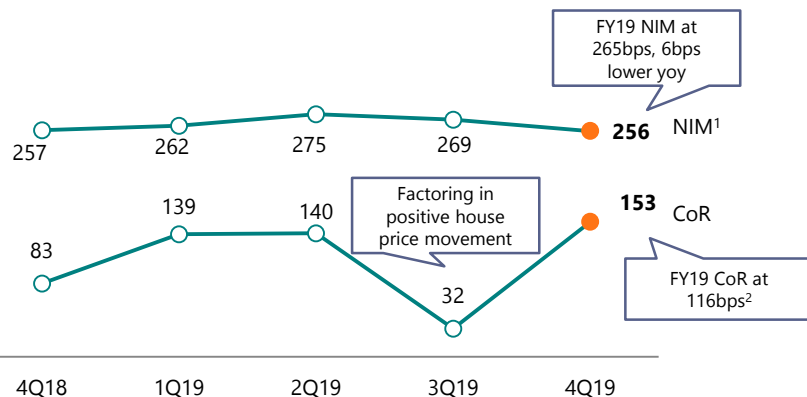


1. One-offs mainly comprised of: €65m trading gain from the GGB swap arrangement, €30m capital gain from Grand Hotel disposal and a €207m gain from the sale of European sovereign bonds
 2. FY18 loan impairments benefit from €42m of recoveries from the sale of an unsecured 90dpd portfolio (Project Earth); reported CoR at 100bps
 3. All margins calculated over average net loans



FY19 domestic NII +7% yoy to €1,123m, comprises of low and declining NPE interest, allowing for a contained CoR

Domestic NIM & CoR (bps)



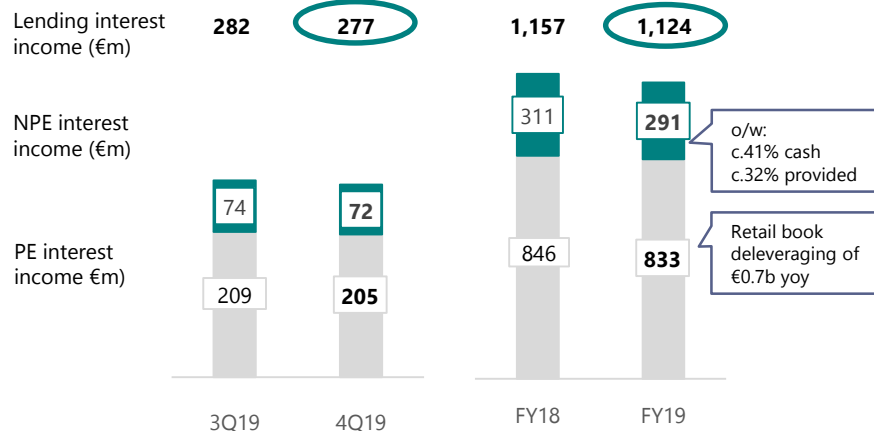
Domestic NII breakdown (€ m)

	4Q18	1Q19	2Q19	3Q19	4Q19	FY18	FY19
Loans	290	285	280	282	277	1,157	1,124
Deposits	-40	-40	-41	-38	-35	-154	-154
Securities	28	40	63	56	52	102	211
Eurosystem & wholesale	-17	-14	-12	-19	-19	-57	-64
Subs & other	-2	3	3	2	-2	2	6
Total	259	274	293	284	271	1,050	1,123

Reflects a €2m reduction from NPE NII and a €3m reduction from PE NII due to retail deleveraging

2H19 includes the cost of the €400m T2 issuance

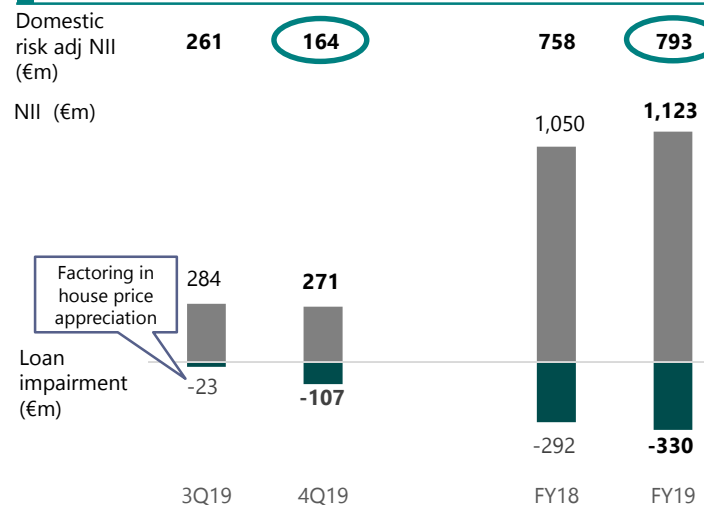
Domestic lending income decomposition (€ m)



o/w: c.41% cash c.32% provided

Retail book deleveraging of €0.7b yoy

Domestic risk adj NII (€ m)



Factoring in house price appreciation

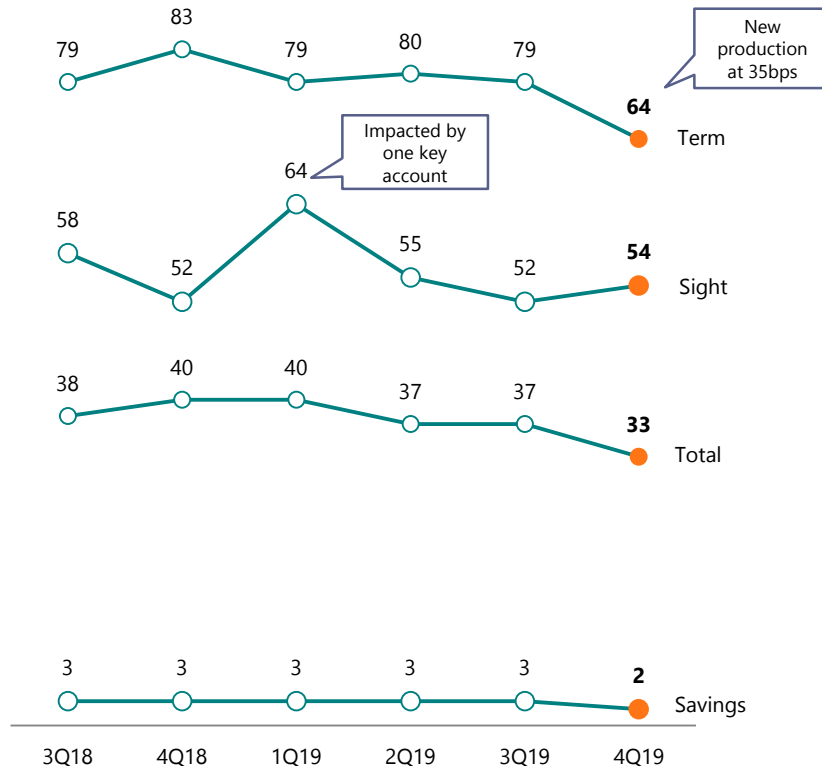
1. NIM calculated over interest bearing assets, daily average basis

2. FY18 CoR also at 116bps in Greece excludes recoveries of €42m from the sale of an unsecured 90dpd portfolio (Project Earth); reported CoR at 102bps

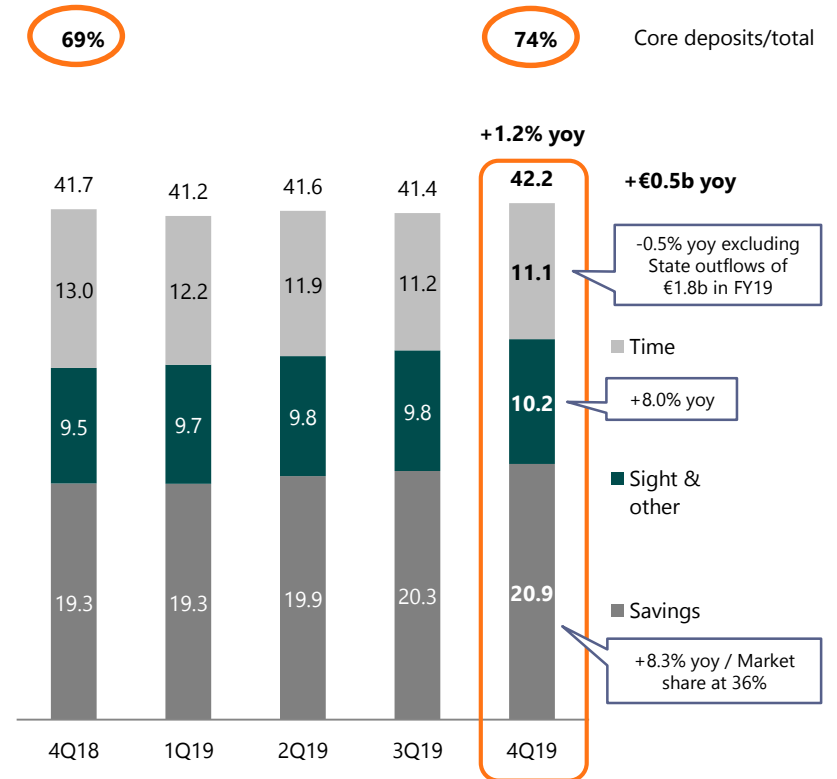


Further repricing of time deposits, evident in 4Q19 NII (+3m qoq), will support 2020 NII and NIM

Greek deposit yields (bps)



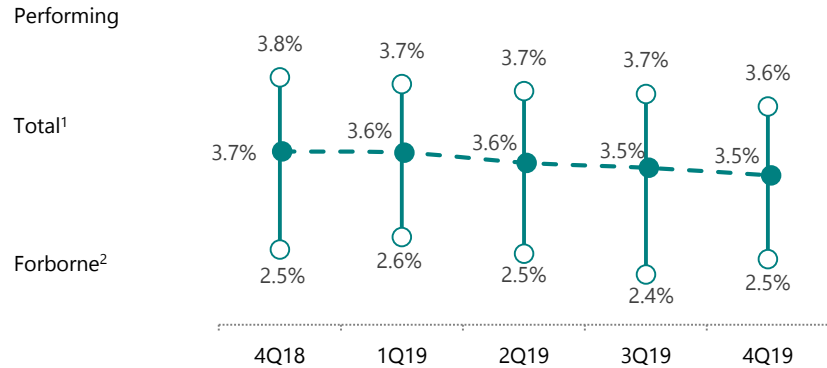
Greek deposits evolution (€ b)



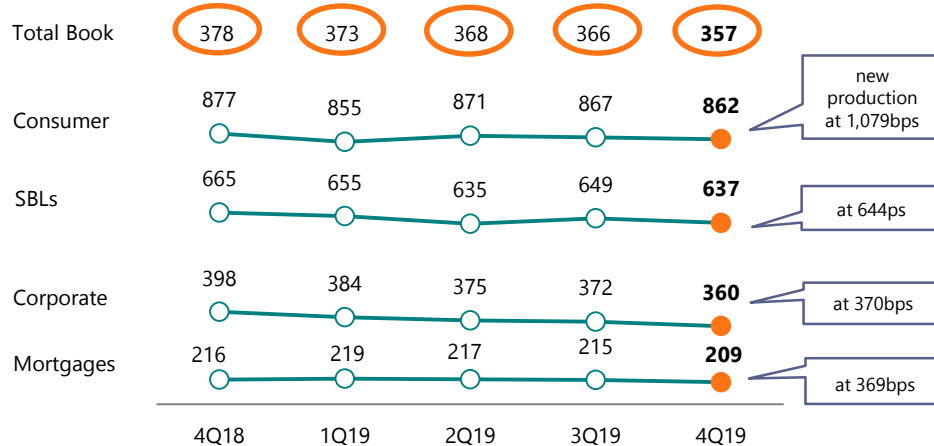


Corporate performing loans expand by €1.3b yoy, driven by disbursements of €2.8b; retail deleveraging abates

Greek forborene, PE & total lending yields

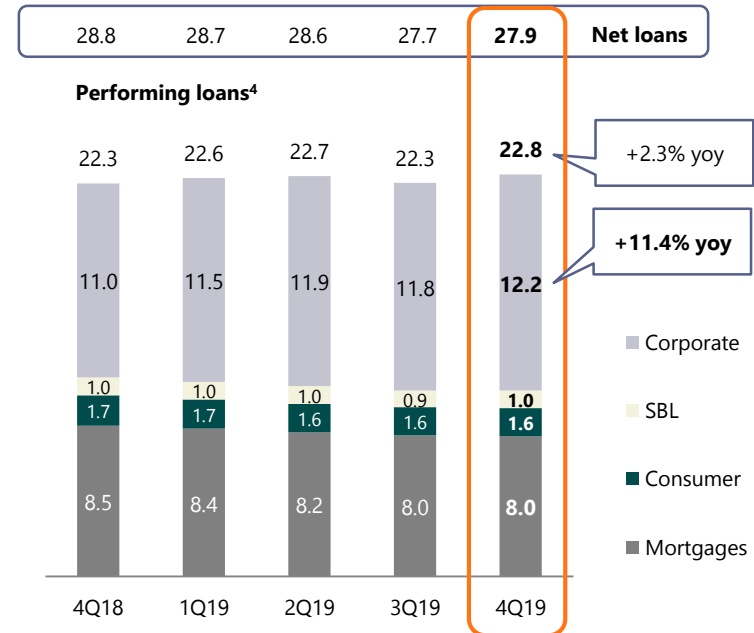


Greek lending yields³ (bps)

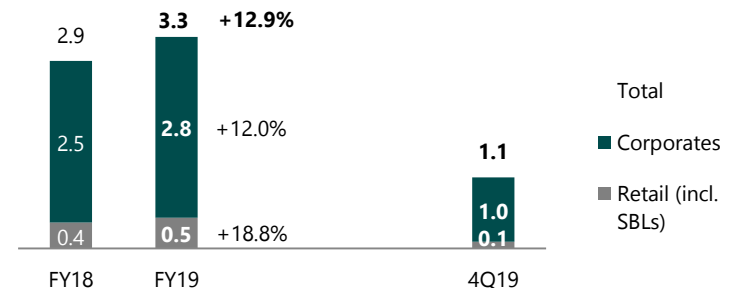


1. Includes NPEs
 2. Includes FPEs & FNPEs
 3. Calculated on performing loans
 4. Performing loans = Gross loans - NPEs

Greek loan evolution (€ b)



Credit disbursements

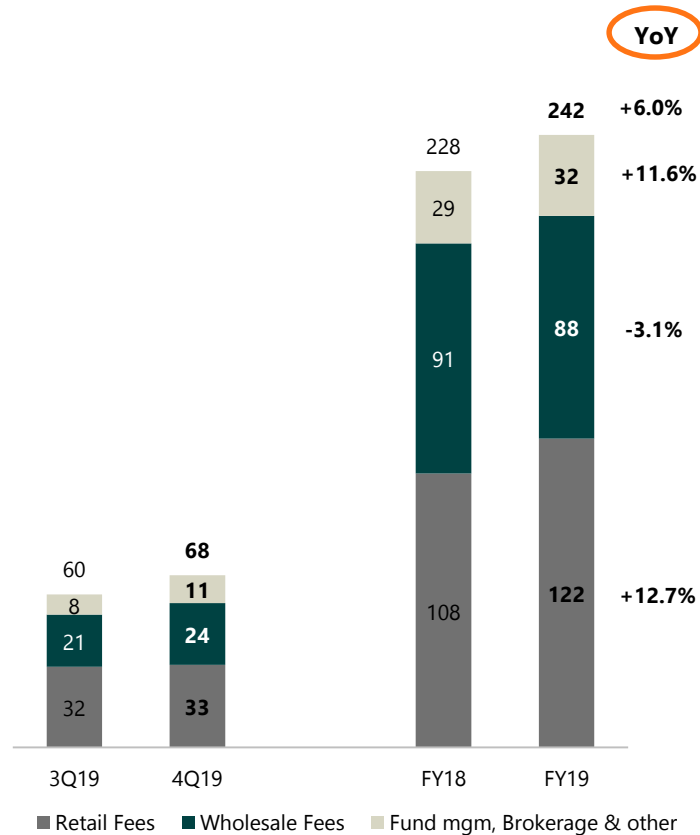




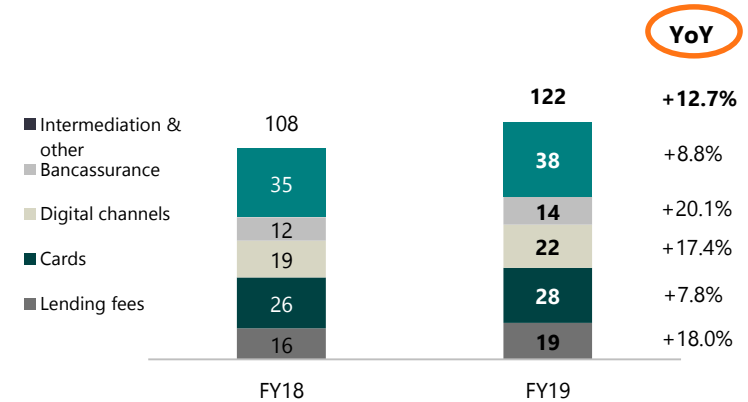
FY19 fees +6% yoy, driven by retail (+13% yoy); bancassurance, digital channels and lending fees nearly +20% yoy

Domestic fees (€ m)

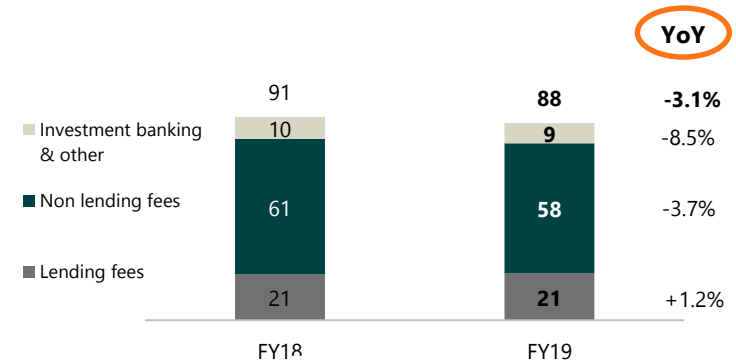
42bps 47bps 41bps **42bps** Fees/Assets¹



Domestic retail fees decomposition (€ m)



Domestic corporate fees decomposition (€ m)



Cost reduction initiatives pay off: domestic personnel costs down by 8% yoy, G&As down by 9%¹

Group OpEx by category (€ m)

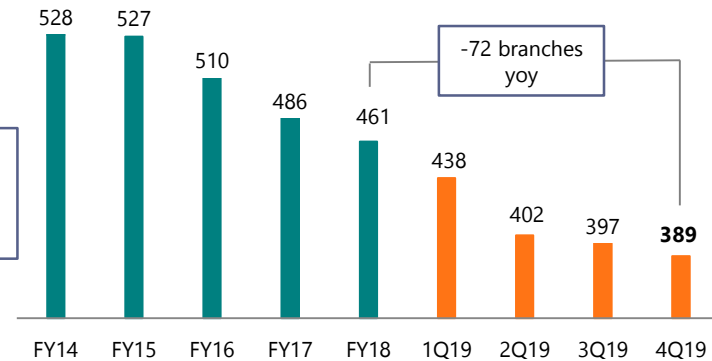
	Domestic			Group		
	FY19	FY18	YoY	FY19	FY18	YoY
Personnel	492	536	-8.2%	512	560	-8.6%
G&As	192	230	-16.6%	205	249	-17.8%
Depreciation	121	70	+71.8%	125	73	+70.2%
Total	804	836	-3.8%	841	882	-4.6%
C:CI	59%	65%	-6pppts	58%	65%	-7pppts

-9% yoy net of IFRS16 impact and Pangaea deconsolidation

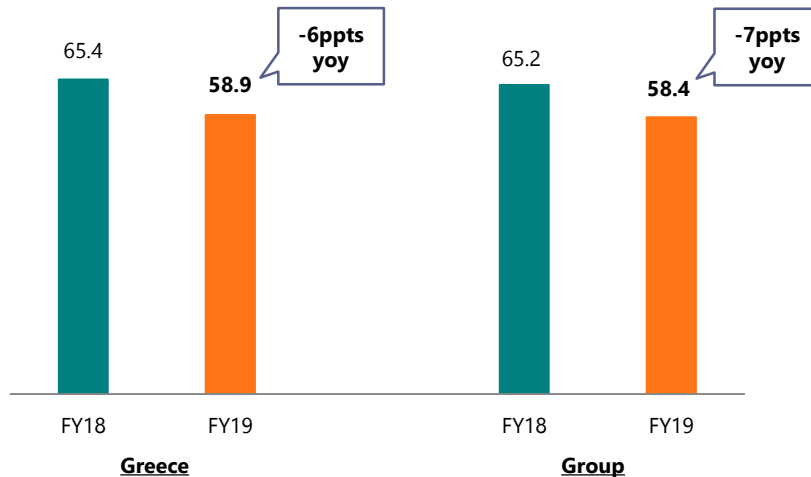
Reflects IFRS16 G&A / Depr. reclassification and Pangaea deconsolidation

Bank at -10.8%

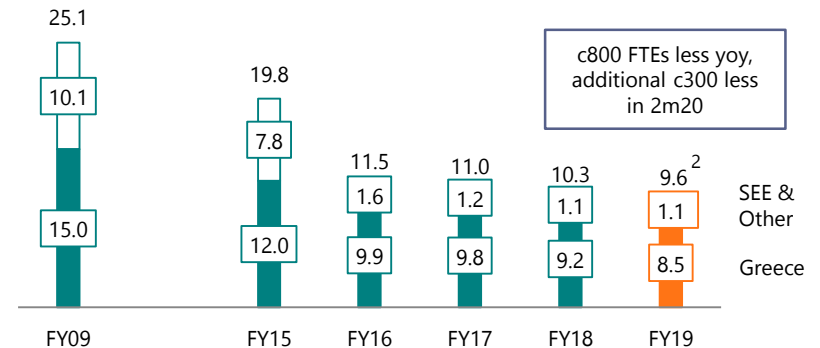
Domestic Branch evolution (#)



Group & Domestic C:CI evolution (%)



Group headcount evolution ('000)



1. Adjusted for IFRS16 impact due to Pangaea deconsolidation

2. Excludes employees at discontinued operations



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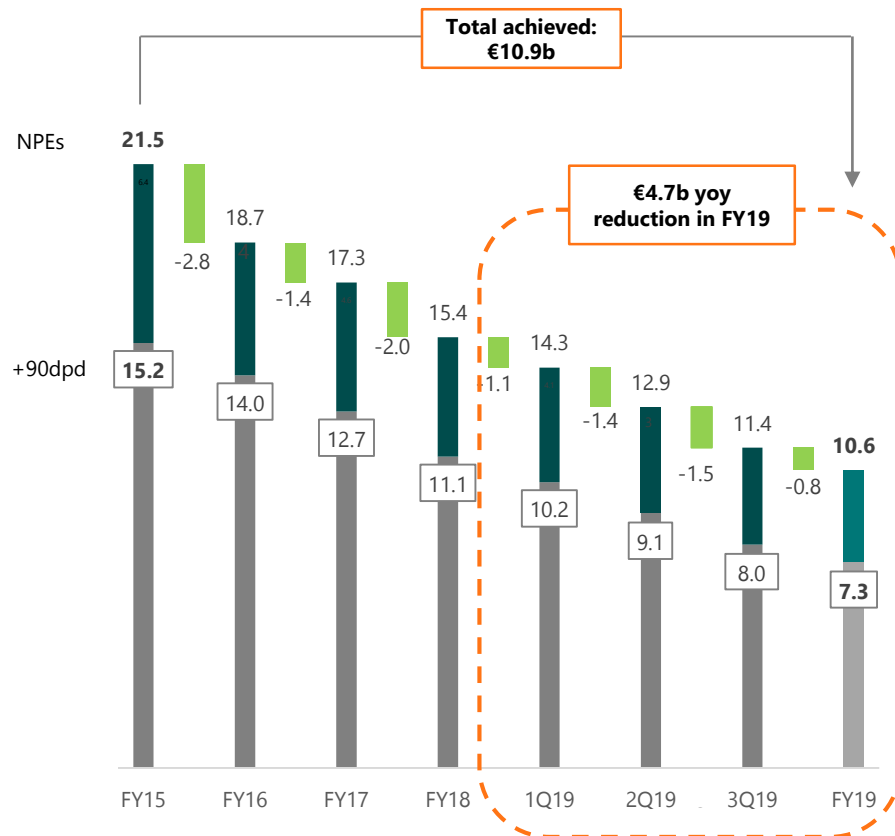
Asset Quality

4



NPE reduction of €4.7b yoy at Bank level exceeds the FY19 target by €0.5b; a large securitization is the next step

Bank NPE reduction targets (€ b)



NPE operational performance

- **NPEs reduced by 31% yoy or €4.7b yoy**, exceeding the FY19 SSM target by a solid €0.5b; since early 2016 NPEs have been reduced by a **massive €11b**
- **NBG continues preparations for a large scale securitization of >€6b**, comprising c2/3rds of the existing NPE stock, that will be launched as soon as market conditions allow

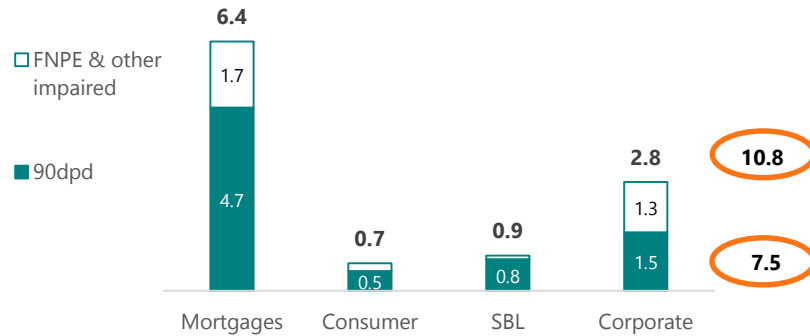
NPE plan & forbearance measures

- Due to the disruption caused by Covid-19, **revised NPE plan submission** timeline and **NPE reduction plan realization** become more flexible
- **Forbearance measures applied to borrowers** impacted by the Covid-19 crisis will not automatically imply a reclassification triggering migration to SICR bucket
- For such borrowers, **identification of default on a dpd basis** may also become more accommodative

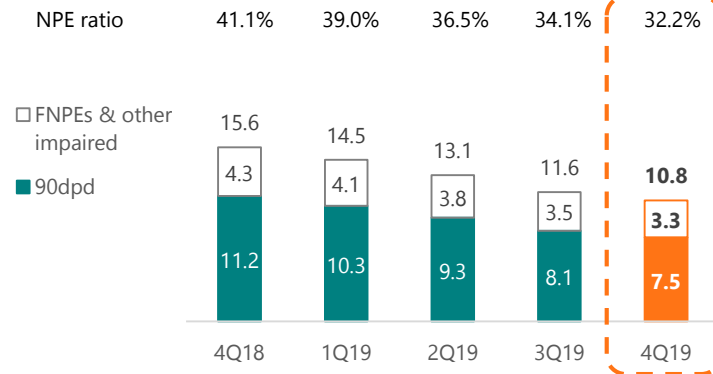


Additional NPE stock reduction of €0.8b in 4Q19, is driven by improved redefaults and curings

Domestic NPE stock per category – 4Q19 (€ b)



Domestic NPE stock evolution (€ b)



NPE balance change (€ m, Bank)

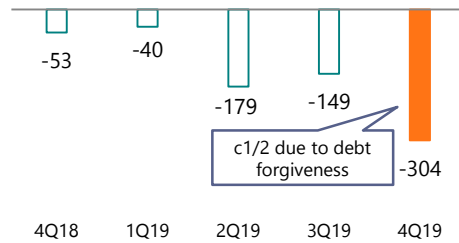
	4Q18	1Q19	2Q19	3Q19	4Q19
NPE inflows	351	406	395	332	254
Curings	-324	-443	-350	-294	-361
Debt fgy, recoveries liquidations	-364	-221	-431	-299	-365
NPE outflows	-688	-664	-781	-592	-726
Sales/securit.		-727	-963	-1,163	-228
NPE reduction before w.o.	-337	-985	-1,350	-1,423	-699
Write-offs	-226	-94	-58	-41	-85

o/w: debt forgiveness €0.15b

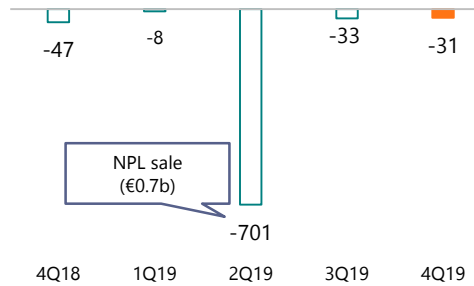


NPE reduction momentum maintained throughout the year across all lines of business

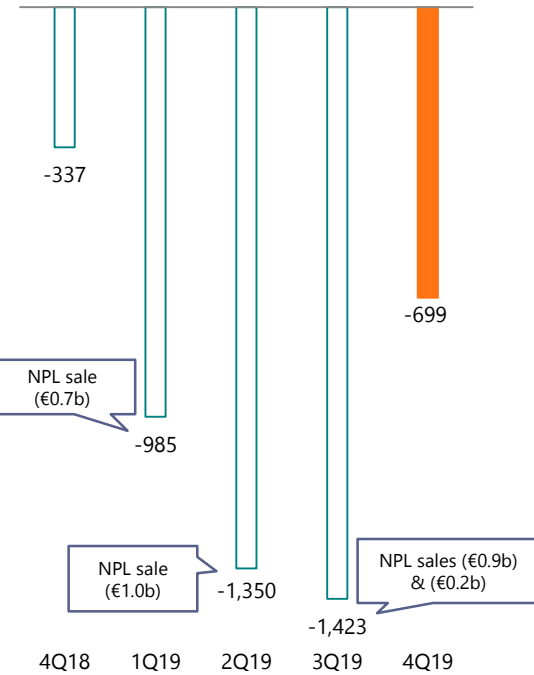
Mortgages (€ m)



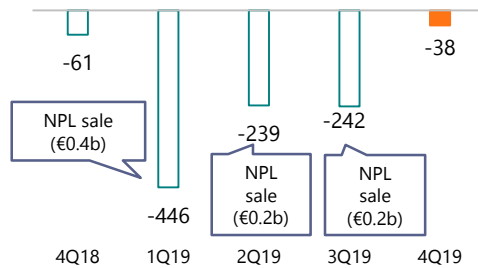
Consumer (€ m)



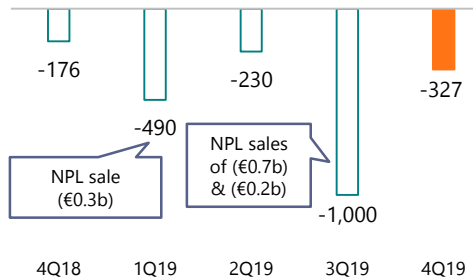
NPE change¹ (€ m)



SBLs (€ m)

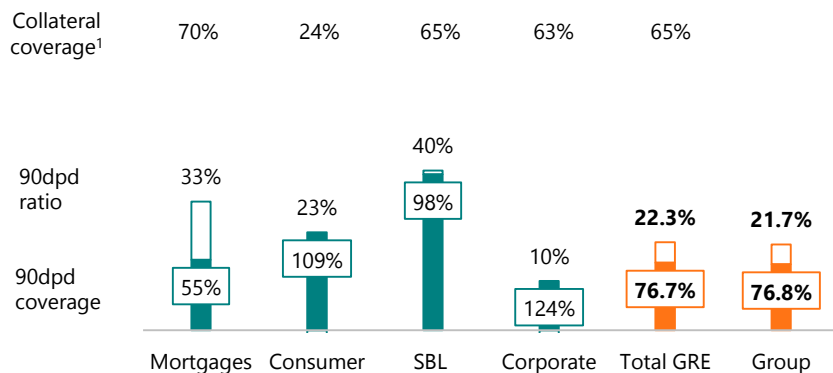


Corporate (€ m)

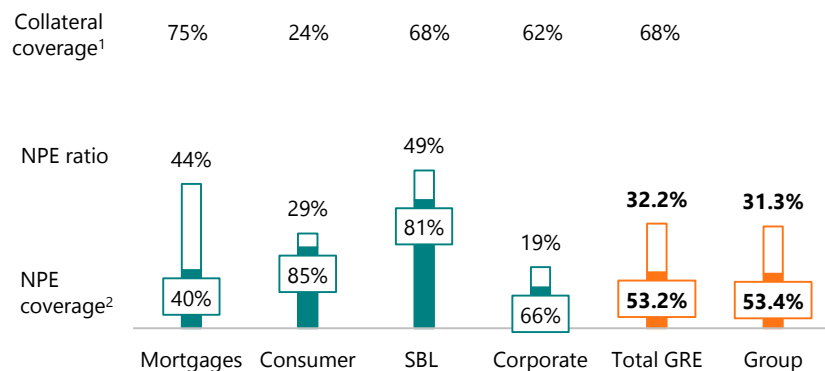


High NPE coverage provides flexibility

Domestic 90dpd ratios and coverage | 4Q19

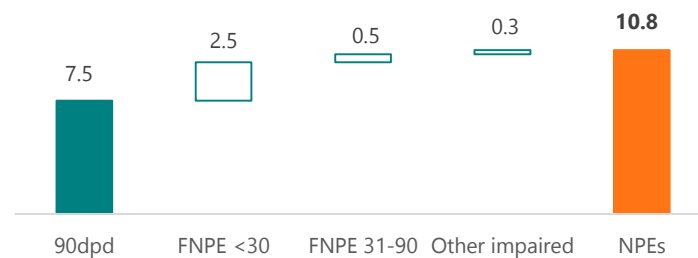


Domestic NPE ratios and coverage | 4Q19

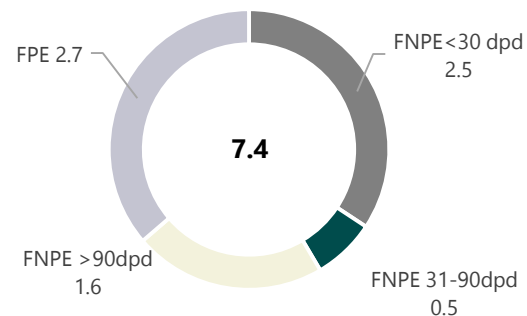


Category	LLAs/ Gross loans
Mortgages	18%
Consumer	25%
SBL	39%
Corporate	12%
Total GRE	17%
Group	17%

Domestic 90dpd – NPE bridge (€ b) | 4Q19



Domestic forborne stock (€ b) 4Q19



1. Collateral coverages are Bank level.
2. NPE coverage incorporates additional haircuts on the market value of collateral.

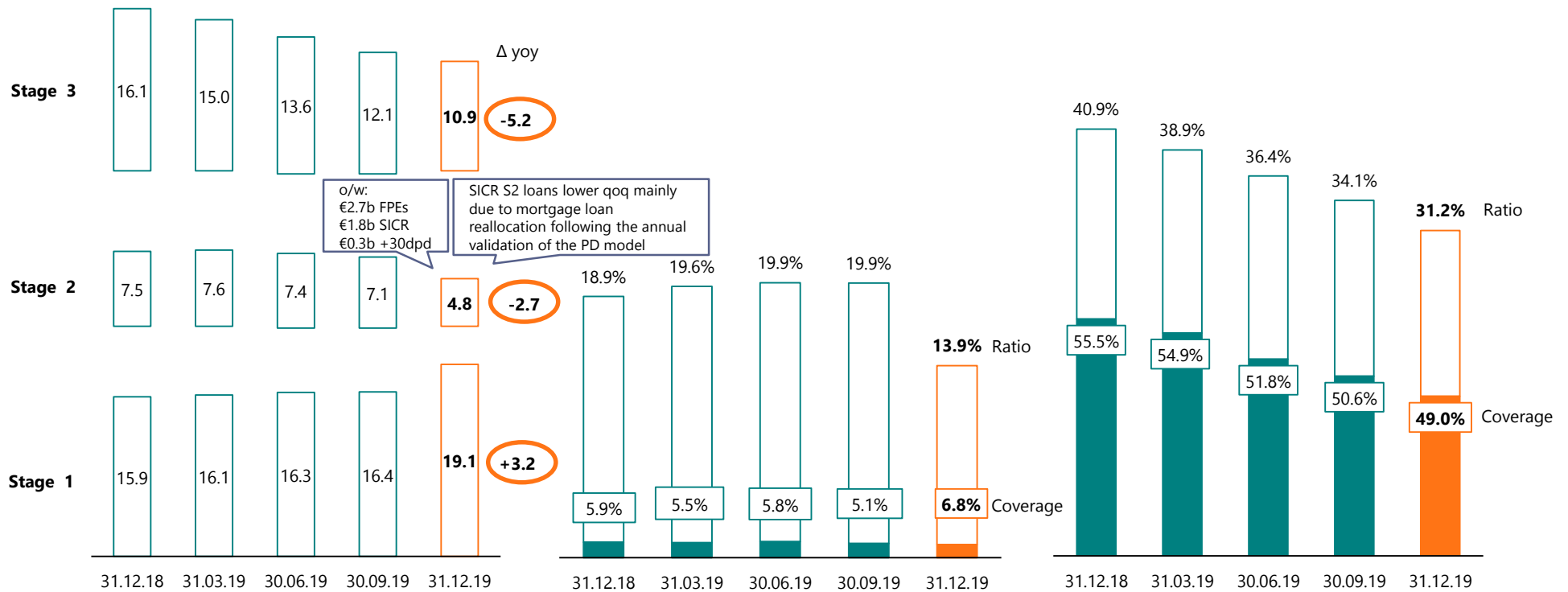


The quality of the Bank's loan portfolio has improved considerably, with S3 substituted by S1 loans

Group loan staging and evolution (€ b)

Group Stage 2 ratios and coverage (%)

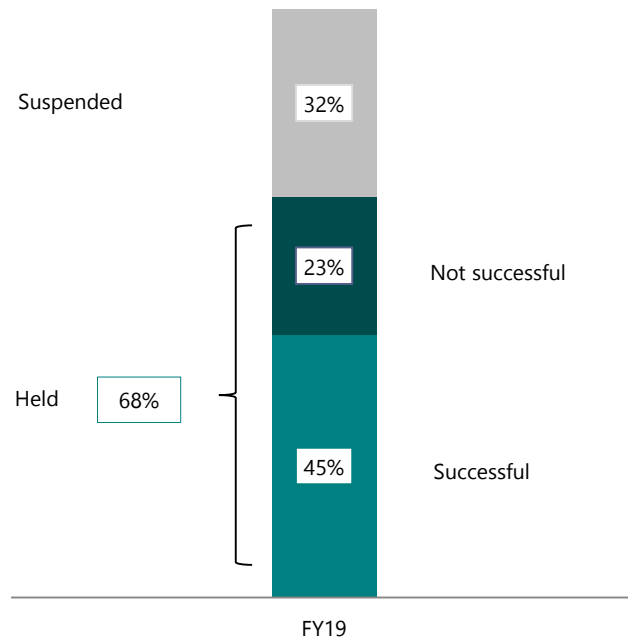
Group Stage 3 ratios and coverage (%)



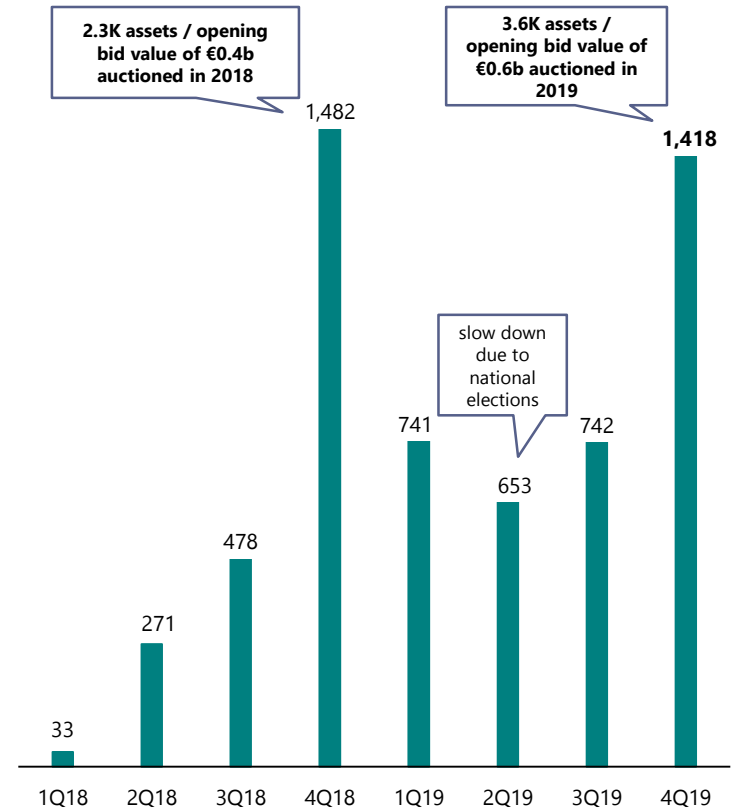


NBG's auctioning activity picks up sharply in 4Q19 due to seasonality; FY19 assets auctioned nearly 60% up yoy

NBG auctions outcome FY19¹



NBG auctioned assets (#)











1: excluding repeating auctions



NPE transactions completed

Schedule

Portfolio		Status	Size	Completion	Transaction details
Consumer unsecured		Closed	€0.1b	June 2016	Priced at €16c
Project Earth		Closed	€2.0b	July 2018	Capital accretive (+18bps) and P&L positive. Priced at €6c
Project Symbol		Closed	c.€0.9b	4Q19	Capital accretive. Priced at c28% of the principal portfolio amount
Project Mirror		Closed	c.€1.2b	4Q19	Capital accretive. Priced at >9% of the principal portfolio amount
Project Leo		Closed	c.€0.3b	4Q19	Priced at c50% of the on balance-sheet portfolio amount
Project Icon		BOs received	c.€0.9b	2Q20	Portfolio of denounced, non operating corporates, SME & SBLs
Secured/Unsecured corporate		BOs received	c.€0.2b	2Q20	Portfolio of real-estate backed non-operating corporate loans
Secured/ Unsecured Corporate & retail		BOs received	c.€0.3b	2Q20	Portfolio of corporate & retail loans



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Liquidity

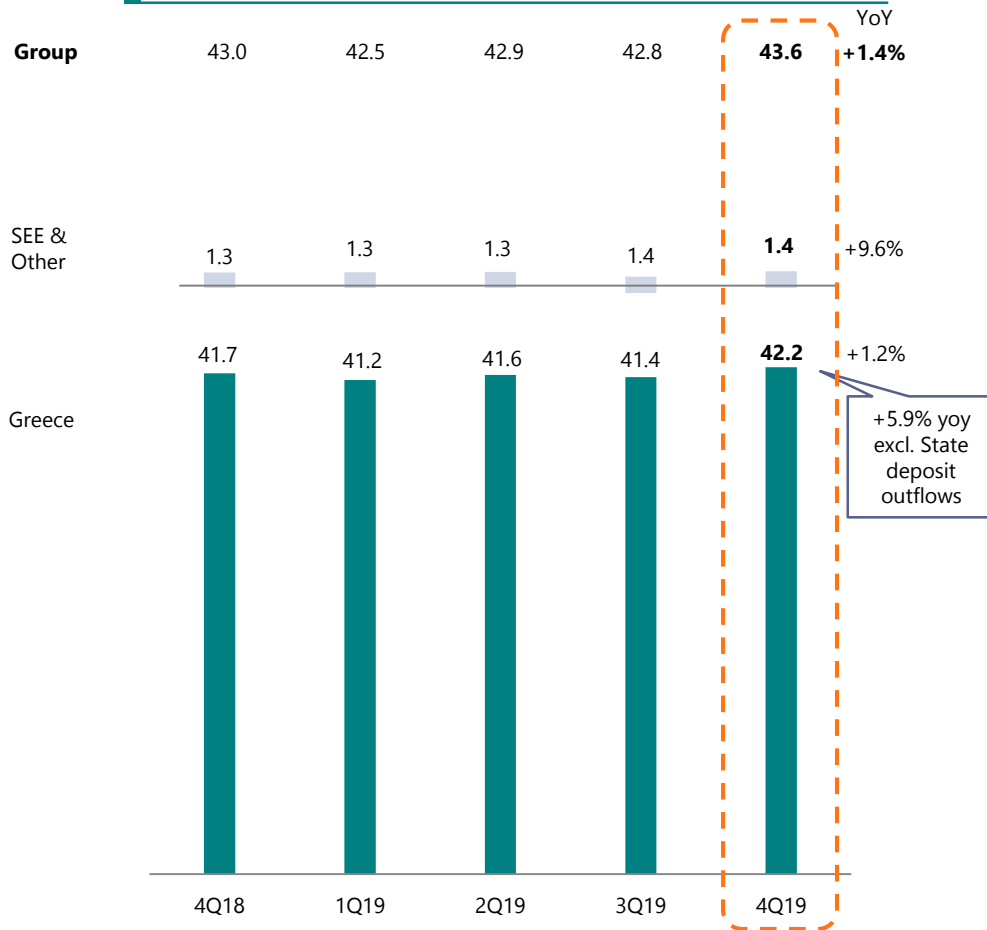
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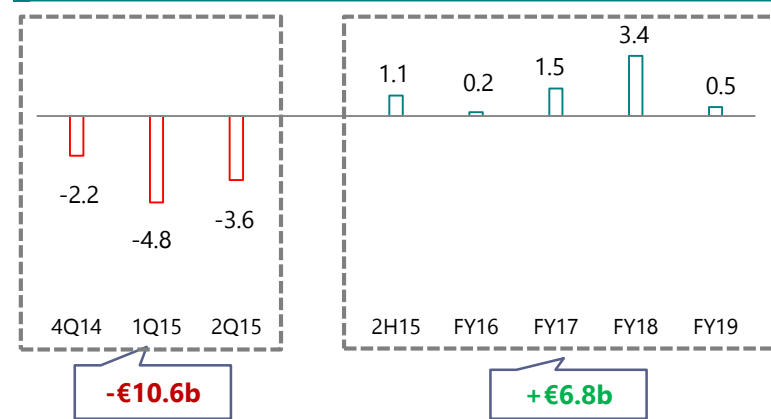


Domestic deposit momentum led FY19 private deposits up by 6% yoy; +1% for total deposits including State

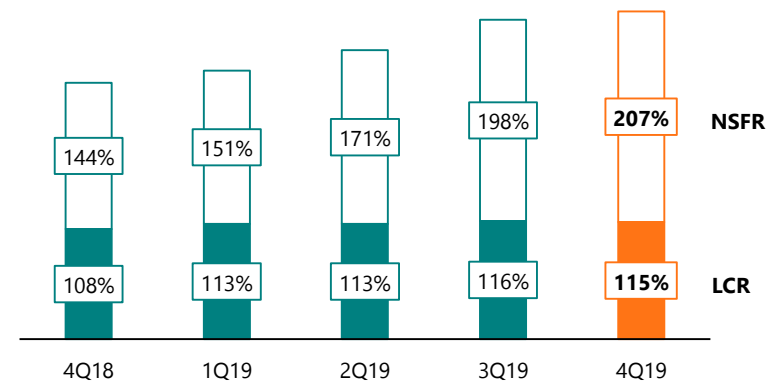
Deposit evolution by geography (€ b)



NBG domestic deposit flows (€ b)



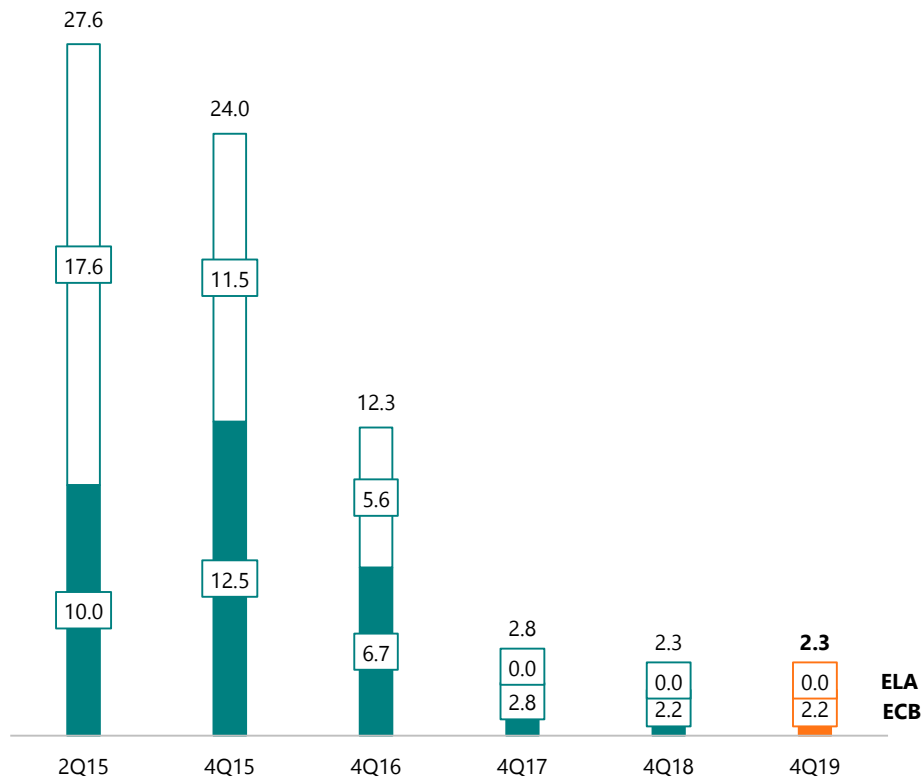
Group LCR & NSFR



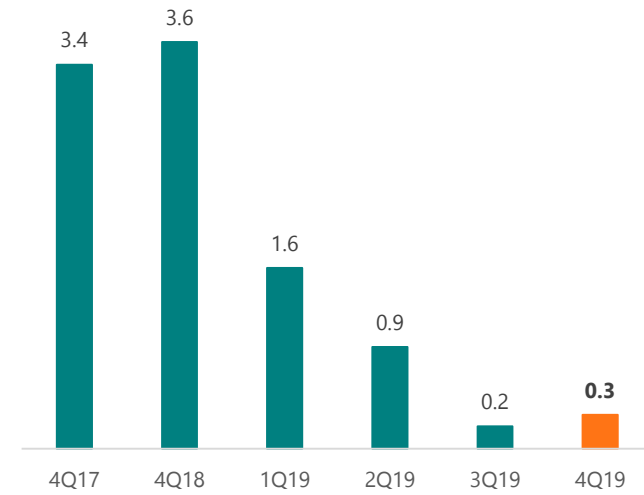


Funding optimization leads into a near zero interbank market exposure and ECB exposure comprised solely of TLTRO

Eurosystem funding (€ b)



Repo funding (net, € b)





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Capital

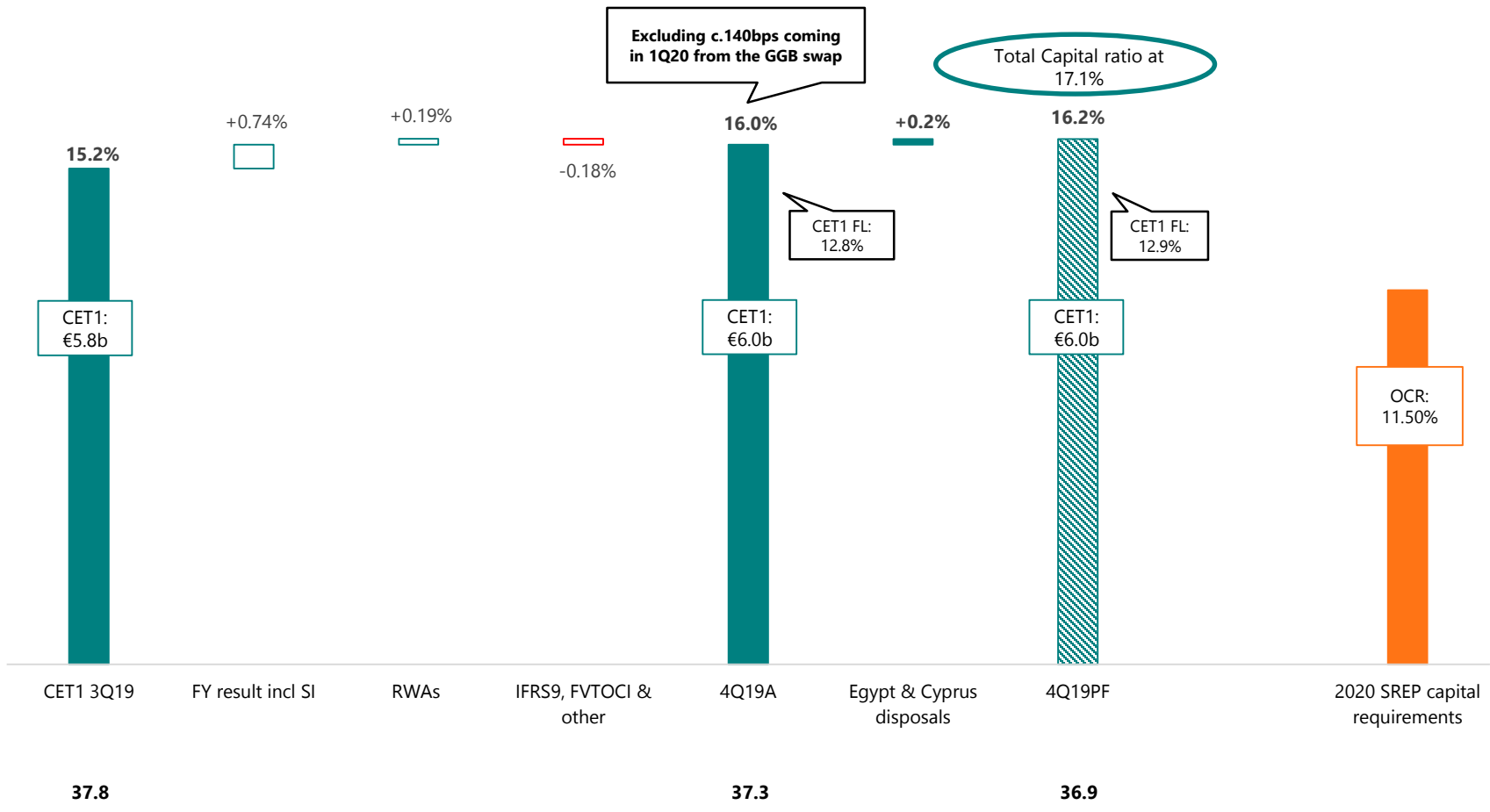
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CET1 & Total Capital ratio at 16.2%¹ & 17.1%¹, before the 1Q20 +c.140bps of capital from the GGB swap

4Q19 CET1 ratio movement



1. CET1 and Total Capital Ratios are pro forma for the impact of agreed divestments in Egypt and Cyprus





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Transformation Program Update

7



Transformation Program materially supported the delivery of our targets in 2019 – NPEs and Cost

	Key achievements in 2019	Key metrics	2018	2019	Δ
NPEs Healthy Balance Sheet 	<ul style="list-style-type: none"> Frontloaded NPE portfolio sales (Symbol, Mirror, Leo, Icon, Romania, Cyprus) Branch restructuring capacity increase (c230 dedicated officers, c40 specialised hubs), new Split & Settle product and streamlined process for retail restructurings REO unit for end-to-end management of repossessed assets 	NPE sales (€ b)	0.7	3.1	>100%
		Split & Settle restructurings (€ m)	35	742	>100%
		Liquidations (€ m)	296	420	+42%
		RE onboarding (€ m)	0	130	n.a.
		RE sales (€ m)	0	7	n.a.
COST Efficiency & Agility 	<ul style="list-style-type: none"> Additional waves of targeted VES 3rd party personnel review program Branch network consolidation Central functions real estate optimisation ongoing G&A crash program and enhanced cost management (new demand management unit, increased procurement centralisation) New VBM framework with enhanced transparency on cost allocation and profitability by unit 	Bank headcount (FTEs)	8,853	8,324	-6%
		3 rd party personnel (FTEs)	c.1,360	c.1,210	-11%
		Branches (#)	461	389	-16%
		Bank staff cost (€ m)	529	482	-9%
		Bank G&As (€ m)	197 ¹	175	-11%

c.7,940 today
 (-10% vs. 2018)
 following Jan-
 Feb VES
 extension

Transformation Program materially supported the delivery of our targets in 2019 – Core Income

	Key achievements in 2019	Key metrics	2018	2019	Δ
CORE INCOME> Best Bank for our Clients (Corporate) 	<ul style="list-style-type: none"> • Revamped Structured Finance team • Strengthened RM workforce and client coverage for SME and Mid-Cap segments (+20 new RMs) • Rollout of 27 Corporate Branches across Greece • Corporate Transaction Banking (CTB) unit under establishment to push cross-selling and fee generation in 2020 	Fees (€ m)	91	88	-3%
		Disbursements (€ b)	2.5	2.8	+13%
		SME clients (#)	c.3,735	c.3,890	+4%
		Clients/RM (#)	c.130	c.100	-23%
CORE INCOME> Best Bank for our Clients (Retail) 	<ul style="list-style-type: none"> • Strengthened RM workforce for Premium (c.340) and SB (c.520) segments • Enhanced partnerships with 3rd party retailers • New product bundles and analytics-driven campaigns for cross-selling of fee-generating products (incl. credit cards, bancassurance) • Digital migration program to increase digital subscribers, usage and sales (incl. re-launched internet and mobile banking) • First bank in Greece to offer fully digital onboarding and for customers with no prior relationship to the Bank 	Fees (€ mn)	108	122	+13%
		Disbursements (€ b)	0.4	0.5	+19%
		Merchant turnover (€ b)	6.4	7.5	+17%
		Digital transactions as share of total (%)	82%	85%	+3pp
		Digital monthly active users (thousands)	c.850	c.995	+17%

Enablers continue to advance at strong pace, supporting sustainable results

Key achievements in 2019

Technology & Processes



- **Reengineered core processes** (e.g., retail restructuring, mortgage, SB lending, Corporate loan admin & trade finance centralisation, e-signature in branches) leading to reduced process time (40-55%) and freed-up capacity (c.150 FTEs)
- Centralised **physical files management** at the central warehouse
- Ongoing process for **Core Banking System** replacement (selection process for system vendors/integrators on track)
- Migration to new **Card Management System** (CMS)
- Full deployment of **Enterprise Data Warehouse (EDW)** with Self-Service Reporting capabilities
- Full deployment of **new branch CRM platform**
- Renewed **internet and mobile banking platforms** with enhanced capabilities
- **Best DX¹ Award** for APIs Developer Portal (Pronovix DevPortal European Awards)

People, Organisation & Governance



- **New management team** in place to effect change; top-level **organisation/management committees** streamlined
- New **HR management framework/labor code** revision in progress
- New **performance management system** and **executive balanced scorecards** in place
- Bank level **talent and skills gaps** identified
- **Culture/change management** program in-train

Visibility, Controls & Compliance



- New **integrated forecasting and stress testing platform** (Project Nautilus)
- New **Internal Controls, Operational Risk** and **Strategic Risk Management** units in place
- **Data governance** and **data quality** program ongoing

(1) Digital Transformation



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Macro

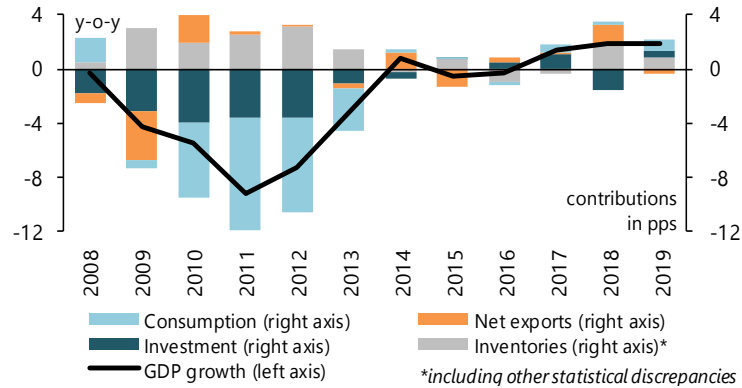
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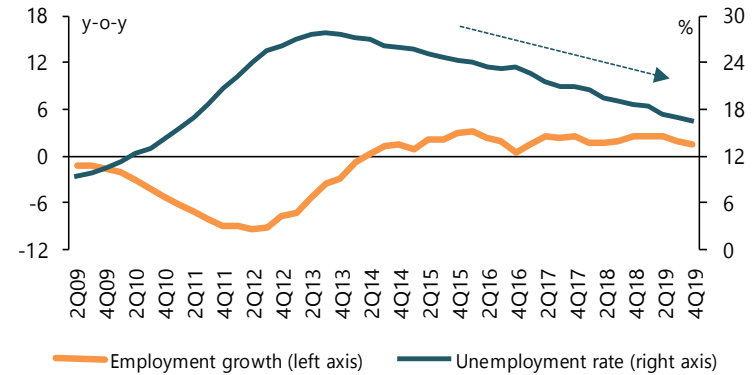
Recovery remained on track in 2019, with private consumption and investment gaining traction in 4Q19, but Covid-19 poses significant risks for economic activity



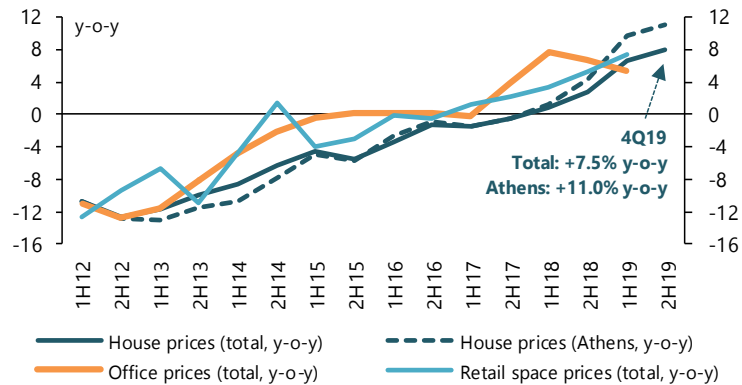
Composition of GDP growth by expenditure component



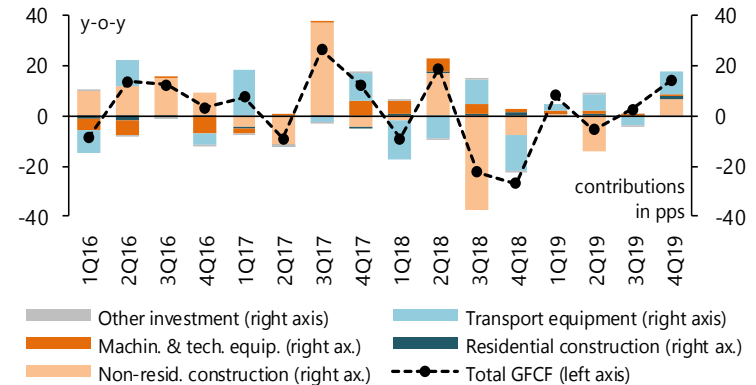
Employment growth – Unemployment rate



Residential & commercial real estate prices



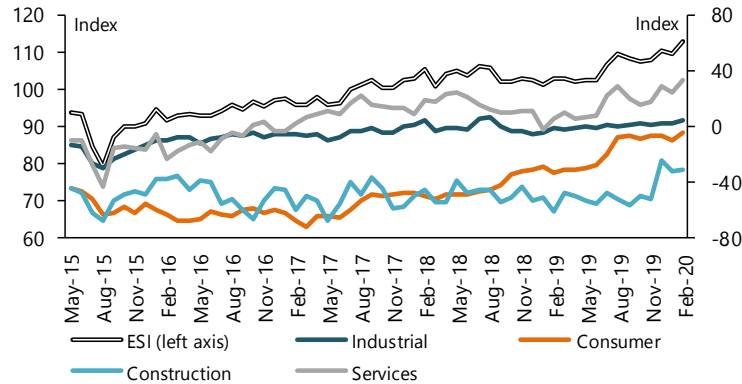
GFCF growth by investment category



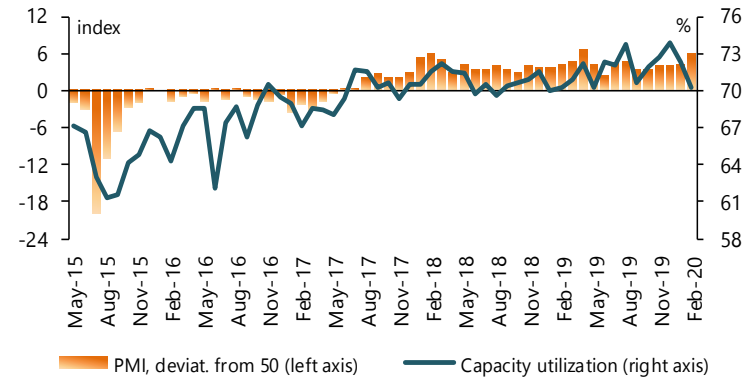
Sources: ELSTAT., Bank of Greece & NBG Economic Analysis estimates

High frequency indicators rose to multi-year highs in 2M20, but do not yet reflect Covid-19-related uncertainty. In contrast, market response is already strong

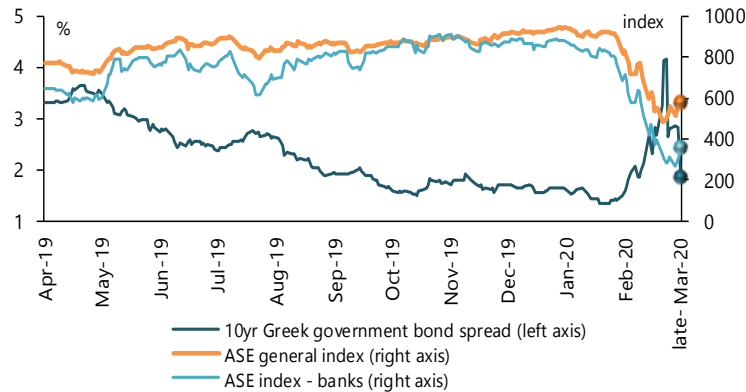
ESI & sectoral confidence indicators



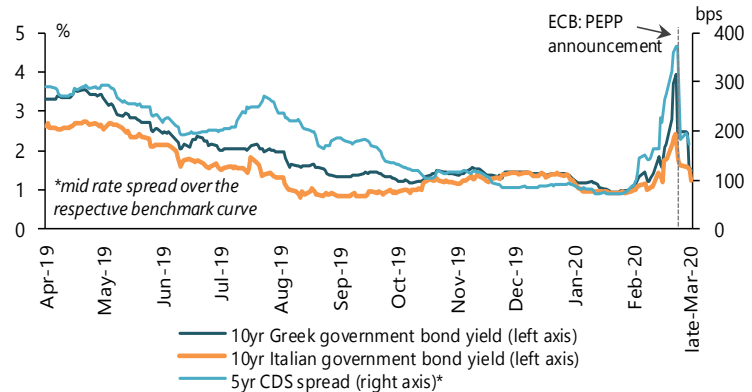
Capacity utilization & PMI



ASE general index & 10yr GGB spread over bund



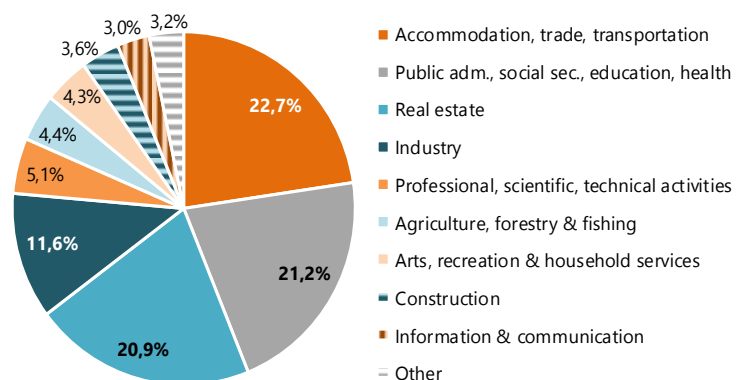
Government bond yields & CDS spread



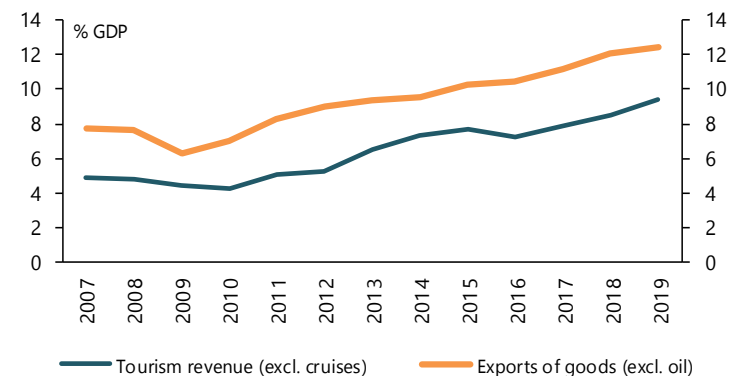
Sources: Bank of Greece, EU Commission, Markit Economics, ThomsonReuters & Bloomberg

The export sector, especially tourism, will be stressed in the coming quarters, while secondary effects on confidence and the labor market could be sizeable. Fiscal policy could offset a small part of the stress

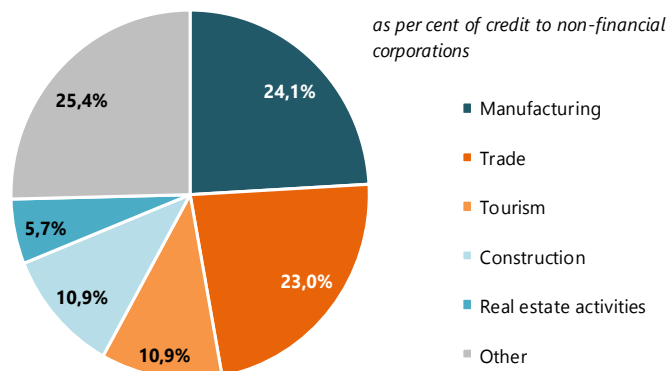
Gross value added by sector of economic activity (2019)



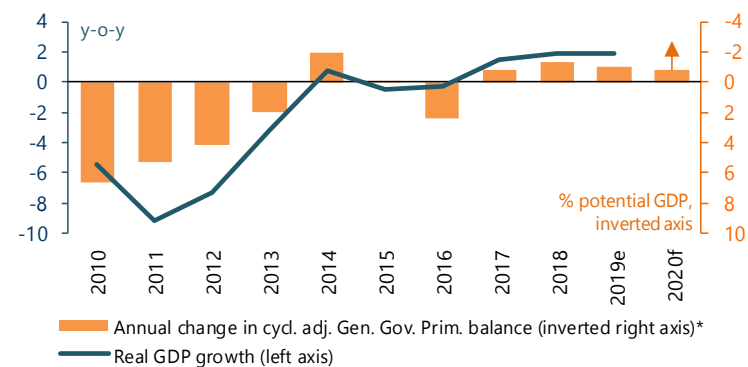
Tourism revenue & exports of non-oil goods



Bank credit balances, non-financial corporates (2019)



Fiscal stance & GDP growth



*Forecast for 2020 does not incorporate the potential impact of COVID-19



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Appendix

9





Group Balance Sheet & P&L

Balance Sheet | Group

€ m	4Q19	3Q19	2Q19	1Q19	4Q18
Cash & Reserves	3,502	2,958	1,839	2,570	5,138
Interbank placements	2,974	3,295	3,054	3,072	2,546
Securities	9,352	8,993	10,154	9,123	8,959
Loans (Gross)	34,938	35,321	37,177	38,483	39,274
Provisions (Stock)	(5,757)	(6,351)	(7,376)	(8,566)	(9,282)
Goodwill & intangibles	201	176	160	145	150
RoU assets	1,249	1,302	1,319	61	-
Property & equipment	466	453	456	461	465
DTA	4,911	4,909	4,909	4,910	4,909
Other assets	7,802	8,229	7,406	6,635	6,012
Assets held for sale	4,609	6,543	6,034	7,323	6,921
Total assets	64,248	65,828	65,131	64,217	65,095
Interbank liabilities	4,449	4,832	5,642	5,743	7,667
Due to customers	43,648	42,809	42,943	42,500	43,027
Debt securities	1,370	1,366	959	963	854
Other liabilities	4,604	5,166	4,327	4,202	3,217
Lease liabilities	1,306	1,348	1,359	100	-
Liabilities held for sale	3,593	4,408	4,331	4,936	4,692
Minorities	18	20	19	696	676
Equity	5,259	5,880	5,550	5,078	4,962
Total equity and liabilities	64,248	65,828	65,131	64,217	65,095

P&L | Group

€ m	4Q19	3Q19	2Q19	1Q19	4Q18
NII	288	299	309	290	272
Net fees & commissions	71	64	61	59	66
Core Income	359	363	370	349	338
Trading & other income	(17)	106	51	100	(47)
Income	342	470	421	448	291
Operating Expenses	(221)	(213)	(204)	(204)	(218)
Core Pre-Provision Income	138	151	166	145	120
Pre-Provision Income	120	257	217	245	73
Loan Impairment	(105)	(59)	(98)	(103)	(62)
Operating Profit	16	198	119	142	11
Core Operating Profit	33	91	68	43	58
Other impairment	4	16	11	(8)	(1)
PBT	20	213	130	135	11
Taxes	(2)	(3)	(5)	(4)	(7)
PAT (cont. ops)	18	210	125	131	4
PAT (discont ops)	(571)	(23)	79	21	(79)
LEPETE	(54)	(36)	-	-	-
VES, restr. & other one-offs	(26)	(5)	(4)	(101)	(38)
Minorities	-	(1)	(8)	(10)	(7)
PAT	(633)	146	192	41	(120)



Regional P&L: Greece & Other International

Greece

€ m	4Q19	3Q19	2Q19	1Q19	4Q18
NII	271	284	293	274	259
Net fees & commissions	68	60	58	56	63
Core Income	339	345	351	330	322
Trading & other income	(20)	105	49	100	(48)
Income	320	450	400	430	274
Operating Expenses	(213)	(204)	(194)	(194)	(205)
Core Pre-Provision Income	127	141	156	136	117
Pre-Provision Income	107	246	206	236	70
Loan Impairment	(107)	(23)	(100)	(100)	(59)
Operating Profit	0	223	105	136	10
Core Operating Profit	20	118	56	36	58
Other impairment	4	16	11	(7)	1
PBT	5	239	116	129	11
Taxes	(3)	(2)	(4)	(2)	(5)
PAT (cont. ops)	2	237	113	127	6
PAT (discont. ops)	(508)	20	84	1	(10)
LEPETE	(54)	(36)	-	-	-
VES, restr. & other one-offs	(26)	(5)	(4)	(101)	(38)
Minorities	1	-	(8)	(9)	(6)
PAT	(586)	216	186	18	(48)

International

€ m	4Q19	3Q19	2Q19	1Q19	4Q18
NII	17	15	16	16	13
Net fees & commissions	3	4	4	3	3
Core Income	20	19	19	19	16
Trading & other income	2	1	2	(0)	1
Income	22	20	21	18	17
Operating Expenses	(9)	(9)	(10)	(10)	(13)
Core Pre-Provision Income	11	10	9	9	3
Pre-Provision Income	13	11	12	9	4
Loan Impairment	2	(37)	2	(3)	(3)
Operating Profit	15	(26)	14	6	1
Core Operating Profit	13	(27)	12	6	0
Other impairment	(0)	(0)	(0)	(0)	(1)
PBT	15	(26)	14	6	(0)
Taxes	1	(1)	(1)	(1)	(3)
PAT (cont. ops)	16	(27)	12	5	(3)



ESMA Alternative Performance Measures (APMs), definition of financial data and ratios used

The FY19 Financial Results Presentation contains financial information and measures as derived from the Group and the Bank financial statements for the year ended 31 December 2019 and for the year ended 31 December 2018, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as endorsed by the EU respectively. Additionally, it contains financial data which is compiled as a normal part of our financial reporting and management information systems. For instance, financial items are categorized as foreign or domestic on the basis of the jurisdiction of organization of the individual Group entity whose separate financial statements record such items.

Moreover, it contains references to certain measures which are not defined under IFRS, including “pre-provision income” (“PPI”), “net interest margin” and others, as defined below. These measures are non-IFRS financial measures. A non-IFRS financial measure is a measure that measures historical or future financial performance, financial position or cash flows but which excludes or includes amounts that would not be so adjusted in the most comparable IFRS measure. The Group believes that the non-IFRS financial measures it presents allow a more meaningful analysis of the Group’s financial condition and results of operations. However, the non-IFRS financial measures presented are not a substitute for IFRS measures.



Definition of financial data, ratios used and alternative performance measures

Name	Abbreviation	Definition
Balance Sheet	B/S	Statement of Financial Position
Binding Offers / Non Binding Offers	BOs / NBOs	
Common Equity Tier 1 Ratio	CET1 Ratio	CET1 capital as defined by Regulation No 575/2013, with the application of the regulatory transitional arrangements for IFRS 9 impact over RWAs
Common Equity Tier 1 Ratio Fully Loaded	CET1 FL Ratio	CET1 capital as defined by Regulation No 575/2013, without the application of the regulatory transitional arrangements for IFRS 9 impact over RWAs
Core Deposits	-	Consists of current, sight and other deposits, as well as savings accounts, and exclude repos and time deposits
Core Income	CI	Net Interest Income ("NII") + Net fee and commission income
Core Operating Result / Profit / Profitability / (Loss)	COP	Core income less operating expenses and loan impairments (impairment charge for credit losses), excluding VES and restructuring costs, the termination of leases, other one off expenses & LEPETE. For FY19, COP excludes the VES costs of €96m, restructuring costs of €14m and termination of leases and other one offs of €27m, as well as the LEPETE charge of €90m. For FY18, COP excludes the VES cost of €66m and restructuring costs of €12m
Core Operating Margin	-	Core operating profit / (loss) annualized over average net loans
Core Pre-Provision Income	Core PPI	Core Income less operating expenses, excluding VES and restructuring costs, the termination of leases, other one off expenses & LEPETE. For FY19, Core PPI excludes the VES costs of €96m, restructuring costs of €14m and termination of leases and other one offs of €27m, as well as the LEPETE charge of €90m. For FY18, Core PPI excludes the VES cost of €66m and restructuring costs of €12m
Core Pre-Provision Margin	Core PPI margin	Core PPI annualized over average net loans
Cost of Risk / Provisioning Rate	CoR	Loan impairments of the year (or for the period annualized) over average net loans
Cost-to-Core Income Ratio	C:CI	Operating expenses over core Income
Cost-to-Income Ratio	C:I	Operating expenses over total income
Deposit Yields	-	Annualized interest expense on deposits over deposit balances
Depreciation	-	Depreciation and amortization on investment property, property & equipment and software & other intangible assets
Equity/Book Value	BV	Equity attributable to NBG shareholders
Fees/Net Fees/Fees and Commissions	-	Net fee and commission income
Forborne	-	Exposures for which forbearance measures have been extended according to EBA ITS technical standards on Forbearance and Non-Performing Exposures
Forborne Non-Performing Exposures	FNPEs	Exposures with forbearance measures that meet the criteria to be considered as non performing according to EBA ITS technical standards on Forbearance and Non-Performing Exposures
Forborne Performing Exposures	FPEs	Exposures with forbearance measures that do not meet the criteria to be considered as non performing according to EBA ITS technical standards on Forbearance and Non-Performing Exposures and forborne exposures under probation period
Forborne Yield	-	Annualized return calculated on the basis of interest income from Forborne loans, over the average accruing Forborne loan balance
Funding cost/Cost of funding	-	The weighted average cost of deposits, ECB refinancing, repo transactions, as well as covered bonds and securitization transactions
General and administrative expenses	G&As	General, administrative and other operating expenses
Gross Book Value	GBV	Loans and advances to customers before ECL allowance for impairment on loans and advances to customers and mandatorily at FVTPL
Gross Loans	-	Loans and advances to customers before ECL allowance for impairment on loans and advances to customers
Interest Earning Assets	-	Interest earning assets include all assets with interest earning potentials and includes cash and balances with central banks, due from banks, financial assets at fair value through profit or loss (excluding Equity securities and mutual funds units), loans and advances to customers and investment securities (excluding equity securities and mutual funds units)
Liquidity Coverage Ratio	LCR	The LCR refers to the liquidity buffer on High Quality Liquid Assets (HQLAs) that a Financial Institution holds, in order to withstand net liquidity outflows over a 30 calendar-day stresses period, as per Regulation (EU) 2015/61
Loan Impairment	-	Impairment charge for Expected Credit Loss (ECL)
Loan / Lending Yield	-	Annualized (or annual) loan interest income over gross performing exposures
Loans-to-Deposits Ratio	L:D	Loans and advances to customers over due to customers, at year end
Minorities	-	Non-controlling interests
Net Fees & Commissions / Fees / Net Fees	-	Refers to net fee and commission income
Net Interest Income	NII	Refers to Net Interest Income



Definition of financial data, ratios used and alternative performance measures

Name	Abbreviation	Definition
Net Interest Margin	NIM	Net interest income over average interest earning assets. Net Interest Margin equals net interest income divided by the average of interest earning assets (the average of interest earning assets at the end of the current year and the end of the previous year and all quarter ends in between (5 periods) for the year end)
Net Stable Funding Ratio	NSFR	The NSFR refers to the portion of liabilities and capital expected to be sustainable over the time horizon considered by the NSFR over the amount of stable funding that must be allocated to the various assets, based on their liquidity characteristics and residual maturities
Net Loans	-	Loans and advances to customers
Net Profit / (Loss)	-	Profit / (loss) for the period attributable to NBG equity shareholders
Non-Performing Exposures	NPEs	Non-performing exposures are defined according to EBA ITS technical standards on Forbearance and Non-Performing Exposures as exposures that satisfy either or both of the following criteria: a) Material exposures which are more than 90 days past due b) The debtor is assessed as unlikely to pay its credit obligations in full without realization of collateral, regardless of the existence of any past due amount or of the number of days past due.
Non-Performing Exposures Coverage Ratio	NPE coverage	ECL allowance for impairment for loans and advances to customers divided by NPEs, excluding loans and advance to customers mandatorily classified as FVTPL, at year end
Non-Performing Exposures Organic Formation	NPE organic formation	Net Balance change, excluding sales & write-offs
Non-Performing Exposures Ratio	NPE ratio	NPEs divided by loans and advances to customers before ECL allowance for impairment, at the end of the period
Non-Performing Loans	NPLs	Loans and advances to customers at amortised cost in arrears for 90 days or more
Non-Staff Costs / Expenses	-	G&As + Depreciation
90 Days Past Due Coverage Ratio	90dpd coverage	ECL allowance for impairment for loans and advances to customers over gross loans in arrears for 90 days or more excluding loans mandatorily classified as FVTPL, at the end of the period
90 Days Past Due Ratio	90dpd ratio / NPL ratio	Gross loans that are in arrears for 90 days or more over gross loans, at the end of the period
Operating Expenses / Costs / Total Costs	OpEx	Personnel expenses + G&As + Depreciation, excluding VES and restructuring costs, the termination of leases, other one off expenses & LEPETE. For FY19, OpEx exclude the VES costs of €96m, restructuring costs of €14m and termination of leases and other one offs of €27m, as well as the LEPETE charge of €90m. For FY18, Core PPI excludes the VES cost of €66m and restructuring costs of €12m
Operating Result / Operating Profit (Loss)	-	Total income less operating expenses and provisions, excluding VES and restructuring costs, the termination of leases, other one off expenses & LEPETE. For FY19, operating result excludes the VES costs of €96m, restructuring costs of €14m and termination of leases and other one offs of €27m, as well as the LEPETE charge of €90m. For FY18, operating result excludes the VES cost of €66m and restructuring costs of €12m
Other Impairments	-	Impairment charge for securities + other provisions and impairment charges on properties
Pre-Provision Income	PPI	Total income less operating expenses, before loan impairments, excluding VES and restructuring costs, the termination of leases, other one off expenses & LEPETE. For FY19, PPI excludes the VES costs of €96m, restructuring costs of €14m and termination of leases and other one offs of €27m, as well as the LEPETE charge of €90m. For FY18, PPI excludes the VES cost of €66m and restructuring costs of €12m
Profit /(Loss) for the period ("PAT") from Continuing Operations	PAT from Continuing Operations	Profit for the period from continuing operations, excluding VES and restructuring costs, the termination of leases, other one off expenses & LEPETE. For FY19, PAT (cont. ops) excludes the VES costs of €96m, restructuring costs of €14m and termination of leases and other one offs of €27m, as well as the LEPETE charge of €90m. For FY18, PAT (cont. ops) excludes the VES cost of €66m and restructuring costs of €12m
Performing Exposure Yield		Return (or annualized return) calculated on the basis on interest income from Performing (and not forborne) loans, over the average accruing Performing (not forborne) loan balance
Performing Loans / Exposures	PEs	Gross loans less NPEs
Profit and Loss	P&L	Income Statement
Provisions (Stock) / Loan Loss Allowance	LLAs	ECL allowance for impairment on loans and advances to customers
Risk Adjusted NII	-	Net Interest Income – Cost of Risk
Risk Adjusted NIM	-	Net Interest Margin – Cost of Risk
Risk Weighted Assets	RWAs	Assets and off-balance-sheet exposures, weighted according to risk factors based on Regulation (EU) No 575/2013
Staff Costs	-	Refers to personnel expenses
Tangible Equity / Book Value	TBV	Common equity less goodwill & intangibles (goodwill, software and other intangible assets)
Taxes	-	Tax benefit / (expenses)
Trading and Other Income / Non Core Income	-	Net trading income/(loss) and results from investment securities ("trading income/(loss)") + Net other income / (expense) ("other income/(expense)")
Total Capital Ratio	-	Total capital as defined by Regulation No 575/2013, with the application of the regulatory transitional arrangements for IFRS9 impact over RWAs
Total Group Deposits	-	Due to customers
Total Lending Yield / Lending Yield	-	Annualized return calculated on the basis of interest income from Total loan book, over the average accruing Total loans balance
VES, restructuring and other one-offs	-	Includes VES, restructuring costs, termination of leases and other one-off costs



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