**NBG Group**

**1Q20 Financial Results**

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**PRESS RELEASE**

Stable underlying organic results and strong trading income, provide substantial flexibility during testing times

* **NBG’s response to the Covid19 crisis**
	+ Capitalizing on the established transformational capacity to weather the storm
	+ Ensuring the health and safety of our employees, customers and stakeholders has been our top priority
	+ Rapid and efficient shift to new Work-from-Home (WFH) operating model, with a peak of 70% of staff working remotely, but cyber-securely and efficiently
	+ The payment moratoria measures to corporate and retail customers lead to c.60K applications, corresponding to c.€4bn in loan balances qtd
	+ Participation in all Government Covid19 support Schemes, including Entrepreneurship Fund II (ΤΕPΙX-ΙΙ), State-Guaranteed new Working Capital, subsidized interest rate payments
	+ Acceleration of digital onboarding and engagement through campaigns to push migration to digital channels and introduction of new functionalities; increase in transactions through digital channels by more than 60%, with monthly active users reaching 1.4m in April (+51% yoy) and >130K customers digitally on-boarded ytd
* **Group PAT from continuing operations reaches €409m in 1Q20 (€131m in 1Q19)**
	+ Stable underlying organic results and large one-offs provide strategic flexibility allowing for absorbing the total anticipated Covid19 related loan impairments1 leaving substantial room to also accommodate NPE-related inorganic actions
	+ NII dropped by 4% yoy to €277m in 1Q20, reflecting mainly the rapid NPE reduction of €4.7bn in 2019, but also bond portfolio sales of previous quarters, as well as higher funding costs from the Tier II issuance in July 2019. NBG domestic loan disbursements were up 53% yoy to €1.1bn in 1Q20, driven by corporate flows
	+ Fees grew by 12% yoy to €66m on the back of strong growth in domestic retail banking fees (+25% yoy), driven by card and intermediation fees
	+ Trading and other income reached €775m in 1Q20 benefitting from large realized gains related to the GGB swap transaction in January (€515m) and the sale of GGBs in the HTCS securities portfolio in February (€264m)
	+ OpEx amounted to €207m in 1Q20, reflecting a reduction in both personnel expenses (-8% yoy) and G&As (-3% yoy), with the increase in depreciation charges arising from IFRS16 first time adoption (FTA) in combination with the Pangaea (currently “Prodea”) deconsolidation in mid-2019
	+ Personnel costs incorporate part of the benefit of the domestic VES launched in 2019 and completed in February 2020, with participation reaching c.1,100 FTEs, of which c.300 left the Bank during 1Q20. The Bank has taken a provisional VES charge of €90m in 1Q20
	+ Loan impairments of €486m in 1Q20 absorb the total anticipated Covid19 impact1, with the related charge coming in at €416m or 143bps over net loans (non-annualized); underlying CoR at 96bps
	+ Group attributable PAT reaches €304m in 1Q20 (€41m in 1Q19), reflecting broadly stable core PPI qoq and a strong trading line, absorbing the total anticipated loan impairments related to Covid-191, as well as the additional €90m VES charge
* **Bank NPE stock edges lower to €10.4bn in 1Q20**
* NPE coverage at 56%, up c.280bps qoq, provides strategic flexibility; NPE reduction continued in 1Q20 (-€0.2bn qoq), driven by organic actions
* NPE inflows increased qoq, as the improvement in flows in the first two months of the year was partially offset in March due to Covid19 related uncertainty, while the gradual implementation of moratoria measures has a retroactive effect
* **Domestic deposits reach €44.0bn (+€1.7bn qoq)**
* Domestic deposits grew by 4.1% qoq, driven by State deposit inflows, while domestic private deposits maintained a positive momentum; LCR & NSFR ratios at levels well above 100%, far exceeding regulatory thresholds
* Eurosystem funding at €5.0bn currently2 from €2.3bn at end-4Q19, comprising of LTRO/TLTRO funding from the ECB, with the ECB eligible unencumbered collateral at €4.3bn and the Bank’s funding cost below the 30bps mark
* **CET1 ratio at 15.5%3, 12.6%3 on a FL basis**
* 1Q20 CET1 stands at 15.53, absorbing the total anticipated Covid19 related loan impairments1 (113bps over RWAs), as well as IFRS9 FY20 transitional adjustments (41bps). On a fully loaded basis, CET1 stands at 12.6%3, 14bps lower vs YE19
* Total capital ratio at 16.4%3 provides a capital cushion of c.490bps compared to the 11.5% 2020 Covid19 revised minimum regulatory levels

Athens, May 28, 2020

1 Subject to the information available at the time of assessment and given the unprecedented levels of uncertainty

2 Data as at 18.05.2020

3 Capital ratios include 1Q20 PAT; reported 1Q20 CET1 and CAD at 14.6% and 15.5%, respectively

*“The Covid19 crisis begins to move to its second phase – with the gradual opening up of the economy – which will be more complex than the first phase, as the market will be testing a new operating model. In this environment, economic actors will be taking important risks, and banks will play a critical role in supporting their clients.*

*Greece will capitalize on its deft handling of the health phase of the crisis and open the economy during the early summer months, in view of its seasonal nature. NBG is committed to supporting its Greek business and household clients weather this period of high uncertainty by providing the necessary liquidity support, both through payment holidays, as well as through new working capital, in conjunction with the critically important Government schemes.*

*NBG’s balance sheet strengths and strategic flexibility are important comparative advantages, especially so in this crisis. The Q1 results support this assertion. Indeed, NBG addressed the issue of incremental Covid19 related provisions decisively by front-loading nearly €0.5bn of loan provisions, including 150bps solely for the Covid19 crisis, raising coverage by c.300bps. Despite this heavy charge, Group PAT exceeded €400m in the quarter, providing further flexibility in NBG’s NPE strategy, including the space for inorganic actions (e.g. a securitization).*

*Looking forward, to the extent possible in this unique environment, some issues appear clear: First, that the arrival of digital banking is accelerating rapidly; Second, that a new, more efficient operating model will emerge, inter alia, for banks; Third, the crisis will lead to structural change in the economy, which the most flexible and adept will capture.*

*To this end, NBG’s transformation effort provides another significant comparative advantage. This was exemplified by our results in changing the Bank during the past 2 years, as well as the successful response over the past 3 months to the Covid19 crisis, effectively setting up a secure Work from Home operating model, while simultaneously serving our clients efficiently, including through an extensive digital offering. The NBG team will continue to rise to the oncoming challenges, fulfilling, and more, its historical role in this national effort.”*

*Athens, May 28th, 2020*

*Pavlos Mylonas*

*Chief Executive Officer, NBG*

Key Financial Data

**P&L | Group**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **€ m** | **1Q20** | **1Q19** | ***YoY*** | **4Q19** | ***QoQ*** |
| NII | 277 | 290 | *-4%* | 288 | *-4%* |
| Net fees & commissions | 66 | 59 | *+12%* | 71 | *-7%* |
| **Core income** | **343** | **349** | ***-2%*** | **359** | ***-4%*** |
| Trading & other income1 | 775 | 100 | *>100%* | (17) | *n/m* |
| **Income** | **1,119** | **448** | ***>100%*** | **342** | ***>100%*** |
| Operating expenses | (207) | (203) | *+2%* | (221) | *-7%* |
| **Core PPI** | **137** | **145** | ***-6%*** | **138** | *-****1%*** |
| **PPI** | **912** | **245** | ***>100%*** | **120** | ***>100%*** |
| Loan impairments  | (486) | (103) | *>100%* | (105) | *>100%* |
| **Operating profit** | **426** | **142** | ***>100%*** | **16** | ***>100%*** |
| **Core Operating Profit1** | **672**  | **43**  | ***+56%*** | **33**  | ***>100%*** |
| Other impairments | (12) | (8) | *+65%* | 4 | *n/m* |
| **PBT** | **413** | **135** | ***>100%*** | **20** | ***>100%*** |
| Taxes | (4) | (4) | *+26%* | (2) | *+91%* |
| **PAT (continuing operations)** | **409** | **131** | ***>100%*** | **18** | ***>100%*** |
| PAT (discontinued operations) | 1 | 21 | *-95%* | (571) | *n/m >100% >100%* |
| LEPETE | (10) | - | *n/m* | (54) | *-81%* |
| VES, restructuring & other one offs3 | (95) | (101) | *-6%* | (26) | *>100%* |
| Minorities | (1) | (10) | *-95%* | (0) | *n/m* |
| **PAT (reported)** | **304** | **41** | ***>100%*** | **(633)** | ***>100%*** |

1 Includes the gains from a) the GGB swap arrangement (€65m) in 1Q19 and b) the GGBs exchange (€515m) and the sale of GGBs in HTCS securities portfolio (€264m) in 1Q20 / 2 Excluding trading & other income of €775m and Covid19 related loan impairments of €416 in 1Q20 / 3 VES costs of €90m, restructuring costs of €3m and other one offs of €2m for 1Q20, VES costs of €94m and restructuring costs of €7m for 1Q19 and VES cost of €1m and termination of leases and other one offs of €25m for 4Q19

**Balance Sheet1 | Group**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **€ m** | **1Q20** | **4Q19** | **3Q19** | **2Q19** | **1Q19** |
| **Total assets** | **69,168** | **64,248** | **65,828** | **65,131** | **64,217** |
| Loans (Gross) | 34,871 | 34,938 | 35,321 | 37,177 | 38,483 |
| Provisions (Stock) | (5,958) | (5,757) | (6,351) | (7,376) | (8,566) |
| **Net loans** | **28,913** | **29,181** | **28,970** | **29,801** | **29,917** |
| **Performing loans1** | **24,105** | **24,002** | **23,471** | **23,808** | **23,707** |
| Securities | 11,537 | 9,352 | 8,993 | 10,154 | 9,123 |
| Deposits | 45,364 | 43,648 | 42,809 | 42,943 | 42,500 |
| **Equity** | **5,140** | **5,259** | **5,880** | **5,550** | **5,078** |
| Tangible Equity  | 4,927 | 5,058 | 5,704 | 5,390 | 4,933 |

1 Group Balance Sheet has been adjusted for the divestments of CAC Coral, Ethniki Insurance, Banca Romaneasca, NBG Cyprus and NBG Egypt that have been classified as non-current assets held for sale and liabilities associated with non-current assets held for sale / 2 Performing loans = Gross loans – NPEs

**Key Ratios | Group**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **1Q20** | **4Q19** | **3Q19** | **2Q19** | **1Q19** |
| **Liquidity** |  |  |  |  |  |
| L:D ratio | 64% | 67% | 68% | 69% | 70% |
| LCR  | 171% | 207% | 198% | 171% | 151% |
| **Profitability** |  |  |  |  |  |
| NIM (bps) | 234 | 259 | 270 | 277 | 264 |
| C:CI ratio  | 60% | 62% | 59% | 55% | 58% |
| Core PPI (bps) | 188 | 190 | 205 | 222 | 194 |
| CoR (bps) | 2401 | 144 | 81 | 132 | 137 |
| COP margin (bps) | 922 | 46 | 124 | 90 | 57 |
| **Asset quality** |  |  |  |  |  |
| NPE ratio | 30.9% | 31.3% | 33.5% | 36.0% | 38.4% |
| NPE coverage ratio | 56.2% | 53.4% | 54.5% | 55.9% | 58.7% |
| **Capital** |  |  |  |  |  |
| CET1 ratio | 15.6%3 | 16.2%3 | 16.8%3 | 16.0%3 | 15.7% |
| CET1 FL ratio  | 12.8%3 | 12.9%3 | 13.4%3 | 12.6%3 | 12.7% |
| RWAs (€bn) | 36.53 | 36.93 | 37.03 | 37.43 | 35.1 |

1 1Q20 CoR = underlying loan impairments of €70m in 1Q20 plus the Covid19 related loan impairments of €416m over average net loans / 2 Excluding trading & other income of €775m and Covid19 related loan impairments of €416 in 1Q20 / 3 Including period PAT and the impact of agreed divestments of international subsidiaries

**P&L | Greece**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **€ m** | **1Q20** | **1Q19** | ***YoY*** | **4Q19** | ***QoQ*** |
| NII | 262  | 274  | *-4.4%* | 271  | *-3.4%* |
| Net fees & commissions | 63  | 56  | *13%* | 68  | *-7%* |
| **Core income** | **325**  | **330**  | ***-1%*** | **339**  | ***-4%*** |
| Trading & other income1 | 775  | 100  | *>100%* | (20)  | *n/m* |
| **Income** | **1,100**  | **430**  | ***>100%*** | **320**  | ***>100%*** |
| Operating expenses | (197)  | (194)  | *2%* | (213)  | *-7%* |
| **Core PPI** | **128**  | **136**  | ***-6%*** | **127**  | ***1%*** |
| **PPI** | **903**  | **236**  | ***>100%*** | **107**  | ***>100%*** |
| Loan impairments  | (486)  | (100)  | *>100%* | (107)  | *>100%* |
| **Operating profit** | **418**  | **136**  | ***>100%*** | **0**  | ***>100%*** |
| **Core operating profit** | **582**  | **36**  | ***+62%*** | **20**  | ***>100%*** |
| Other impairments | (12)  | (7)  | *66%* | 4  | *n/m* |
| **PBT** | **405**  | **129**  | ***>100%*** | **5**  | ***>100%*** |
| Taxes | (1)  | (2)  | *-57%* | (3)  | *-72%* |
| **PAT (continuing operations)** | **404**  | **127**  | ***>100%*** | **2**  | ***>100%*** |
| PAT (discontinued operations) | 4  | 1  | *>100%* | (508)  | *n/m* |
| LEPETE | (10)  | -  | *n/m* | (54)  | *-81%* |
| VES, restructuring & other one offs3 | (95)  | (101)  | *-6%* | (26)  | *>100%* |
| Minorities | -  | (9)  | *n/m* | 1  | *n/m* |
| **PAT (reported)** | **303**  | **18**  | ***>100%*** | **(586)**  | ***n/m*** |

1Includes the gains from a) the GGB swap arrangement (€65m) in 1Q19 and b) the GGBs exchange (€515m) and the sale of GGBs in HTCS securities portfolio (€264m) in 1Q20 / 2 Excluding trading & other income of €775m and Covid19 related loan impairments of €416 in 1Q20 / 3VES costs of €90m, restructuring costs of €3m and other one offs of €2m for 1Q20, VES costs of €94m and restructuring costs of €7m for 1Q19 and VES cost of €1m and termination of leases and other one offs of €25m for 4Q19

**P&L | International1**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **€ m** | **1Q20** | **1Q19** | ***YoY*** | **4Q19** | ***QoQ*** |
| NII | 15  | 16  | *-4%* | 17  | *-11%* |
| Net fees & commissions | 3  | 3  | *-3%* | 3  | *-3%* |
| **Core income** | **18**  | **19**  | ***-4%*** | **20**  | ***-10%*** |
| Trading & other income | 0  | (0)  | *n/m* | 2  | *-91%* |
| **Income** | **18**  | **18**  | ***-1%*** | **22**  | ***-18%*** |
| Operating expenses | (9)  | (10)  | *-3%* | (9)  | *6%* |
| **Core PPI** | **9**  | **9**  | ***-4%*** | **11**  | ***-23%*** |
| **PPI** | **9**  | **9**  | ***1%*** | **13**  | ***-34%*** |
| Loan impairments | (1)  | (3)  | *-77%* | 2  | *n/m* |
| **Operating profit** | **8**  | **6**  | ***34%*** | **15**  | ***-47%*** |
| **Core operating profit** | **8**  | **6**  | ***25%*** | **13**  | ***-39%*** |
| Other impairments | (0)  | (0)  | *0%* | (0)  | *-67%* |
| **PBT** | **8**  | **6**  | ***35%*** | **15**  | ***-46%*** |
| Taxes | (3)  | (1)  | *>100%* | 1  | *n/m* |
| **PAT (continuing operations)** | **5**  | **5**  | ***2%*** | **16**  | ***-71%*** |
| PAT (discontinued operations) | (3)  | 20  | *n/m* | (63)  | *-95%* |
| Minorities | (1)  | (1)  | *0%* | (1)  | *0%* |
| **PAT (reported)** | **1**  | **24**  | ***-96%*** | **(47)**  | ***n/m*** |

1 International (continuing) operations include the Group’s business in North Macedonia (Stopanska Banka) and Malta (NBG Malta)

Profitability

Greece

**PAT from continuing operations** amounted to €404m in 1Q20 from €127m in 1Q19 (€2m in 4Q19), excluding a VES provisional charge of €90m, 1Q20 LEPETE charge of €10m, as well as restructuring and other one-off costs of €5m. **PAT from discontinued operations** stood at €4m in 1Q20 against losses of €508m in 4Q19 that included the impairment of Ethniki Insurance.

**Operating profit** reached €418m in 1Q20 from €136m in 1Q19 and against a break even result in 4Q19, reflecting flattish Core PPI qoq and strong trading & other income aided by the swap and sales of GGBs during 1Q20 of €779m, absorbing already in 1Q20 the total anticipated Covid19 related loan impairments1.

**NII** amounted to €262m in 1Q20 from €274m in 1Q19 (-4.4% yoy), mainly as a result of the strong NPE reduction of €4.7bn in 2019, but also due to bond portfolio sales throughout 2019 and in 1Q20, as well as higher funding costs from the Tier II issuance in July 2019. 1Q20 **NIM** decreased by 31bps yoy to 231bps, reflecting GGBs sales and swap, the Tier II cost, as well as an increase in cash reserves (up by €3.1bn yoy). On a quarterly basis, NII declined by 3.4% qoq.

Following a seasonally strong 4Q19, **net fee and commission income** amounted to €63m in 1Q20, up by 13.3% yoy, reflecting strong growth in retail banking fees (+25.0% yoy) on the back of increased card (+64.2% yoy) and intermediation fees (+25.9% yoy).

**Trading income** amounted to €788m in 1Q20, benefitting from gains from the GGBs swap (€515m) and the sale of GGBs in HTCS securities portfolio (€264m) in the quarter.

**Operating expenses** amounted to €197m in 1Q20 from €194m in 1Q19, reflecting the further reduction in both personnel expenses (-8.2% yoy) and G&As (-1.6% yoy), with the increase in depreciation charges (65.9% or €15m higher yoy) arising from the FTA of the IFRS16 in combination with the deconsolidation of Pangaea (currently “Prodea”) in mid-2019. The reduction in personnel expenses incorporates part of the benefit of the VES offering that expired in February 2020, with c.1,100 employees leaving the Bank (c.800 FTEs in 2019 and an additional c.300 employees in 1Q20), while NBG has taken a provisional VES charge of €90m in 1Q20. On a quarterly basis, operating expenses dropped by 7.2% qoq due to G&A seasonality (-19.8% qoq). Personnel expenses declined by 3.4% qoq.

**Loan impairments** amounted to €486m in 1Q20 from €100m in 1Q19 (and €107m in 4Q19), reflecting the full absorption of the total anticipated Covid19 related loan impairments[[1]](#footnote-1). The related charge came in at €416m, equal to 150bps over net loans (non-annualized), while underlying CoR stood at 100bps in 1Q20.

International:[[2]](#footnote-2)

In International2 operations, the Group reported **profit after tax (continuing operations)** of €5m in 1Q20, flat yoy.

Asset Quality

NPE reduction continued in 1Q20, with the stock of Bank NPEs down by €0.2bn qoq to €10.4bn, driven by organic actions.

In Greece, the **NPE ratio** decreased by c.40bps qoq and c.730bps yoy to 31.8% in 1Q20, with **NPE coverage** at 56.0% from 53.2% in 4Q19, up by c. 280bps qoq.

NPE inflows increased qoq, as the improvement in flows in the first two months of the year was partially offset in March due to Covid19 related uncertainty, while the gradual implementation of moratoria measures has a retroactive effect.

International[[3]](#footnote-3) 1Q20 NPE ratio and coverage settled at 9.3% and 73.1%, respectively.

|  |  |
| --- | --- |
| **90dpd ratios and coverage** | **NPE ratios and coverage** |

**Domestic NPE stock movement (€bn)**

Capital

Including 1Q20 results, CET1 ratio stood at 15.5%[[4]](#footnote-4), with Total Capital ratio at 16.4%4. Both ratios are comfortably above the Covid19 revised capital requirements for 2020, absorbing the total anticipated loan impairments related to Covid19[[5]](#footnote-5) (113bps over RWAs), as well as IFRS9 FY20 transitional adjustments (41bps). On a fully loaded basis, CET1 stands at 12.6%4, 14bps lower vs YE19 level.

**1Q20 CET1 ratio movement**

CET1 FL: 12.8%

CET1 FL: 12.6%

**Total Capital ratio at 16.4%**

OCR: 11.50%

RWAs: €36.5bn

CET1: €5.7bn

RWAs: €36.9bn

RWAs: €37.4bn

CET1: €6.0bn

Liquidity

**Group deposits** increased by 3.9% qoq to €45.4bn, driven by the domestic market. Deposits in Greece reached €44.0bn, reflecting quarterly inflows of €1.7bn driven by State deposits, while domestic private deposits maintained a positive momentum. International deposits dropped by 0.7% qoq to €1.4bn. On an annual basis, Group deposits grew by 6.7% yoy, driven by domestic deposit inflows of €2.8bn. Following sustained repricing of time deposits, their yield dropped by 12bps qoq to 52bps, with the frontbook coming in at 31bps.

As a result, NBG’s 1Q20 **L:D ratio** settled at 63% in Greece and 64% at the Group level.

**Eurosystem funding** amounts to €5.0bn currently[[6]](#footnote-6) from €3.4bn in 1Q20 and €2.25bn at end-4Q19, with interbank exposure at €0.9bn. Benefitting from the repricing of time deposits and low cost liquidity from the ECB, the Bank’s funding cost is currently below the 30bps mark, while enjoying a large liquidity buffer of €10.5bn in cash terms. **LCR** and **NSFR** are kept at very high levels well above 100%, far exceeding regulatory thresholds.

**Eurosystem funding (€bn)**

€0.9bn of interbank funding

**ELA1**

1ELA funding eliminated since 2017

**ECB**

**NBG domestic deposit flows (€bn)**

**+€8.5bn**

**-€10.6bn**

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

The 1Q20 Financial Results Press Release contains financial information and measures as derived from the Group and the Bank financial statements for the period ended 31 March 2020 and for the year ended 31 December 2019, which have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” and 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 are non-IFRS financial measures. A non-IFRS financial measure is one 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.

|  |  |  |
| --- | --- | --- |
| **Name** | **Abbreviation** | **Definition** |
| Balance Sheet  | B/S | Statement of financial position |
| 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 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, excluding VES and restructuring costs, the termination of leases, other one off expenses & LEPETE. COP excludes LEPETE charge of €10m, VES costs of €90m, restructuring costs of €3m and other one offs of €2m for 1Q20, LEPETE charge of €54m, VES cost of €1m and termination of leases and other one offs of €25m for 4Q19 and VES costs of €94m and restructuring costs of €7m for 1Q19 |
| Core Pre-Provision Income | Core PPI | Core Income less operating expenses, before loan impairments, excluding VES and restructuring costs, the termination of leases, other one off expenses & LEPETE. Core PPI excludes LEPETE charge of €10m, VES costs of €90m, restructuring costs of €3m and other one offs of €2m for 1Q20, LEPETE charge of €54m, VES cost of €1m and termination of leases and other one offs of €25m for 4Q19 and VES costs of €94m and restructuring costs of €7m for 1Q19 |
| Cost of Risk  | CoR | Loan impairments of the year (or of the period annualized) over average net loans  |
| Cost-to-Core Income Ratio | C:CI ratio | Operating expenses over core income |
| Cost-to-Income Ratio | C:I ratio  | Operating expenses over total income  |
| Deposit Yields |  | Annualized interest expense on deposits over deposit balances |
| Deposits  | -- | Due to customers  |
| Depreciation | -- | Depreciation and amortisation on investment property, property & equipment including right of use assets and software & other intangible assets |
| Equity / Book Value | BV | Equity attributable to NBG shareholders  |
| Fees / Net Fees  | -- | Net fee and commission income |
| General and administrative expenses  | G&As | General, administrative and other operating expenses |
| Gross Loans | -- | Loans and advances to customers before ECL allowance for impairment on loans and advances to customers and mandatorily at FVTPL |
| 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 of High Quality Liquid Assets (HQLAs) that a Financial Institution holds, in order to withstand net liquidity outflows over a 30 calendar-day stressed period, as per Regulation (EU) 2015/16 |
| Loan Impairments  | -- | 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 ratio  | Loans and advances to customers over due to customers, at year end  |
| Minorities  |  | Non-controlling interest  |
| Net Fees & Commissions / Fees / Net Fees | -- | Refers to net fee and commission income  |
| 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 |
| 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 | NPE balance change at year end / period end, excluding sales and 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, period end 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 / 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. OpEx exclude LEPETE charge of €10m, VES costs of €90m, restructuring costs of €3m and other one offs of €2m for 1Q20, LEPETE charge of €54m, VES cost of €1m and termination of leases and other one offs of €25m for 4Q19 and VES costs of €94m and restructuring costs of €7m for 1Q19 |
| Operating Result / Operating Profit / (Loss) | -- | Total income less operating expenses and loan impairments. Operating result excludes VES costs of €90m, restructuring costs of €3m and other one offs of €2m for 1Q20, VES cost of €1m and termination of leases and other one offs of €25m for 4Q19 and VES costs of €94m and restructuring costs of €7m for 1Q19 |
| Other Impairments  | -- | Impairment charge for securities + other provisions and impairment charges on properties |
| Profit / Loss) for the Period from Continuing Operations | PAT from continuing operations / PAT (cont. ops) | Profit for the period from continuing operations, excluding VES and restructuring costs, the termination of leases, other one off expenses & LEPETE. PAT (cont. ops) excludes LEPETE charge of €10m, VES costs of €90m, restructuring costs of €3m and other one offs of €2m for 1Q20, LEPETE charge of €54m, VES cost of €1m and termination of leases and other one offs of €25m for 4Q19 and VES costs of €94m and restructuring costs of €7m for 1Q19 |
| Pre-Provision Income | PPI | Total income less operating expenses, before loan impairments |
| Profit and Loss  | P&L | Income statement  |
| Provisions (Stock) / Loan Loss Allowance | LLAs | ECL allowance for impairment on loans and advances to customers |
| Staff Costs | -- | Personnel expenses |
| Risk Adjusted NIM  | -- | NIM minus CoR |
| Risk Weighted Assets  | RWAs | Assets and off-balance-sheet exposures, weighted according to risk factors based on Regulation (EU) No 575/2013 |
| Tangible Equity / Book Value  | TBV | Common equity less goodwill, software and other intangible assets |
| Taxes | -- | Tax benefit / (expenses) |
| Total Capital Ratio  | -- | Total capital as defined by Regulation No 575/2013, with the application of the regulatory transitional arrangements for IFRS 9 impact over RWAs |
| Total Group Deposits  | -- | Due to customers  |
| Total Lending Yield / Lending Yield |  | Return (or annualized return) calculated on the basis of interest income from Total loan book, over the average accruing Total loans balance |
| VES, restructuring & other one offs | -- | Includes VES costs, restructuring costs, termination of leases and other one off costs  |

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**Awards**

1. Subject to the information available at the time of assessment and given the unprecedented levels of uncertainty [↑](#footnote-ref-1)
2. International (continuing) operations include the Group’s business in North Macedonia (Stopanska Banka) and Malta (NBG Malta) [↑](#footnote-ref-2)
3. International (continuing) operations include the Group’s business in North Macedonia (Stopanska Banka) and Malta (NBG Malta) [↑](#footnote-ref-3)
4. Capital ratios include 1Q20 PAT; reported 1Q20 CET1 and CAD at 14.6% and 15.5%, respectively [↑](#footnote-ref-4)
5. Subject to the information available at the time of assessment and given the unprecedented levels of uncertainty [↑](#footnote-ref-5)
6. Data as at 18.05.2020 [↑](#footnote-ref-6)