NATIONAL BANK OF GREECE

Group and Bank

Six-month Financial Report

for the period ended 30 June 2021

August 2021

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Chairman’s Statement

Gikas A. Hardouvelis | Chairman of the Board of Directors

“In the first half of 2021, National Bank of Greece (“NBG” or the “Bank”) continued to work efficiently towards its strategic goals, demonstrating swift decision-making and adaptability to the unfolding COVID-19 pandemic, with the health and safety of its employees, customers and stakeholders remaining a top priority.

The Bank was very proactive in supporting our clients through moratoria and funding schemes. This was made possible thanks to an unprecedented number of national and European public policy support measures, related to fiscal policy, monetary policy, and regulatory policy. The successful roll out of the Greek State’s vaccination campaign provides hope that economic and social life will soon return to normal.

From the onset of the pandemic, NBG understood the dynamics and opportunities of a swift digital transformation, implementing a rigorous digital transition plan that has yielded impressive results. It has also managed to reduce the domestic stock of non-performing loans, inherited from the decade- long domestic economic crisis, to €4.0 billion, thanks to a major securitization, which is near completion.

In the first half of 2021 NBG also launched its revamped Purpose & Values statement, under the umbrella title: “To Create Future Together.” Our Purpose & Values are based on four shared fundamental principles: Human Centricity, Growth, Trustworthiness, and Responsiveness. These four principles guide our overall strategy, corporate culture, and corporate communications. They are espoused by the full body of our employees and our executives throughout the Bank’s 180-year history.

The prospective capital inflows from the “Next Generation EU” European Recovery Fund coupled with the Multi-Annual Fiscal Framework funds, are expected to provide a solid foundation for an acceleration of investments and the ongoing economic recovery. Such a growth opportunity is unique. Hence, looking forward to the rest of 2021 and beyond, we expect favorable economic conditions to prevail in the financial and the real economy, allowing the Bank to continue its focus on the effective execution of our strategy in full alignment with our vision, mission, culture & values.

From my new role, as the Chair of the Board, I would like to reiterate our commitment to making NBG the “Bank of First Choice” for our customers, our shareholders, and society. We will also work intensely to ensure that NBG continues to operate under the guidance of the universal Environmental, Social and Governance (“ESG”) principles. Our commitment to ESG is evident in our lending in renewable energy, the issuance of the first green bond in Greece, our support of numerous social organizations, and our robust and transparent governance structure.”

Athens, 4 August 2021

Gikas A. Hardouvelis
Chairman of the Board of Directors

Chief Executive Officer's Statement

Pavlos K. Mylonas | Chief Executive Officer

"The tug-of-war between the Delta variant of COVID-19 and the vaccination program is ongoing, with expectations that the latter will pull ahead in autumn, as the vaccination rate in Greece reaches the critical 70% milestone. Expectations that better days are expected in the Greek economy result economic activity accelerating by double digit growth rates during 2Q.21 and will continue to be strong during the final half of the year.

Following the expiry of moratoria at the end of 2020, we offered step-up solutions to both corporate and retail customers that continued to need some support. In addition, we disbursed to our clients loans from government support as well as the two state-subsidy programs (Gefyra I and Gefyra II).

Despite the mobility restrictions that were in place for a large part of 1H.21, we continued making solid progress towards our strategic goals, especially through our Transformation mechanism, which has proven to be an important competitive advantage.

On Non Performing Exposures ("NPE"), we are close to the completion of Project Frontier, our large NPE securitization transaction of c. €6 billion. However, apart from Project Frontier, and despite the pandemic, loan restructurings continue at a solid pace, resulting in net curings and hence continued organic reduction in NPEs.

In the corporate business, our newly established Corporate Transaction Banking team has been improving cross-selling, including digital product sales. In the retail business, we continue to invest and improve our already advanced digital offering, launching innovative products and services. The results in customer engagement are very impressive. Indicatively, despite NBG being a bank with very traditional clients, currently more than 95% of the number of transactions take place outside our branch network, through our digital channels. It is now becoming evident that NBG has the best digital offering in the Greek market. During 1H.21, we were the first and only Greek bank to launch an end-to-end digital loan for small business customers of up to €35k, approved and disbursed within 48 hours. We also expanded our digital 'onboarding' to corporate customers, in addition to retail customers launched in early 2020.

For our people strategy, the roll out of the first year of the new Performance Management System is complete, while the new Variable Remuneration Scheme throughout the Bank was launched. In order to enhance our cultural transformation, we have finalized an internal process for re-establishing our Purpose and Values and launched them internally through a phygital event engaging all our people. I believe that the initiatives taken in this area are among the most significant for the long-term future of the Bank.

Capitalizing on all the above achievements, in the first half of the year, and despite lockdown for a good part of it, we managed to produce a strong adjusted PAT from continued operations of €622 million, reflecting recovery across all our core profitability lines, as well as a strong trading result. Notably, the core cost income ratio dropped to 50% in 2Q.21 and fees increased 10% on an annual basis. More importantly, excluding trading gains and after provisions, 1H.21 Group Core Operating Profit surged by 58% year-on-year to €206 million, bringing us considerably closer to achieving recurring annual profitability of c€0.5 billion equal to a core Return on Equity of c. 9% next year.

On the asset quality front, our domestic NPE exposure dropped further to €4.0 billion, or 12.8% (pro-forma, including the senior bond from the Frontier securitization), with our cash coverage increasing further to 66.4%. NPE formation remained negative, adding up to a total organic NPE decline of €0.2 billion in 1H.21, despite the expiry of all moratoria at end-2020. Indeed, payment performance of loans previously under moratoria remains very good, with just 3% of these accounts above 90dpd. Of equal importance is that just an additional 1% of the ex-moratoria clients are currently in early arrears (>30dpd), boding well for the performance of this book going forward.

Regarding our capital adequacy, it has been further enhanced in 2Q.21, with CET1 and total capital ratios standing at 16.0% and 17.0%. Our capital position is expected to improve further by c. 170bps upon completion of the Project Frontier and Ethniki Insurance Company S.A. ("Ethniki Insurance") transactions.

In our international footprint, we have decided to wind-down our United Kingdom branch, mainly due to the business limitations stemming from Brexit. Our franchise in Northern Macedonia, Stopanska Banka A.D.-Skopje, continues to generate solid results. In the context of compliance with the remaining Commitments of our Restructuring Plan, we have started the wind-down of our Egyptian operations and are significantly reducing our presence in the Cypriot market. Our goal is to exit the Restructuring Plan as soon as the sale of the Ethniki Insurance transaction closes in the coming months.

On the Environment, Social and Governance ("ESG") front, NBG has traditionally been strongly acknowledged as an active supporter of numerous initiatives in the culture, health, society and environmental areas and will continue to play an important role in the future. Since the start of the pandemic we have donated specialised machinery to hospitals as well as new intensive care units to the city of Thessaloniki. In the area of social support and culture, NBG and its Cultural Foundation ("MIET"), have consistently played an important role. Regarding the environment, NBG holds the largest, by far, market share in financing of renewable energy projects.

Looking ahead, the funds from the Recovery and Resilience Fund for Greece, combined with further structural reforms in the country will lead to an investment boom. Capitalizing on our much improved service and operating model arising from the successful Transformation Program, which has just completed its third year, NBG is very well positioned to support our clients in this environment of high and sustainable growth, achieving our goal of NBG being the Bank of First Choice. In view of these positive prospects, we remain focused to deliver our ambitious targets for profitability, NPE reduction, and capital adequacy, providing added value to our clients and shareholders."

Athens, 4 August 2021

Pavlos K. Mylonas
Chief Executive Officer

Certification of the Board of Directors
on the six-months Financial Report as at 30 June 2021

Certification of Chairman, Chief Executive Officer and a member of the Board of Directors pursuant to Article 5 of Greek Law 3556/07, as in force.

We, the members of the Board of Directors of National Bank of Greece S.A. certify that to the best of our knowledge:

(1) The Interim Financial Statements for the six-month period ended 30 June 2021 has been prepared in accordance with the current accounting standards and present a true and fair view of the Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement of the Bank and of the companies included in the consolidation.

(2) The Board of Directors Report for the six-month period ended 30 June 2021 truly and fairly presents all information required by Article 5, Para 6 of Greek Law 3556/07, as in force.

Athens, 4 August 2021

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE BOD MEMBER
GIKAS A. HARDOUVELIS	PAVLOS K. MYLONAS	MATTHIEU A. KISS

NATIONAL BANK
OF GREECE

Board of Directors Report

First half 2021

For the six months period ended 30 June 2021

Key Highlights

First half 2021 Group Financial Results

Adjusted Group profit for the period from continuing operations at €622 million, up 33.8% on an annual basis

Adjusted Group profit for the period from continuing operations

€622 million for the period ended 30 June 2021 (30 June 2020: €465 million).

Domestic new loan disbursements

Domestic loan disbursements reach €2.0 billion (+9.0% year-over-year (“y-o-y”), aided by corporates.

Non-Performing Exposures (“NPEs”)

Domestic NPE stock reaches the €4.0 billion.

Common Equity Tier 1 ratio (“CET1”)

The Group’s CET1 and Total Capital ratios at 30 June 2021 were 14.3% and 15.2%, respectively, exceeding the 2021 Overall Capital Requirement (“OCR”) of 11.5%, post capital relief measures.

Digital functionality

Digital transactions soared, supported by our efforts to increase user engagement and enhance the digital capabilities of our customers

The introduction of new digital capabilities in combination with campaigns to promote digital channels led to a significant acceleration of digital usage and engagement:

- 34.5% y-o-y increase in transactions via digital channels.
- Digital active users reach 2.3 million (+28.0% y-o-y).
- More than 220,000 new digital users registered year-to-date.

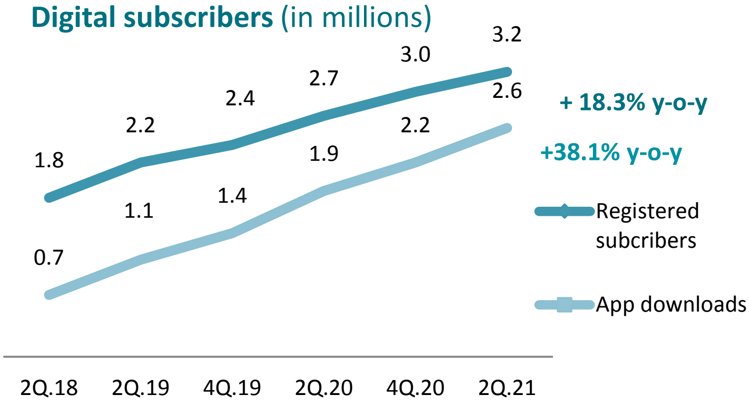
Acceleration of digital transformation and new digital functionalities

A digital leap forward creating a new competitive advantage

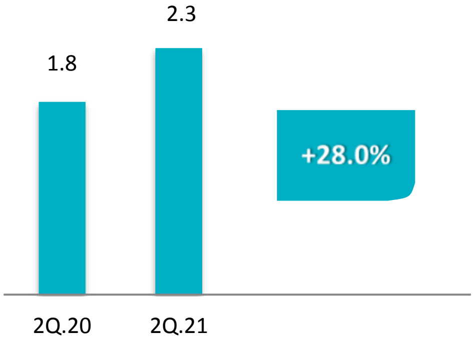
	Key digital metrics	New digital functionalities
Onboard	– **Digital subscribers:** 3.2 million (+18.3% y-o-y). – **Mobile app downloads:** 2.6 million (+38.1% y-o-y).	**Digital onboarding** for legal Entities.
Engage	– **Digital active users (12 months):** 2.3 million (+28.0% y-o-y). – **Digital active users (1 month):** 1.8million (+24.6% y-o-y).	• **eGov integration** for Know your Customer ("KYC") data updates. • **Cards transaction dispute.** • **Tokenization** (payments using smartphone) in NBG mobile app. • **FX transfers** for shipping customers.
Gross-sell	– **Digital sales:** c.114k items (+22.4% y-o-y).	• **Sight accounts** for self-employed and legal entities. • **Auto insurance** available via Internet Banking. • **End-to-end credit line** for legal entities and Self-employed. • **POS devices & e-commerce/ key2pay** for self-employed • **Product bundles** (e-value & Value Plus) available via Internet Banking. • **Debit cards** for legal entities.

Digital transactions soared, supported by our efforts to accelerate onboarding & engagement and to enhance the digital capabilities of our customers

Digital subscribers (in millions)



Digital active users (in millions)



Response to COVID-19 crisis

The health and safety of our employees, customers and stakeholders, together with our ability to continue to deliver services, is our top priority

Our People

- We ensured that the majority of our employees at headquarters were **able to work remotely, activating our Crisis Management Plan ("CMP") sites** to decongest critical on-site based operations;
- activated **rigorous incident management processes**;
- ensured required **protective and cleaning materials were made available to employees**;
- deployed **extensive internal communications**;
- secured uninterrupted operations by **redesigning critical processes** to facilitate remote work while at the same time ensuring that emerging risks were mitigated by adequate and efficient controls.

Our Customers

- We shifted towards **digital banking platforms** to ensure nationwide service availability to our customers;
- redirected resources to prepare for the necessary **financial support** to our customer base, mitigating the immediate impact of the COVID-19 pandemic;
- implemented **payment moratoria for corporate and retail customers**;
- participated in **all State Schemes COVID-19 support schemes;**
- deployed **extensive external communications**.

Our Stakeholders

- We kept our employees, customers, shareholders, investors and regulatory bodies **informed at all times** by raising awareness about key hygiene measures, travel restrictions and policies;
- **encouraged and educated** our customers to use digital channels.

Our Society

- We **donated medical equipment** to the National Health System;
- We **monitored closely** the parameters relating to the pandemic health crisis and maintained support for our employees, customers, stakeholders and society through these unprecedented times.

Key achievements and significant developments of NBG Group in the first half of 2021

Large scale Transformation Program

Building upon its long-lasting tradition of trust and contribution to the Greek economy and society, the National Bank of Greece ("NBG" or the "Bank") embarked on a large-scale Transformation Program (see section "*Transformation Program*") in the second half of 2018 to transform the Bank, responding to the challenges and tapping the business opportunities presented by the rapidly changing economic and banking landscape.

The Transformation Program addresses the strategic priorities that leverage on our strengths and address our weaknesses. Three years into its implementation, the Transformation Program has delivered impressive results in terms of core profitability – fully in line with the Bank's financial and business targets up to 2023 – and tangible improvements to NBG's business and operating model. These results are delivered through discrete workstreams encompassing 45+ initiatives and involving 1,000+ managers and employees of the Bank.

NPE reduction plan

From December 2015 to June 2021, the Group achieved a decrease of €17.8 billion of the NPE stock through a combination of organic and inorganic actions, with Group NPE stock as of 30 June 2021 at €4.1 billion (Bank: €3.9 billion). Similarly, the NPE ratio dropped from 46.8% to 13.9% post to the Project "Frontier" classified as Held for Sale (see below). More specifically, NPE reduction continued in 1H.21, with the stock of domestic NPEs reduced further by €0.1 billion to €4.0 billion, reflecting organic actions, mainly through restructurings/debt forgiveness and liquidations.

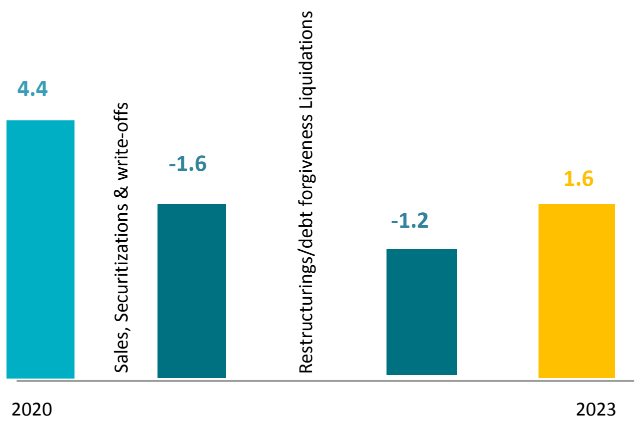
Payment performance of ex moratoria performing clients remains far better than expected, with only c. 3% performing moratoria beneficiaries in default as of June 2021 and just 1% currently in early arrears (>30 days past due ("dpd")). Moreover, c. 60% of performing moratoria clients remain low risk and have thus received no subsequent payment relief.

Domestic NPE ratio dropped by c. 110 bps to 14.2% in 1H.21, with NPE coverage at 66.4% from 62.8% in 4Q.20.

International NPE ratio and coverage in 1H.21 settled at 8.5% and 78.8%, respectively.

Furthermore, on 31 March 2021, as per the regular European Central Bank ("ECB") calendar, post-COVID-19 revised targets submitted to the Single Supervisory Mechanism ("SSM"), based on which the NPE ratio is expected to be reduced to below 5% by 2023. More specifically, the NPE reduction targets for 2023 are as follows:

(GROUP, € billion)



Disposal of NPE portfolios

Project "Frontier" NPE securitization

NBG in the context of its Transformation Program, launched the securitization of a portfolio of NPEs under the project name "Frontier", accounting for €6.0 billion in terms of gross book value as of 30 June 2020. The Bank has submitted on 29 January 2021, an application for the inclusion of Frontier under the "Hercules" guarantee scheme, according to the provisions of Greek Law 4649/2019 (see below). The application provides for a guarantee by the Greek State for senior notes with a total value up to €3.3 billion. NBG launched the transaction in the fourth quarter of 2020 and on 21 July 2021, announced that the consortium of Bain Capital Credit ("Bain Capital"), Fortress and doValue has been chosen as preferred bidder for a short period of exclusive negotiations. Upon the successful completion of the transaction, the Bank expects to retain 100% of the senior and 5% of the mezzanine and junior notes, while disposing up to 95% of the latter to the market through a competitive process, which is expected to be completed (Signing and Closing) in the third quarter of 2021.

Hellenic Republic Asset Protection Scheme

In December 2019, the Greek parliament voted for the creation of an Asset Protection Scheme ("APS") (Greek Law 4649/2019) also known as the "Hercules Scheme". The Hercules Scheme will support banks on deleveraging NPEs through securitization, with the aim of obtaining greater market stability. The participation in the Hercules Scheme is voluntary and open to all Greek banks and it does not constitute state aid as guarantees are priced on market terms.

Under the Hercules Scheme, the Hellenic Republic will provide guarantees up to €12.0 billion on the senior bonds of securitizations of NPEs. The Hercules Scheme will become effective only when the originator has sold at least 50% plus one of junior tranches (and mezzanine if any) and the notes are of such amount that allows the derecognition and the Significant Risk Transfer ("SRT") of the securitized receivables.

Moreover, in July 2021, following the approval from the Directorate General for the Competition of the European Commission (the "DG Competition") on 9 April 2021 and based on the Greek Law 4818/2021, the "Hercules" Scheme (named also as "Hercules II") was extended by 18 months, with no material changes in terms.

Project "Icon"

As part of the implementation of the NBG Transformation Program on 12 February 2021, NBG announced that it has completed the disposal of a non-performing, predominantly secured, corporate loan portfolio ("Project Icon") with total principal amount as at 30 June 2019 of c. €1.6 billion (€0.6 billion of allocated collateral value) to Bain Capital. The transaction was implemented in the context of NBG's NPE deleveraging strategy and in accordance with the Operational Targets submitted to the SSM.

Project Danube

On 20 May 2021, following the relevant announcement on 22 December 2020, the Bank completed the disposal of a Romanian-risk corporate NPE portfolio ("Project Danube") with a total Gross Book Value of c. €174 million (€102 million of allocated collateral value) to Bain Capital. The transaction was being implemented in the context of NBG's NPE deleveraging strategy and in accordance with the Operational Targets submitted to the SSM.

Divestments

Planned disposals of subsidiaries and Branch under 2019 Revised Restructuring Plan commitments

Sale of a majority equity holding in Ethniki Hellenic General Insurance S.A.

On 24 March 2021, the Bank's Board of Directors approved the sale of the 90.01% out of 100.00% stake in Ethniki Insurance Company S.A. ("Ethniki Insurance" or "NIC") and authorized the Bank's Management to proceed with the signing of the Share Sale and Purchase Agreement ("SPA") with CVC Capital Partners ("CVC") on 26 March 2021.

The equivalent nominal consideration corresponding to 100.00% of NIC would be €505 million, including an "earn-out" payment of up to €120 million, which will be subject to meeting agreed upon performance targets for the bancassurance channel of NBG by 2026.

The transaction includes a 15-year Bancassurance partnership. NIC has been classified as held for sale and discontinued operations.

Furthermore, on 21 April 2021, the extraordinary General Meeting of Bank's shareholders approved the aforementioned transaction.

Closing of the transaction is expected by the end of 2021 as it is subject to customary ongoing regulatory approvals, including from antitrust and regulatory authorities.

National Bank of Greece (Cyprus) Ltd

On 26 November 2019, the Bank signed a SPA with AstroBank Limited for the sale of its 100.00% stake in National Bank of Greece (Cyprus) Ltd ("NBG Cyprus"). However, on 26 November 2020, which was the last date ("Longstop Date") for Astrobank Limited to fulfil certain condition precedents specified in the SPA entered into between NBG and Astrobank Limited, the Bank took note that such condition precedents were not fulfilled and henceforth decided to terminate the SPA on 27 November 2020.

The Bank remains committed to implementing all options of compliance with its Commitments under its 2019 Revised Restructuring Plan (see below "*2019 Revised Restructuring Plan*"). NBG Cyprus has been classified as held for sale and discontinued operations.

National Bank of Greece – Egyptian Branch Network

As of 31 December 2018, the Branch Network in Egypt ("NBG Egypt") had been classified as held for sale and discontinued operations.

On 2 May 2019, the Bank signed a definitive agreement to sell certain assets and liabilities of NBG Egypt to Bank Audi S.A.E. ("Bank Audi Egypt"). Closing of the Egypt transaction was subject to the approval of the Central Bank of Egypt ("CBE"), as the Central Bank of Lebanon approved the transaction in June 2019. Given that the CBE approval was still pending six months after the signing of the definitive agreement, Bank Audi SAE issued an agreement termination notice in November 2019.

On 11 May 2020, Bank Audi Egypt informed the Bank that will not pursue further the potential acquisition of NBG's operations in Egypt. As a result, the financial statements of the Bank and the Group were amended retrospectively, as if the NBG Egypt never qualified as held for sale and discontinued operations. Furthermore, in May 2021, an official approval was received by the Central Bank of Egypt for the downsize and ultimately cease its operations in Egypt.

The divestment of NBG Egypt is an obligation of the Bank under its 2019 Revised Restructuring Plan (see below "*2019 Revised Restructuring Plan*").

Other divestments

CAC Coral Ltd

On 16 October 2020, the Bank announced that it has entered into a definite agreement with Bain Capital for the disposal of its 100% stake in a Cypriot Credit Acquiring Company, CAC Coral Ltd (Project "Marina"), which contains a portfolio of non-performing corporate, SME and consumer and mortgage loans with total Gross Book Value of c. €325 million (€200 million of allocated collateral value). The portfolio consists predominantly of legacy non-performing loans. The transaction is being implemented in the context of NBG's NPE deleveraging strategy and in accordance with the Operational Targets submitted to the SSM.

The transaction is currently expected to be concluded within the fourth quarter 2021 after approval of the competent regulatory authorities.

CAC Coral Ltd has been classified as held for sale and discontinued operations.

Financial highlights

Increased adjusted profit after tax from continuing operations by 33.8%

Adjusted Group profit after tax ("PAT") from continuing operations increased by 33.8% y-o-y to €622 million for the six months period ended 30 June 2021, reflecting mainly the improved core income, a sizable gains arising mainly from Greek government bond transactions (see below "*Exchange of Greek government bonds in January 2021*"), as well as sharp decrease in operating expenses by 7.9% (see below).

NII increased by 7.3% y-o-y to €591 million, supported by the new loan production, the time deposits repricing and the significantly lower funding terms under the increased TLTRO exposure from ECB, and partially offset by a reduction in loan interest income due to NPE deleveraging and reduced income from securities mainly due to lower average yield after the Greek government bonds exchanges.

Net fee and commission income reached €136 million, expanding by 10.6% y-o-y, on the back of the strong growth in digital business, solid intermediation fees, as well as surging corporate lending fees.

Cost cutting through Voluntary exit scheme ("VES") and G&A as a key transformation lever towards an efficient and agile organization

Operating expenses for the six months period ended 30 June 2021 decreased by 7.9% y-o-y to €374 million, driven by the sharp containment of personnel expenses (14.9% y-o-y) as the Group realized the benefits of the VESs launched in 2019 and 2020, reducing its headcount gradually by 863 and 840 employees for the Group and the Bank, respectively, within 2020. Furthermore, in June 2021 the VES that the Bank launched in 2Q.21 with the same terms with the 2020 VES expired, were in total 183 and 182 employees for the Group and the Bank, respectively, participated in the ongoing 2020 VES.

Domestic loan disbursements reach €2.0 billion (+9.0% y-o-y)

Domestic performing loan portfolio in 1H.21 continued to expand (+€1.2 billion y-o-y), as corporate disbursements momentum is maintained (+€1.5 billion y-o-y) and retail new production picks up (>2.5x y-o-y), albeit from a low base.

Loan impairments in 1H.2021 equal to 109bps over net loans

Loan impairments amounted to €147 million in 1H.21, from €562 million in 1H.20, as the COVID-19 related loan impairments of €0.4 billion were recognized by the Bank almost in its entirety in 1Q.20.

ECB exposure to significantly lower funding terms under to Targeted Longer-Term Refinancing Operations, while domestic deposit increased by private deposit inflows

Our participation in ECB's TLTRO/LTRO facilities stood at €11.6 billion in 2Q.21 from €10.5 billion as at 31 December 2020, while the Bank's customer deposit balance stood at €50.3 billion, a significant increase of €2.8 billion compared to 31 December 2020 mainly due to saving deposits.

The significantly lower funding terms under TLTRO III, coupled with the repricing of time deposits have led to a substantial improvement of the Bank's blended funding cost to almost zero levels in 2Q.21 (1bps) compared to 19bps in 2Q.20, supporting NII.

As a result, Loans-to-Deposits Ratio settled at 51.8% in Greece and 52.8% at the Group level. Moreover, the Group's LCR stood at 259.1%, well above regulatory thresholds.

Exchange of Greek government bonds in January 2021

In January 2021, the Hellenic Republic and NBG had agreed on a Greek Government Bond exchange, involving a Greek Government Bond maturing on 20 March 2050, with a series of other Greek Government Bonds with shorter maturities. The terms of the existing and new Greek Government Bonds at the relevant trade dates are as follows:

Existing Greek Government Bond Exchanged

ISIN	Maturity	Interest Rate	Nominal Amount in € million	Settlement Amount in€ million
13 January 2021				
GR0138016820	20 March 2050	3.25%	1,000	1,448

The exchange was executed at market terms and was settled 20 January 2021 (see below table), and the difference between the settlement amount for the bond exchanged and the bonds received was settled in cash. The Bank realized a gain of €209 million in January 2021, as included in Income Statement under line "Gains / (losses) arising from the derecognition of financial assets measured at amortised cost".

New Greek Government Bond

ISIN	Maturity	Interest Rate	Nominal Amount in € million	Issue price (HDAT*)
20 January 2021				
GR0118020685	22 April 2027	2.000%	50	110.35
GR0124035693	12 March 2029	3.875%	340	126.45
GR0124036709	18 June 2030	1.500%	872	107.61
GR0128015725	30 January 2033	3.900%	301	135.01
GR0128016731	4 February 2035	1.875%	558	111.90
GR0133011248	30 January 2037	4.000%	328	142.84
GR0138015814	30 January 2042	4.200%	375	155.90
Total			**2,824**	

* *Electronic Secondary Securities Market (HDAT).*

The transactions enhance the Bank's capital position, facilitating the execution of the NPE reduction plan.

2019 Revised Restructuring Plan

The Group is subject to European Commission rules on European Union ("EU") State aid in light of the aid received from the Hellenic Financial Stability Fund ("HFSF") and the Hellenic Republic. These rules are administered by the DG Competition. Under these rules, the Bank's operations are monitored and limited to the operations included in the 2019 Revised Restructuring Plan, which aims to ensure the Bank's return to long term viability. The 2019 Revised Restructuring Plan was approved on 10 May 2019 by the European Commission.

The 2019 Revised Restructuring Plan includes a number of commitments to implement certain measures and actions that had to be completed during the period 2019-2020 (the "2019 Revised Restructuring Plan Commitments"). The 2019 Revised Restructuring Plan Commitments relate both to domestic and foreign operations of the Group. Differentiations to the 2015 Restructuring Plan which expired on 31 December 2018 relate to the deepening of the Bank's operational restructuring, some amendments on the commitments and deadlines, as well as a commitment to sell the remaining stake (32.66%) in NBG Pangaea REIC (currently Prodea Investments S.A.) in substitution for the commitment to dispose of Stopanska Banka A.D.-Skopje.

For domestic operations, the 2019 Revised Restructuring Plan Commitments relate to constraining operating expenses, including the number of personnel and branches. In particular, the Commitments include the following:

A further reduction of the number of branches in Greece to 420 (by the end of 2019) and 390 (by the end of 2020). As at 31 December 2020, the Bank had reduced its branches to 365.

A further reduction of the number of employees in Greece to 8,600 as at 31 December 2019 and 8,000 as at 31 December 2020. As at 31 December 2020, the Bank had reduced the number of employees at domestic level to 7,762[1].

A further reduction of total operating expenses in Greece to €845 million for the year ended 31 December 2019 and €800 million for the year ended 31 December 2020. For the year ended 31

December 2020 the operating expenses amounted to €768[1] million.

Divestment of domestic non-banking activities: In May 2019 the Bank had completed the sale of its remaining stake in NBG Pangaea REIC (currently Prodea Investments S.A.) and had to dispose at least 80% of NIC. See above *"Sale of a majority equity holding in Ethniki Hellenic General Insurance S.A."* for a description of the status of this Commitment.

Divestment from international operations: The Bank reduced its international activities, by disposing certain subsidiaries in the years 2016 - 2019. The only incomplete divestment from international operations relates to the subsidiary NBG Cyprus. As for the branch network in Egypt, in May 2021, an official approval was received to the Central Bank of Egypt for the downsize and ultimately cease our operations in Egypt (see above *"Divestments-Planned disposals of subsidiaries under 2019 Revised Restructuring Plan commitments").*

Lastly, the 2019 Revised Restructuring Plan provides for prolongation of the 2015 Restructuring Plan's Commitments on corporate governance, commercial operations, acquisitions and advertising.

The implementation of the 2019 Revised Restructuring Plan Commitments is monitored by the Monitoring Trustee.

Regulatory developments

2021 EU-wide Stress Test

On 29 January 2021 the European Banking Authority ("EBA") launched the 2021 EU-wide stress test exercise following the postponement of the 2020 EU wide stress test-exercise, due to the COVID-19 pandemic. The exercise was led by the ECB, under the common methodological rules defined by the EBA and the macroeconomic and market scenario assumptions published on the same date.

The ECB published on 30 July 2021 the results of the 2021 stress test, which show that the euro area banking system is resilient to adverse economic developments. The stress test is not a pass or fail exercise and no threshold is set to define the failure or success of banks for the purpose of the exercise. Instead, the findings of the stress test will be part of the ongoing supervisory dialogue.

The Stress Test Exercise was based on a Static Balance Sheet approach, thus factoring in the Group financial and capital position of 31 December 2020 as a starting point, conducting a 3-year horizon stress simulation (2021-2023), under a Baseline and an Adverse scenario.

Under the baseline scenario the Fully Loaded ("FL") CET 1 ratio, reached to 15.5% in 2023 from 12.8% in 2020 (starting point), while under the adverse the FL CET 1 ratio, reached to 6.4% in 2023.

Given the Static balance sheet methodology, the 2021 SSM Stress Test does not incorporate capital accretive results post 31 December 2020.

Other

The Initiative 1821 - 2021 and the 200th anniversary of the beginning of the Hellenic Revolution

In light to its 180 year long history, NBG which is closely linked to the creation and development of the Hellenic Republic and to the philhellene individuals responsible for establishing the Bank – has turned to the 15 charitable and cultural institutions to provide input, recognizing their highly commendable work and contribution to the wider Greek community, in order to create a focus of understanding for the celebration of our National rebirth.

The purpose of the "Initiative" and its actions

The "Initiative 1821-2021" (www.protovoulia21.gr) regarding the celebration since the outbreak of the Greek Revolution aims to highlight a message of unity of purpose, declaring that history should be a source of inspiration for the future. In this spirit, the preparation of a variety of actions and events for the celebration of our National Rebirth, in Greece and abroad, began in 2019, including conferences, exhibitions, music concerts, educational - research programs and scholarships, as part of the planned objectives for the three years 2020-2022.

COVID-19 outbreak

See section **"***Response to COVID-19 crisis*".

[1] Excluding NIC.

Response to COVID-19 crisis

(Reviewed)

Key Focus on Employee, Customers, Other Stakeholders and Society

Customers Support measures in response to COVID-19 crisis in 2021

Response to COVID-19 crisis from Greek and European authorities in 2021:

- The European Central Bank
- The European Commission

In the first quarter of 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. The COVID-19 pandemic has caused a significant global economic downturn which has adversely affected, and is expected to continue to adversely affect, the Group's business and results of operations. The future impacts of the COVID-19 pandemic on the Greek and/or global economy and the Group's business, results of operations and financial condition remain uncertain.

Due to COVID-19 pandemic, authorities implement numerous measures attempting to contain the spread and impact of COVID-19, such as travel bans and restrictions, quarantines, shelter in place orders, and limitations on business activity, including closures. These measures severely restrict economic activity, businesses, market participants, our counterparties and customers, as well as the Greek and/or global economy for a prolonged period of time. These restrictions took place in March 2020, while in May 2020 the restrictions were slowly eased. However, worsened epidemic trends in October-November 2020 led to a reintroduction of protective restrictions on economic and social activity at a national level starting on 7 November 2020 up to early May 2021. This poses significant downside risks to Gross Domestic Product ("GDP") growth in 2021 and could amplify the recessionary hit on households and businesses. These risks are partly offset by a set of measures provided in 2020 and continued in 2021. Please refer to section "*Response to COVID-19 crisis - Customers Support measures in response to COVID-19 crisis*" & "*Response to COVID-19 crisis - Response to COVID-19 crisis from Greek and European authorities*" of the Board of Directors Report in the Annual Financial Report for the year ended 31 December 2020 and to the additional measures announced after the approval of the 31 December 2020 Annual Financial Statements on 24 March 2021, as described below in the subsection "*Customers Support measures in response to COVID-19 crisis in 2021*" & "Response to COVID-19 crisis from Greek and European authorities *in 2021*".

The Group also evaluated its assets, including intangibles and equity investments, for potential impairment, and assessed fair values of financial instruments that are carried at fair value. Based upon our assessment as of 30 June 2021, no significant impairments have been recorded for the Group and the Bank and there have been no significant changes in fair values and in fair value hierarchy classifications.

Key Focus on Employee, Customer, Other Stakeholders and Society

Leveraging on our CMP and capabilities, of primary importance and key priority was the health and safety of our customers and employees, as well as, ensuring the servicing of our customers and other stakeholders of the Bank and the Group without disruption.

We will continue to manage the increased operational risk relating to the execution of our CMP in accordance with our Risk Framework, Operational Risk Management Program and our Business Continuity Management Systems.

Customers Support measures in response to COVID-19 crisis in 2021

COVID-19 moratoria

Extension of moratoria, offered to NBG's customers within the context of EBA guidelines, government and sector initiatives, for capital or instalment payments for:

- performing Small Businesses.
- businesses with performing exposures as at 30 September 2020 and not included, so far, in moratoria for capital or instalment payments that have been proven to be affected by the COVID-19 pandemic, were eligible to apply for their inclusion in a relevant program by 31 March 2021 and for a maximum duration of up to nine months from the date of inclusion in the moratorium.
- businesses affected by the COVID-19 pandemic and have already been included in moratoria for capital or instalment payments, were eligible to apply by 31 March 2021 for an extension of their instalment suspension program, provided that their total participation in the program does not exceed the period of nine months.

COVID-19 support schemes

- **Interest subsidy program II** offered by the Ministry of Development for the period 1 January 2021 to 31 March 2021, applicable to SMEs i) holding a loan or revolving credit line prior to 1 January 2021 and less than 90 days in arrears by 30 September 2020 or by the day of the application to the program; and ii) turnover decline of more than 20% in 2020 compared to 2019.
- **"Gefyra II" program**, initiated in April 2021, aims to support small and medium-sized enterprises that have been proven to be affected by the COVID-19 pandemic, i.e., suffered a 20% reduction in turnover in 2020 compared to 2019. It also provides a State subsidy of up to

90% of the loan instalments for business loans, for a period of 8 months.

- **State Guarantee working capital Program** with the participation of Hellenic Development Bank S.A. ("HDB"), exclusively for very small businesses with turnover up to €200,000: 80% of the loan is guaranteed by HDB, with a total duration of up to five years, and the amount can reach the lesser of the following, €50,000 or 25% of 2019 turnover.
- **Loan Guarantee Program –EaSI COVID-19** for very small businesses with the participation of European Investment Fund ("EIF") up to €50,000. The 68.8% of the loan is guaranteed by EIF.
- **Loan Guarantee Program - COSME COVID-19** with the participation of European Investment Fund ("EIF") for up to €150,000: 80% is guaranteed by EIF, up to 10 years total duration.
- **Co-financing working capital loans with Interest Rate Subsidy** with the HDB for working capital financing up to €50,000 to small and very small businesses, operating in the Western Macedonia region ("Development Fund of Western Macedonia" or "TADYM").
- **Extension of 30 days according to emergency legislation for cheques.** The said measure addressed cheques of qualifying entities maturing from 1 April to 30 April 2021.

These measures form part of NBG's actions in line with the respective initiative by Greek banks, emergency legislation and relevant Ministerial Decisions of the Greek government aiming at addressing the impact of the crisis.

Response to COVID-19 crisis from Greek and European authorities in 2021

In response to the economic and market conditions resulting from the COVID-19 pandemic as continued in 2021, the Greek government and European authorities have provided, among others, the following additional measures:

Greek authorities

Financial state aid measures

The measures for the qualifying businesses include:

- The granting of a new State loan ("Repayable Advance") which is conditioned upon turnover loss in March until August 2020, where the total amount that was granted for the first three phases amounted to €3.5 billion. Phase 4 took place during November and December 2020 and amounted to €2.2 billion. Phases 5 and 6 took place during 1Q.21 and amounted to c. €0.8 billion. Phase 7 took place during May 2021 and amounted to €0.2 billion.

Tax measures

The additional measures for the qualifying businesses and the individuals that were affected by the COVID-19 crisis include:

- Extension of tax obligation payments until 31 December 2021
- Extension of Value Added Tax ("VAT") payments due during November 2020 until 30 April 2021.
- Reduction of the VAT on certain goods and services from a rate of 24% to a rate of 13% for the period from 1 June 2020 to 30 April 2021 and reduction of the VAT to 6%, from 24%, for sanitary products (masks, gloves, etc.) until 31 December 2021.
- Relief from import duties and VAT exemption on importation granted for goods needed to combat the effects of COVID-19 until 31 December 2021 for legal persons or individuals, provided, however, that such items shall be made available free of charge to beneficiaries specified in decision.
- Extension of payment of tax and Social Security Contributions («SSC») due in April 2021 for qualifying businesses.
- Subsidy of fixed costs incurred from 1 April 2020 to 31 December 2020 for qualifying businesses, which can be used to repay tax or SSC obligations for 2021 due from 1 July to 31 December 2021.
- Extension of tax obligation payments settlement instalments due on 31 May and 30 June 2021, for qualifying businesses and qualifying employees.
- Extension of one month for the deadlines of all monthly instalments of SSC settlements for qualifying businesses due on 30 June 2021 onwards.

Labor protection measures

- Special allowance given to: a) tour guides for March, April and May 2021, b) artists extension for May 2021 and c) qualifying small and very small businesses for April 2021.
- Special allowance of 400 Euros for self-employed and freelancer scientists, such as engineers, lawyers, economists etc., meeting specified criteria announced in April 2021.
- Extension of unemployment benefit for April 2021 and May 2021.
- Financial aid of €25 million to qualifying aquaculture businesses.
- Providing public service contracts up to €50 million to qualifying short sea shipping companies affected from COVID-19 from 23 December 2020 to 30 May 2021.

The Bank believes that the above-mentioned measures implemented or announced by Greek authorities will help its customers meet their financial obligations.

The European Central Bank

The following prudential measures have also been implemented by ECB:

- ECB's Governing Council issues opinion confirming that exceptional circumstances warranting leverage ratio relief still exist. Banks may exclude central bank exposures from leverage ratio as exceptional macroeconomic circumstances continue. Banks benefit from relief measure until end-March 2022. Banks which decide to exclude central bank exposures must recalibrate this 3% leverage ratio requirement in such a way that only the central bank exposures newly accumulated since the beginning of the pandemic effectively benefit from the leverage ratio relief. (18 June 2021).

- ECB decided not to extend, beyond September 2021, its recommendation to banks to not distributing any cash dividends, or conducting share buy-backs, or to limit such distributions. Instead, supervisors will assess the capital and distribution plans of each bank, as part of the regular supervisory process. (23 July 2021).

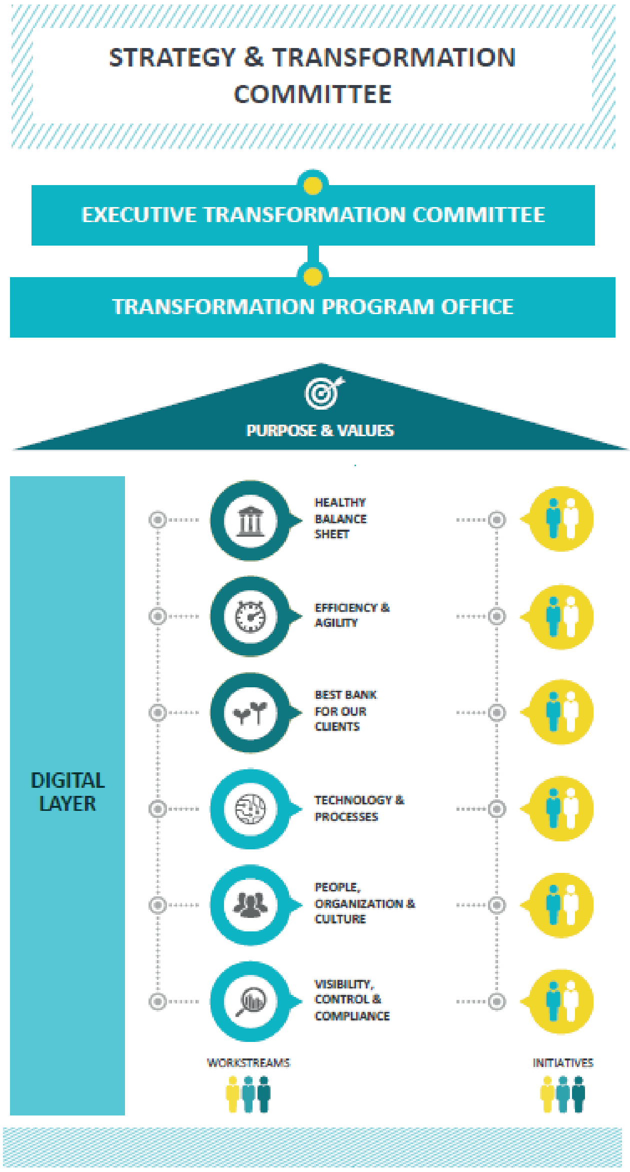
The European Commission

The European Commission announced the following additional measures:

- The European Commission issued a €17.0 billion inaugural social bond under the EU Support to mitigate Unemployment Risks in an Emergency ("SURE") instrument to help protect jobs and keep people employed. SURE has an overall firepower of up to €100.0 billion to help protect jobs and workers affected by the pandemic. The European Commission has already proposed a total of €87.8 billion in financial support under SURE to 17 Member States. (21 October 2020). Overall, the Commission has proposed that 19 EU countries will receive €94.3 billion in financial support under SURE, which includes a total of €5.2 billion to Greece. (30 March 2021)
- The European Commission has taken steps to ensure that borrowing under the temporary recovery instrument NextGenerationEU will be financed on the most advantageous terms for EU Member States and their citizens. The European Commission will use a diversified funding strategy to raise up to around €800 billion in current prices until 2026. This approach, which will be in line with the best practices of sovereign issuers, will enable the Commission to raise the needed volumes in a smooth and efficient way. This will also attract investors to Europe and strengthen the international role of the euro, (14 April 2021)
- The European Commission has approved, under EU State aid rules, a €500 million Greek support scheme to support food service companies affected by the coronavirus outbreak. The scheme was approved under the State aid Temporary Framework. The scheme is co-financed by European Regional Development Fund and will be open to companies of all sizes that experienced a turnover decline of more than 30% over 2020, compared to 2019. The aid will take the form of direct grants, with each grant amounting to up to 7% of the beneficiary's annual turnover. (11 May 2021)
- The European Commission has disbursed €14.137 billion to 12 EU Member States in the seventh instalment of financial support under the SURE instrument. As part of these operations, Greece has received €2.54 billion. (25 May 2021)
- The European Commission has approved, under EU State aid rules, a €800 million Greek scheme to support companies active in tourism affected by the coronavirus outbreak. The scheme was approved under the State aid Temporary Framework. (1 June 2021)
- Following the approval of the Own Resources Decision by all EU Member States, the Commission can start raising resources to finance Europe's recovery through NextGenerationEU. To that end, the European Commission announced its estimates to issue around €80 billion of long-term bonds in 2021, to be topped up by tens of billions of euros of short-term EU-Bills to cover the remaining financing requirements. The exact amount of both EU-Bonds and EU-Bills will depend on the precise funding needs, and the Commission will revise today's assessment in the autumn. In this way, the Commission will be able to fund, over the second half of the year, all planned grants and loans to Member States under the Recovery and Resilience Facility, as well as cover the needs of the EU policies that receive NextGenerationEU funding. (1 June 2021)
- The European Commission has, in its first NextGenerationEU transaction, raised a €20 billion via a ten-year bond due on 4 July 2031 to finance Europe's recovery from the coronavirus crisis and its consequences. This is the largest-ever institutional bond issuance in Europe, the largest-ever institutional single tranche transaction and the largest amount the EU has raised in a single transaction. (15 June 2021)
- European Commission endorses Greece's €30.5 billion recovery and resilience plan. The European Commission adopted a positive assessment of Greece's recovery and resilience plan. This is an important step towards disbursing €17.8 billion in grants and €12.7 billion in loans under the Recovery and Resilience Facility (RRF) over the period 2021-2026. This financing will support the implementation of the crucial investment and reform measures outlined in Greece's recovery and resilience plan. It will play a key role in enabling Greece emerge stronger from the COVID-19 pandemic. (17 June 2021)
- The Commission has disbursed €800 million in payments under NextGenerationEU, the temporary instrument to finance Europe's recovery and foster a greener, more digital and resilient economy after the pandemic. The payments are going to 41 national and regional programmes in 16 Member States including Greece. The funds under the REACT-EU constitute additional resources for existing Cohesion policy programmes. (28 June 2021)
- The European Commission has, in its second NextGenerationEU transaction, raised €15 billion to finance Europe's recovery from the coronavirus crisis and its consequences. This was a dual-tranche transaction, consisting of a €9 billion 5-year bond due on 6 July 2026 and a €6 billion 30-year bond due on 6 July 2051. (29 June 2021)
- The European Commission issued a further €10 billion to support Europe's recovery from the coronavirus crisis and its consequences, in a third NextGenerationEU bond since the start of the programme in mid-June. The Commission issued a 20-year bond due on 4 July 2041, which was welcomed by the market with a very strong interest, with books close to €100 billion. (13 July 2021)

NBG's Transformation Program

Following a clear mandate from NBG's Board of Directors, NBG launched a rigorous Transformation Program in the second half of 2018, committing to the delivery of aspiring financial and operational targets. Three years into its implementation, the Transformation Program has delivered impressive results in terms of core profitability – fully in line with the Bank's financial and business targets up to 2023 – and tangible improvements to NBG's business and operating model. The Transformation Program has been designed and is being delivered across Workstreams, each led by a senior executive of the Bank.



Delivering the Transformation

The Transformation Program is structured into six-month Seasons. This setup helps sustain the pace and ensures that the Bank remains focused yet agile, as new Initiatives are added to the Transformation Program, while existing ones are adjusted or removed. Each Season begins and ends with a Ceremony, aiming to review progress made, acknowledge achievements and ensure that lessons learned from each Season are embedded in our future planning. In parallel, a strong Transformation Program Office ("TPO") has been established to:

- Ensure coherent and consistent planning of Workstreams and Initiatives, including prioritisation of activities and tracking of programme-level interdependencies.
- Provide project and Transformation Program Management discipline and best practices across Workstreams and Initiatives.
- Deploy a thorough, timely and effective progress (and risk) reporting mechanism.

The Transformation Program Office is a fundamental factor in executing the Transformation Program in a coordinated, timely and disciplined manner.

Transformation Program achievements in 1H.21

During 1H.21, more than 1,000 staff have been directly involved in the Transformation Program in at least one of the 45+ Initiatives, achieving significant tangible results across all six Workstreams:

Workstreams	Key achievements in 1H.21
Healthy Balance Sheet	• Preparation for Project Frontier securitization and transitional servicing. • Set up of hubs in branch network for restructuring of small business loans. • Implementation of organic actions to minimise impact of COVID-19 on asset quality. • Monetization of Real Estate Owned ("REO") portfolio.
Efficiency & Agility	• Further reduction of staff costs through targeted Voluntary Exit Scheme ("VES"). • Further reduction of non-staff costs across key expenditure categories through rigorous demand management, and further automation of centralised procurement processes. • Targeted efforts for specific high-spend categories including real estate spend (factoring in impact of remote working). • Automation of Value Based Management ("VBM") mechanism to increase transparency and enhance value creation across the organisation.
Best Bank for our Clients	• Acceleration of customers' migration to digital channels, through the offering of new functionalities and customer experience enhancements: (a) For individuals: mobile payments, Know Your Customer ("KYC") data updates via eGov, and digital sales of selected insurance products. (b) For businesses: digital onboarding for legal entities, account aggregation and business card management for legal entities, sales of sight accounts and small business loans, and innovative solutions via Application Programming Interface ("APIs"). • Enhancement of cross-selling to Corporate clientele through holistic offering of services via newly established Corporate Transaction Banking unit. • Enhancement of cross-selling of bancassurance products and cards to Retail customers, through improved product offering and analytics-driven campaigns. • Expansion of third-party sales network to business clients ("B2B"). • Further optimization of branch network and streamlining of branch customer-centric operating model. • Distribution of programmes sponsored by the State and EU institutions to address COVID-19 impact.
Technology & Processes	• Progress of Core Banking System (CBS) replacement program fully on track. • Continuation of efforts for process re-engineering (e.g., Corporate & Small Business lending, Collateral Management). • Completion of back-office centralisation for Corporate loan administration and Trade Finance operations and launch of centralisation efforts for small business back-office.
People, Organisation & Culture	• Roll-out of new Performance Management System complemented by new variable remuneration policy across the Bank. • Launch of flagship NBG Academy leadership programs to grow high-potential talent. • Upgrade of HR technology and data infrastructure.
Visibility, Control & Compliance	• Modernisation of credit policy and sanctioning framework for Retail and Corporate. • Enhancement of credit risk scoring models for Individuals. • Enhancement of anti-money laundering ("AML") and counter terrorist financing ("CTF") practices across all lines of defence. • Enhancement of internal controls for high priority processes.

Our Purpose & Values

During 1H.21, the NBG Group launched a revamped Purpose Statement, and revisited its Core Values within the context of its Transformation Program to guide its overall strategy, transformation, corporate culture, and corporate communications.

Our Purpose Statement is "*To create future together*".

Our Core Values are **Human centricity, Growth, Trustworthiness and Responsiveness**, as follows:

Environment, Social and Governance ("ESG")

During H1.21, NBG launched a holistic Environment, Social and Governance ("ESG") effort ensuring compliance with evolving regulatory framework and implementation of ESG best practices across the organization (covering management of credit and other types of risk, business strategy, products and services, procurement practices, real estate, etc.). Key initiatives relevant to the implementation of NBG's strategy with respect to ESG have been incorporated into NBG's Transformation Program, to ensure high level of focus and discipline in execution in this critical area.

Key developments in the Macroeconomic and Financial environment

Global Economy & Financial Environment

Global economic activity is gaining steam, albeit with emerging risks due to the "Delta" COVID-19 variant

Euro area real Gross Domestic Product ("GDP") declined in the first quarter of 2021, albeit business and consumer forward looking indicators point to a substantial improvement in 2Q.21.

The Next Generation EU ("NGEU") with a total envelope of c. €800 billion, could support the European economy substantially in 2H.21

The European Central Bank

Approved a new monetary policy strategy, adopting a 2% symmetric inflation target.

Expanded its balance sheet by €928 billion in 1H.21 to €7.9 trillion.

Retained its policy interest rates unchanged at 0% (Main Refinancing Operation) and -0.5% (Deposit Facility Rate).

The Federal Reserve

Expanded its balance sheet by USD 715 billion in 1H.21 to USD 8.1 trillion.

Maintained its Federal Funds interest rate near zero.

The global economic activity gained momentum in the course of 1H.21

Global economic activity remained closely linked to pandemic developments in 1H.21, recovering strongly on the back of easing restrictions and the successful roll-over of vaccinations against COVID-19. On a regional basis, considerable differentiation was recorded, depending mainly on the progress of the vaccination programs against COVID-19 and the pace of fiscal, and monetary, policy support. In that context, United States ("US") real GDP increased by an annualized rate of 6.4% quarter-over-quarter in 1Q.21 (+0.4% year-over-year), while the economy has continued to gain speed in 2Q.21. On the other hand, the euro area economy remained in a soft patch, as real GDP contracted by an annualized rate of -1.3% quarter-over-quarter in 1Q.21 (-1.3% year-over-year ("y-o-y")), albeit high-frequency indicators of economic activity point to strong GDP growth in 2Q.21. Finally, in China, real GDP growth increased by +13.0% y-o-y (on average) in 1H.21, from +5.7% year-over-year in 2H.20.

Fiscal policy remained pivotal in mitigating the pandemic-induced deterioration of economic conditions, as well as in propelling the subsequent recovery through both additional spending and liquidity support. According to the Congressional Budget Office ("CBO"), fiscal measures to stem the economic consequences from the pandemic -- disbursed in 2021 -- have reached USD 2.6 trillion (13.0% of 2020 US GDP), including the American Rescue Plan. In the euro area, temporary tax cuts, additional public spending, employment protection schemes and liquidity measures, which were undertaken during 2020, were generally prolonged. Equally importantly, the NGEU, with a total envelope of c. €800 billion (6.0% of 2020 EU GDP) in current prices was established in February. The European Commission has raised, so far, €45.0 billion, to fund the facility, while has endorsed the Recovery and Resilience Plans of 17 European Union member states.

In a similar vein, monetary policy remained ultra-accommodative in 1H.21 in order to lessen the economic impact of the COVID-19 and to support the economic recovery via maintaining favourable financing conditions. The Federal Reserve ("Fed") kept its main policy interest rate at 0%-0.25%. Moreover, the Fed continued its large-scale asset purchases, increasing its holdings of Treasury securities by c. USD 80 billion per month and of agency mortgage-backed securities by USD 40 billion per month, albeit opening the door for asset purchases to begin to decline. The Fed's total balance sheet stood at USD 8.1 trillion as of 30 June 2021 or 38.6% of 2020 GDP, compared with USD 7.4 trillion at the end of

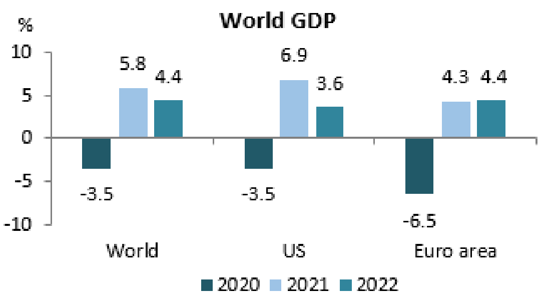
2020. According to the Summary of Economic Projections (SEP, June 2021), the median participant in the Federal Open Market Committee expects an increase of 50 basis points in the Federal Funds rate, cumulatively, by end-2023.

On the other side of the Atlantic, the ECB continued in 1H.21 its asset purchases in the tune of €17 billion per week, on average, under the pandemic emergency purchase programme ("PEPP"). The PEPP, with a total envelope of €1,850 billion (holdings of €1,186 billion as of 2 July 2021) is set to run until, at least, the end of March 2022. At the same time, net purchases under the "quasi" open-ended Asset Purchase Program ("APP") continued at a pace of €20 billion per month. As a result, the ECB's balance sheet stood at €7.9 trillion or 69.9% of 2020 GDP, compared with €7.0 trillion at the end of 2020. Policy interest rates were left unchanged at 0.0% (Main refinancing operations) and -0.5% (deposit facility rate). Moreover, the ECB is expected to continue to provide ample liquidity at an attractive cost for commercial banks by June 2022, through its refinancing operations, namely the third series of targeted longer-term refinancing operations (TLTRO III) and the emergency TLTROs. Last but not least, the ECB has unanimously approved a new monetary policy strategy. On the quantification of the inflation aim, the Governing Council adopted a symmetric 2.0% inflation target over the medium term, replacing the "below, but close to 2.0%" objective.

Risk appetite remained strong in global financial markets in 1H.21, on the back of continued massive fiscal and monetary policy support. More importantly, the deployment of vaccines against COVID-19 boosted expectations for a strong recovery of economic activity and consequently of corporate profits. In all, the Morgan Stanley Capital International All Country World Index ("MSCI ACWI") increased by 11.0% in USD terms in 1H.21, with Developed markets (+12.0%), overperforming their Emerging peers (+7.0%). At the same time, equity market volatility receded. Indeed, the CBOE S&P500 VIX implied volatility index stood at 21.0% on average in 1H.21, compared with 26.0% in 2H.20. Speculative Grade corporate bond spreads, narrowed substantially in 1H.21, by 59 to 296 (EUR) and by 82 to 304 (USD) basis points ("bps") reflecting, lower risk aversion. At the same time, stronger expectations for global growth and inflation, led nominal government bond yields higher during 1H.21 (US 10-Year: +53 bps to +1.45% | German 10-Year: +35 bps to -0.21%), albeit the majority of the increase occurred during the first quarter of the year.

Looking forward, the growth rate of the global economy is expected to accelerate in 2H.21, as more economies achieve widespread vaccination against COVID-19 and pent-up demand for services supports consumption rates. Overall, global real GDP growth is expected at +5.8% in 2021, from -3.5% y-o-y in 2020[2]. Still, extraordinary uncertainty remains, as global economic activity is highly dependent on the path of the pandemic. In particular, the possibility remains for further COVID-19 waves, as long as herd immunity is not achieved, with new variants of the virus clouding the outlook. In addition, the recent pickup in inflation, particularly in the US, is closely monitored. Although the pickup is expected to be temporary, if sustained, it could result in an earlier tightening of US monetary policy than expected, in turn leading to an abrupt tightening of global financial conditions. Finally, an escalation of geopolitical tensions between the US and China, remains a source of concern.

World GDP



Source: OECD, Economic Outlook, May 2021

Greek Economy

Fiscal and liquidity support measures partially cushion the ongoing COVID-19 shock, which stresses the most vulnerable segments of the economy

The Greek economy showed higher-than-anticipated resilience to COVID-19 in 1Q.21.

Pandemic impact cushioned by increased fiscal and liquidity support (c. €7.0 billion in 5M.21, following a fiscal stimulus of €14.6 billion in FY.20)[3].

[2] Source: OECD, Economic Outlook, May 2021

[3] Source: Hellenic Ministry of Finance, MTFS 2022-2025

Fiscal policy will remain supportive in FY.21, with the cyclically adjusted primary deficit at 3.6% of GDP from 1.1% in 2020[4].

High frequency indicators of economic activity point to a double-digit GDP growth in 2Q.21, which is amplified by positive base effects and rapidly improving sentiment as the vaccination program advanced rapidly in 1H.21.

Credit growth to the corporate sector continued to increase at a strong annual pace of 6.2% y-o-y in 5M.21 and house prices increased at an accelerating pace of 3.2% y-o-y in 1Q.21[5].

ECB's accommodative stance and accelerating financing inflows from the EU and non-resident private sector tend to improve liquidity and funding conditions, with Greek government bond yields at historical lows.

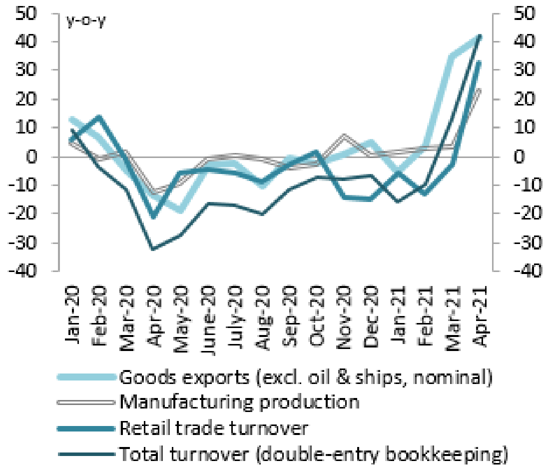
Pandemic risks related to the emergence of new COVID-19 variants in 2Q.21 weigh on the tourism sector's performance, albeit Q2 trends have been encouraging with the annual increase in tourism revenue estimated to exceed 60.0%.

NGEU could be the catalyst for medium-term growth and investment, with more than €7 billion of inflows expected in 2021[6].

Reviving domestic demand bolsters activity in 2Q.21, ahead of the Recovery Fund activation

The Greek economy showed higher-than-anticipated resilience to COVID-19 in 1Q.21, despite the extension of several protective measures in the first months of 2021. GDP increased by 4.4% quarter-over-quarter ("q-o-q"), seasonally adjusted ("s.a.") in 1Q.21 and declined by only 2.3% y-o-y. This was the third consecutive quarter of positive q-o-q growth, following increases of 3.8% and 3.4% q-o-q, s.a. in 3Q.20 and 4Q.20, respectively, suggesting that the recovery from the COVID-related plunge of -12.9% q-o-q (-13.9% y-o-y) in 2Q.20 GDP is gathering pace.[7]

Turnover of enterprises, retail trade, goods exports & manufacturing production



Source: EL.STAT.

1Q.21 GDP data confirmed the rapid turnaround in business activity, despite the still challenging market conditions. Gross business profits (approximated by the economy's gross operating surplus and mixed income) increased by 5.7% q-o-q and 3.0% y-o-y in 1Q.21[8], while gross fixed capital formation ("GFCF") grew, in the same quarter, at the strongest annual pace in 3 years (8.6%, primarily driven by corporate investments).[9]

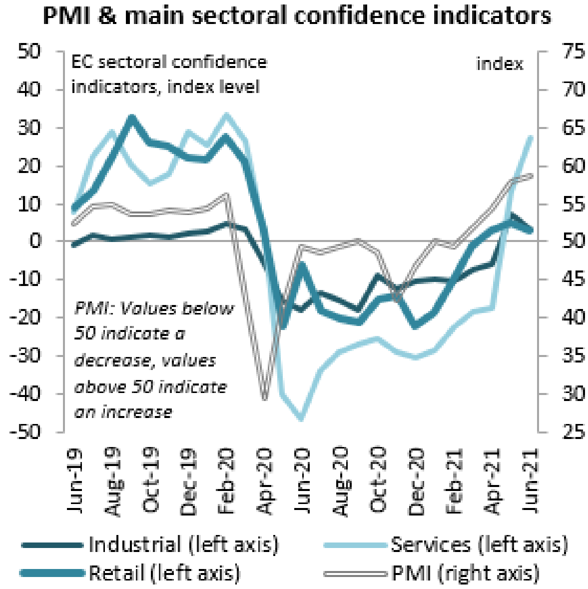
The main drivers of GFCF growth were higher spending on Information Communication Technology ("ICT") and other equipment categories (39.0% and 13.7% y-o-y, respectively) and increased non-residential construction (10.7% y-o-y)[10]. This improvement mostly reflected businesses adaptation to the ongoing changes in the operational environment, deferred investments from 2020 and large construction projects. The acceleration of the public investment program also played an important role. Moreover, the future bodes even brighter, as the first disbursements from the EU Recovery Fund are expected to start in 2H.21 (exceeding €7.0 billion in FY.21), adding to the strength of GFCF[11].

High-frequency data for 2Q.21 point to a rapid and broad-based strengthening in activity, as the opening of the economy further bolsters domestic spending and confidence. This improvement, along with strongly positive base effects, are estimated to lead to a double-digit increase in economic activity in 2Q.21 and to a full year GDP growth of 5.6% y-o-y, assuming an average increase in tourism revenue of 60-80% y-o-y in FY.21 [12].

The rapid progress of the vaccination rollout in 7M.21 -- around 50% of the population has received at least one dose until mid-July with 43% of the population fully vaccinated[13]-- bolstered confidence and paved the way for lifting the remaining measures, supporting a strong rebound in consumption in 2Q.21. Business activity and private consumption are expected record a healthy expansion in the second half of the year.

4 Source: Hellenic Ministry of Finance, MTFS 2022-2025
5 Source: Bank of Greece, Monetary and Banking Statistics & Indices of residential property prices, 1Q.21
6 Source: Hellenic Ministry of Finance, MTFS 2022-2025
7 Source: EL.STAT., Gross domestic product, 1Q.21
8 Source: EL.STAT., Gross domestic product, 1st Quarter 2021
9 Source: EL.STAT., Gross fixed capital formation, 1st Quarter 2021
10 Source: EL.STAT., Gross fixed capital formation, 1st Quarter 2021
11 Source: Hellenic Ministry of Finance, MTFS 2022-2025
12 Source: NBG Economic Analysis estimates
13 Source: Hellenic Government, COVID-19 vaccination statistics

Downside risks to the above mentioned scenario, mainly, relate to the emergence of more infectious COVID-19 variants, which could slow the recovery of tourism, possibly leading to a tightening of restrictions in the coming quarters, unless a high degree of immunization of the population is achieved. Although vaccination targets for 1H.21 have been exceeded providing significant protection to more than 50% of the adult population in Greece, the new COVID-19 variants increase the percent of population coverage required to effectively control the spread of the pandemic to above 70%.



Sources: European Commission & IHS Markit

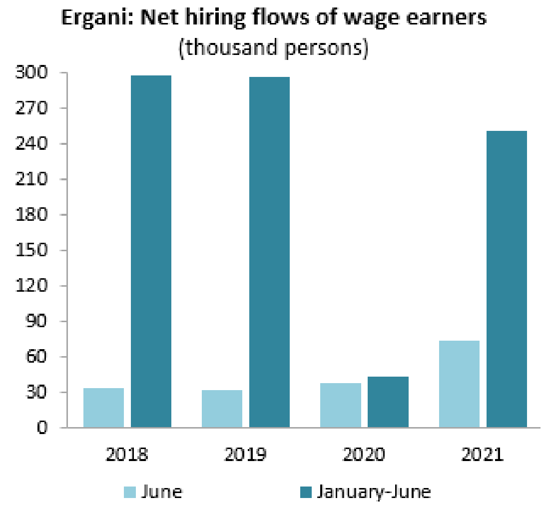
The apparent strength of domestic demand until early-July appears to offset a-weaker-than-expected start to the tourism season, due to the persistence of pandemic-related uncertainty worldwide. In this respect, the Greek business sector turnover increased by 42.2% y-o-y in April 2021, following a 13.0% y-o-y increase in March 2021, being only 3.8% lower and 0.3% higher than in the respective months in 2019[14]. Manufacturing activity remains buoyant, with production increasing by 8.9% y-o-y in 5M.21[15] and Purchasing Managers' Index ("PMI") reaching a 21-year high of 58.6 in June 2021.[16]

Following a weak start to the year, private consumption shows increasing signs of responsiveness to declining uncertainty, with consumer confidence strengthening in 2Q.21 – at the highest level since 1Q.20 – and consumer survey data suggesting that household intensions for major spending decisions, such as for home improvements, as well as household assessment of their financial situation over the next 12-months, increased substantially in this quarter.[17]

Net exports had a negative impact on 1Q.21 GDP growth (-3.0 percentage points ("pps") y-o-y), despite the further strengthening of goods exports (+8.2% y-o-y, in constant prices). Services exports were down significantly (-38.7% y-o-y in 1Q.21), but by a lower extent than in the final quarter of 2020 (-44.5% y-o-y).[18]

Goods exports growth strengthened further by 32.2% y-o-y in April-May 2021 (in current prices data, excluding oil), reflecting their improving competitiveness and strong external demand, with the main products, such as food, pharmaceuticals and other chemicals, continuing to gain market share in the EU markets. However, the revival in domestic demand and buoyed business activity led to a sharp increase in goods imports of 40.8% in April-May 2021 compared with the same period in 2020, when imports shrunk sharply due to the lockdown. Accordingly, the trade deficit widened by 56.9% y-o-y to €3.0 billion in this period. [19]

The unemployment rate increased slightly to 16.3% in 1Q.21 and to 17.0% in April 2021 compared with 16.0% in 4Q.20, as the number of persons actively seeking job increased by 61K m-o-m in April, following the gradual lifting of employment protection schemes. Employment declined by 4.0% y-o-y in April and by 5.8% y-o-y in 1Q.21[20].



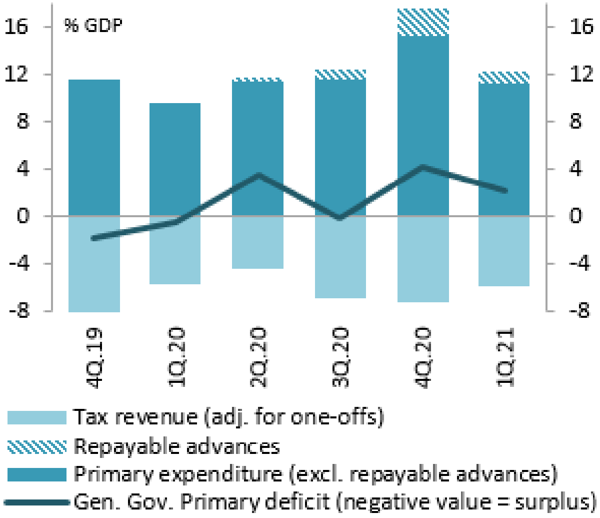
Source: EL.STAT.

However, the labor market response is encouraging, considering that hiring flows of wage earners picked up to 73K in June 2021 (177K in 5M.21) compared with 38K in June 2020 (6K in 5M.20), according to the Ergani Information System[21].

State support remained significant in 5M.21, albeit less expansionary than in 4Q.20, cushioning a significant part of the COVID-19 impact. The general government primary deficit reached 2.3% of GDP in 1Q.21, compared with a surplus of 0.5% in 1Q.20. The new MTFS for the years 2022-2025 envisages a primary deficit of 7.2% of GDP in FY.21 from 7.5% in FY.20, which implies a further fiscal expansion in 2021. Indeed, the cyclically adjusted primary deficit is expected to increase to 3.6% of GDP from 1.1% in FY.20[22]. However, State support is planned to decline over the course of 2021, depending on the pace of recovery of sectoral activity. This sizeable fiscal easing in 2020-2021 reflects the activation since 2Q.20 of the "escape clause" within the Stability and Growth Pact for all countries, to allow the

[14] Source: EL.STAT., Evolution of Turnover of Enterprises Under Suspension of Operation, April 2021
[15] Source: EL.STAT., Industrial Production Index, May 2021
[16] Source: IHS Markit
[17] Source: EU Commission, Business and consumer survey database
[18] Source: EL.STAT., Gross domestic product, 1st Quarter 2021
[19] Source: EL.STAT., External Trade, May 2021
[20] Source: EL.STAT. Labour force, April 2021
[21] Source: Hellenic Ministry of Labor & Social Affairs
[22] Source: Hellenic Ministry of Finance, MTFS 2022-2025

provision of adequate fiscal support to cope with the pandemic crisis[23].

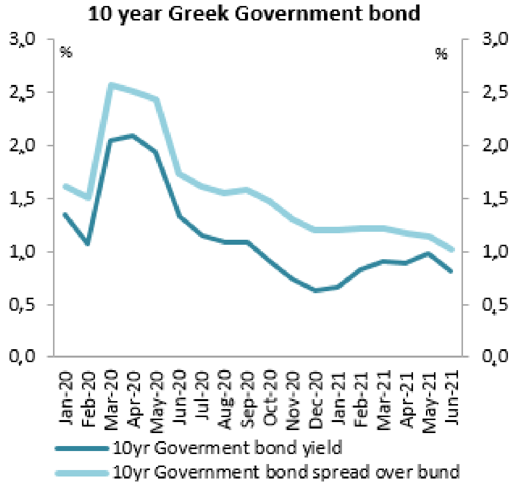


Sources: Greek Ministry of Finance

Greece's gross government debt increased to 205.6% of GDP in 2020[24] and is expected to increase further to 208.1% in 2021 and return to a downward trend from 2022 onwards[25]. As acknowledged by all major rating agencies the significant size of the Greek State's cash buffer (about €34.0 billion in July 2021 or 10.0% of gross public debt), along with the very long maturity of the debt (20 years) and affordable debt servicing terms, offset the risks from the temporary increase in the debt ratio to GDP due to the COVID-19 shock[26]. On that note, Standard & Poor's ("S&P") upgraded Greece's sovereign rating by one notch to BB with a positive outlook on 23 April 2021, with other major rating agencies maintaining a stable outlook for the country and the distance from the investment grade territory ranging between 2 and 3 notches[27].

The real estate market showed remarkable resilience to the COVID-19 shock and gained additional traction in 1Q.21. House prices increased by 2.6% q-o-q and 3.2% y-o-y in 1Q from 2.6% y-o-y in 4Q.20 and 4.3% y-o-y in FY.20[28]. Commercial real estate prices (referring to the average price of retail and office spaces) increased by 0.7% y-o-y in 2H.20 and by 1.6% y-o-y in FY.20 from 5.5% in FY.19[29]. Residential construction activity rose by 2.7% y-o-y in 1Q.21 from 14.7% y-o-y in FY.20, according to the national accounts data, suggesting that the sizeable market adjustment in previous years has offset the near-term pressure from uncertainty and the drop in foreign demand, along with the drastic shrinkage in the number of properties rented through short-term rental platforms, mainly by tourists[30].

Greece is increasingly benefiting from the ECB's monetary stimulus measures, following the granting of a waiver on the eligibility requirements for securities issued by the Greek government for i) purchases under the PEPP and ii) participating in the ECB' amended longer-term refinancing operations ("LTROs") and TLTRO III. As of March 2020, the ECB has expanded the collateral framework for participating in the LTRO funding by accepting collateral and new debtor types covered by COVID-19 government guarantees, enlarging the scope of acceptable credit assessment systems (e.g. supervisor-approved banks' own assessments) and reducing the additional credit claims ("ACC") loan level reporting requirements to speed-up processes. In this context, until May 2021 the ECB has acquired €25.7 billion of public sector securities, since it launched the PEPP in late-March 2020[31]. Greek government bond yields remained close to all-time lows, with the 10-year Greek government bond yield declining to 0.8% in June 2021 from 1.8% in 2Q.20 and 1.3% FY.20[32]. In this environment, the Hellenic Republic issued a three new government bonds in February, March and May 2021 (with a 10, 30 and 5 year maturity, respectively) raising €11.5 billion in total[33].



Source: Bank of Greece

Bank lending to the private sector continued to grow at an annual pace of 2.2% in 5M.21, on the back of increased lending to corporates (+6.2% y-o-y in 5M.21). Private sector deposits increased further by another €4.7 billion in 5M.21 following a €20.6 billion increase in 2020. Specifically, the increase in corporate deposits is, mainly, attributed to: i) the cash accumulation of the more competitive and resilient firms, which experience a rapid increase in their turnover, ii) lower outflows, due to the debt moratoria and the tax deferrals, and iii) the extension of credit lines to corporates; whereas the pick-up in household deposits in the same period, mainly, reflects precautionary savings, state subsidies and lower outflows for debt servicing. Nonetheless, household deposits appear to have stabilized in May 2021, in conjunction with the pick-up in consumer spending, which led to a first reduction in precautionary saving[34].

[23] Source: Ministry of Finance, Stability Program 2020, April 2020.
[24] Source: EL.STAT., Fiscal data, Annual, 2021, Press Release
[25] Source: EU Commission, 10th Enhanced Surveillance Report on Greece, June 2021
[26] Source: Hellenic Ministry of Finance, Official Statements, July 2021
[27] Source: S&P Press Release, April 2021
[28] Source: Bank of Greece, Indices of residential property prices, Q1 2021
[29] Source: Bank of Greece, Commercial property indices, 2020 H2
[30] Source: EL.STAT., Gross fixed capital formation, 1st Quarter 2021
[31] Source: European Central Bank, Press Releases
[32] Source: European Central Bank, Statistical Warehouse
[33] Source: PDMA, Press Releases
[34] Source: Bank of Greece, Monetary and Banking Statistics

Increased population protection through vaccinations, supportive financial conditions and the initiation of the EU "Recovery Fund" will be the key determinants of economic recovery

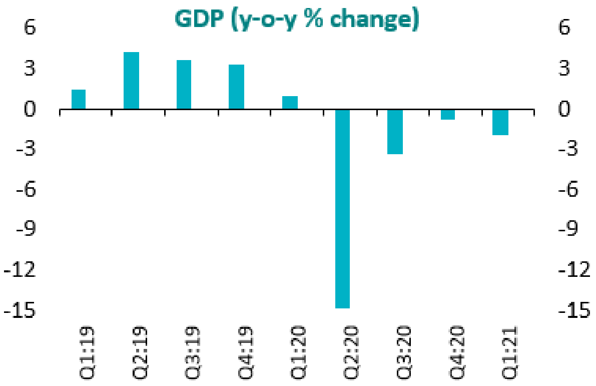
The hit to the economy could be reversed until 1H.22 assuming that: a) the pandemic is sufficiently addressed in 2021 through the rollout of vaccinations, with no significant recurrence of the disease due to virus mutations and/or insufficient coverage of the population; and b) the persistent impact of fiscal and monetary easing, in conjunction with liquidity measures, will continue to assist the recovery in most sectors of economic activity, preventing the ongoing demand and liquidity stress on specific entities from turning into a solvency issue for a part of the private sector. Greater flexibility in fiscal and supervisory frameworks facilitate a smooth withdrawal of the support in the medium term without weakening the recovery in 2021 – which is expected to be synchronized across the globe – bolstering exports. The Greek public debt's special characteristics and the ECB's decisive stance provide protection against incidences of market turbulence caused by growing debt levels globally.

Furthermore, increasing inflows of EU resources are expected to reduce the pressure on public finances, along with the phasing out of supportive measures while the significant stimulus from the activation of the NGEU – with funding for 2021 estimated up to 4.5% of GDP– could speed up the reversal of activity losses during 2020. The approval of Greece's Recovery and Resilience Plan is set to bolster investment on physical and human capital. European Commission adopted on June 17 a positive assessment of Greece's Recovery and Resilience Plan. This is an important step towards disbursing €17.8 billion in grants and €12.7 billion in loans under the Recovery and Resilience Facility (RRF) over the period 2021-2026 [35]. However, the intensity of the shock and the emergence of the "Delta" COVID-19 variant could possibly lead to a differentiation in the speed of the recovery among sectors, with a spectrum of activities related to services possibly lagging. This contagious variant increases the urgency to exceed the 70% of population immunization threshold.

Macroeconomic Environment and the Banking Services Sector in North Macedonia[36]

Economic recovery from COVID-19 stalled in the first quarter of 2021

GDP contraction deepened to 1.9% year-over-year in the first quarter of 2021 from 0.7% in the previous quarter (with full year 2020 GDP decline having come in at 4.5%), leaving North Macedonia behind its regional peers in terms of recovery from the pandemic. Indeed, high uncertainty, against the backdrop of successive COVID-19 waves, together with the adverse impact of containment measures, kept private consumption subdued in the first quarter of 2021, while suppressing further investment activity. Following the gradual shift to a tighter fiscal stance, public consumption also fell in the first quarter of 2021, weighing further on economic growth. At the same time, net exports' contribution to overall growth remained positive, albeit less so than in the previous quarter, reflecting, inter alia, a substitution of domestic production by imports.



Source: National Statistical Agency of North Macedonia

Importantly, the deterioration in external accounts halted, with the current account deficit narrowing to 2.5% of GDP, on a 4-quarter rolling basis, in the first quarter of 2021 from 3.5% in the previous quarter. Still favourable trade dynamics, on the back of weak domestic demand, together with higher remittance inflows, were the key drivers behind this improvement. Worryingly, the quality of external financing deteriorated, with non-debt generating foreign direct investments covering just 16% of the current account deficit, on a 4-quarter rolling basis, in the first quarter of 2021 against 55% in 2020. As a result, North Macedonia relied on proceeds from a sovereign Eurobond issuance to close its external financing gap.

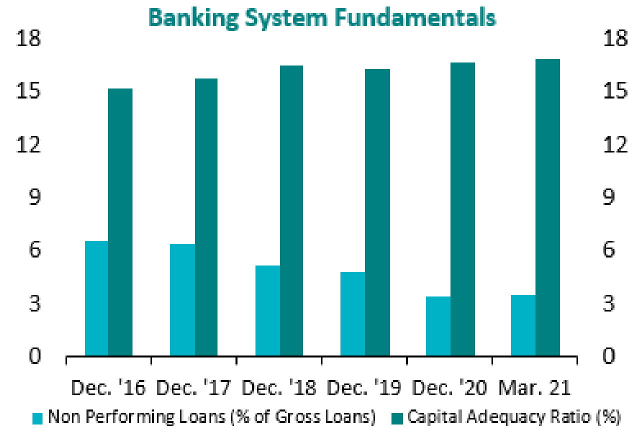
Despite the adverse operating environment, the performance of the banking sector remained strong at the beginning of the 2021

Released figures show that profits increased to €129 million (annualised) in the first quarter of 2021 from €118 million in 2020, with the (annualised) return-on-average-equity ratio remaining broadly flat at a solid 11.3%. Note, however, that the 2020 figures are biased downwards, since they include the losses recorded by a domestic lender, whose license was revoked in August 2020. Adjusted for the latter, banks' profitability is estimated to have eased slightly in the first quarter of 2021, mainly in line with higher provisioning needs. Indeed, with the economy still in recession, household and corporate balance sheets remained under stress, prompting banks to continue building up provisions at a fast pace, despite the still low non-performing loans to total gross loans ratio (3.5% in March 2021, broadly unchanged compared with December 2020). Pre-provision income is also estimated to have remained subdued in the first quarter of 2021, following, inter alia, a temporary deferral of debt payments by affected entities (effective until March 2021). In this environment, banks continued to expand their business volumes (adjusted for the exclusion of the aforementioned lender, credit to the private sector rose by c. 6.8% year-over-year in March 2021, a tad faster than the pace observed in December 2020). Importantly, the sector remained well-capitalised, with the capital adequacy ratio improving marginally to

[35] Source: Hellenic Ministry of Finance, MTFS 2022-2025

[36] Source: Published data from the Central Bank and the National Statistical Agencies of the country and processed by the NBG.

16.8% in March 2021, well above the minimum regulatory threshold of 8.0%.



Source: National Bank of the Republic of North Macedonia

Economic activity is set to gain momentum during the remainder of the year, recouping most part of its COVID-19-related losses

In light of the drop in the COVID-19 infection rate and the growing (though still low compared with EU standards) vaccination coverage, authorities proceeded with the gradual reopening of the economy at the end of the second quarter of 2021. Against this backdrop, economic recovery should gain momentum during the remainder of the year, driven by domestic demand, especially private consumption. Nonetheless, epidemic uncertainty related to the impact of the rapidly spreading COVID-19 variants worldwide will remain significant over the course of the year. Despite the recovery in the EU, net exports are unlikely to sustain economic growth in this period, reflecting the large import content of exports as well as stronger domestic demand. Support from fiscal policy is also set to diminish further, following the unwinding of the measures implemented in 2020, with the budget deficit projected to narrow by 3.2 pps to 4.9% of GDP in 2021. All said, we see GDP growth rebounding to 4.2% in 2021. Stronger demand-side pressures, together with higher global energy prices, should boost average headline inflation to 2.4% at the same time from 1.2% in the previous year.

Despite the envisaged (further) reversal of fiscal and monetary stimuli in 2022, we project GDP to expand by a still solid 4.0%, with the structure of domestic demand turning more balanced and net exports continuing to weigh on overall growth. At the same time, we expect average headline inflation to moderate slightly to 2.1%.

Besides the uncertainty over the evolution of the pandemic, there are additional downside risks to this outlook. Indeed, the ongoing disruptions in the automotive industry, due to the severe global shortage in computer chips, cloud the outlook for exports (note that automotive related products account for c. 40% of the country's exports). The latter could be also affected by an earlier and stronger-than-expected-tightening in global financing conditions, which would, in turn, slow down the pace of economic recovery in the EU, North Macedonia's main trade partner. Moreover, a further delay in the opening of EU membership talks could bode ill for investor confidence.

Financial Results of 1H.21

1H.21 Adjusted Group profit after tax ("PAT") from continuing operations up 33.8% y-o-y to €622 million, reflecting the following key Income Statement movements:

- **1H.21 Net Interest Income ("NII") up by 7.3% y-o-y to €591 million**, was supported by the new loan production, the time deposits repricing and increased TLTRO exposure and partially offset by a reduction in loan interest income due to NPE deleveraging and reduced income from securities mainly due to lower average yield after the Greek government bonds exchanges.
- **Trading & other income** benefits from large non-recurring gains from the Greek government bond swap transaction of amount €209 million (see *"Key Highlights - Exchange of Greek government bonds in January 2021),* as well as from the sovereign bond portfolio sales of €108 million.
- **Operating expenses excluding depreciation down by 7.9% y-o-y** on the back of strong cost containment efforts and a reduction of domestic personnel expenses reflecting the benefits of the VESs launched in 2019 and 2020, reducing its headcount gradually by 863 and 840 employees for the Group and the Bank, respectively, within 2020.
- **Credit provisions for 1H.21 at €147 million from €562 million in 1H.20,** as the COVID-19 related loan impairments of €0.4 billion was recognized by the Bank almost in its entirety in 1Q.20.
- **1H.21 Cost: Core Income drops to 51.3% vs 60.3% a year ago,** supported by the reduction in operating expenses.
- **1H.21 Cost of Risk** at 109bps. Total CoR in 1H.20 excluding COVID-19 and Project "Frontier" provisions stood at 103bps.
- **1H.21 profit for the period from discontinued operations** of €45 million from €14 million, was mainly due to NIC.

NPE performance

- **NPE balance** at Group level as at 30 June 2021 was €4.1 billion, recording a total reduction of €0.3 billion compared to 31 December 2020 mainly attributed to inorganic actions (see section "*Key Highlights- NPE reduction plan*").
- **NPE ratio** decreased to 13.9% as at 30 June 2021 (or 12.7% pro-forma, including the senior bond from the Frontier securitization), compared to 15.0% as at 31 December 2020.
- **NPE coverage ratio** stood at 66.8% as at 30 June 2021, increasing from 63.3% as at 31 December 2020.

Group deposits up 5.3%

Group deposits increased by €2.6 billion and stood at €51.1 billion as at 30 June 2021 compared to 31 December 2020. The increase is mainly attributed to the increase of the most stable deposit class, the savings deposits, by €2.0 billion, as a result of the COVID-19 quarantine.

CET1 ratio at 14.3%

- **1H.21 CET1 and total Capital ratio** at 14.3% and 15.2% respectively, well above 2021 SREP requirement of 11.5% (post capital relief measures (including also O-SII buffer of 50bps)).

€ million	1H.21	1H.20	Y-o-Y
Net interest income	591	551	7.3%
Net fee and commission income	136	123	10.6%
Core Income	**727**	**674**	**7.9%**
Trading and other income[1]	450	786	-42.7%
Income	**1,177**	**1,460**	**-19.4%**
Operating Expenses	(374)	(406)	-7.9%
Core PPI	**353**	**268**	**31.7%**
PPI	**803**	**1,054**	**-23.8%**
Loan impairments	(147)	(562)	-73.8%
Orerating Profit	**656**	**492**	**33.3%**
Core Operating Profit[2]	**206**	**132**	**56.1%**
Other impairments	(29)	(19)	52.6%
Adjusted PBT	**627**	**473**	**32.6%**
Taxes	(5)	(8)	-37.5%
Adjusted PAT (continuing operations)	**622**	**465**	**33.8%**
Discontinuing operations, non controlling interest & other	(47)	(105)	-55.2%
PAT	**575**	**360**	**59.7%**

[1] Includes among others the gain in 1H.21 of €209 million and 1H.20 of €515 million from the Greek government bond swap arrangement with the Greek State.

[2] Excludes trading & other income and loan impairments related to COVID-19 (€0.4 billion) in 1H.20.

Key Ratios | Group

Profitability	**1H.21**	**1H.20**	**Δ**
NIM (bps)	213	226	-13
Cost of Risk (bps)	109	264	-155
Cost of Risk excl. COVID-19 & Frontier (bps)	109	103	6
Cost of Risk COVID-19 (bps)	n/a	161	n/a
Risk adjusted NIM[1]	104	123	-19
Liquidity	**30.6.2021**	**31.12.2020**	**Δ**
Loans-to-Deposits ratio	52.8%	55.3%	-2.5%
LCR	259.1%	232.2%	26.9%
Capital	**30.6.2021**	**31.12.2020**	
CET1 ratio	14.3%	15.7%	
RWAs (€ billion)	36.4	36.6	

[1] Risk Adjusted NIM=NIM-Cost of Risk.

Going concern

Going concern conclusion

The Board of Directors concluded that the Group is a going concern after considering:

- the current level of ECB funding solely from TLTROs, the current access to the Eurosystem facilities with significant collateral buffer, and the LCR and NSFR ratios well above 100%;
- the Group's CET1 ratio at 30 June 2021 which exceeded the OCR requirement; and
- the extensive and continuous fiscal and monetary support of the European and Greek authorities in response to the unprecedented COVID-19 crisis (see section "*Response to COVID-19 crisis*").

Liquidity

As at 30 June 2021, funding from the ECB increased by €1.1 billion through TLTROs III at €11.6 billion (31 December 2020: €10.5 billion, solely TLTROs III). As of 30 June 2021, the Bank's secure net interbank transactions with foreign financial institutions amounted to €0.5 billion, while the Bank's liquidity buffer stood at €21.5 billion (cash value), with the LCR and NSFR ratios well above 100%.

Capital adequacy

The Group's CET1 and Total Capital ratios at 30 June 2021 were 14.3% and 15.2% respectively, exceeding the 2021 OCR of 11.5% post capital relief measures (see Note 17 of the Interim Financial Statements).

Macroeconomic developments

As discussed above, in section "*Key developments in the Macroeconomic and Financial environment - Greek Economy*", the Greek economy showed higher-than-anticipated resilience to COVID-19 in 1Q.21, despite the extension of several protective measures in the first months of 2021.

High-frequency data for 2Q.21 point to a rapid and broad-based strengthening in activity, as the opening of the economy further bolsters domestic spending and confidence. The apparent strength of domestic demand until early-July appears to have offset a weaker-than-expected start to the tourism season, due to the persistence of pandemic-related uncertainty worldwide. This improvement, along with strongly positive base effects, are estimated to lead to a double-digit increase in economic activity in 2Q.21, with full year GDP growth exceeding 5.0% y-o-y, assuming an average increase in tourism revenue of 60-80% y-o-y in FY.21. International-flights traffic in the Athens International Airport increased by 432.6% y-o-y in June 2021 (65% lower than in June 2019) and is estimated to have maintained a similar momentum in July, pointing to a potentially 3-digit increase in arrivals in 3Q.21, despite the persistently high uncertainty surrounding epidemic developments.

Looking forward, the COVID-19 hit to the economy could be reversed until 1H.22, assuming that: a) the pandemic is sufficiently addressed in the rest of the year through the continuing rollout of vaccinations, with no significant recurrence of the disease due to virus mutations; b) the persistent effect of fiscal and monetary easing, in conjunction with liquidity measures, will continue to assist the recovery in most sectors of economic activity, preventing the still significant demand and liquidity pressure on part of the business sector and households from turning into a solvency issue, and c) the confidence gains are maintained in 2H.21, activating pend-up demand from firms and households holding sizeable cash buffers.

Moreover, the first inflows of funding from the EU Recovery Fund are expected to begin in 3Q.21, amounting to c. €4.0 billion – more than €7.0 billion in total in 2021 – providing additional impetus to public investment and business activity over the course of the year, with the positive effect on GDP growth peaking in 2022.

Downside risks to the strong recovery scenario for 2021 mainly relate to the emergence of more infectious COVID-19 variants, which could slow the recovery of tourism, possibly leading to a tightening of restrictions in the coming quarters and a weakening in economic sentiment, unless a sufficient degree of immunization of the population is achieved. Diminished capacity for additional fiscal stimulus could amplify the pressure on the weakest economic entities leading to a more persistent economic damage.

For a list of measures that have been adopted in 2020 and 1H.21 in order to provide support to the European banking system and the Greek economy in dealing with COVID-19 please see section "*Response to COVID-19 crisis*".

Trend information

COVID-19 and its variants continue to impact sentiment in Greece and around the world. However, with significant progress in vaccination rollout likely resulting into c.2/3rds of the Greek adult population receiving vaccination before the end of the summer and the proven resilience of Greek GDP exceeding expectations, the Greek economy is set to continue on a strong recovery path. The ongoing recovery in tourism along with domestic demand picking up will support that trend in the short run, with the RRF funds promoting longer term sustainable growth.

In the first half of the year and despite COVID-19 mobility restrictions for a good part of it, we managed to produce a strong PAT from continued operations of €622 million, reflecting recovery across all our core lines in Income Statement, as well as a strong trading result from debt securities transaction.

On the asset quality front, our domestic NPE exposure dropped further to €4.0 billion, or 14.2%, with our cash coverage increasing further to 66.4%. NPE formation remained negative, adding up to a total organic NPE decline of €0.2 billion in 1H.21, despite the expiry of all moratoria at end-2020. Indeed, payment performance of loans previously under moratoria remains at a good stage, with just 3% of these accounts above 90dpd. Of equal importance is that just an additional 1% of the ex-moratoria clients are currently in early arrears (>30dpd), far better outcome than even we expected. As a result, we have well founded expectations that we will manage to outperform our CoR guidance.

Regarding our capital adequacy, we have further enhanced our strong capital position since the beginning of the year, with CET1 and total capital ratios (pro forma including the profit for the period) standing at 16.0% and 17.0%. Our capital position will improve further upon completion of the Frontier and NIC transactions.

Looking ahead, European Commissions' approval of Greece's RRF paves the way for the first disbursement of a c. €4 billion of pre-financing to Greece in 3Q.21. Longer term, RRF funds combined with further structural reforms in the country will lead to a gradual closure of the investment gap. In this environment of high and sustainable growth, NBG is best positioned to support the economy through that phase, capitalizing on our successful Transformation Program, which has just completed its third year and gives us an added competitive edge. In this positive environment, we remain focused to deliver our ambitious targets for high profitability, NPE reduction, and capital adequacy, providing added value to our clients and shareholders.

Events after the reporting period

2021 EU-wide Stress Test

For the results of 2021 EU-wide Stress Test, see section "*Regulatory developments - 2021 EU-wide Stress Test*".

COVID-19 developments

For measures taken by the authorities after the reporting period relating to COVID-19, see section "*Response to COVID-19 crisis - Response to COVID-19 crisis from Greek and European authorities*".

Related Party Transactions

Based on the existing regulatory framework, the Group must disclose any transaction between the Bank, its subsidiaries and all its related parties as defined in IAS 24 "Related Parties", which took place during the six-month period ended 30 June 2021. Management's total compensation, receivables and payables must be also disclosed separately. The following table presents the transactions between the Bank and its subsidiaries, while there are no significant transactions with its associates. Regarding the transactions with the Bank's main shareholder HFSF, other than the ordinary shares issued by the Bank and held by HFSF, no material transactions or balances exist with HFSF. For further details, see Note 16 of the Interim Financial Statements.

Subsidiaries

(€ million)	Assets	Liabilities	Income	Expenses	Off Balance Sheet (net)
National Securities S.A.	1	68	1	1	28
NBG Asset Management Mutual Funds S.A.	1	30	2	-	-
Ethniki Leasing S.A.	494	35	5	-	191
NBG Property Services Single Member S.A.	-	1	-	-	-
Pronomiouhos Single Member S.A. Genikon Apothikon Hellados	1	24	-	1	2
NBG Greek Fund Ltd	-	8	-	-	-
National Bank of Greece (Cyprus) Ltd*	5	82	-	1	1
NBG Management Services Ltd	-	-	-	-	-
Stopanska Banka A.D.-Skopje	4	-	1	-	-
NBG International Ltd	-	20	-	-	-
NBG Finance Plc	-	54	-	-	-
NBG Asset Management Luxembourg S.A.	-	-	-	-	-
Ethniki Hellenic General Insurance S.A.(Group)*	50	343	10	3	7
KADMOS S.A.	-	-	-	-	-
DIONYSOS S.A.	-	-	-	-	-
EKTENEPOL Construction Company Single Member S.A.	-	-	-	-	-
Mortgage, Touristic PROTYPOS Single Member S.A.	-	-	-	-	-
Hellenic Touristic Constructions S.A.	-	-	-	-	-
Ethniki Ktimatikis Ekmetalefsis Single Member S.A.	-	-	-	-	-
NBG International Holdings B.V.	-	4	-	-	-
NBG Leasing S.R.L.	5	-	-	-	-
NBG Finance (Dollar) Plc	-	279	-	-	-
NBG Finance (Sterling) Plc	-	118	-	-	-
NBG Bank Malta Ltd	37	122	-	-	33
Ethniki Factors S.A.	366	48	5	-	412
ARC Management One S.R.L. (Special Purpose Entity)	-	-	-	-	-
ARC Management Two EAD (Special Purpose Entity)	-	-	-	-	-
I-BANK DIRECT S.A.	-	1	-	-	-
Probank Leasing S.A.	48	11	1	-	-
Probank Insurance Brokers S.A.	-	1	-	-	-
Bankteco EOOD	-	-	-	-	-
CAC Coral Limited*	98	-	1	-	26
Total	**1,110**	**1,249**	**26**	**6**	**700**

**Held for sale subsidiaries.*

Risk Management

Management of Risks

The Group, as an international organisation operating in a rapidly growing and changing environment, acknowledges its exposure to banking risks and the need for these risks to be managed effectively. Risk management and control forms an integral part of the Group's commitment to pursue sound returns to its shareholders.

Credit Risk

Credit risk is the risk of financial loss relating to the failure of a borrower to honour its contractual obligations. It arises in lending activities as well as in various other activities where the Group is exposed to the risk of counterparty default, such as its trading, capital markets and settlement activities. Credit risk is the largest single risk the Group faces. The credit risk processes are conducted separately by the Bank and each of its subsidiaries. The credit risk procedures established by the subsidiaries are coordinated by the Group Risk Control & Architecture Division ("GRCAD").

The Group's credit granting processes include:

- credit-granting criteria based on the particular target market, the borrower or counterparty, as well as the purpose and structure of the credit and its source of repayment;
- credit limits that aggregate in comparable and meaningful manner different types of exposures, at various levels;
- clearly established procedures for approving new credits as well as the amendment, renewal and re-financing of existing credits.

The Group maintains on-going credit administration, measurement and monitoring processes, including in particular:

- documented credit risk policies;
- internal risk rating systems;
- information systems and analytical techniques that enable measurement of credit risk inherent in all relevant activities.

The Group's controls implemented for the above processes include:

- proper management of the credit-granting functions;
- periodical and timely remedial actions on deteriorating credits;
- independent, periodic audit of the credit risk management processes by the Group Internal Audit Division, covering in particular the credit risk systems/models employed by the Group.

Additionally, the GRCAD measures and monitors credit risk on an on-going basis through documented credit risk policies, internal rating systems, as well as information systems and analytical techniques that enable measurement of credit risk inherent in all relevant activities. Thus, the Group achieves active credit risk management through:

- the application of appropriate limits for exposures to a particular single or group of obligors;
- the use of credit risk mitigation techniques;
- the estimation of risk adjusted pricing for most products and services;
- a formalized validation process, encompassing all risk rating models, conducted by the Bank's independent Model Validation Unit ("MVU").

The Credit Policies for the Corporate and the Retail Banking portfolios of the Bank and its subsidiaries set the minimum credit criteria, present the fundamental policies, procedures and guidelines for the identification, measurement, approval, monitoring and managing of credit risk undertaken in Corporate and Retail Banking Portfolios respectively, both at the Bank and Group levels.

The Credit Policy of the Bank is approved by the Board of Directors upon recommendation of the Board Risk Committee ("BRC") following proposal by the Group Risk Management, Chief Risk Officer ("CRO") to the Senior Executive Committee and the BRC, and is reviewed on an annual basis and revised whenever deemed necessary and in any case every two years.

Credit Policies of each subsidiary are approved by the competent local boards or committees, following a recommendation by the responsible officers or subsidiaries' bodies, according to the decisions of the Bank and the provisions of the Credit Policies. Each proposal must bear the prior consent of the Group Chief Credit Officer ("CCO"), or the Head of NBG's Group Retail Credit Division or the Head of NBG's Group International Credit Division depending on the portfolio, in collaboration with the Head of NBG's GRCAD for issues falling under their responsibility. The subsidiaries' Credit Policies are reviewed on an annual basis and revised whenever deemed necessary and in any case every two years.

Through the application of the Retail Banking Credit Policy, the evaluation and estimation of credit risk, for new as well as for existing products, are effectively facilitated. NBG's Senior

Management is regularly informed on all aspects regarding the Credit Policy. Remedial action plans are set to resolve the issues, whenever necessary, within the risk appetite and strategic orientation of the Bank. The Bank's Retail Banking Credit Policy is approved and can be amended or revised by the Board of Directors following recommendation from the BRC and is subject to periodic revision. Retail Banking Credit Policy is reviewed on an annual basis and revised whenever deemed necessary and in any case every two years. All approved policy changes are incorporated in the Policy Manual.

Market Risk

Market Risk is the current or prospective risk to earnings and capital arising from adverse movements in interest rates, equity and commodity prices and exchange rates, and their levels of volatility. The Group engages in moderate trading activities in order to enhance profitability and service its customers. These trading activities create market risk, which the Group seeks to identify, estimate, monitor and manage effectively through a framework of principles, measurement processes and a valid set of limits that apply to all of the Group's transactions. The most significant types of market risk for the Group are interest rate, equity and foreign exchange risk.

Interest Rate Risk is the risk related to the potential loss on the Group's portfolio due to adverse movements in interest rates. A principal source of interest rate risk exposure stems from the interest rate, over-the-counter ("OTC") and exchange traded derivative transactions, as well as from the trading and the held to collect and sell ("HTCS") bond portfolios.

The most significant contributor to market risk in the Group is the Bank. More specifically, the Bank maintains a portfolio of interest rate swaps (IRSs) and other IR related OTC transactions, as well positions in exchange traded bond and interest rate futures, mainly as a means of hedging and to a lesser extent for speculative purposes. Additionally, the Bank retains a portfolio of Greek government bonds and T-Bills, as well as positions in other EU sovereign debt and European Financial Stability Fund ("EFSF") issues. Furthermore, NBG holds moderate positions in Greek and international corporate bonds. Overall, NBG has moderate exposure to interest rate risk in the Trading Book, while it enters into vanilla IRS transactions in order to mitigate the interest rate risk of the bonds listed in the Banking Book.

Equity Risk is the risk related to the potential loss due to adverse movements in the prices of stocks and equity indices. The Group holds a limited portfolio of stocks, the majority of which are traded on the Athens Exchange (the "ATHEX") and retains positions in stock and equity index derivatives traded on the ATHEX, as well as, on international exchanges. The cash portfolio comprises of trading (i.e. short-term) and held to collect and sell (i.e. long-term) positions. The portfolio of equity derivatives is mainly used for the hedging of equity risk arising from the Group's cash position and equity-linked products offered to customers and to a lesser extent for proprietary trading.

Foreign Exchange Risk is the risk related to the potential loss due to adverse movements in foreign exchange rates. The Open Currency Position ("OCP") of the Bank primarily arises from foreign exchange spot and forward transactions, as well as from the mark-to-market of NBG's OTC derivatives' trades denominated in foreign currency. The OCP is distinguished between trading and structural. The structural OCP contains all of the Bank's assets and liabilities in foreign currency (for example loans, deposits, etc.), along with the foreign exchange transactions performed by the Treasury Division. Apart from the Bank, the foreign exchange risk undertaken by the rest of the Group's subsidiaries is insignificant. The Group trades in all major currencies, holding mainly short-term positions for trading purposes and for servicing its institutional /corporate, domestic and international customers.

Value at Risk ("VaR"). The Bank uses market risk models and dedicated processes to assess and quantify its portfolio market risk, based on best practice and industry-wide accepted risk metrics. More specifically, the Bank estimates the market risk of its Trading and HTCS portfolios, using Variance-Covariance ("VCV") VaR methodology. The VaR estimates are used both for internal management as well as for regulatory purposes. In order to verify the predictive power of the VaR model, the Bank conducts back-testing on a daily basis. Moreover, since the daily VaR estimations refer to "normal" market conditions, a supplementary analysis is necessary for capturing the potential loss that might arise under extreme and unusual circumstances in the financial markets. Thus, the Bank conducts stress testing on a weekly basis, on both the Trading and HTCS portfolios, based on specific scenarios per risk factor category (interest rates, stock index prices, exchange rates). For more details on the VaR model and the respective results, as well as on the back-testing and stress-testing procedures, please see Note 4.3 of the Annual Financial Statements.

The Bank has also established a framework of VaR limits, in order to control and manage the risks to which it is exposed, in an efficient way. These limits are based on the Bank's Risk Appetite, as outlined in the RAF, the anticipated profitability of the Treasury Division, as well as on the level of the Bank's own funds (capital budgeting), in the context of the Group strategy. The VaR limits refer not only to specific types of market risk, such as interest rate, foreign exchange, equity and commodities but also to the overall market risk of the Bank's Trading and HTCS portfolios, taking into account the respective diversification between portfolios. Moreover, the same set of limits are used to monitor and manage risk levels on the Trading Book, on an overall basis and per risk type, since this is the aggregation level relevant for the calculation of the own funds requirements for Market Risk, under the Internal Model Approach ("IMA").

The principles and practices for sound market risk management at NBG are set forth in the Market Risk Management Policy ("Policy") which is subject to ongoing revision, as changes in business conditions, amendments to existing regulations and other events may affect market risk practices and controls. The Policy is established to evidence the Bank's commitment to develop and adhere to the highest standards for assessing, measuring, monitoring and controlling market risk arising from trading and non-trading activities. Additionally, the VaR model as well as the processes followed by the Group Financial & Liquidity Risk Management Division ("GFLRMD") for the measurement and monitoring of Market Risk are described in the VaR/sVaR Model Methodology document, which is subordinate to the Market Risk Management Policy and is subject to changes, in accordance with amendments to the Policy.

The operation of the Market Risk Management Division as a whole, including the VaR Calculation Framework, have been thoroughly reviewed and approved by the Bank of Greece. Furthermore, the

Group's Internal Audit Division assesses the effectiveness of the relevant controls on a periodic basis. Furthermore, the adequacy of the Market Risk Management Framework, as well as the appropriateness of the VaR model, were successfully reassessed by the SSM during the on-site investigation in the context of the Targeted Review of Internal Models ("TRIM"), while the ECB concluded in its final Decision that NBG may continue calculating the own funds requirements for general market risk with the internal model approach, which verifies the robustness of the Bank's Market Risk management model.

Finally, the GFLRMD is working on the implementation of the revised regulatory framework for market risk under Basel IV and has already finalized the implementation of the new standardized approach in the current risk engine.

Interest Rate Risk in the Banking Book

Interest Rate Risk in the Banking Book ("IRRBB") refers to the current or prospective risk to the Bank's capital and earnings arising from adverse movements in interest rates that affect the Bank's Banking Book positions. The main sources of IRRBB are the following:

- Re-pricing risk: risk related to the timing mismatch in the maturity and re-pricing of assets and liabilities and off-balance sheet short and long term positions;
- Yield curve risk: risk arising from changes in the slopes and the shape of the yield curve;
- Basis risk: arises from imperfect correlation in the adjustment of the rates earned on and paid on different instruments with otherwise similar repricing characteristics;
- Optionality risk: arises from embedded options in the Group's assets, liabilities or off-balance sheet portfolios.

Interest rate fluctuations affect the economic value of the Group's assets, liabilities and off-balance sheet items, through corresponding changes in the cash flows' amounts and discount rates and – therefore – their present value. Changes in interest rates also affect the Group's earnings by increasing or decreasing its Net Interest Income ("NII") and the level of other interest rate-sensitive income and operating expenses. It is therefore important to examine IRRBB from these two complementary views and quantify the effect of interest rate changes using both value and earnings measures.

The Group's Banking Book consists mainly of loans and advances to customers, reserves with the Central Bank, due from banks, securities measured at amortised cost and Fair Value through Other Comprehensive Income ("FVTOCI") (mainly Greek government and other EU sovereign fixed rate bonds), due to customers, due to banks, debt securities in issue, Eurosystem Funding and other borrowed funds that are measured at amortised cost. The Group maintains adequate measurement, monitoring, and control functions for Interest Rate Risk in the Banking Book ("IRRBB"), including:

- measurement systems of interest rate risk that capture all material sources of interest rate risk and that assess the effect of interest rate changes in ways that are consistent with the scope of the Group's activities;
- measurement of vulnerability to loss under stressful market conditions;
- processes and information systems for measuring, monitoring, controlling, and reporting interest rate risk exposures in the banking book; and
- a documented policy regarding the management of IRRBB.

IRRBB is measured, monitored, and controlled by GFLRMD, based on the Group's established RAF. Specifically, GFLRMD calculates a number of risk metrics for the purpose of monitoring and controlling IRRBB:

- NII sensitivity, a measure of the effect of interest rate changes to the Group's expected interest earnings. NII sensitivity measures changes to interest income under varying interest rate scenarios over a one year horizon and assuming a constant balance sheet over this period. Its main purpose is to measure the vulnerability of the Group's profitability to changing interest rates conditions.
- Economic Value of Equity ("EVE") Sensitivity, a measure of the Bank's Balance sheet value vulnerability to interest rate changes. EVE Sensitivity represents the change in the net present value of all cash flows in the Bank's balance sheet under a set of interest rate stress scenarios; and is calculated on the entire balance sheet under a run-off assumption, i.e. no replenishment of matured transactions.

Both metrics are used in establishing the Group's IRRBB capital requirements. The evaluation and review of IRRBB measurement systems and processes is undertaken annually by the Group's Internal Audit Division in relation to capital requirements calculations performed for the ICAAP exercise. Furthermore, the Bank's independent Model Validation Unit (MVU) granted full approval to the IRRBB calculation framework during 2020, and the IRRBB model is included in MVU's annual ongoing validation process.

A set of IRRBB limits are defined in the Group's RAF in relation to the EVE sensitivity measure and in alignment with the limits prescribed in the Supervisory Outlier Test of the latest IRRBB Regulatory Guidelines. In addition, new IRRBB limits of the Bank's NII sensitivity to interest rate fluctuations have been introduced and approved in the latest Group RAF update. Both EVE and NII limits are monitored and reported to the BRC as well as the ALCO on a monthly basis. The Group is exposed to moderate levels of IRRBB, as evidenced by the current levels of the established limit structure utilization, which are comfortably below the Risk Tolerance level defined in the Group's RAF.

Counterparty Credit Risk

Counterparty Credit Risk ("CCR") for the Group stems from OTC derivative and other interbank secured and unsecured funding transactions, as well as commercial transactions, and is due to the potential failure of a counterparty to meet its contractual obligations.

The framework for managing CCR that pertains to Financial Institutions ("FIs") is established and implemented by the GFLRMD. It consists of:

- measuring the exposure to each counterparty, on a daily basis;
- establishing the respective limits per counterparty;
- monitoring the exposure against the defined limits, on a daily basis.

The estimation of the exposure to each counterparty depends on the type of the financial product. In the case of unsecured interbank transactions and commercial transactions, exposure is equal to the nominal amount of the transaction, whereas secured interbank transactions and OTC Derivatives create Pre-Settlement Risk, which is measured through each product's Credit Equivalent Factors ("CEFs"), as described in the Counterparty Credit Risk Management Framework.

For the efficient management of counterparty credit risk, the Bank has established a framework of counterparty limits, which are based on the credit rating of the financial institutions as well as the product type. The credit ratings are provided by internationally recognized rating agencies, in particular by Moody's and Standard & Poor's. According to the Bank's policy, if the agencies diverge on the creditworthiness of a financial institution, the lowest credit rating is considered. Limits exist for each product type and are set at the respective counterparty's Group level, as analyzed in the Counterparty Credit Risk Framework. Sub-limits are then allocated to the subsidiaries of each counterparty Group, in accordance with the business needs of the Bank.

Counterparty limits apply to all financial instruments in which the Treasury is active in the interbank market. The Bank is also active in international trade finance, therefore a limit framework is in place for the efficient management of counterparty credit risk arising from funded commercial transactions. A similar limit structure for the management of counterparty credit risk applies across all of the Group's subsidiaries.

The limit-framework is revised periodically, according to business needs of the Bank and the prevailing conditions in the international and domestic financial markets.

Subsequently, all limits are monitored by GFLRMD on a daily basis.

NBG seeks to further mitigate Counterparty Credit Risk ("CCR') by standardizing the terms of the agreements with counterparties through International Swaps and Derivatives Association ("ISDA") and Global Master Repurchase Agreement ("GMRA") contracts that encompass all necessary netting and margining clauses. Credit Support Annexes ("CSAs") have also been signed with almost all active FIs, so that net current exposures are managed through margin accounts, on a daily basis, by exchanging mainly cash or debt securities as collateral. Moreover, NBG performs OTC transactions with central counterparties ("CCPs"), either directly or through qualified clearing brokers.

Also, NBG avoids taking positions on derivative contracts where the values of the underlying assets are highly correlated with the credit quality of the counterparty (wrong way risk).

Finally, GFLRMD completed the implementation of the revised standardized approach for the calculation of the capital requirements for counterparty credit risk (SA-CCR), which will apply from the end of June 2021.

Liquidity Risk

Liquidity Risk is defined as the current or prospective risk to earnings and capital arising from the institution's inability to meet its liabilities when they come due without incurring unacceptable losses.

It reflects the potential mismatch between incoming and outgoing payments, taking into account unexpected delays in repayments (term Liquidity Risk) or unexpectedly high outflows (withdrawal/call risk). Liquidity Risk involves both the risk of unexpected increases in the cost of funding of the portfolio of assets at appropriate maturities and rates, and the risk of being unable to liquidate a position in a timely manner and on reasonable terms.

The Bank's executive and senior management has the responsibility to implement the Liquidity Risk strategy approved by the BRC and to develop the policies, methodologies and procedures for identifying, measuring, monitoring and controlling Liquidity Risk, consistent with the nature and complexity of the relevant activities. The Bank's executive and senior management is informed about current Liquidity Risk exposures, on a daily basis, ensuring that the Group's Liquidity Risk profile stays within the approved levels.

In this perspective, senior management receives, on a daily basis, a liquidity report which presents a detailed analysis of the Group's funding sources, the liquidity buffer, the cost of funding and other liquidity indicators related to the RAF, the Recovery Plan and the Contingency Funding Plan. Moreover, leveraging on the capabilities of the in-house liquidity platform, Risk Management, has established the daily calculation of the Liquidity Coverage Ratio ("LCR") and the subsequent production of the internal LCR reporting, which is also sent to the senior management on a daily basis. Additionally, the Asset Liability Committee ("ALCO") monitors the gap in maturities between assets and liabilities, as well as the Bank's funding requirements based on various assumptions, including conditions that might have an adverse impact on the Bank's ability to liquidate investments and trading positions and its ability to access the capital markets. On a long-term perspective, the Loans-to-Deposits ratio is monitored. This ratio stood at 51.8% and 52.8% as of 30 June 2021, on a domestic (Greece) and on a Group level, respectively.

Since Liquidity Risk management seeks to ensure that the respective risk of the Group is measured properly and is maintained within acceptable levels then, even under adverse conditions, the Group must have access to funds necessary to cover customer needs, maturing liabilities and other capital needs, while simultaneously maintaining the appropriate liquidity buffer to ensure the above. In addition to the Bank's liquidity buffer, the rest of the Group's subsidiaries maintain an adequate liquidity buffer, well above 10% of their total deposits, which ensures their funding self-sufficiency in case of a local crisis.

Current Liquidity Status

NBG's robust liquidity position has been successfully tested and confirmed in real stressed conditions, during the COVID-19 crisis.

The stability of its funding sources, combined with the comfortable level of its liquidity buffer and LCR, especially during this period, further underpin the quality, as well as the resilience of the Bank's overall liquidity profile.

In addition to its liquidity position, the COVID-19 crisis has also tested the Bank's operational readiness and effectiveness, especially during the period that the first lockdown was imposed and large part of the Treasury and its Operations, as well as the entire Risk Management was working remotely from home. However, the entire liquidity management and monitoring chain of the Bank worked seamlessly and successfully, even under these unprecedented market and operational conditions, which is a testament to the resilience and robustness of the existing infrastructure.

On 30 June 2021, the Bank's strong liquidity profile is representative of a healthy liability side of the balance sheet. The improved funding structure is marked by the significant inflow of customer deposits that reached the 2011 levels, the increase of stable long-term funding, through the cheaper TLTRO III ECB's refinancing operations and the full access to the secured interbank markets. Moreover, LCR and Net Stable Funding Ratio ("NSFR"), as well as the Bank's liquidity buffer currently stand at the highest historical levels while cost of funding has significantly decreased to a historically low level. The liquidity state of the Bank on 30 June 2021 is further analyzed in the next section.

Funding Sources and Key Liquidity Metrics

The Bank's principal sources of liquidity are its deposit base, Eurosystem funding currently via the TLTROs with ECB, repurchase agreements (repos) with major FIs and wholesale funding through the placement of the senior unsecured issuance, as well as the Tier II notes. ECB funding and repos with FIs are collateralized mainly by high quality liquid assets, such as, EU sovereign bonds, Greek government bonds and T-Bills, as well as by other assets, such as highly rated corporate loans and covered bonds issued by the Bank.

Following a remarkable year for the Bank's liquidity in 2020, despite the COVID-19 pandemic and its unprecedented consequences in the financial markets and social life, the first half of 2021 further strengthened the Bank's strong liquidity profile. On 30 June 2021, the Bank's customer deposit balance stood at €50.3 billion, a significant increase of €2.8 billion compared to 31 December 2020. More importantly, this increase is mainly attributed to the increase of the most stable deposit class, the savings deposits, by €2.0 billion.

Additionally, both the LCR and the NSFR, remained strong and were steadily increasing during 2021, driven by the significant increase of customer deposits. More specifically, on 30 June 2021, the Bank's LCR remained comfortably above the regulatory and internal limits, at all times, and it significantly increased reaching its highest level of 244.7% (259.1% at Group level). Moreover, the Bank NSFR steadily improved and reached its highest historical level on 31 March 2021 of 121.4% (Group 122.8%).

In addition, the international secured financing markets continued to be open for NBG, which the Bank tapped for €1.2 billion, on 30 June 2021. Furthermore, NBG continued to benefit from the ECB temporary measures and increased the Bank's exposure to the cheaper ECB Funding by €1.1 billion and stood at €11.6 billion on 30 June 2021, consisting exclusively of TLTROs.

The Bank's funding cost stood at the historically low level of 1bp as of 30 June 2021 a significant decrease by 7bps compared to the respective figure as of 31 December 2020, driven by the decrease of the cost of customer deposits by 6bps, as well as the increased exposure in Eurosystem funding, at a cost of -65bps.

Finally, the Bank's liquidity buffer stood at €21.5 billion as at 30 June 2021, of which €5.9 billion was collateral eligible for funding with the ECB, €5.3 billion pertained to the unencumbered tradable collateral that could be used for secured funding with FIs, and the remaining €10.4 billion was either in the form of cash, or deposited with the Bank of Greece, as well as in the form of short term unsecured interbank placements and deposited in Nostro accounts, further showing NBG's strong liquidity position.

Operational Risk

NBG Group defines Operational Risk as the risk of loss resulting from inadequate or failure in internal processes, people and systems or from external events. This definition includes legal risk, excludes strategic and business risk, but takes into consideration the reputational impact of Operational Risk.

The main subcategories of Operational Risk are: Legal risk, Conduct risk, ICT risk, Model risk and Outsourcing Risk. There are also the following seven Event Type categories as defined by Basel II:

- Internal Fraud
- External Fraud
- Employment Practices and Workplace Safety
- Clients, Products and Business Practices
- Damage to Physical Assets
- Business Disruption and System Failures
- Execution, Delivery and Process Management

The Group Operational Risk Management function is responsible for overseeing and monitoring the risks assessment, providing appropriate tools and methodologies, coordination and assistance to the Business Units and proposing appropriate risk mitigation measures.

NBG has established a Group-wide Operational Risk Management Framework ("ORMF") that provides the foundations, principles and governance arrangements for designing, implementing, monitoring, reviewing and continually strengthening operational risk management throughout the Group.

In particular, under this ORMF, NBG aims to:

1) establish a consistent Group-wide approach to operational risk management leading to a proactive approach in avoiding unexpected events and minimizing of operational risk losses;
2) support the Group's business strategy by ensuring that business objectives are pursued in a risk-controlled manner;
3) improve the quality of operational risk information leading to more informed risk decision-making and capital allocation;
4) ensure consistency with best practices and compliance with regulatory (quantitative and qualitative) requirements;
5) promote a Group-wide operational risk awareness and culture further contributing to process efficiency and control

effectiveness.

GORMD reports to the Operational Risk Management Committee ("ORCO"), a sub-committee of the Senior Executive Committee. ORCO, that has the overview of the ORMF implementation, meets regularly on a quarterly basis, providing a semi-annual report to the Senior Executive Committee.

The overall responsibility for the management of Operational Risk relies within the First Line of Defence Business Units, that are responsible and accountable for directly identifying, assessing, controlling and mitigating operational risk within their business activities in compliance with the Bank's standards and policies.

Operational Risk Management is integrated into the day-to-day business, adding value to the organization by applying a proactive approach. A series of techniques and tools have been defined by the Group in order to identify, measure and assess Operational Risk. The most important operational risk mechanisms used by the Group are the following:

- **The Risk & Controls Self Assessment ("RCSA")** process: it is a recurring, forward looking process performed on an annual basis aiming at the identification and assessment of the operational risks faced by the Group. The scope of RCSA extends to all business lines, thereby to all business, support or specialized Units;
- **The Internal Events Management process**: NBG requires accurate and timely knowledge of operational risk related internal events and has therefore established an appropriate event management process that covers the event life cycle, comprising the event identification, categorization, analysis, on-going management, remediation actions and reporting;
- **The Key Risk Indicators definition and monitoring process**: NBG defines as Key Risk Indicator any simple or combined data variable, which allows the assessment of a situation exposing the Bank to operational risk, as well as its trend, by monitoring/comparing its values over time. Therefore, KRIs are metrics providing early warning signs, preventing and detecting potential risks and vulnerabilities in the activities of the Bank;
- **The Scenario Analysis process**: NBG defines Risk Scenario as the creation of a potential event or consequence of events that expose the organization to significant operational risks and can lead to severe operational losses. Scenario Analysis is the process that reveals all the long-term exposures to major and unusual operational risks which can have substantial negative impacts on the organization's profitability and reputation;
- **The Training Initiatives and Risk Culture awareness actions**: Group Operational Risk Management Division designs and implements training programs on operational risk and the ORMF, the use and implementation of programs, methods and systems as well as other actions aiming at knowledge sharing and the establishment of Operational Risk culture Group-wide.

In the beginning of 2021 GORMD completed the annual revision of the Operational Risk Management Framework (ORMF). By the 1st half of 2021 all documents that constitute the ORMF, namely the RCSA Policy, the KRI Policy, the Scenario Analysis Policy, the Internal Events Management Policy, the respective Guidelines, as well as the OpRisk Taxonomy were approved by the Operational Risk Committee and the Executive Committee**.**

Additionally, in the 1H.21 GORMD:

- successfully completed the Scenario Analysis exercise for the identification of NBG's Top Operational Risks.
- continued offering extensive Training and Risk Awareness Activities within the Bank's Business Units.
- launched the 1st Operational Risk Forum with the participation of all SRCOs/URCOs as well as representatives from the 2nd and 3rd Lines of Defense.
- set up in the Bank's Intranet the Operational Risk Portal that includes generic information on OpRisk Management as well as the documentation of all OpRisk Programs and Training Material.

Finally, during the 1H.21 GORMD continued with:

- the implementation of the RCSA according to the Project Plan,
- the development of additional Key Risk Indicators and the monitoring of the KRI Dashboard,
- the collection of the COVID-19 related Operational Risks losses.

All the above information is regularly communicated to the ORCO, Executive Committee and BRC.

Model Risk

Model Risk is the potential loss the Group may incur, as a consequence of decisions that could be principally based on the output of the models deployed, due to errors in the development, implementation or use of these models.

Model risk occurs primarily for two reasons:

- a model may produce inaccurate outputs due to errors in its design, methodology, data inputs or implementation;
- a model may be used incorrectly or inappropriately, without taking the proper considerations regarding its limitations and assumptions.

Model Risk is measured, monitored, and controlled by the Model Valuation Unit ("MVU"). Specifically, the MVU has elaborated a set of policies, guidelines, methodologies and controls that comprise the Model Risk Management ("MRM") Framework. The proper application of MRM framework covering a model's lifecycle, empowers the MVU to perform and to be engaged in various control activities as part of the model validation process. In case that certain deficiencies are identified following the completion of a model validation exercise, the MVU issues Required Action Items ("RAIs") which are acted upon, after their appropriate approval process, that may effect material changes to the models and the multitude of processes related to them.

Since 2018, the MVU has organized its tasks towards the following directions, aiming to thoroughly implement the above mentioned framework:

- *Key Policy and Governance Elements*: The MVU regularly updates the Bank's Model Validation Policy and also develops and introduces in a phased approach, subordinate to the Policy documents and guidelines to enhance the applied MRM Framework. Based on these, relevant controls have been designed and an issue and action plan management workflow has been inaugurated. The MVU has compiled a set of business processes in the form of workflows, that serve in managing the models' lifecycle and has also developed a model risk quantification methodology. The latter has been competently approved in April 2020 and is utilized for ICAAP reporting purposes.
- *Model Risk Management Tools and Platform:* The MVU has put in effect automation tools and has developed in-house processes and libraries, following best practices and engineering standards, which are used by internal and external personnel so as to effectively perform quantitative validation tasks. The MVU is also participating in the new GRC platform implementation team. All necessary actions regarding the GRC Platform's MRM module that will mainly assist the Unit's day-to-day business, including the IT configuration of the platform and the recursive UAT phases that have contributed to its release to production in December 2020, have been duly completed. The module has been meticulously customized in order to comply with the existing framework thus facilitating its integration into the Bank's daily processes.

During 2021, the MVU aims to undertake further initiatives towards the above two directions. Firstly, a GRC Platform/MRM Module User Workbook, will provide input in the form of explanatory material covering their various functionalities and serving at the same time the training needs of the platform's delegated users. Furthermore, MVU plans to formulate processes related to existing communication needs through the issuance of specific directives concerning MRM module's use and the function of the comprising model lifecycle workflows, the training of the appropriate personnel and finally, will be working in embedding the reporting stream produced by various risk and control Units into the GRC Platform, integrating all reports being pertinent to the model risk management process as encoded in the controls developed by MVU, the related Policy documents and their Annexes.

The Key aspects of the model risk management framework are:

- *Policies and Processes:* In order to ensure the timely and effective model risk quantification and manage it in its entirety, a comprehensive set of guidelines regarding the utilized models' lifecycle as well as policy and methodology documents relevant to model governance, management and validation have been introduced. The set consists of clear and streamlined workflows and methodology documents resulting from the MVU's "deep dive" analysis concerning the Banks' existing business processes and the relevant regulatory framework.
- *Model Tiering and Model Risk Assessment:* As required by the regulator, the scrutiny under which each model is validated, monitored and managed is proportional to the model's materiality. The MVU has introduced a model tiering procedure with the explicit intent to ascertain the level of a model's importance or significance. Furthermore, the aforementioned classification and the models' validation outcome are appropriately combined in an internally developed methodology, with the aim to quantify Model Risk in terms of internal capital.
- *Issues and Action Plans:* The MVU follows a specific issue tracking business process, implemented in the Bank's new GRC platform, for the purpose of communicating model issues to the model owners, tracking their statuses, approving action plans while following their accomplishment and finally reporting issue completion to the BRC. This process ensures that validation exercises are contributing effectively to maintain the models sound functionality, keeping them fit for purpose assisting in the same time active model risk management and are not being solely performed just for reporting purposes.
- *Model Inventory and Model Risk Module ("MRM"):* The Group's Risk and Control Units have worked extensively towards the adoption of a workflow management system which aims, among other purposes, to automate the majority of the procedures related to the models' lifecycle. This need will be covered by the MRM being part of the GRC Platform, that will also incorporate a self-contained model inventory comprising a thorough and concise model registry in terms of model attributes. The attributes will provide the proper support to the above -mentioned issues workflow management system. Furthermore, they will be utilized – in their entirety or partly – as a pool of inputs for Model Risk estimation purposes. The inventory is intended to become the Bank's comprehensive model repository and to play an essential role in the centralized and holistic approach of Model Risk assessment.

The structure of the model risk management process followed by the MVU, is built around a set of distinct phases.

Initially, when the development of a new model is decided, it has to be registered in the Model Inventory by its owner. Effective Model Risk Management requires the maintenance of a complete and exhaustive inventory of the entirety of the models employed by the Bank, so as to prioritize validation exercises, tier and monitor model risk. During the model's development phase, the MVU is kept informed on the process's progress status. Upon model development completion, the Model Inventory is updated by the model owner with pertinent material to enable the model tiering, the model risk assessment and the model review and finally the completion of the validation processes if needed.

After a model is developed, if it is assessed to have material model risk, it is determined that an Initial Validation is required. This process is also a key component of the efficient model risk management, as it allows for an accurate Model Risk estimation. During an Initial Validation exercise, the model is examined through a series of controls that cover a multitude of qualitative and quantitative aspects, which are designed to mitigate specific areas of model risk sources, such as input and data issues, model design deficiencies, non-adherence to internal or/and external requirements, improper model use, erroneous implementation and inadequate model performance. These checks are performed utilizing a set of inputs made available by the model owner through the GRC platform such as data quality reports, the model development report, model use reports etc. The outcome of the model validation exercise is an assessment regarding the level of the model's risk rating, its type of approval and an ensuring list of RAIs, if any issues/deficiencies are observed in the model assessment areas and need to be remediated.

Following the model's approval by the competent management level or committee, the model is implemented in the appropriate system/platform. The implementation phase consists an additional source of model risk. The MVU conducts an implementation review to assess the implementation process and all available reports covering the IT and UAT performed tests are examined, so as to determine if the deployed model is fit for purpose and functions as expected. Deployed models and their correct use are regularly monitored by their respective owners, while they are also re-visited by the MVU through ongoing validation exercises (yearly in case of models that present material model risk, or less frequently for the rest of the models), focusing mainly on model's stability and performance. Any validation exercise could potentially lead to the production of RAIs and possibly initiate the introduction of a new model version in case of material model changes. This process consequently kicks-off a new cycle of model maintenance actions through the regular review, evaluation, model risk estimation and model change classification process as described above.

Other Risk Factors

Cyber security

The Group's information systems and networks have been, and will continue to be, exposed and vulnerable to an increasing risk of continually evolving cyber security or other technological risks which could result in the unavailability of IT services or in the disclosure of confidential client or customer information, damage to its reputation, additional costs to it, regulatory penalties and financial losses.

A significant portion of the Group's operations rely heavily on the secure processing, storage and transmission of confidential and other information as well as the monitoring of a large number of complex transactions on a minute by minute basis. The Group stores an extensive amount of personal and client specific information for its retail, corporate and governmental customers and clients and must accurately record and reflect their extensive account transactions. These activities have been, and will continue to be, subject to an increasing risk of cyber-attacks, the nature of which is continually evolving.

The Group endeavours to safeguard its systems and processes and strives to continuously monitor and develop them to protect its technology infrastructure and data from misappropriation. However, its computer systems, software and networks have been and will continue to be exposed and possibly vulnerable to unauthorized access, loss or destruction of data (including confidential client information), account takeovers, unavailability of service, computer viruses or other malicious code, cyber-attacks and other external attacks or events, as well as internal breaches. These threats may derive from human error, fraud or malice on the part of employees or third parties or may result from accidental technological failure. If one or more of these events occurs, it could result in the disclosure of confidential client information, damage to the Group's reputation with its clients and the market, additional costs (such as repairing systems or adding new personnel or protection technologies), regulatory penalties and financial losses to both the Group and its clients. Such events could also cause interruptions or malfunctions in the Group's operations (such as the lack of availability of its online banking systems) or otherwise hinder its operational effectiveness, as well as the operations of its clients, customers or other third parties. Given the volume of its transactions, certain errors or actions may be repeated or compounded before they are discovered and rectified, which would further increase these costs and consequences.

In addition, third parties with which the Group does business may also be sources of cyber security or other technological risks. The Group outsources a limited number of supporting functions, such as printing of customer credit card statements, which results in the storage and processing of customer information. Although the Group adopts a range of actions to eliminate the exposure resulting from outsourcing, such as not allowing third party access to the production systems and operating a highly controlled IT environment, unauthorized access, loss or destruction of data or other cyber incidents could occur, resulting in similar costs and consequences to the Group as those discussed above.

The EU General Data Protection Regulation was directly applicable in Greece as of 25 May 2018 and the penalties in case of personal data leakage could impact the Bank and the Group.

While the Group maintains insurance coverage that may, subject to policy terms and conditions, cover certain aspects of cyber risks such as fraud and financial crime, such insurance coverage may be insufficient to cover all losses.

Potential increase of cyber risk due to new conditions introduced by the COVID-19 pandemic

COVID-19 affected and will continue to affect the global cybersecurity landscape. Advanced social engineering attacks and targeted phishing attacks are used by attackers for credentials stealing as well as advanced techniques for malware concealment are some of the most common malicious activities during the reporting period. The Bank has successfully identified and addressed the cybersecurity risk since the beginning of the pandemic.

Our cyber security systems continued to be improved by strengthening detection, response and protection mechanisms, in order to ensure adequate customer service and correct performance of our services and business operations.

Deferred tax assets as regulatory capital or as an asset

Risk related to the recognition of the main part of deferred tax assets as regulatory capital or as an asset

The Group currently includes deferred tax assets ("DTAs") in calculating the Group's capital and capital adequacy ratios. As at 30 June 2021, the Group's DTAs, excluding the amount of the DTA that was classified as non-current assets held for sale, amounted to €4.9 billion (31 December 2020: €4.9 billion).

The Bank reviews the carrying amount of its DTAs at each reporting date, and such review may lead to a reduction in the value of the DTAs on the Bank's Statement of Financial position, and therefore reduce the value of the DTAs as included in the Group's regulatory capital.

EU Regulation 575/2013 provides that DTAs recognized for IFRS purposes that rely on future profitability and arise from temporary differences of a credit institution and exceed certain thresholds must be deducted from its CET1 capital.

The deduction would have a significant impact on Greek credit institutions, including the Bank. However, as a measure to mitigate the effects of the deduction, article 27A of Greek Law 4172/2013, ("DTC Law"), as currently in force, allows credit institutions, under certain conditions, and from 2017 onwards to convert DTAs arising from (a) private sector initiative ("PSI") losses, (b) accumulated provisions for credit losses recognized as at 30 June 2015, (c) losses from final write off or the disposal of loans and (d) accounting write offs, which will ultimately lead to final write offs and losses from disposals, to a receivable ("Tax Credit") from the Greek State. Items (c) and (d) above were added with Greek Law 4465/2017 enacted on 29 March 2017. The same Greek Law 4465/2017 provided that the total tax relating to cases (b) to (d) above cannot exceed the tax corresponding to accumulated provisions recorded up to 30 June 2015 less (a) any definitive and cleared Tax Credit, which arose in the case of accounting loss for a year according to the provisions of par.2 of article 27A, which relate to the above accumulated provisions, (b) the amount of tax corresponding to any subsequent specific tax provisions, which relate to the above accumulated provisions and (c) the amount of the tax corresponding to the annual amortization of the debit difference that corresponds to the above provisions and other losses in general arising due to credit risk.

Furthermore, Greek Law 4465/2017 amended article 27 "Carry forward losses" by introducing an amortization period of 20 years for losses due to loan write offs as part of a settlement or restructuring and losses that crystallize as a result of a disposal of loans.

As at 30 June 2021, the Group's eligible DTAs amounted to €4.2 billion (31 December 2020: €4.3 billion). The main condition for the conversion of DTAs to a Tax Credit is the existence of an accounting loss at Bank level of a respective year, starting from accounting year 2016 and onwards. The Tax Credits will be calculated as a ratio of IFRS accounting losses to net equity (excluding the year's losses) on a solo basis and such ratio will be applied to the remaining Eligible DTAs in a given year to calculate the Tax Credit that will be converted in that year, in respect of the prior tax year. The Tax Credit may be offset against income taxes payable. The non-offset part of the Tax Credit is immediately recognized as a receivable from the Greek State. The Bank is obliged to issue conversion rights to the Greek State for an amount of 100% of the Tax Credit in favour of the Greek State and will create a specific reserve for an equal amount. Common shareholders have pre-emption rights on these conversion rights. The reserve will be capitalized with the issuance of common shares in favour of the Greek State. This legislation allows credit institutions to treat such DTAs as not "relying on future profitability" according to Capital Requirement Directive ("CRD") IV, and as a result such DTAs are not deducted from CET1, hence improving a credit institution's capital position.

On 7 November 2014, the Bank convened an extraordinary General Shareholders Meeting which resolved to include the Bank in the DTC Law. An exit by the Bank from the provisions of the DTC Law requires regulatory approval and a General Shareholders meeting resolution.

If the regulations governing the use of Deferred Tax Credit ("DTCs") as part of the Group's regulatory capital change, this may affect the Group's capital base and consequently its capital ratios. As at 30 June 2021, 71.9% of the Group's CET1 capital (including the profit for the period) was comprised of DTA eligible for DTC. Additionally, there can be no assurance that any final interpretation of the amendments described above will not change or that the European Commission will not rule the treatment of the DTCs under Greek law illegal and as a result Greek credit institutions will ultimately not be allowed to maintain certain DTCs as regulatory capital. If any of these risks materialize, this could have a material adverse effect on the Group's ability to maintain sufficient regulatory capital, which may in turn require the Group to issue additional instruments qualifying as regulatory capital, to liquidate assets, to curtail business or to take any other actions, any of which may have a material adverse effect on the Group's operating results and financial condition and prospects.

Risk related to COVID-19 outbreak

See section "*Response to COVID-19 crisis*".

Corporate Governance

Extraordinary General Meeting of Shareholders

Our Extraordinary General Meeting of Shareholders took place remotely, in real-time via teleconference, on 21 April 2021 with sole item of the Agenda the approval of the transaction concerning the sale by the NBG of equity holding in the subsidiary "Ethniki Hellenic General Insurance S.A.". More specifically, the Extraordinary General Meeting approved the transaction concerning the divestment of a 90.01% stake in the "Ethniki Hellenic General Insurance S.A." business through the sale of 100.00% of the shares of "Ethniki Hellenic General Insurance S.A." owned by the Bank to a newly incorporated subsidiary of CVC, Ethniki Holdings S.ar.l. ("Purchaser") and the Bank's purchase of 9.99% of the shares of the Purchaser, in each case in accordance with the key terms, the Transaction Documents and the relevant approval of the Board of Directors, as presented to the General Meeting.

For further information please refer to our site https://www.nbg.gr /en/the-group/press-office/announcements.

Annual General Meeting of Shareholders

Our Annual General Meeting of Shareholders took place remotely, in real-time via teleconference, on Friday, 30 July 2021.

For further information please refer to our site https://www.nbg.gr/en/the-group/investor-relations/general-assemblies.

Constitution into a body of the new Board of Directors

The Board of Directors of the Bank has been elected by the Annual General Meeting of Shareholders held on 30 July 2021, with a three-year term, i.e. through to the Annual General Meeting of Shareholders of 2024. On the same day, the Board of Directors convened and decided on its constitution into a body, in line with the applicable law and the Bank's Articles of Association, as follows:

Board of Directors composition	
Executive Members:	Mr. Pavlos Mylonas, Chief Executive Officer
	Ms. Christina Theofilidi, Executive Member
Non - Executive Members:	Mr. Gikas Hardouvelis, Chair of the Board of Directors
	Mr. Periklis Drougkas, Member, Representative of the Hellenic Financial Stability Fund under Greek Law 3864/2010
Independent Non-Executive Member:	Mr. Claude Piret, Senior Independent Director
	Ms. Aikaterini Beritsi, Member
	Mr. Wietze Reehoorn, Member
	Ms. Elena Ana Cernat, Member
	Mr. Avraam Gounaris, Member
	Mr. Matthieu Kiss, Member
	Ms. Anne Marion Bouchacourt, Member
	Mr. Jayaprakasa (JP) C.S. Rangaswami, Member

Secretary of the Board of Directors and its Committees is Mr. Panos Dasmanoglou, General Manager of Group Compliance and Corporate Governance.

It is noted that the election of the members of the Board of Directors of credit institutions is subject to constant review and assessment of their suitability (fit & proper) by the SSM of the ECB.

Changes to the composition of the Board's Committees in the first half of 2021

On 31 March 2021, during the Board of Directors session it was decided that Mr. Gikas Hardouvelis will not be member of the Audit Committee. Moreover, on the same session, Mr. JP Rangaswami was appointed as Vice-Chair of the Compliance, Ethics and Culture Committee and as member in the Audit Committee and in the Human Resources and Remuneration Committee, while Ms. Anne Marion Bouchacourt was appointed as member in the Corporate Governance and Nominations Committee.

On 30 July 2021, following the appointment of Mr. Gikas Hardouvelis as Chair of the Board by the Board of Directors, Mr. Hardouvelis stopped serving as Vice-Chair of the Board Risk Committee and member of the Strategy and Transformation Committee.

On 30 July 2021, Mr. Matthieu Kiss, was appointed member of the Strategy and Transformation Committee.

Audit Committee

Following the Board of Directors session held on 30 July 2021, during which the members of the Audit Committee were appointed in accordance with Article 44 par. 1 case (c) of Greek Law 4449/2017, based on the relevant decision of the Annual General Meeting of 30 July 2021 and following recommendation of the Corporate Governance & Nominations Committee, the Audit Committee, in accordance with Article 44 par. 1 case (e) of Greek Law 4449/2017 and its Charter, convened on the same day and constituted into a body, appointing its Chair and Vice – Chair as follows:

Audit Committee	
Chair:	Mr. Matthieu Kiss
Vice-Chair:	Mr. Claude Piret
Members:	Mr. Wietze Reehoorn
	Mr. JP Rangaswami
	Mr. Avraam Gounaris
	Mr. Periklis Drougkas (HFSF representative)

As resolved upon by the Annual General Meeting, the term of office of the Audit Committee members shall follow their term of office as Board members, i.e. until the Annual General Meeting of year 2024.

Athens, Athens, 4 August 2021

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER
GIKAS A. HARDOUVELIS	PAVLOS K. MYLONAS

Important Information

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

The Board of Directors' report contains financial information and measures as derived from the Group and the Bank's financial statements for the six months period ended 30 June 2021 and for the year ended 31 December 2020, 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. 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 above. 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.

Name	Abbreviation	Definition
Adjusted profit after Tax	PAT	Refers to the adjusted profit for the year/period ended from continuing operations
Adjusted profit for the period (PAT) from continuing operations		Profit for the period from continuing operations, excluding the additional social security contributions for LEPETE to e-EFKA, restructuring cost and other one-off costs. More specifically, for the six months period ended 30 June 2021, operating expenses exclude personnel expenses of €18 million related to defined contributions for LEPETE to e-EFKA, VES cost of €53 million, restructuring cost of €1 million and other one off-costs of €19 million. For the six months period ended 30 June 2020, operating expenses exclude personnel expenses of €19 million related to defined contributions for LEPETE to e-EFKA, VES cost of €90 million, restructuring cost of €4 million and other one off-costs of €5 million.
Balance Sheet		Statement of Financial Position
Common Equity Tier 1 ratio	CET1	CET1 capital as defined by Regulation No 575/2013, with the application of the regulatory transitional arrangements for IFRS 9 impact over RWAs.
CET1 ratio fully loaded		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		Net Interest Income ("NII") + Net fee and commission income.
Core Operating Profit		Core income less operating expenses and loan impairments and excluding COVID-19 provisions of €0.4 billion.
Core Pre-Provision Income	Core PPI	Core Income less operating expenses.
Cost of Risk	CoR	Loan impairments of the year (or of the period annualized) over average net loans, excluding the short term reverse repo facility of €3.0 billion in 2Q.21.
Cost-to-Core Income ratio	C:CI	Operating expenses over Core Income.
Cost-to-Income ratio		Operating expenses over total income.
Deposits		Due to customers.

Name	Abbreviation	Definition
Depreciation		Depreciation and amortization on investment property, property & equipment including right of use assets and software & other intangible assets.
Discontinued operations, minorities & other		Includes PAT from discontinued operations, non-controlling interest, as well as the LEPETE charge, VES, restructuring and other one off costs
Domestic banking activities		Refers to banking business in Greece and includes retail, corporate and investment banking. Group's domestic operations includes Ethniki Leasing S.A (Ethniki Leasing), Probank Leasing S.A. (Probank Leasing) and Ethniki Factors S.A. (Ethniki Factors).
Net Fees & Commissions / Fees / Net Fees		Net fee and commission income.
Funding cost/ Cost of funding		The weighted average cost of deposits, ECB refinancing, repo transactions, covered bonds and securitization transactions.
Gross loans		Loans and advances to customers at amortised cost before Expected Credit Loss ("ECL") allowance for impairment on loans and advances to customers at amortised cost and mandatorily measured at FVTPL
Held for Sale	HFS	Non-current assets held for sale.
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) 2015/61.
Loan Impairments		Impairment charge for ECL.
Loans-to-Deposits Ratio		Loans and advances to customers over due to customers, at period/year end, excluding the short term reverse repo facility of €3.0 billion in 2Q.21.
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/period and the end of the previous year/period and all quarter ends in between (5 periods) for the year/period end).
Net loans		Loans and advances to customers after ECL allowance for impairment on loans and advances to customers at amortized cost and mandatorily at FVTPL.
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.
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.

Name	Abbreviation	Definition
NPE Coverage Ratio		ECL allowance for impairment for loans and advances to customers divided by NPE, excluding loans and advances to customers mandatorily classified as FVTPL and excluding the short term reverse repo of €3.0 billion, at year/period end.
NPE formation		Net increase / (decrease) of NPEs, before write-offs.
NPE Organic Formation		NPE balance change at year/period end, excluding sales and write-offs.
NPE ratio		NPEs divided by total loans and advances to customers before ECL allowance for impairment at the end of the year/period, excluding the short-term reverse repo facility of €3.0 billion in 2Q.21.
Non-Performing Loans	NPLs	Loans and advances to customers at amortised cost in arrears for 90 days or more.
Operating Expenses		Personnel expenses + General, administrative and other operating expenses (“G&As”) + Depreciation, excluding the additional social security contributions for LEPETE to e-EFKA and other one one-off costs. More specifically, for the six months period ended 30 June 2021, operating expenses exclude personnel expenses of €18 million related to defined contributions for LEPETE, to e-EFKA and other one off-costs of €19 million. For the six months period ended 30 June 2020, operating expenses exclude personnel expenses of €19 million related to defined contributions for LEPETE, to e-EFKA and other one off-costs of €5 million.
Operating Profit / (Loss)		Total income less operating expenses and loan impairments.
Other impairments		Impairment charge for securities and Other provisions and impairment charges
Pre-Provision Income	PPI	Total income less operating expenses, before loan impairments.
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.
Staff Costs		Personnel expenses
Tangible Equity / Book Value		Common equity less goodwill, software and other intangible assets.
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.
Trading and Other Income / Non-Core Income		Net trading income / (loss) and results from investment securities (“trading income/(loss)”) + Gains / (losses) arising from the derecognition of financial assets measured at amortised cost + Net other income / (expense) (“other income / (expense)”)

Disclaimer

The information, statements and opinions set out in the 2Q.21 Results Board of Director’s Report (the “Board of Director’s Report”) have been provided by National Bank of Greece S.A. (the “Bank”) (together with its consolidated subsidiaries (the “Group”). They serve informational only purposes and should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities or other financial products or instruments and do not take into account particular investment objectives, financial situation or needs. It is not a research report, a trade confirmation or an offer or solicitation of an offer to buy/sell any financial instruments.

Accuracy of Information and Limitation of Liability

Whilst reasonable care has been taken to ensure that its contents are true and accurate, no representations or warranties, express or implied are given in, or in respect of the accuracy or completeness of any information included in the Board of Director’s Report. To the fullest extent permitted by law in no circumstances will the Bank, or any of its respective subsidiaries, shareholders, affiliates, representatives, directors, officers, employees, advisers or agents be responsible or liable for any direct, indirect or consequential loss or loss of profit arising from the use of the Board of Director’s Report, its contents (including the internal economic models), its omissions, reliance on the information contained within it, or on opinions communicated in relation thereto or otherwise arising in connection therewith. Recipients of the Board of Director’s Report are not to construe its contents, or any prior or subsequent communications from or with the Bank or its representatives as financial, investment, legal, tax, business or other professional advice. In addition, the Board of Director’s Report does not purport to be all-inclusive or to contain all of the information that may be required to make a full analysis of the Bank. Recipients of the Board of Director’s Report should consult with their own advisers and should each make their own evaluation of the Bank and of the relevance and adequacy of the information. The Board of Director’s Report includes certain non-IFRS financial measures. These measures presented in this section under “*ESMA Alternative Performance Measures (APMs), definition of financial data and ratios used*”. Section herein may not be comparable to those of other credit institutions. Reference to these non-IFRS financial measures should be considered in addition to IFRS financial measures, but should not be considered a substitute for results that are presented in accordance with IFRS. Due to rounding, numbers presented throughout the Board of Director’s Report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Forward-Looking Statements

The Board of Director’s Report contains forward-looking statements relating to management’s intent, belief or current expectations with respect to, inter alia, the Bank’s businesses and operations, market conditions, results of operation and financial condition, capital adequacy, risk management practices, liquidity, prospects, growth and strategies (“Forward Looking Statements”). Forward Looking Statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words “may”, “will”, “believes”, “expects”, “predicts”, “intends”, “projects”, “plans”, “estimates”, “aims”, “foresees”, “anticipates”, “targets”, “would”, “could” or similar expressions or the negative thereof. Forward Looking Statements reflect knowledge and information available at the date of the Board of Director’s Report and are subject to inherent uncertainties and qualifications and are based on numerous assumptions, in each case whether or not identified in the Board of Director’s Report. Although Forward Looking statements contained in the Board of Director’s Report are based upon what management of the Bank believes are reasonable assumptions, because these assumptions are inherently subject to significant uncertainties and contingencies, including the aftermath of the COVID-19 outbreak, that are difficult or impossible to predict and are beyond the Bank’s control, no assurance can be provided that the Bank will achieve or accomplish these expectations, beliefs or projections. The evolution of the disease and its economic impact remains highly uncertain. Therefore, this outbreak constitutes another factor that could cause actual results to differ materially from the ones included in the Forward-Looking Statements. Forward-Looking Statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. The Bank’s actual results may differ materially from those discussed in the Forward-Looking Statements. Some important factors that could cause actual results to differ materially from those in any Forward Looking Statements could include, inter alia, changes in domestic and foreign business, market, financial, political and legal conditions including changing industry regulation, adverse decisions by domestic or international regulatory and supervisory authorities, the impact of market size reduction, the ability to maintain credit ratings, capital resources and capital expenditures, adverse litigation and dispute outcomes, impact of COVID-19 and the effect of such outcomes on the Group’s financial condition. There can be no assurance that any particular Forward-Looking Statement will be realized, and the Bank expressly disclaims any obligation or undertaking to release any updates or revisions to any Forward-Looking Statement to reflect any change in the Bank’s expectations with regard thereto or any changes in events, conditions or circumstances on which any Forward-Looking Statement is based. Accordingly, the reader is cautioned not to place undue reliance on Forward-Looking Statements.

No Updates

Unless otherwise specified all information in the Board of Director’s Report is as of the date of the Board of Director’s Report. Neither the delivery of the Board of Director’s Report nor any other communication with its recipients shall, under any circumstances, create any implication that there has been no change in the Bank’s affairs since such date. Except as otherwise noted herein, the Bank does not intend to, nor will it assume any obligation to, update the Board of Director’s Report or any of the information included herein. The Board of Director’s Report is subject to Greek law, and any dispute arising in respect of the Board of Director’s Report is subject to the exclusive jurisdiction of the Courts of Athens

Translation from the original text in Greek

Report on Review of Interim Financial Statements

To the Board of Directors of National Bank of Greece S.A.

Introduction

We have reviewed the accompanying condensed company and consolidated statement of financial position of the Bank and the Group of National Bank of Greece S.A., as of 30 June 2021 and the related condensed company and consolidated statements of income, comprehensive income, changes in equity and cash flow statements for the six-month period then ended, and the selected explanatory notes[1] that comprise the interim condensed financial statements and which form an integral part of the six-month financial report as required by L.3556/2007.

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on these interim separate and consolidated condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as they have been transposed into Greek Law and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34.

Report on other legal and regulatory requirements

Our review has not revealed any material inconsistency or misstatement in the statements of the members of the Board of Directors and the information of the six-month Board of Directors Report, as defined in articles 5 and 5a of Law 3556/2007, in relation to the accompanying interim separate and consolidated condensed financial statements.

Athens, 6 August 2021
The Certified Auditor

PricewaterhouseCoopers S.A.
Certified Auditors
268 Kifissias Avenue
152 32 Halandri
Soel Reg. No. 113

Marios Psaltis
SOEL Reg. No. 38081

[1] Certain required disclosures have been presented elsewhere in the Board of Directors Report, rather than in the notes to the interim financial statements. These disclosures are cross-referenced from the interim financial statements and are identified as reviewed.

NATIONAL BANK
OF GREECE

Group and Bank
Interim Financial Statements

As at and for the period ended 30 June 2021

First half
2021

Statement of Financial Position
as at 30 June 2021

€ million	Note	Group 30.06.2021	Group 31.12.2020	Bank 30.06.2021	Bank 31.12.2020
ASSETS					
Cash and balances with central banks		10,802	9,175	10,636	9,006
Due from banks		2,875	3,440	2,816	3,378
Financial assets at fair value through profit or loss		534	541	515	523
Derivative financial instruments		4,618	5,585	4,618	5,585
Loans and advances to customers	8	29,942	26,807	28,571	25,444
Investment securities	9	15,519	15,055	15,219	14,721
Investment property		104	125	6	6
Investments in subsidiaries		-	-	1,136	1,136
Equity method investments		22	22	20	20
Goodwill, software and other intangible assets		299	282	295	278
Property and equipment		1,648	1,663	1,246	1,214
Deferred tax assets		4,908	4,911	4,906	4,906
Current income tax advance		334	338	328	330
Other assets		2,601	2,282	2,498	2,187
Non-current assets held for sale	10	6,942	7,259	2,938	3,276
Total assets		**81,148**	**77,485**	**75,748**	**72,010**
LIABILITIES					
Due to banks	11	13,905	12,724	14,102	13,021
Derivative financial instruments		2,937	3,321	2,937	3,321
Due to customers	12	51,055	48,504	50,254	47,510
Debt securities in issue		934	910	934	910
Other borrowed funds		60	60	-	-
Deferred tax liabilities		11	14	-	-
Retirement benefit obligations		300	300	297	297
Current income tax liabilities		3	2	-	-
Other liabilities		2,479	2,632	2,218	2,340
Liabilities associated with non-current assets held for sale	10	3,953	3,939	-	-
Total liabilities		**75,637**	**72,406**	**70,742**	**67,399**
SHAREHOLDERS' EQUITY					
Share capital	14	2,744	2,744	2,744	2,744
Share premium account	14	13,866	13,866	13,863	13,863
Less: treasury shares	14	(1)	(1)	-	-
Reserves and retained earnings		(11,400)	(11,876)	(11,601)	(11,996)
Amounts recognised directly in equity relating to non-current assets held for sale		281	326	-	-
Equity attributable to NBG shareholders		**5,490**	**5,059**	**5,006**	**4,611**
Non-controlling interests		21	20	-	-
Total equity		**5,511**	**5,079**	**5,006**	**4,611**
Total equity and liabilities		**81,148**	**77,485**	**75,748**	**72,010**

Athens, 4 August 2021

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER
GIKAS A. HARDOUVELIS	PAVLOS K. MYLONAS	CHRISTOS D. CHRISTODOULOU

The notes on pages 57 to 85 form an integral part of these interim financial statements

Income Statement
for the period ended 30 June 2021

€ million	Note	Group 6-month period ended 30.06.2021	 30.06.2020	Bank 6-month period ended 30.06.2021	 30.06.2020
Continuing Operations					
Interest and similar income		670	661	625	612
Interest expense and similar charges		(79)	(110)	(82)	(115)
Net interest income		**591**	**551**	**543**	**497**
Fee and commission income		191	171	169	152
Fee and commission expense		(55)	(48)	(48)	(42)
Net fee and commission income		**136**	**123**	**121**	**110**
Net trading income / (loss) and results from investment securities		236	292	230	287
Gains / (losses) arising from the derecognition of financial assets measured at amortised cost		247	517	247	517
Net other income / (expense)		(33)	(23)	(44)	(36)
Total income		**1,177**	**1,460**	**1,097**	**1,375**
Personnel expenses		(236)	(260)	(222)	(245)
General, administrative and other operating expenses		(97)	(95)	(84)	(84)
Depreciation and amortisation on investment property, property & equipment and software & other intangible assets		(78)	(75)	(70)	(66)
Credit provisions and other impairment charges	4	(176)	(581)	(167)	(573)
Restructuring costs	5	(54)	(94)	(54)	(92)
Profit before tax		**536**	**355**	**500**	**315**
Tax benefit / (expense)	6	(5)	(8)	-	-
Profit for the period from continuing operations		**531**	**347**	**500**	**315**
Discontinued Operations					
Profit for the period from discontinued operations	10	**45**	**14**	**-**	**-**
Profit for the period		**576**	**361**	**500**	**315**
Attributable to:					
Non-controlling interests		1	1	-	-
NBG equity shareholders		**575**	**360**	**500**	**315**
Earnings per share (Euro) - Basic and diluted from continuing operations	7	**€0.58**	**€0.38**	**€0.55**	**€0.34**
Earnings per share (Euro) - Basic and diluted from continuing and discontinued operations	7	**€0.63**	**€0.39**	**€0.55**	**€0.34**

Athens, 4 August 2021

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER
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The notes on pages 57 to 85 form an integral part of these interim financial statements

Statement of Comprehensive Income

for the period ended 30 June 2021

		Group		Bank	
		6-month period ended		6-month period ended	
€ million	Note	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Profit for the period		**576**	**361**	**500**	**315**
Other comprehensive income / (expense):					
Items that may be reclassified subsequently to profit or loss:					
Available-for-sale securities, net of tax		(46)	(3)	-	-
Investments in debt instruments measured at fair value through other comprehensive income ("FVTOCI"), net of tax		(130)	(260)	(130)	(260)
Currency translation differences, net of tax		6	(10)	-	-
Cash flow hedge, net of tax		17	(17)	17	(17)
Total of items that may be reclassified subsequently to profit or loss		**(153)**	**(290)**	**(113)**	**(277)**
Items that will not be reclassified subsequently to profit or loss:					
Investments in equity instruments measured at FVTOCI, net of tax		9	(36)	9	(36)
Total of items that will not be reclassified subsequently to profit or loss		**9**	**(36)**	**9**	**(36)**
Other comprehensive income / (expense) for the period, net of tax	15	**(144)**	**(326)**	**(104)**	**(313)**
Total comprehensive income for the period		**432**	**35**	**396**	**2**
Attributable to:					
Non-controlling interests		1	1	-	-
NBG equity shareholders		**431**	**34**	**396**	**2**

Athens, 4 August 2021

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER
GIKAS A. HARDOUVELIS	PAVLOS K. MYLONAS	CHRISTOS D. CHRISTODOULOU

The notes on pages 57 to 85 form an integral part of these interim financial statements

Income Statement
for the period ended 30 June 2021

€ million	Group 3-month period ended 30.06.2021	30.06.2020
Continuing Operations		
Interest and similar income	336	324
Interest expense and similar charges	(39)	(51)
Net interest income	**297**	**273**
Fee and commission income	100	81
Fee and commission expense	(31)	(24)
Net fee and commission income	**69**	**57**
Net trading income / (loss) and results from investment securities	(28)	23
Net other income / (expense)	(13)	(12)
Total income	**325**	**341**
Personnel expenses	(118)	(127)
General, administrative and other operating expenses	(50)	(45)
Depreciation and amortisation on investment property, property & equipment and software & other intangible assets	(38)	(37)
Credit provisions and other impairment charges	(93)	(82)
Restructuring costs	-	(1)
Profit before tax	**26**	**49**
Tax benefit / (expense)	(2)	(4)
Profit for the period from continuing operations	**24**	**45**
Discontinued operations		
Loss for the period from discontinued operations	(6)	11
Profit for the period	**18**	**56**
Attributable to:		
NBG equity shareholders	**18**	**56**
Earnings / (losses) per share (Euro) - Basic and diluted from continuing operations	**€0.03**	**€0.05**
Earnings / (losses) per share (Euro) - Basic and diluted from continuing and discontinued operations	**€0.02**	**€0.06**

Athens, 4 August 2021

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER
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The notes on pages 57 to 85 form an integral part of these interim financial statements

Statement of Comprehensive Income
for the period ended 30 June 2021

€ million	Group 3-month period ended 30.06.2021	30.06.2020
Profit for the period	**18**	**56**
Other comprehensive income / (expense):		
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale securities, net of tax	6	81
Investments in debt instruments measured at fair value through other comprehensive income ("FVTOCI"), net of tax	(17)	40
Currency translation differences, net of tax	(1)	(6)
Cash flow hedge, net of tax	5	(4)
Total of items that may be reclassified subsequent to profit or loss	**(7)**	**111**
Items that will not be reclassified subsequent to profit or loss		
Investment in equity instruments at FVTOCI, net of tax	3	(13)
Total of items that will not be reclassified subsequent to profit or loss	**3**	**(13)**
Other comprehensive income/(expense) for the period, net of tax	**(4)**	**98**
Total comprehensive income/(expense) for the period	**14**	**154**
Attributable to:		
NBG equity shareholders	**14**	**154**

Athens, 4 August 2021

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER
GIKAS A. HARDOUVELIS	PAVLOS K. MYLONAS	CHRISTOS D. CHRISTODOULOU

The notes on pages 57 to 85 form an integral part of these interim financial statements

Statement of Changes in Equity - Group

for the period ended 30 June 2021

€ million	Share capital	Share premium	Treasury shares	Securities at FVTOCI reserve	Currency translation reserve	Net investment hedge reserve	Cash flow hedge reserve	Defined benefit plans	Other reserves & Retained earnings	Total	Non-controlling Interests	Total
	Attributable to equity holders of the parent company											
	Ordinary shares	Ordinary shares										
Balance at 31 December 2019 and 1 January 2020	**2,744**	**13,866**	**(1)**	**621**	**70**	**(111)**	**(24)**	**(191)**	**(11,715)**	**5,259**	**18**	**5,277**
Other Comprehensive Income/ (expense) for the period	-	-	-	(279)	(10)	-	(17)	-	-	**(306)**	-	**(306)**
Gains/(losses) from equity instruments at FVTOCI reclassified to retained earnings	-	-	-	(20)	-	-	-	-	20	**-**	-	**-**
Profit for the period	-	-	-	-	-	-	-	-	360	**360**	1	**361**
Total Comprehensive Income / (expense) for the period	**-**	**-**	**-**	**(299)**	**(10)**	**-**	**(17)**	**-**	**380**	**54**	**1**	**55**
Acquisitions, disposals & share capital increases of subsidiaries/associates	-	-	-	-	-	-	-	-	1	**1**	-	**1**
Balance at 30 June 2020	**2,744**	**13,866**	**(1)**	**322**	**60**	**(111)**	**(41)**	**(191)**	**(11,334)**	**5,314**	**19**	**5,333**
Movements to 31 December 2020	-	-	-	95	(1)	-	1	(20)	(330)	**(255)**	1	**(254)**
Balance at 31 December 2020 and at 1 January 2021	**2,744**	**13,866**	**(1)**	**417**	**59**	**(111)**	**(40)**	**(211)**	**(11,664)**	**5,059**	**20**	**5,079**
Other Comprehensive Income/ (expense) for the period	-	-	-	(167)	6	-	17	-	-	**(144)**	-	**(144)**
Gains/(losses) from equity instruments at FVTOCI reclassified to retained earnings	-	-	-	1	-	-	-	-	(1)	**-**	-	**-**
Profit for the period	-	-	-	-	-	-	-	-	575	**575**	1	**576**
Total Comprehensive Income / (expense) for the period	**-**	**-**	**-**	**(166)**	**6**	**-**	**17**	**-**	**574**	**431**	**1**	**432**
Balance at 30 June 2021	**2,744**	**13,866**	**(1)**	**251**	**65**	**(111)**	**(23)**	**(211)**	**(11,090)**	**5,490**	**21**	**5,511**

The notes on pages 57 to 85 form an integral part of these interim financial statements

Statement of Changes in Equity - Bank

for the period ended 30 June 2021

€ million	Share capital	Share premium	Securities at FVTOCI reserve	Currency translation reserve	Cash flow hedge reserve	Defined benefit plans	Other reserves & retained earnings	Total
	Ordinary shares	Ordinary shares						
Balance at 31 December 2019 and 1 January 2020	**2,744**	**13,863**	**377**	**(49)**	**(24)**	**(183)**	**(11,795)**	**4,933**
Other Comprehensive Income/ (expense) for the period	-	-	(276)	-	(17)			(293)
Gains/(losses) from equity instruments at FVTOCI reclassified to retained earnings	-	-	(20)	-	-	-	20	-
Profit for the period	-	-	-	-	-	-	315	315
Total Comprehensive Income / (expense) for the period	**-**	**-**	**(296)**	**-**	**(17)**	**-**	**335**	**22**
Balance at 30 June 2020	**2,744**	**13,863**	**81**	**(49)**	**(41)**	**(183)**	**(11,460)**	**4,955**
Movements to 31 December 2020	-	-	(5)	(3)	1	(18)	(319)	**(344)**
Balance at 31 December 2020 and 1 January 2021	**2,744**	**13,863**	**76**	**(52)**	**(40)**	**(201)**	**(11,779)**	**4,611**
Other Comprehensive Income/ (expense) for the period	-	-	(122)	-	17	-	-	**(105)**
Gains/(losses) from equity instruments at FVTOCI reclassified to retained earnings	-	-	1	-	-	-	(1)	-
Profit for the period	-	-	-	-	-	-	500	**500**
Total Comprehensive Income / (expense) for the period	**-**	**-**	**(121)**	**-**	**17**	**-**	**499**	**395**
Balance at 30 June 2021	**2,744**	**13,863**	**(45)**	**(52)**	**(23)**	**(201)**	**(11,280)**	**5,006**

The notes on pages 57 to 85 form an integral part of these interim financial statements

Cash Flow Statement
for the period ended 30 June 2021

	Group		Bank	
	6-month period ended		6-month period ended	
€ million	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Cash flows from operating activities				
Profit / (loss) before tax	**601**	**371**	**500**	**315**
Adjustments for:				
Non-cash items included in income statement and other adjustments:	**161**	**(99)**	**120**	**(96)**
Depreciation and amortisation on property & equipment, intangibles and investment property	78	75	70	66
Amortisation of premiums /discounts of investment securities, debt securities in issue and borrowed funds	51	14	49	14
Credit provisions and other impairment charges	234	683	205	669
Provision for employee benefits	5	7	4	5
Result from fair value and cash flow hedges	27	(32)	27	(32)
Dividend income from investment securities	(1)	(3)	(1)	(7)
Net (gain) / loss on disposal of property & equipment and investment property	(2)	(9)	(4)	1
Net (gain) / loss on disposal of investment securities	(116)	(342)	(114)	(315)
Gain on exchange of Greek Government Bonds	(209)	(515)	(209)	(515)
Accrued interest from financing activities and results from repurchase of debt securities in issue	23	19	24	19
Accrued interest of investment securities	68	-	69	-
Valuation adjustment on instruments designated at fair value through profit or loss	1	-	1	-
Other non-cash operating items	2	4	(1)	(1)
Net (increase) / decrease in operating assets:	**1,538**	**(1,798)**	**1,566**	**(1,933)**
Mandatory reserve deposits with Central Bank	5	1	(1)	1
Due from banks	832	(1,049)	865	(1,060)
Financial assets at fair value through profit or loss	(6)	26	2	14
Derivative financial instruments assets	952	(920)	952	(920)
Loans and advances to customers	53	(191)	64	(256)
Other assets	(298)	335	(316)	288
Net increase / (decrease) in operating liabilities:	**3,115**	**9,634**	**3,206**	**9,816**
Due to banks	1,180	8,393	1,080	8,381
Due to customers	2,529	970	2,728	1,129
Derivative financial instruments liabilities	(432)	517	(432)	517
Retirement benefit obligations	(3)	(22)	(4)	(11)
Insurance related reserves and liabilities	18	44	-	-
Income taxes (paid) / received	(5)	(5)	-	4
Other liabilities	(172)	(263)	(166)	(204)
Net cash from / (for) operating activities	**5,415**	**8,108**	**5,392**	**8,102**
Cash flows from investing activities				
Participation in share capital increase/(decrease) of subsidiaries	-	-	-	(2)
Disposals of subsidiaries, net of cash disposed	-	55	-	55
Dividends received from investment securities & equity method investments	1	3	1	-
Purchase of investment property, property & equipment and intangible assets	(70)	(75)	(67)	(72)
Proceeds from disposal of property & equipment and investment property	6	27	12	(1)
Purchase of investment securities	(8,642)	(10,040)	(7,909)	(8,377)
Proceeds from redemption and sale of investment securities	7,891	5,108	7,126	3,564
Net cash (used in) / provided by investing activities	**(814)**	**(4,922)**	**(837)**	**(4,833)**
Cash flows from financing activities				
Proceeds from debt securities in issue and other borrowed funds	-	12	-	12
Repayments of debt securities in issue, other borrowed funds and preferred securities	-	(16)	-	(13)
Principal elements of lease payments	(28)	(26)	(24)	(20)
Proceeds from disposal of treasury shares	11	8	-	-
Repurchase of treasury shares	(11)	(8)	-	-
Net cash from/ (for) financing activities	**(28)**	**(30)**	**(24)**	**(21)**
Effect of foreign exchange rate changes on cash and cash equivalents	(7)	(1)	(7)	(1)
Net increase / (decrease) in cash and cash equivalents	**4,566**	**3,155**	**4,524**	**3,247**
Cash and cash equivalents at beginning of period	9,784	4,148	9,450	3,754
Cash and cash equivalents at end of period	**14,350**	**7,303**	**13,974**	**7,001**

The notes on pages 57 to 85 form an integral part of these interim financial statements

NOTE 1: General information

National Bank of Greece S.A. (hereinafter "NBG" or the "Bank") was founded in 1841 and its shares have been listed on the Athens Exchange since 1880. The Bank's headquarters are located at 86 Eolou Street, 10559 Athens, Greece, (Register number G.E.MH. 237901000), tel. (+30) 210 334 1000, www.nbg.gr. By resolution of the Board of Directors, the Bank can establish branches, agencies and correspondence offices in Greece and abroad. In its 180 years of operation, the Bank has expanded on its commercial banking business by entering into related business areas. The Bank and its subsidiaries (hereinafter the "Group") provide a wide range of financial services including mainly retail, corporate and investment banking, non-performing exposures management, transactional banking, leasing, factoring, brokerage, asset management, real estate management and insurance services. The Group operates mainly in Greece, however it does also have branches and subsidiaries in UK, North Macedonia, Romania, Bulgaria, Cyprus, Malta, Egypt and Luxembourg.

The Board of Directors consists of the following members:

The Non-Executive Chairman of the Board of Directors
Gikas A. Hardouvelis [1]

The Chief Executive Officer
Pavlos K. Mylonas

Executive Members
Christina T. Theofilidi

Independent Non-Executive Members

Claude Edgar L.G.Piret	Senior Independent Director
Aikaterini K. Beritsi	
Wietze J.P. Reehoorn	
Elena Ana E.V. Cernat	
Avraam C. Gounaris	
Matthieu A. Kiss	
Anne Clementine L. Marion-Bouchacourt	
Jayaprakasa (JP) C.S. Rangaswami	

Hellenic Financial Stability Fund representative
Periklis F. Drougkas

[1] On 30 July 2021, at the Bank's Annual General Meeting of the Shareholders, the term of Mr. Costas P. Michaelides expired. At the same date, Mr. Gikas A. Hardouvelis was elected as the Non-Executive Chairman of the Board of Directors in replacement of Mr. Costas P. Michaelides, for a maximum term of 3 years.

Furthermore, at the same Bank's Annual General Meeting of the Shareholders all the remaining members of the Board of Directors were elected for a maximum term of 3 years.

The Board of Directors members are elected by the Bank's General Meeting of Shareholders for a maximum term of 3 years and may be re-elected. The term of the above members expires at the Annual General Meeting of the Bank's Shareholders in 2024.

These Interim Financial Statements have been approved for issue by the Bank's Board of Directors on 4 August 2021.

NOTE 2: Summary of significant accounting policies

2.1 Basis of preparation

The condensed consolidated and separate interim financial statements as at and for the six-month period ended 30 June 2021 (the "Interim Financial Statements") have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". These Interim Financial Statements include selected explanatory notes and do not include all the information required for full Annual Financial Statements. Therefore, the Interim Financial Statements should be read in conjunction with the consolidated and separate Annual Financial Statements as at and for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as endorsed by the European Union (the "EU").

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim period, except for the adoption of new and amended standards as set out in section 2.3 "*Adoption of International Financial Reporting Standards ("IFRS")*".

The amounts are stated in Euro, rounded to the nearest million (unless otherwise stated) for ease of presentation. Where necessary, comparative figures have been adjusted to conform to changes in the current period's presentation.

The Interim Financial Statements have been prepared under the historical cost convention, except for fair value through other comprehensive income financial assets, financial assets and financial liabilities held at fair value through profit or loss and all derivative contracts, which have been measured at fair value.

In connection with reviewing the Group's financial condition in light of the Coronavirus ("COVID-19") pandemic, the Group evaluated its assets, including intangibles and equity investments, for potential impairment, and assessed fair values of financial instruments that are carried at fair value. Based upon our assessment as of 30 June 2021, no significant impairments have been recorded and there have been no significant changes in fair values nor in the fair value hierarchy classifications.

2.2 Going concern

Going concern conclusion

After considering (a) the current level of European Central Bank ("ECB") funding solely from Targeted Long-term Refinancing Operations ("TLTROs") and the current access to the Eurosystem facilities with significant collateral buffer and Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR") which is well above 100% (b) the Group's Common Equity Tier 1 ("CET1") ratio at 30 June 2021 which exceeded the Overall Capital Requirements ("OCR"), and (c) the extensive and continuous fiscal and monetary support of the European and Greek authorities in response to the unprecedented COVID-19 crisis (see "Response to COVID-19 crisis" of the Board of Directors Report), the Board of Directors concluded that the Group is a going concern and thus the application of the going concern principle for the preparation of these interim financial statements is appropriate.

Liquidity

As at 30 June 2021, funding from the ECB increased by €1.1 billion through TLTROs at €11.6 billion (31 December 2020: €10.5 billion, solely TLTRO$_S$). As of 30 June 2021 the Bank's secure interbank transactions with foreign financial institutions amounted to €0.5 billion, while the Bank's liquidity buffer at cash values stood at €21.5 billion, with the LCR and NSFR ratios well above 100%.

Capital adequacy

The Group's Common Equity Tier 1 ("CET1") and Total Capital ratios at 30 June 2021 were 14.3% and 15.2% respectively, exceeding the 2020 OCR of 11.5% post capital relief measures (see Note 17 "Capital Adequacy").

Macroeconomic developments

The Greek economy showed higher-than-anticipated resilience to COVID-19 in 1Q.21, despite the extension of several protective measures in the first months of 2021. Greece's Gross Domestic Product ("GDP") increased by 4.4% on a seasonally adjusted quarterly basis ("q-o-q, s.a.") in 1Q.21 and declined by only 2.3% year-over-year ("y-o-y"). This was the third consecutive quarter of positive q-o-q growth, following increases of 3.8% and 3.4% q-o-q, s.a. in 3Q.20 and 4Q.20, after the COVID-related plunge of -12.9% q-o-q (-13.9% y-o-y) in 2Q.20 GDP, which led to a fall in FY.20 GDP of 7.8% y-o-y.

High-frequency data for 2Q.21 point to a rapid and broad-based strengthening in activity, as the opening of the economy further bolsters domestic spending and confidence. Following a weak start to the year, private consumption shows increasing signs of responsiveness to declining uncertainty, with consumer confidence climbing in 2Q.21 to the highest level since 1Q.20. Manufacturing activity remained buoyant, with production increasing by 8.9% y-o-y in 5M:21 and Purchasing Managers' Index ("PMI") reaching a 21-year high of 58.6 in June 2021. The apparent strength of domestic demand until early-July appears to have offset a weaker-than-expected start to the tourism season, due to the persistence of pandemic-related uncertainty worldwide. This improvement, along with strongly positive base effects, are estimated to lead to a double-digit increase in economic activity in 2Q.21, with full year GDP growth exceeding 5.0% y-o-y, assuming an average increase in tourism revenue of 60-80% y-o-y in FY.21. International-flights traffic in the Athens International Airport increased by 432.6% y-o-y in June 2021 (65% lower than in June 2019) and is estimated to have maintained a similar momentum in July, pointing to a potentially 3-digit increase in arrivals in 3Q.21, despite the persistently high uncertainty surrounding epidemic developments.

State support remained significant in 5M.21, albeit less expansionary than in 4Q.20, cushioning a significant part of the COVID-19 impact. Fiscal policy will remain supportive in FY.21, with the cyclically adjusted primary deficit at 3.6% of GDP from 1.1% in FY.20. Greece's gross government debt increased to 205.6% of GDP in 2020 and is expected to reach 208.1% in 2021 and return to a downward trend from 2022 onwards. As acknowledged by all major rating agencies, the significant size of the Greek State's cash buffer (about €34.0 billion in July 2021 or 10% of gross public debt), along with the very long maturity of the debt (20 years) and affordable debt servicing terms, offset the risks from the temporary increase in the debt ratio to GDP due to the COVID-19 shock. Greek government bonds yields remained close to all-time lows, with the 10-year Greek government bond yield declining to 0.8% in June 2021 from 1.8% in 2Q.20, with the ECB's purchases of Greek government bonds under its PEPP program having reached €25.7 billion until May 2021.

Goods exports growth strengthened further by 32.2% y-o-y in April-May 2021 (in current prices, excluding oil), reflecting their improving competitiveness and strong external demand and continuing to gain market share in the EU markets. However, the revival in domestic demand and buoyed business activity led to a sharp increase in goods imports of 40.8% in April-May 2021 compared with the same period in 2020, when imports shrunk sharply due to the lockdown. Accordingly, the trade deficit widened by 56.9% y-o-y to €3.0 billion in this period, turning into a net drag on GDP growth.

The labor market adjustment following the gradual lifting of the extraordinary support measures is encouraging, considering that hiring flows of wage earners picked up to 73K in June 2021 (177K in 5M.21), compared with 38K in June 2020 (6K in 5M.20), according to the Ergani Information System. The unemployment rate increased slightly to 16.3% in 1Q.21 and to 17% in April 2021 compared with 16% in 4Q.20, due to the increased number of persons actively seeking job.

The real estate market showed remarkable resilience to the COVID-19 shock and gained additional traction in 1Q.21. House prices increased by 2.6% q-o-q and 3.2% y-o-y in 1Q.21 from 2.6% y-o-y in 4Q.20 and 4.3% y-o-y in FY.20.

Looking forward, the COVID-19 hit to the economy could be reversed until 1H.22, assuming that: a) the pandemic is sufficiently addressed in the rest of the year through the continuing rollout of vaccinations, with no significant recurrence of the disease due to virus mutations; b) the persistent effect of fiscal and monetary easing, in conjunction with liquidity measures, will continue to assist the recovery in most sectors of economic activity, preventing the still significant demand and liquidity pressure on part of the business sector and households from turning into a solvency issue, and c) the confidence gains are maintained in 2H.21, activating pend-up demand from firms and households holding sizeable cash buffers.

Moreover, the first inflows of funding from the EU Recovery Fund are expected to begin in 3Q.21, amounting to c. €4.0 billion – more than €7.0 billion in total in 2021 – providing additional impetus to public investment and business activity over the course of the year, with the positive effect on GDP growth peaking in 2022.

Downside risks to the strong recovery scenario for 2021 mainly relate to the emergence of more infectious COVID-19 variants, which could slow the recovery of tourism, possibly leading to a tightening of restrictions in the coming quarters and a weakening in economic sentiment, unless a sufficient degree of immunization of the population is achieved. Diminished capacity for additional fiscal stimulus could amplify the pressure on the weakest economic entities leading to a more persistent economic damage.

For a list of measures that have been adopted in 2021, in order to provide support to the European banking system and the Greek economy in dealing with COVID-19, see "Response to COVID-19 crisis" of the Board of Directors Report.

2.3 Adoption of International Financial Reporting Standards (IFRS)

Amendments to existing standards and the conceptual framework effective from 1 January 2021

-IFRS 16 (Amendment): COVID-19-Related Rent Concessions (effective for annual periods beginning on or after 1 June 2020 and effective for the consolidated Financial Statements from 1 January 2021). The amendment provides lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for rent concessions in the same way as they would for changes which are not considered lease modifications. The amendment is mandatory for annual reporting periods beginning on or after 1 June 2020 and thus for the consolidated and separate interim and annual financial statements from 1 January 2021. The adoption of this amendment did not have a material impact on the consolidated and separate Interim Financial Statements.

-IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendment): Interest Rate Benchmark Reform — Phase 2 (effective for annual periods beginning on 1 January 2021). The amendments introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition. The adoption of these amendments did not have a material effect on the Group's and the Bank's hedging relationships.

-IFRS 4 (Amendment): Extension of the Temporary Exemption from Applying IFRS 9 (effective for annual periods beginning on or after 1 January 2021). The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023. The Bank's insurance subsidiary NIC, which is a discontinued operation has adopted this amendment.

The amendments to existing standards and the Framework effective from 1 January 2021 have been endorsed by the EU.

New standards and amendments to existing standards effective after 2021

New standard

-IFRS 17 *Insurance Contracts* (effective for annual periods beginning on or after 1 January 2023, as issued by the IASB). IFRS 17 was issued in May 2017, including amendments issued in June 2020 and supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of this standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost. The standard has not yet been endorsed by the EU.

The Group is in the process of implementing IFRS 17 and is currently assessing the impact of adopting this Standard and the proposed amendments.

Amendments

-IFRS 16 (Amendment): COVID-19-Related Rent Concessions (effective for annual periods beginning on or after 1 April 2021 and effective for the consolidated and separate financial statements from 1 January 2022). The amendment extends the application period of the practical expedient in relation to rent concessions by one year to cover rental concessions that reduce leases due only on or before 30 June 2022.

-IFRS 3 (Amendments): Reference to the Conceptual Framework (effective for annual periods beginning on 1 January 2022, as issued by the IASB). The amendments update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

-IAS 16 (Amendments): Property, Plant and Equipment: Proceeds before Intended Use (effective for annual periods beginning on 1 January 2022, as issued by the IASB). The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in the Income Statement.

-IAS 37 (Amendments): Onerous Contracts: Cost of Fulfilling a Contract (effective for annual periods beginning on 1 January 2022, as issued by the IASB). The amendments specify which costs a company includes when assessing whether a contract will be loss-making.

-IAS 1 (Amendment): Classification of liabilities as current or non-current (effective for annual periods beginning on or after 1 January 2023). The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment Classification of liabilities as current or non-current was issued in January 2020 and was effective for annual reporting periods beginning on or after 1 January 2022. However, in response to the COVID-19 pandemic, the IASB has deferred the effective date by one year to provide companies with more time to implement any classification changes resulting from those amendments. Classification of Liabilities as Current or Non-current is now effective for annual reporting periods beginning on or after 1 January 2023. Although the consolidated and separate Statement of Financial Position is presented on a liquidity basis, this amendment makes clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

-IAS 1 and IFRS Practice Statement 2 (Amendments): Disclosure of Accounting Policies (effective for annual reporting periods beginning on or after 1 January 2023). The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'Four-Step Materiality Process'.

-IAS 8 (Amendment): Definition of Accounting Estimates (effective for annual reporting periods beginning on or after 1 January 2023). The amendment replaces the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

-IAS 12 (Amendments): Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual reporting periods beginning on or after 1 January 2023). The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This will typically apply to transactions such as leases for the lessee and decommissioning obligations.

-Annual Improvements to IFRS Standards 2018–2020 Cycle (effective for annual periods beginning on or after 1 January 2022, as issued by the IASB). The amendments applicable to the Group and the Bank are:

> **IFRS 9 Financial Instruments: Fees in the '10 per cent' test for derecognition of financial liabilities.** The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability. Only fees paid or received between the entity (the borrower) and the lender are included, including fees paid or received by either the entity or the lender on the other's behalf.
>
> **IFRS 16: Lease Incentives.** The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor, in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

The amendments to existing standards effective after 2021 have not yet been endorsed by the EU, except for the amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020, which have been endorsed by the EU.

Amendment adopted by the Group in prior periods

-Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendment to IFRS 4). The amendment, which has been endorsed by the EU, introduces two approaches. The amended standard will: a) give all companies that issue insurance contracts the option to recognise in the Statement of Other Comprehensive Income, rather than in the Income Statement, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued (i.e. the difference between the amounts that would be recognized in profit or loss in accordance with IFRS 9 and the amounts recognized in profit or loss in accordance with IAS 39) – "overlay approach" and b) give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying IFRS 9 until 2021 – "deferral approach". The entities that defer the application of IFRS 9 will continue to apply IAS 39.

The Amendment 'Extension of the Temporary Exemption from Applying IFRS 9' (effective for annual periods beginning on or after 1 January 2021) would extend the expiry date of the extension described above from 1 January 2021 to 1 January 2023.

The Group has elected to defer the provisions of IFRS 9 for its insurance subsidiary, Ethniki Hellenic General Insurance S.A. ("NIC") to 1 January 2023 (please see above).

As of 30 June 2021, NIC is classified as a discontinued operation and shall continue applying the requirements of IAS 39.

International Financial Reporting Interpretations Committee (IFRIC) Agenda

- **Decision-IAS 19 "Employee Benefits" - Attributing Benefit to Periods of Service:** An agenda decision was published in May 2021 by the IFRIC in relation to IAS 19 "employee benefits" and more specifically to how the applicable principles and requirements in IFRS Standards apply to attributing benefit to periods of service. The Group is currently evaluating the impact of this IFRIC agenda decision on the consolidated and separate Financial Statements. The adoption of the agenda decision may result in a retrospective change in accounting policy.

2.4 Critical judgments and estimates

In preparing these Interim Financial Statements for the six-month period ended 30 June 2021, the critical judgments and estimates made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were similar to those applied to the consolidated and separate Annual Financial Statements as at and for the year ended on 31 December 2020, except for:

New Definition of default

Following the financial crisis, the EBA established tighter standards around the definition of default (Capital Requirements Regulation "CRR" Article 178) to achieve greater alignment across banks and jurisdictions. The new definition of default is applicable for the Group and the Bank from 1 January 2021, for more information please refer to Note 47 of the Annual Financial Statements for the year ended on 31 December 2020.

Forward-looking information

For the six-month period ended 30 June 2021, economic activity in Greece showed signs of revival – following a better-than-expected outcome in the first quarter of 2021, when activity contracted on an annual basis but increased compared with the fourth quarter of 2020 – due to the easing of restrictions and the successful rollout of vaccinations against COVID-19.

However, the pace of recovery is uneven, with the services sector lagging behind manufacturing, due to the more gradual opening of service activities and the uncertainty surrounding tourism sector performance in 2021. Moreover, the unwinding of extraordinary State support measures weighted temporarily on labor market conditions with a small increase in the unemployment rate as more people actively seek work.

Against this backdrop, a multiplicity of factors continues to affect the ECL allowance, with pandemic risks remaining significant according to consensus and official sector forecasts, despite the sharp improvement in a broad range of indicators of economic activity. Admittedly, the apparent strengthening of domestic demand in the second quarter of 2021 appears to offset a weaker than expected start to the tourism season, albeit risks remain significant for the rest of the year in the presence of more infectious COVID-19 variants. On a positive note, vaccination targets for the first half of 2021 have been exceeded, with vaccination coverage having reached 50% of the adult population in early July, thus limiting potential risks to the health system and the economy in the event of a resurgence in COVID-19 cases.

Looking forward, economic activity is expected to remain on an upward path with the gross domestic product having returned at its pre-COVID-19 level until the first half of 2022, assuming that: a) the pandemic is sufficiently addressed until end-2021, through the rollout of vaccinations, with no significant recurrence of the disease due to virus mutations and/or insufficient immunization of the population; b) the persistent positive effect of fiscal and monetary easing, in conjunction with pent-up demand, will continue to assist the recovery in most sectors of economic activity, preventing the ongoing demand and liquidity pressure on specific business entities and households from turning into a solvency issue; and c) the increasing inflows of EU funds, following the activation of the EU Recovery Fund, will provide access to a financing envelope of about €30 billion for Greece for the period 2021-26, supporting the country's economic performance both in the near term and in the medium term. However, the intensity of the original COVID-19 shock and the emergence of new COVID-19 variants could possibly lead to a persistent difference in the speed of the recovery among sectors, with a spectrum of activities related to services possibly lagging behind the rest of the economy, in the case that the imposition of targeted protective restrictions is deemed necessary to control a new resurgence in COVID-19 cases, despite the significant progress in vaccinations.

Under the baseline scenario GDP is expected to grow at a strong average annual pace of 3.6% in 2021-2025, bolstered, inter alia, by supportive base effects, deferred spending of the private sector and increasing investments financed through the EU Recovery Fund in the 2021-2026 period. The optimistic and the adverse scenarios envisage average annual GDP changes of 5.0% and 0.2%, respectively, in 2021-2025.

All three scenarios incorporate the effect of COVID-19 on the macroeconomic outlook, with differences mainly reflecting the assumptions regarding the strength of recovery in 2021. As a result, the probability weighting of the three forward-looking macroeconomic scenarios, i.e. baseline, optimistic and adverse, remained identical to those of 31 December 2020. Specifically, a probability weighting of 55%, 20% and 25% was assigned, respectively.

The macroeconomic variables utilized by the Bank relate to Greek economic factors, while the ECL allowance is mainly driven by the changes in GDP and House Price Index ("HPI"). GDP contraction in 2020 and the first quarter of 2021, directly or indirectly, affects the whole spectrum of the projected macro variables which are conditioned on the GDP path, including the HPI. HPI growth is exogenously assumed to remain zero in all three scenarios between the second and the fourth quarter of 2021, while the values corresponding to the optimistic scenario are equal to those of the baseline over the projection period beyond the first quarter of 2022, in view of the significant role of non-modelled factors affecting this market during this period, when COVID-19-related uncertainties still exist. The average annual HPI growth in the baseline and the optimistic scenarios over the 2021-2025 period is projected at 3.2%, compared with -0.7% in the same period under the adverse scenario.

The Group's approach for estimating the impairment charge for ECL of loans and advances to customers in the second quarter of 2021 included qualitative overlays to the IFRS 9 models' output as in the respective estimates for the first quarter of 2021. These overlays aim at reducing the excessive procyclicality embedded in the models, due to the unprecedented volatility created by the pandemic shock, which primarily affects the annual growth rates of macroeconomic variables in 2021, through positive "base effects" from the comparison with the respective values of the same variables in the previous year when the COVID-19 impact peaked. Furthermore, overlays have been applied in response to the current economic uncertainty and exceptional circumstances not fully captured by the models, taking also into account the customer support measures implemented as a result of the COVID-19 pandemic.

The Group has exercised critical judgment in its best efforts to consider all reasonable and supportable information available at the time of the assessment with regard to the ECL allowance as at 30 June 2021 (see Note 8 "Loans and advances to customers"), given the restrictions posed by the unprecedented levels of uncertainty on the macroeconomic outlook due to the negative effects of COVID-19, which are unlikely to be fully reversed until, at least, the end of 2021.

There are still many unknowns, including the duration of the impact of COVID-19 on the economy and the results of the government fiscal and monetary actions of the ECB (see Board of Directors report "*Response to COVID-19 crisis*"). The Group will continue to evaluate the ECL allowance and the related economic outlook each quarter so that any changes arising from the uncertainty on the macroeconomic outlook can be timely captured.

NOTE 3: Segment reporting

The Group manages its business through the following business segments:

Retail banking

Retail banking includes all individual customers, professionals, small-medium and small-sized companies (companies with annual turnover of up to €2.5 million). The Bank, through its extended network of branches and digital business, offers to its retail customers various types of loans (mortgage, consumer and small business lending), cards (debit, credit and prepaid cards), deposit, investment and bancassurance products, as well as a wide range of other traditional services and products.

Corporate & investment banking

Corporate & investment banking includes lending to all large and medium-sized companies and shipping finance except for exposures transferred to the SAU and investment banking activities. The Group offers its corporate customers a wide range of products and services, including financial and investment advisory services, deposit accounts, loans (denominated in both euro and foreign currency), foreign exchange and trade service activities.

Special Assets Unit ("SAU")

In order to (a) manage more effectively delinquent, non-performing and denounced loans to legal entities, and (b) ensure compliance with the provisions of the Bank of Greece Executive Committee Act 42/30.5.2014 and Act 47/9.2.2015 and the Code of Conduct (referred to in Article 1(2) of Greek Law 4224/2013), the Bank established the SAU, which has the overall responsibility for the management of such loans to legal entities (end-to-end responsibility).

Global markets and asset management

Global markets and asset management includes all treasury activities, private banking, asset management (mutual funds and closed end funds), custody services, private equity and brokerage.

Insurance

The Group offers a wide range of insurance products through its subsidiary company, NIC and other subsidiaries in SEE. NIC is classified as Held for Sale and Discontinued Operations (see Note 10 "Assets and liabilities held for sale and discontinued operations").

International banking operations

The Group's international banking activities include a wide range of traditional commercial banking services, such as commercial and retail credit, trade financing, foreign exchange and taking of deposits. In addition, the Group offers shipping finance, investment banking and brokerage services through certain of its foreign branches and subsidiaries. Non-current assets held for sale at 30 June 2021 and 31 December 2020 comprise of NBG Cyprus Ltd and CAC Coral Ltd. The profit or losses from discontinued operations for the period ended 30 June 2021 and 30 June 2020, include NBG Cyprus Ltd and CAC Coral Ltd.

Other

Includes proprietary real estate management, warehousing business as well as unallocated income and expense of the Group (interest expense of subordinated debt, loans to personnel etc.) and intersegment eliminations.

Breakdown by business segment

6-month period ended 30 June 2021	Retail Banking	Corporate & Investment Banking	SAU	Global markets & Asset Management	Insurance	International Banking Operations	Other	Group
Net interest income	190	226	35	111	-	29	-	**591**
Net fee and commission income	69	45	2	11	-	6	3	**136**
Other	(14)	3	(4)	475	-	1	(11)	**450**
Total income	**245**	**274**	**33**	**597**	**-**	**36**	**(8)**	**1,177**
Direct costs	(156)	(18)	(2)	(11)	-	(20)	(76)	**(283)**
Allocated costs and provisions[1]	(187)	(13)	(59)	(24)	-	(5)	(70)	**(358)**
Profit / (loss) before tax	**(98)**	**243**	**(28)**	**562**	**-**	**11**	**(154)**	**536**
Tax benefit / (expense)								**(5)**
Profit for the period from continuing operations								**531**
Non-controlling interests								**(1)**
Profit/(loss) for the period from discontinued operations					45	-	-	**45**
Profit attributable to NBG equity shareholders								**575**
Depreciation and amortisation	33	2	1	1	-	2	39	**78**
Credit provisions and other impairment charges	96	(2)	53	17	-	5	7	**176**

[1] Includes depreciation and amortisation on investment property, property & equipment, software & other intangible assets.

Breakdown by business segment

6-month period ended 30 June 2020	Retail Banking	Corporate & Investment Banking	SAU	Global markets & Asset Management	Insurance	International Banking Operations	Other	Group
Net interest income	175	224	41	82	-	29	-	**551**
Net fee and commission income	66	40	2	9	-	6	-	**123**
Other	(14)	2	(4)	810	-	2	(10)	**786**
Total income	**227**	**266**	**39**	**901**	**-**	**37**	**(10)**	**1,460**
Direct costs	(175)	(21)	(7)	(14)	-	(24)	(30)	**(271)**
Allocated costs and provisions[1]	(466)	(89)	(101)	(29)	-	(1)	(148)	**(834)**
Profit / (loss) before tax	**(414)**	**156**	**(69)**	**858**	**-**	**12**	**(188)**	**355**
Tax benefit / (expense)								**(8)**
Profit for the period from continuing operations								**347**
Non controlling interests								**(1)**
Profit / (loss) for the period from discontinued operations					19	(5)		**14**
Profit attributable to NBG equity shareholders								**360**
Depreciation, amortisation & impairment charges[1]	37	2	1	2	-	4	29	**75**
Credit provision and other impairment charges	389	73	90	24	-	1	4	**581**

[2] Includes depreciation and amortisation on investment property, property & equipment, software & other intangible assets.

Breakdown by business segment

	Retail Banking	Corporate & Investment Banking	SAU	Global Markets & Asset Management	Insurance	International Banking Operations	Other	Group
Segment assets as at 30 June 2021								
Segment assets	10,534	14,214	808	37,293	-	2,190	3,925	**68,964**
Current income tax advance and deferred tax assets								**5,242**
Non-current assets held for sale	2,259		301	-	3,733	633	16	**6,942**
Total assets								**81,148**
Segment liabilities as at 30 June 2021								
Segment liabilities	42,346	5,243	159	19,298	-	1,465	3,159	**71,670**
Current income and deferred tax liabilities								**14**
Liabilities associated with non-current assets held for sale	-	-	-	-	3,370	583	-	**3,953**
Total liabilities								**75,637**

	Retail Banking	Corporate & Investment Banking	SAU	Global Markets & Asset Management	Insurance	International Banking Operations	Other	Group
Segment assets as at 31 December 2020								
Segment assets	10,939	14,232	608	33,274	-	2,216	3,708	**64,977**
Current income tax advance and deferred tax assets								**5,249**
Non-current assets held for sale	2,308	25	572	-	3,699	652	3	**7,259**
Total assets								**77,485**
Segment liabilities as at 31 December 2020								
Segment liabilities	40,547	4,413	196	18,100	-	1,519	3,676	**68,451**
Current income and deferred tax liabilities								**16**
Liabilities associated with non-current assets held for sale	-	-	-	-	3,342	597	-	**3,939**
Total liabilities								**72,406**

NOTE 4: Credit provisions and other impairment charges

	Group		Bank	
Continuing Operations	30.06.2021	30.06.2020	30.06.2021	30.06.2020
a. Impairment charge for ECL				
Loans and advances to customers at amortised cost	140	555	134	545
Net modification loss	7	7	7	7
	147	**562**	**141**	**552**
b. Impairment charge for securities				
Investment in debt instruments	17	24	17	24
	17	**24**	**17**	**24**
c. Other provisions and impairment charges				
Impairment of investment property, property and equipment, software & other intangible assets and other assets	6	(1)	4	-
Legal and other provisions	6	(4)	5	(3)
	12	**(5)**	**9**	**(3)**
Total	**176**	**581**	**167**	**573**

Impairment charge for ECL at 30 June 2020 includes €426 million relating to the impact of the COVID-19 pandemic.

NOTE 5: Restructuring costs

For the six-month period ended 30 June 2021 restructuring costs for the Group include €53 million for the Exit Schemes and €1 million direct expenditure relating to the Transformation Program.

For the six-month period ended 30 June 2020 restructuring costs for the Group include €90 million for the 2020 Voluntary Exit Scheme and €4 million direct expenditure relating to the Transformation Program.

NOTE 6: Tax benefit /(expense)

	Group		Bank	
Continuing Operations	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Current tax	(4)	(5)	-	-
Deferred tax	(1)	(3)	-	-
Tax benefit / (expense)	**(5)**	**(8)**	**-**	**-**

	Bank	
Income tax expense	30.06.2021	30.06.2020
Profit before tax	**500**	**315**
Income tax expense calculated at 29%	145	91
Estimated utilisation of tax losses for which no deferred tax had been previously recognised	(145)	(91)
Income Tax expense recognised in profit or loss	**-**	**-**

The nominal corporate tax rate for the Bank for 2021 and 2020 is 29%. Following Greek Law 4646/2019, the withholding tax on dividends distributed from 1 January 2020 onwards was decreased from 10% to 5%.

The unaudited tax years of the Group's investments accounted for by applying the equity method of accounting and subsidiaries are presented in Note 19 "Group companies" and for the Bank in Note 13 "Contingent liabilities, pledged assets and commitments".

Based on Article 120 of Greek Law 4799/2021 (Government Gazette #A78/18.5.2021), effective from 2021, the corporate income tax rate for legal entities, other than credit institutions, was reduced to 22% from 24%.

NOTE 7: Earnings per share

	Group		Bank	
	6-month period ended		6-month period ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Profit for the period attributable to NBG ordinary shareholders from continuing operations	**530**	**346**	**500**	**315**
Profit for the period from discontinued operations	45	14	-	-
Profit for the period attributable to NBG ordinary shareholders from continuing and discontinued operations	**575**	**360**	**500**	**315**
Weighted average number of ordinary shares outstanding for basic and diluted EPS	**914,581,051**	**914,596,273**	**914,715,153**	**914,715,153**
Earnings per share (Euro) - Basic and diluted from continuing operations	**0.58**	**0.38**	**0.55**	**0.34**
Earnings per share (Euro) - Basic and diluted from continuing and discontinued operations	**0.63**	**0.39**	**0.55**	**0.34**

NOTE 8: Loans and advances to customers

	Group		Bank	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
Loans and advances to customers at amortised cost				
Mortgage loans	8,890	9,144	8,684	8,946
Consumer loans	1,828	1,819	1,214	1,237
Credit cards	427	463	370	402
Small business lending	1,737	1,650	1,599	1,506
Retail lending	**12,882**	**13,076**	**11,867**	**12,091**
Corporate and public sector lending	19,375	16,369	18,873	15,844
Gross carrying amount of loans and advances to customers at amortised cost	**32,257**	**29,445**	**30,740**	**27,935**
ECL allowance on loans and advances to customers at amortised cost	(2,667)	(2,707)	(2,515)	(2,560)
Net carrying amount of loans and advances to customers at amortised cost	**29,590**	**26,738**	**28,225**	**25,375**
Loans and advances to customers mandatorily measured at FVTPL	**352**	**69**	**346**	**69**
Total Loans and advances to customers	**29,942**	**26,807**	**28,571**	**25,444**

As at 30 June 2021, the gross carrying amount of loans and advances to customers at amortised cost includes a short-term reverse repo of €3.0 billion. In addition, the loans and advances to customers mandatorily measured at FVTPL include the fair value of receivables from the sales of the non-performing loan portfolios completed on 12 February 2021 (Project Icon) and on 20 May 2021 (Project Danube), as further detailed in Note 10, which amount to €258 million and €23 million, respectively, for the Group and to €258 million and €17 million, respectively, for the Bank.

Loans and advances to customers at amortised cost and mandatorily measured at FVTPL | Group

As at 30 June 2021	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Credit impaired Lifetime ECL	Total
Loans and advances to customers at amortised cost				
Mortgage loans				
Gross carrying amount	4,932	2,706	1,252	8,890
ECL allowance	(30)	(88)	(447)	(565)
Net carrying amount	**4,902**	**2,618**	**805**	**8,325**
Consumer loans				
Gross carrying amount	1,237	256	335	1,828
ECL allowance	(27)	(37)	(222)	(286)
Net carrying amount	**1,210**	**219**	**113**	**1,542**
Credit cards				
Gross carrying amount	352	31	44	427
ECL allowance	(6)	(1)	(38)	(45)
Net carrying amount	**346**	**30**	**6**	**382**
Small business lending				
Gross carrying amount	666	567	504	1,737
ECL allowance	(9)	(63)	(355)	(427)
Net carrying amount	**657**	**504**	**149**	**1,310**
Corporate lending				
Gross carrying amount	16,209	786	1,907	18,902
ECL allowance	(103)	(55)	(1,166)	(1,324)
Net carrying amount	**16,106**	**731**	**741**	**17,578**
Public sector lending				
Gross carrying amount	433	12	28	473
ECL allowance	(6)	-	(14)	(20)
Net carrying amount	**427**	**12**	**14**	**453**
Total loans and advances to customers at amortised cost				
Gross carrying amount	23,829	4,358	4,070	32,257
ECL allowance	(181)	(244)	(2,242)	(2,667)
Net carrying amount of loans and advances to customers at amortised cost	**23,648**	**4,114**	**1,828**	**29,590**
Loans and advances to customers mandatorily measured at FVTPL				**352**
Total loans and advances to customers				**29,942**

As at 31 December 2020	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Credit impaired Lifetime ECL	Total
Loans and advances to customers at amortised cost				
Mortgage loans				
Gross carrying amount	4,946	2,721	1,477	9,144
ECL allowance	(32)	(74)	(470)	(576)
Net carrying amount	**4,914**	**2,647**	**1,007**	**8,568**
Consumer loans				
Gross carrying amount	1,205	292	322	1,819
ECL allowance	(22)	(42)	(199)	(263)
Net carrying amount	**1,183**	**250**	**123**	**1,556**
Credit cards				
Gross carrying amount	384	41	38	463
ECL allowance	(2)	(1)	(35)	(38)
Net carrying amount	**382**	**40**	**3**	**425**
Small business lending				
Gross carrying amount	617	542	491	1,650
ECL allowance	(8)	(54)	(345)	(407)
Net carrying amount	**609**	**488**	**146**	**1,243**
Corporate lending				
Gross carrying amount	13,102	796	2,009	15,907
ECL allowance	(107)	(63)	(1,231)	(1,401)
Net carrying amount	**12,995**	**733**	**778**	**14,506**
Public sector lending				
Gross carrying amount	290	144	28	462
ECL allowance	(2)	(5)	(15)	(22)
Net carrying amount	**288**	**139**	**13**	**440**
Total loans and advances to customers at amortised cost				
Gross carrying amount	20,544	4,536	4,365	29,445
ECL allowance	(173)	(239)	(2,295)	(2,707)
Net carrying amount of loans and advances to customers at amortised cost	**20,371**	**4,297**	**2,070**	**26,738**
Loans and advances to customers mandatorily measured at FVTPL				**69**
Total loans and advances to customers				**26,807**

Loans and advances to customers at amortised cost and mandatorily measured at FVTPL | Bank

As at 30 June 2021	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Credit impaired Lifetime ECL	Total
Loans and advances to customers at amortised cost				
Mortgage loans				
Gross carrying amount	4,804	2,633	1,247	8,684
ECL allowance	(30)	(87)	(445)	(562)
Net carrying amount	**4,774**	**2,546**	**802**	**8,122**
Consumer loans				
Gross carrying amount	715	210	289	1,214
ECL allowance	(18)	(32)	(199)	(249)
Net carrying amount	**697**	**178**	**90**	**965**
Credit cards				
Gross carrying amount	328	3	39	370
ECL allowance	(6)	-	(36)	(42)
Net carrying amount	**322**	**3**	**3**	**328**
Small business lending				
Gross carrying amount	596	531	472	1,599
ECL allowance	(9)	(62)	(336)	(407)
Net carrying amount	**587**	**469**	**136**	**1,192**
Corporate lending				
Gross carrying amount	16,134	546	1,723	18,403
ECL allowance	(106)	(46)	(1,083)	(1,235)
Net carrying amount	**16,028**	**500**	**640**	**17,168**
Public sector lending				
Gross carrying amount	433	9	28	470
ECL allowance	(6)	-	(14)	(20)
Net carrying amount	**427**	**9**	**14**	**450**
Total loans and advances to customers at amortised cost				
Gross carrying amount	23,010	3,932	3,798	30,740
ECL allowance	(175)	(227)	(2,113)	(2,515)
Net carrying amount of loans and advances to customers at amortised cost	**22,835**	**3,705**	**1,685**	**28,225**
Loans and advances to customers mandatorily measured at FVTPL				**346**
Total loans and advances to customers				**28,571**

As at 31 December 2020	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Credit impaired Lifetime ECL	Total
Loans and advances to customers at amortised cost				
Mortgage loans				
Gross carrying amount	4,827	2,646	1,473	8,946
ECL allowance	(32)	(74)	(469)	(575)
Net carrying amount	**4,795**	**2,572**	**1,004**	**8,371**
Consumer loans				
Gross carrying amount	718	234	285	1,237
ECL allowance	(15)	(34)	(181)	(230)
Net carrying amount	**703**	**200**	**104**	**1,007**
Credit cards				
Gross carrying amount	360	8	34	402
ECL allowance	(2)	(1)	(33)	(36)
Net carrying amount	**358**	**7**	**1**	**366**
Small business lending				
Gross carrying amount	535	517	454	1,506
ECL allowance	(8)	(53)	(326)	(387)
Net carrying amount	**527**	**464**	**128**	**1,119**
Corporate lending				
Gross carrying amount	13,005	551	1,830	15,386
ECL allowance	(110)	(53)	(1,147)	(1,310)
Net carrying amount	**12,895**	**498**	**683**	**14,076**
Public sector lending				
Gross carrying amount	290	140	28	458
ECL allowance	(2)	(5)	(15)	(22)
Net carrying amount	**288**	**135**	**13**	**436**
Total loans and advances to customers at amortised cost				
Gross carrying amount	19,735	4,096	4,104	27,935
ECL allowance	(169)	(220)	(2,171)	(2,560)
Net carrying amount of loans and advances to customers at amortised cost	**19,566**	**3,876**	**1,933**	**25,375**
Loans and advances to customers mandatorily measured at FVTPL				**69**
Total loans and advances to customers				**25,444**

Movement of the ECL allowance on loans and advances to customers at amortised cost

Group	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Credit impaired Lifetime ECL	Total ECL allowance
ECL allowance at 1 January 2021	**173**	**239**	**2,295**	**2,707**
Transfers between Stages (net)	21	-	(21)	-
Impairment charge for ECL	(13)	5	148	140
Modification impact on ECL	-	-	(8)	(8)
Derecognition of loans	-	-	(33)	(33)
Write-offs	-	-	(87)	(87)
Change in the present value of the ECL allowance	-	-	(28)	(28)
Foreign exchange differences and other movements	-	-	(33)	(33)
Reclassified as Held For Sale	-	-	9	9
ECL allowance at 30 June 2021	**181**	**244**	**2,242**	**2,667**

Group	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Credit impaired Lifetime ECL	Total ECL allowance
ECL allowance at 1 January 2020	**150**	**326**	**5,285**	**5,761**
Transfers between Stages (net)	28	91	(119)	-
Impairment charge for ECL	1	45	1,011	1,057
Modification impact on ECL	-	-	(15)	(15)
Derecognition of loans	-	-	(35)	(35)
Write-offs	-	(72)	(624)	(696)
Change in the present value of the ECL allowance	-	-	(75)	(75)
Foreign exchange differences and other movements	(3)	9	(54)	(48)
Reclassified as Held For Sale	(3)	(160)	(3,079)	(3,242)

ECL allowance at 31 December 2020	**173**	**239**	**2,295**	**2,707**

Bank	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Credit impaired Lifetime ECL	Total ECL allowance
ECL allowance at 1 January 2021	**169**	**220**	**2,171**	**2,560**
Transfers between Stages (net)	17	6	(23)	-
Impairment charge for ECL	(11)	1	144	134
Modification impact on ECL	-	-	(8)	(8)
Derecognition of loans	-	-	(33)	(33)
Write-offs	-	-	(86)	(86)
Change in the present value of the ECL allowance	-	-	(28)	(28)
Foreign exchange differences and other movements	-	-	(33)	(33)
Reclassified as Held For Sale	-	-	9	9
ECL allowance at 30 June 2021	**175**	**227**	**2,113**	**2,515**

Bank	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Credit impaired Lifetime ECL	Total ECL allowance
ECL allowance at 1 January 2020	**147**	**312**	**5,107**	**5,566**
Transfers between Stages (net)	26	88	(114)	-
Impairment charge for ECL	48	46	1,009	1,103
Modification impact on ECL	-	-	(15)	(15)
Derecognition of loans	-	-	(35)	(35)
Write-offs	-	(72)	(578)	(650)
Change in the present value of the ECL allowance	-	-	(75)	(75)
Foreign exchange differences and other movements	(49)	6	(49)	(92)
Reclassified as Held For Sale	(3)	(160)	(3,079)	(3,242)
ECL allowance at 31 December 2020	**169**	**220**	**2,171**	**2,560**

NOTE 9: Investment securities

On 13 January 2021, the Greek PDMA and the Bank carried out a Greek Government Bond exchange. The Bank exchanged bonds of €1.0 billion nominal value, carrying amount of €1.3 billion and settlement amount of €1.5 billion maturing at 20 March 2050, with a series of other Greek Government Bonds with shorter maturities of a total nominal value of €2.8 billion and a settlement amount of €3.6 billion (as per relative Ministry Decree). The exchange was executed at market terms and the difference between the settlement amounts for the bond exchanged and the bonds received was settled in cash. The transaction was settled on 20 January 2021. The Group realized a gain of €209 million in "Gains / (losses) arising from the derecognition of financial assets measured at amortised cost".

NOTE 10: Assets and liabilities held for sale and discontinued operations

A. Non-Current Assets and Disposal Groups classified as held for sale and discontinued operations

Non-current assets held for sale at 30 June 2021 and 31 December 2020 comprise of NIC, NBG Cyprus Ltd and CAC Coral Ltd. The profit or losses from discontinued operations for the period ended 30 June 2021, comprises of NIC, NBG Cyprus Ltd and CAC Coral Ltd. Non-current assets held for sale also include loan portfolio contemplated disposals mainly relating to Projects Frontier as of 30 June 2021 and Project Frontier, Project ICON and Project Danube as of 31 December 2020. The comparative profit or loss from discontinued operations includes NIC, NBG Cyprus Ltd, and CAC Coral Ltd.

National Bank of Greece (Cyprus) Ltd

A Share and Purchase Agreement ("SPA") had been signed with Astrobank on 26 November 2019, for the sale of a 100% stake in National Bank of Greece (Cyprus) Ltd.

However, on 26 November 2020, which was the last date ("Longstop Date") for Astrobank to fulfil certain condition precedents specified in the SPA entered into between NBG and Astrobank, the Bank took note that such condition precedents were not fulfilled and henceforth decided to terminate the SPA on 27 November 2020.

NBG remains committed to implementing all options of compliance with its commitments under the Restructuring Plan as agreed with the DG Competition.

NBG Cyprus has been classified as held for sale and discontinued operations.

Ethniki Hellenic General Insurance S.A.

NBG relaunched NIC's sales process in October 2019. NBG received a binding offer from CVC Capital Partners on the basis of updated post-COVID-19 due diligence.

On 24 March 2021 NBG's Board of Directors approved the sale of the 90.01% out of 100% stake in NIC and authorized the Bank's Management to proceed with the signing of the SPA on 26 March 2021. The transaction was approved by the Extraordinary General Meeting of NBG's Shareholders held on 21 April 2021. The equivalent nominal consideration corresponding to 100% of NIC amounted to

€505 million, including an "earn-out" payment of up to €120 million, which will be subject to meeting agreed upon performance targets for the bancassurance channel of NBG by 2026. The transaction includes a 15-year Bancassurance partnership.

Closing of the transaction is expected by the end of 2021 as it is subject to customary ongoing regulatory approvals, including from antitrust and regulatory authorities.

NIC has been classified as held for sale and discontinued operations.

CAC Coral Ltd

A sale and purchase agreement was signed with Bain Capital Credit on 16 October 2020, for the sale of a 100.00% stake in CAC Coral Ltd. The transaction is currently expected to be concluded within the fourth quarter of 2021 after approval of the competent regulatory authorities.

CAC Coral Ltd has been classified as held for sale and discontinued operations.

Project Danube

NBG entered into a definite agreement with Bain Capital Credit for the disposal of a Romanian-risk corporate NPE portfolio ("Project Danube") with a total Net Book Value of €23 million on 20 May 2021, at the date of closing of the transaction.

Project Icon

As part of the implementation of the NBG Transformation Program the Bank, on 5 June 2020, announced that it has entered into a definite agreement with the Investment Firm Bain Capital Credit ("Bain Capital) for the disposal of a portfolio of c. 2,800 non-performing, predominantly secured, corporate loan contracts ("Project Icon") with Net Book Value of €258 million on 12 February 2021. The transaction has been implemented in the context of NBG's NPE deleveraging strategy and in accordance with the Operational Targets submitted to the Single Supervisory Mechanism ("SSM"). The closing of the transaction took place on 12 February 2021.

Project Frontier

In the context of deleveraging its NPEs through inorganic actions, the Bank launched in December 2020 a large-scale transaction for the disposal of a portfolio of Greek NPEs in the form of a rated securitization, under the project name "Frontier", which aims to utilize the provisions of the Hellenic Asset Protection Scheme ("HAPS"). The envisaged transaction comprises a portfolio of secured Large Corporate, Small and Medium Enterprises ("SME"), Small Business Lending ("SBL") and Mortgage loans, accounting for €6.0 billion in terms of gross book value as of 30 June 2020. The Net Book Value as of 31 December 2020 amounted to €2.6 billion and as of 30 June 2021 amounted to €2.5 billion. On 29 January 2021, the Bank announced the submission of application under the Hercules Asset Protection Scheme, according to the provisions of Greek Law 4649/2019, for the securitization of Project Frontier. The application relates to the provision of a guarantee by the Greek State on the senior notes of an amount up to €3.3 billion.

Upon the successful completion of the Transaction, NBG expects to retain 100% of the senior and 5% of the mezzanine and junior notes, while disposing up to 95% of the latter to the market through a competitive process, which is expected to be completed (Signing and Closing) in the third quarter 2021.

Condensed Income Statement of discontinued operations [1]	Group		Bank	
	6-month period ended		6-month period ended	
€ million	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Net interest income	28	27	-	-
Net fee and commission income	(4)	(5)	-	-
Earned premia net of claims and commissions	76	35	-	-
Net trading income / (loss) and results from investments securities	9	7	-	-
Other income	2	7	-	-
Total income	**111**	**71**	**-**	-
Operating expenses	(44)	(45)	-	-
Credit Provisions and other impairment charges	(2)	(10)	-	-
Profit before tax	**65**	**16**	**-**	**-**
Tax benefit/(expense)	(20)	(2)	-	-
Profit for the period from discontinued operations	**45**	**14**	**-**	**-**
Total profit for the period from discontinued operations (attributable to NBG equity shareholders)	**45**	**14**	**-**	**-**

[1] Includes NIC, NBG Cyprus Ltd and CAC Coral Limited.

€ million	30.06.2021	30.06.2020
Cash Flows from discontinued operations		
Net cash inflows/(outflows) from operating activities	52	56
Net cash inflows/(outflows) from investing activities	1	(86)
Net cash inflows/(outflows) from financing activities	(1)	1
Net Cash inflows /(outflows)	**52**	**(29)**

Analysis of non-current assets held for sale and liabilities associated with non-current assets held for sale

	Group		Bank	
ASSETS	30.06.2021[1]	31.12.2020[1]	30.06.2021[1]	31.12.2020
Cash and balances with central banks	199	138	-	-
Due from banks	103	82	-	-
Financial assets at fair value through profit or loss	27	26	-	-
Derivative financial instruments	1	1	-	-
Loans and advances to customers	2,870	3,218	2,560	2,899
Investment securities	3,230	3,290	-	-
Investment property	16	3	-	-
Investments in subsidiaries	-	-	365	365
Deferred tax assets	21	8	-	-
Insurance related assets and receivables	424	435	-	-
Other assets	45	52	-	-
Non-current assets held for sale	6	6	13	12
Total assets	**6,942**	**7,259**	**2,938**	**3,276**
LIABILITIES				
Due to banks	11	12	-	-
Due to customers	553	557	-	-
Insurance related reserves and liabilities	2,512	2,495	-	-
Deferred tax liabilities	1	1	-	-
Retirement benefit obligations	63	61	-	-
Current income tax liabilities	15	9	-	-
Other liabilities	798	804	-	-
Total liabilities	**3,953**	**3,939**	**-**	**-**

[1] Includes NIC, NBG Cyprus Ltd and CAC Coral Ltd.

B. Changes to a plan of sale

National Bank of Greece – Egyptian Branch Network

As of 31 December 2018, the Network in Egypt ("NBG Egypt") had been classified as held for sale and discontinued operations.

The Bank signed a definitive agreement to sell certain assets and liabilities of NBG Egypt to Bank Audi SAE on 2 May 2019. Closing of the transaction is subject to the approval of the Central Bank of Egypt ("CBE"). The Central Bank of Lebanon approved the transaction in June 2019.

Given that the CBE approval was still pending six months after the signing of the definitive agreement, Bank Audi SAE issued an agreement termination notice in November 2019.

On 11 May 2020, Bank Audi SAE informed NBG that will not pursue further the potential acquisition of NBG's operations in Egypt.

As a result the Interim Financial Statements of the Group and the Bank have been amended retrospectively as if the NBG Egypt never qualified as held for sale and discontinued operations.

In May 2021, an official approval was received by the Central Bank of Egypt for the downsize and ultimately cease our operations in Egypt.

NOTE 11: Due to banks

Due to Banks mainly comprise of the Bank's participation in the TLTRO III operations which as at 30 June 2021 amounted to €11.6 billion (31 December 2020: €10.5 billion). During the six month period ended 30 June 2021, interest income recorded in respect to these transactions is presented in Net Interest Income and amounted to €56 million accrued at a rate of -1%. For more information regarding TLTRO III transactions please refer to the Annual Financial Statements as at and for the year ended December 31, 2020.

At a Group level, "Due to Banks" also include securities sold under agreements to repurchase with financial institutions of €0.5 billion and other deposits with financial institutions of €1.8 billion (31 December 2020: €0.5 billion and €1.7 billion, respectively).

NOTE 12: Due to customers

	Group		Bank	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
Deposits:				
Individuals	37,993	36,516	36,800	35,277
Corporate	10,908	9,421	11,304	9,670
Government and agencies	2,154	2,567	2,150	2,563
Total	**51,055**	**48,504**	**50,254**	**47,510**

	Group		Bank	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
Deposits:				
Savings accounts	26,460	24,453	26,283	24,281
Current & Sight accounts	14,230	12,845	14,163	12,691
Time deposits	9,337	10,198	8,776	9,528
Other deposits	1,028	1,008	1,032	1,010
Total	**51,055**	**48,504**	**50,254**	**47,510**

Included in time deposits are deposits which contain one or more embedded derivatives. The Group has designated such deposits as financial liabilities at fair value through profit or loss. As at 30 June 2021, these deposits amounted to €500 million (31 December 2020: €426 million).

NOTE 13: Contingent liabilities, pledged assets and commitments

a. Legal proceedings

The Group is a defendant in certain claims and legal actions arising in the ordinary course of business. For the cases for which a provision has not been recognized, Management is unable to estimate the possible losses because the proceedings may last for many years, many of the proceedings are in early stages, there is uncertainty of the likelihood of the final result, there is uncertainty as to the outcome of the pending appeals and there are significant issues to be resolved. However, in the opinion of Management, after consultation with its legal counsel, the ultimate disposition of these matters is not expected to have a material adverse effect on the Group and the Bank's Statement of Financial Position, Income Statement and Cash Flow Statement, taking into account that as at 30 June 2021 the Group and the Bank have provided for cases under litigation the amount of €55 million and €43 million respectively (31 December 2020: €54 million and €41 million respectively).

b. Pending tax audits

Tax authorities have not yet audited all subsidiaries for certain financial years and accordingly their tax obligations for those years may not be considered final. Additional taxes and penalties may be imposed as a result of such tax audits; although the amount cannot be determined, it is not expected to have a material effect on the consolidated Statement of Financial Position.

The years 2011-2016 have been tax audited by Deloitte Certified Public Accountants S.A., in accordance with article 82 of Greek Law 2238/1994 and subsequently with article 65A of Greek Law 4174/2013 and the tax audit certificates which were unqualified, were issued on 27 July 2012, 27 September 2013, 10 July 2014, 30 October 2015, 30 September 2016 and 23 October 2017 respectively. The years 2017, 2018 and 2019 have been tax audited by PwC S.A. and the tax certificates, which were unqualified, were issued on 26 October 2018, 31 October 2019 and 27 October 2020, respectively. The year 2020 is currently being tax audited by PwC S.A. however, it is not expected to have a material effect on the Group and Bank Statement of Financial Position.

On 31 December 2020, the right of the tax authorities to issue a deed for re-calculation of income tax for the years up to and including year 2013 expired. For the years 2014 onwards, in accordance with the Ministerial Decision 1006/2016 there is no exception from tax audit by the tax authorities to those entities that have been tax audited by the independent auditor and its tax audit certificate was unqualified.

Therefore, the tax authorities may re-audit the tax books of the Bank. However, it is not expected to have a material effect on the Group and Bank Statement of Financial Position.

For the subsidiaries and associates regarding unaudited tax years refer to Note 19 “Group companies”.

c. Credit commitments

In the normal course of business, the Group and the Bank enters into a number of contractual commitments on behalf of its customers and is a party to financial instruments with off-balance sheet risk to meet the financing needs of its customers. These contractual commitments consist of commitments to extend credit, commercial letters of credit and standby letters of credit and guarantees. Commitments to extend credit are agreements to lend to a customer as long as there is no violation of the conditions established in the contract. Commercial letters of credit ensure payment by the Bank to a third party for a customer's foreign or domestic trade transactions, generally to finance a commercial contract for the shipment of goods. Standby letters of credit and financial guarantees are conditional commitments issued by the Group and the Bank to guarantee the performance of a customer to a third party. All of these arrangements are related to the normal lending activities of the Group and the Bank. The Group and the Bank's exposure to credit loss in the event of non-performance by the other party to the financial instrument for commitments to extend credit, commercial and standby letters of credit is represented by the contractual nominal amount of those instruments. The Group and the Bank use the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments.

	Group		Bank	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
Standby letters of credit and financial guarantees written	2,570	2,527	2,835	2,790
Commercial letters of credit	583	509	583	512
Total	**3,153**	**3,036**	**3,418**	**3,302**

In addition to the above, credit commitments also include commitments to extend credit which as at 30 June 2021 amount to €7,202 million for the Group (31 December 2020: €7,621 million) and to €6,356 million for the Bank (31 December 2020: €6,901 million). Commitments to extend credit as at 30 June 2021, do not include any amounts, which cannot be cancelled without certain conditions being met at any time and without notice, or for which automatic cancellation due to credit deterioration of the borrower is not allowed.

d. Assets pledged

	Group		Bank	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
Assets pledged as collateral	**16,168**	**14,234**	**16,114**	**14,179**

As at 30 June 2021, the Group and the Bank have pledged mainly for funding purposes with the ECB and financial institutions, the following instruments:

- trading and investment debt instruments of €8,767 million (31 December 2020: €7,609 million);
- loans and advances to customers amounting to €5,790 million (31 December 2019: €5,307 million); and
- covered bonds of a nominal value of €1,611 million backed with mortgage loans of total value of €3,508 million (31 December 2020: €1,318 million backed with mortgage loans of total value of €1,914 million).

In addition to the pledged items presented above, as at 30 June 2021, the Group and the Bank have pledged an amount of €314 million (31 December 2020: €315 million) included in due from banks with respect to a guarantee for the non-payment risk of the Hellenic Republic, as well as Hellenic Republic Treasury bills of €657 million (31 December 2020: €733 million) for trade finance transactions.

NOTE 14: Share capital, share premium and treasury shares

Share Capital – Ordinary Shares

The total number of ordinary shares as at 30 June 2021 and 31 December 2020 was 914,715,153, with a nominal value of 3.00 Euro per share.

Treasury shares

Treasury shares transactions are conducted by the Group subsidiary, NBG Securities S.A. and are summarized as follows:

	Group	
	No of shares	€ million
At 1 January 2020	**300,123**	**1**
Purchases	12,259,613	17
Sales	(12,223,918)	(17)
At 31 December 2020	**335,818**	**1**
Purchases	4,430,448	11
Sales	(4,426,654)	(11)
At 30 June 2021	**339,612**	**1**

NOTE 15: Tax effects relating to other comprehensive income / (expense) for the period

Group	6-month period ended 30.06.2021			6-month period ended 30.06.2020		
	Gross	Tax	Net	Gross	Tax	Net
Items that may be reclassified subsequently to profit or loss:						
Unrealised gains / (losses) on investments in available-for-sale for the period	(56)	20	(36)	28	(10)	18
Reclassification adjustments on investments in available-for-sale included in the income statement	(11)	1	(10)	(32)	5	(27)
Impairment loss recognized on investments in available-for-sale	-	-	-	7	(1)	6
Unrealised gains / (losses) on investments in debt instruments measured at FVTOCI	(52)	-	(52)	52	-	52
(Gains) / losses on investments in debt instruments measured at FVTOCI reclassified to profit or loss on disposal	(75)	-	(75)	(313)	-	(313)
ECL impairment recognised to profit or loss	(3)	-	(3)	1	-	1
Investments in debt instruments	**(197)**	**21**	**(176)**	**(257)**	**(6)**	**(263)**
Currency translation differences	**6**	**-**	**6**	**(10)**	**-**	**(10)**
Cash flow hedge	**17**	**-**	**17**	**(17)**	**-**	**(17)**
Total of items that may be reclassified subsequently to profit or loss	**(174)**	**21**	**(153)**	**(284)**	**(6)**	**(290)**
Items that will not be reclassified subsequently to profit or loss:						
Gains / (losses) on investments in equity instruments designated as at FVTOCI	8	-	8	(16)	-	(16)
(Gains)/losses on investments in equity instruments designated as at FVTOCI transferred to retained earnings upon disposal	1	-	1	(20)	-	(20)
Total of items that will not be reclassified subsequently to profit or loss	**9**	**-**	**9**	**(36)**	**-**	**(36)**
Other comprehensive income / (expense) for the period	**(165)**	**21**	**(144)**	**(320)**	**(6)**	**(326)**

Bank	6-month period ended 30.06.2021			6-month period ended 30.06.2020		
	Gross	Tax	Net	Gross	Tax	Net
Items that may be reclassified subsequently to profit or loss:						
Unrealised gains / (losses) on investments in debt instruments measured at FVTOCI	(52)	-	(52)	52	-	52
(Gains) / losses on investments in debt instruments measured at FVTOCI reclassified to profit or loss on disposal	(75)	-	(75)	(313)	-	(313)
ECL impairment recognised to profit or loss	(3)	-	(3)	1	-	1
Investments in debt instruments	**(130)**	**-**	**(130)**	**(260)**	**-**	**(260)**
Cash flow hedge	**17**	**-**	**17**	**(17)**	**-**	**(17)**
Total of items that may be reclassified subsequently to profit or loss	**(113)**	**-**	**(113)**	**(277)**	**-**	**(277)**
Items that will not be reclassified subsequently to profit or loss:						
Gains / (losses) on investments in equity instruments designated as at FVTOCI	8	-	8	(16)	-	(16)
(Gains)/losses on investments in equity instruments designated as at FVTOCI transferred to retained earnings upon disposal	1	-	1	(20)	-	(20)
Total of items that will not be reclassified subsequently to profit or loss	**9**	**-**	**9**	**(36)**	**-**	**(36)**
Other comprehensive income / (expense) for the period	**(104)**	**-**	**(104)**	**(313)**	**-**	**(313)**

NOTE 16: Related party transactions

The nature of the significant transactions entered into by the Group with related parties during the 6-month period ended 30 June 2021 and 30 June 2020 and the significant balances outstanding as at 30 June 2021 and 31 December 2020 are presented below.

a. Transactions with members of the Board of Directors and management

The Group and the Bank entered into transactions with the members of the Board of Directors, the General Managers and the members of the Executive Committees of the Bank, the key management of other Group companies, as well as with the close members of family and entities controlled or jointly controlled by those persons.

All loans granted to related parties (i) were made in the ordinary course of business, (ii) were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and (iii) did not involve more than the normal risk of collectability or present other unfavourable features.

The members of the Board of Directors of the Bank are disclosed in Note 1.

As at 30 June 2021, loans and advances to customers, deposits/liabilities and letters of guarantee, at Group level, amounted to €3 million, €6 million and NIL respectively (31 December 2020: €3 million, €5 million and NIL respectively), whereas the corresponding figures at Bank level amounted to €3 million, €5 million and NIL respectively (31 December 2020: €3 million, €4 million and NIL respectively).

Total compensation to related parties for the period ended 30 June 2021, amounted to €4 million (30 June 2020: €5 million) for the Group and to €4 million (30 June 2020: €4 million) for the Bank, mainly relating to short-term benefits, in particular salaries and social security contributions.

b. Transactions with subsidiaries, associates and joint ventures

Transactions and balances between the Bank, its subsidiaries, associates and joint ventures are presented at the table below. At a Group level, only transactions and balances with associates and joint ventures are included, as transactions and balances with subsidiaries are eliminated on consolidation.

	Group	
	30.6.2021	31.12.2020
Assets	9	9
Liabilities	16	14
Letters of guarantee, contingent liabilities and other off balance sheet accounts	2	2
	6-month period ended	
	30.6.2021	30.6.2020
Interest, commission and other income	-	-
Interest, commission and other expense	1	2

	Bank					
	30.6.2021			31.12.2020		
	Subsidiaries	Associates & Joint Ventures	Total	Subsidiaries	Associates & Joint Ventures	Total
Assets	1,110	9	1,119	1,089	9	1,098
Liabilities	1,249	16	1,265	1,206	14	1,220
Letters of guarantee, contingent liabilities and other off balance sheet accounts	700	2	702	729	2	731
	6-month period ended 30.6.2021			6-month period ended 30.6.2020		
Interest, commission and other income	26	-	26	26	-	26
Interest, commission and other expense	6	1	7	8	2	10

c. Transactions with other related parties

The total receivables of the Group and the Bank, from the employee benefits related funds as at 30 June 2021 amounted to €747 million (31 December 2020: €747 million). For these receivables the Group and the Bank recognized a provision of €740 million (31 December 2020: €742 million).

The total payables of the Group and the Bank to the employee benefits related funds as at 30 June 2021, amounted to €109 million and €32 million respectively (31 December 2020: €102 million and €29 million, respectively).

d. Transactions with Hellenic Financial Stability Fund

Taking into consideration the Hellenic Financial Stability Fund ("HFSF") Law, the Relationship Framework Agreement ("RFA") between the Bank and the HFSF that was signed in December 2015, the fact that the HFSF holds 40.39% of the Bank's ordinary shares, of which 38.92% with full voting rights and that the HFSF has representation in the Bank's Board of Directors and other Board Committees of the Bank, the HFSF is considered a related party of the Group. Other than the ordinary shares issued by the Bank and held by the HFSF, no material transactions or balances exist with the HFSF.

NOTE 17: Capital adequacy

In June 2013, the European Parliament and the Council of Europe issued Directive 2013/36/EU and Regulation (EU) No 575/2013 (known as Capital Requirements Directive IV ("CRD IV") and Capital Requirements Regulation ("CRR") respectively), which incorporate the key amendments that have been proposed by the Basel Committee for Banking Supervision (known as Basel III). Directive 2013/36/EU has been transported into Greek Law by virtue of Greek Law 4261/2014 and Regulation (EU) No 575/2013 has been directly applicable to all EU Member States since 1 January 2014 and certain changes under CRD IV were implemented gradually.

Regulation (EU) No 575/2013 as amended by Regulation (EU) No 876/2019 (CRR2) defines the minimum capital requirements (Pillar 1 requirements) and Directive 2013/36/EU as amended by Directive 2019/878/EU (CRD V) defines the combined buffer requirements for EU institutions. In addition, Directive 2013/36/EU provides (Art. 97 et seq.) that Competent Authorities regularly carry out the Supervisory Review and Evaluation process ("SREP"), to assess and measure risks not covered, or not fully covered, under Pillar 1 and determine additional capital and liquidity requirements (Pillar 2 requirements). SREP is conducted under the lead of the ECB. The SREP decision is tailored to each bank's individual profile.

The table below summarises capital requirements for NBG Group for 2021 and 2020:

	CET1 Capital Requirements			Overall Capital Requirements		
	2020 & 2021 post capital relief measures[(1)]	2021	2020	2020 & 2021 post capital relief measures	2021	2020
Pillar 1	4.5%	4.5%	4.5%	8.0%	8.0%	8.0%
Pillar 2	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Capital Conservation Buffer	-	2.5%	2.5%	-	2.5%	2.5%
O-SII Buffer	0.5%	0.75%	0.5%	0.5%	0.75%	0.5%
Total	**8.0%**	**10.75%**	**10.50%**	**11.50%**	**14.25%**	**14.00%**

[(1)] CET1 threshold of 8.0% is further potentially reduced to 6.69%, given that the Bank is allowed to partially use Additional Tier 1 or Tier 2 instruments, to meet the Pillar 2 Requirements ("P2R").

The capital adequacy ratios for the Group and the Bank are presented in the table below:

	Group			Bank		
	30.06.2021	30.06.2021 Pro-forma[1]	31.12.2020	30.06.2021	30.06.2021 Pro-forma[1]	31.12.2020
Common Equity Tier 1	**14.3%**	**16.0%**	**15.7%**	**14.1%**	**15.8%**	**15.7%**
Tier 1	**14.3%**	**16.0%**	**15.7%**	**14.1%**	**15.8%**	**15.7%**
Total	**15.2%**	**17.0%**	**16.7%**	**15.2%**	**16.8%**	**16.8%**

[(1)] Pro-forma figures have been calculated including profit for the period.

DTC Law

Article 27A of Greek Law 4172/2013 ("DTC Law"), as currently in force, allows credit institutions, under certain conditions, and from 2017 onwards to convert deferred tax assets ("DTAs") arising from (a) private sector initiative ("PSI") losses, (b) accumulated provisions for credit losses recognized as at 30 June 2015, (c) losses from final write off or the disposal of loans and (d) accounting write offs, which will ultimately lead to final write offs and losses from disposals, to a receivable ("Tax Credit") from the Greek State. Items (c) and (d) above were added with Greek Law 4465/2017 enacted on 29 March 2017. The same Greek Law 4465/2017 provided that the total tax relating to cases (b) to (d) above cannot exceed the tax corresponding to accumulated provisions recorded up to 30 June 2015 less (a) any definitive and cleared Tax Credit, which arose in the case of accounting loss for a year according to the provisions of par.2 of article 27A of Greek Law 4172/2013, which relate to the above accumulated provisions, (b) the amount of tax corresponding to any subsequent specific tax provisions, which relate to the above accumulated provisions and (c) the amount of the tax corresponding to the annual amortization of the debit difference that corresponds to the above provisions and other losses in general arising due to credit risk.

The main condition for the conversion of DTAs to a Tax Credit is the existence of an accounting loss at Bank level of a respective year, starting from accounting year 2016 and onwards. The Tax Credits will be calculated as a ratio of IFRS accounting losses to net equity (excluding the year's losses) on a solo basis and such ratio will be applied to the remaining Eligible DTAs in a given year to calculate the Tax Credit that will be converted in that year, in respect of the prior tax year. The Tax Credit may be offset against income taxes payable. The non-offset part of the Tax Credit is immediately recognized as a receivable from the Greek State. The Bank is obliged to issue conversion rights to the Greek State for an amount of 100% of the Tax Credit in favour of the Greek State and will create a specific reserve for an equal amount. Common shareholders have pre-emption rights on these conversion rights. The reserve will be capitalized with the issuance of common shares in favour of the Greek State. This legislation allows credit institutions to treat such DTAs as not "relying on future profitability" according to CRD IV, and as a result such DTAs are not deducted from CET1, hence improving a credit institution's capital position.

Furthermore, Greek Law 4465/2017 amended article 27 "Carry forward losses" by introducing an amortization period of 20 years for losses due to loan write offs as part of a settlement or restructuring and losses that crystallize as a result of a disposal of loans.

On 7 November 2014, the Bank convened an extraordinary General Shareholders Meeting which resolved to include the Bank in the DTC Law. An exit by the Bank from the provisions of the DTC Law requires regulatory approval and a General Shareholders meeting resolution.

As of 30 June 2021, the amount of DTAs that were eligible for conversion to a receivable from the Greek State subject to the DTC Law was €4.2 billion (31 December 2020: €4.3 billion). The conditions for conversion rights were not met in the year ended 31 December 2020 and no conversion rights are deliverable in 2021.

2021 EU-wide Stress Test

On 29 January 2021 the European Banking Authority ("EBA") launched the 2021 EU-wide stress test exercise following the postponement of the 2020 EU wide stress test-exercise, due to the COVID-19 pandemic. The exercise was led by the European Central Bank (ECB), under the common methodological rules defined by the European Banking Authority (EBA) and the macroeconomic and market scenario assumptions published on the same date.

The European Central Bank ("ECB") published on 30 July 2021 the results of the 2021 stress test, which show that the euro area banking system is resilient to adverse economic developments. The stress test is not a pass or fail exercise and no threshold is set to define the failure or success of banks for the purpose of the exercise. Instead, the findings of the stress test will be part of the ongoing supervisory dialogue.

The Stress Test Exercise was based on a Static balance sheet approach, thus factoring in the Group financial and capital position of 31 December 2020 as a starting point, conducting a 3-year horizon stress simulation (2021-2023), under a Baseline and an Adverse scenario.

Under the baseline scenario the Fully Loaded ("FL") CET 1 ratio, reached to 15.5% in 2023 from 12.8% in 2020 (starting point), while under the adverse the FL CET 1 ratio, reached to 6.4% in 2023.

Given the Static balance sheet methodology, the 2021 SSM Stress Test does not incorporate capital accretive results post 31 December 2020.

COVID 19 outbreak

ECB has announced a number of measures to ensure that its directly supervised banks can continue to fulfil their role in funding the real economy as the economic effects of the COVID-19 became apparent (see section "Response to COVID-19 Crisis" of the Board of Directors Report.

In addition, on 24 June 2020, the EU Council announced that it adopted Regulation (EU) 873/2020 ("CRR Quick Fix") amending Regulations (EU) No 575/2013 and (EU) 876/2019 as regards certain adjustments in response to the COVID-19.

More specifically, among others the amendments concern:

- IFRS 9 transitional adjustments: Extension of the transitional period for mitigating the impact on own funds from the potential sudden increase in ECL allowance.
- Prudential treatment of software assets.
- Revised supporting factor for small and medium-sized enterprises (SME): Relinquish of the preferential treatment threshold and assignment of a risk weight ranging from 76.19% to 85% to all SME exposures.
- Lower risk weight to certain loans granted by credit institutions to pensioners or employees with a permanent contract (35% instead of 75%) and to infrastructure finance (75% instead of 100%).

NOTE 18: Fair value of financial assets and liabilities

a. Financial instruments not measured at fair value

The table below summarises the carrying amounts and the fair values of those financial assets and liabilities that are not presented on the Group's and the Bank's Statement of Financial Position at fair value and the fair value is materially different from the carrying amount.

	Carrying amount	Fair value
Group	30.06.2021	30.06.2021
Financial Assets		
Loans and advances to customers	29,589	29,562
Investment securities at amortised cost	11,562	11,912
Financial Liabilities		
Due to customers	50,555	50,599
Debt securities in issue	934	985

	Carrying amount	Fair value
Group	31.12.2020	31.12.2020
Financial Assets		
Loans and advances to customers	26,738	26,676
Investment securities at amortised cost	12,173	12,678
Financial Liabilities		
Due to customers	48,078	48,123
Debt securities in issue	910	937

	Carrying amount	Fair value
Bank	30.06.2021	30.06.2021
Financial Assets		
Loans and advances to customers	28,224	28,197
Investment securities at amortised cost	11,320	11,669
Financial Liabilities		
Due to customers	49,754	49,798
Debt securities in issue	934	985

	Carrying amount	Fair value
Bank	31.12.2020	31.12.2020
Financial Assets		
Loans and advances to customers	25,375	25,313
Investment securities at amortised cost	11,908	12,407
Financial Liabilities		
Due to customers	47,084	47,129
Debt securities in issue	910	937

The following methods and assumptions were used to estimate the fair values of the above financial instruments at 30 June 2021 and 31 December 2020:

The carrying amount of cash and balances with central banks, due from and due to banks, other borrowed funds as well as accrued interest, approximates their fair value.

Loans and advances to customers at amortised cost: The fair value of loans and advances to customers at amortised cost is estimated using discounted cash flow models. The discount rates are based on current market interest rates offered for instruments with similar terms to borrowers of similar credit quality.

Investment securities at amortised cost: The fair value of investment securities at amortised cost is estimated using market prices, or using discounted cash flow models based on current market interest rates offered for instruments with similar credit quality.

Due to customers: The fair value for demand deposits and deposits with no defined maturity is determined to be the amount payable on demand at the reporting date. The fair value for fixed-maturity deposits is estimated using discounted cash flow models based on rates currently offered for the relevant product types with similar remaining maturities.

Debt securities in issue: The fair value of debt securities in issue is estimated using market prices, or if such are not available, using a discounted cash flow analysis, based on current market rates of similar maturity and credit quality debt securities.

b. Financial instruments measured at fair value

The tables below present the fair values of those financial assets and liabilities presented on the Group and the Bank's Statement of Financial Position at fair value by fair value measurement level as at 30 June 2021 and 31 December 2020:

Group

As at 30 June 2021

	Fair value measurement using			
	Level 1	Level 2	Level 3	Total at fair value
Financial Assets				
Financial assets at fair value through profit or loss	320	117	-	437
Financial assets mandatorily at fair value through profit or loss	64	24	361	449
Derivative financial instruments	2	4,594	22	4,618
Investment securities at fair value through other comprehensive income	2,405	1,525	27	3,957
Total	**2,791**	**6,260**	**410**	**9,461**
Financial Liabilities				
Due to customers designated as at fair value through profit or loss	-	500	-	500
Derivative financial instruments	2	2,930	5	2,937
Total	**2**	**3,430**	**5**	**3,437**

As at 31 December 2020

	Fair value measurement using			
	Level 1	Level 2	Level 3	Total at fair value
Financial Assets				
Financial assets at fair value through profit or loss	302	142	-	444
Financial assets mandatorily at fair value through profit or loss	67	23	78	168
Derivative financial instruments	1	5,568	16	5,585
Investment securities at fair value through other comprehensive income	789	2,067	26	2,882
Total	**1,159**	**7,800**	**120**	**9,079**
Financial Liabilities				
Due to customers designated as at fair value through profit or loss	-	426	-	426
Derivative financial instruments	-	3,318	3	3,321
Total	**-**	**3,744**	**3**	**3,747**

Bank

As at 30 June 2021

	Fair value measurement using			
	Level 1	Level 2	Level 3	Total at fair value
Financial Assets				
Financial assets at fair value through profit or loss	304	117	-	421
Financial assets mandatorily at fair value through profit or loss	61	24	356	441
Derivative financial instruments	2	4,594	22	4,618
Investment securities at fair value through other comprehensive income	2,405	1,468	26	3,899
Total	**2,772**	**6,203**	**404**	**9,379**
Financial Liabilities				
Due to customers designated as at fair value through profit or loss	-	500	-	500
Derivative financial instruments	2	2,930	5	2,937
Total	**2**	**3,430**	**5**	**3,437**

As at 31 December 2020

	Fair value measurement using			
	Level 1	Level 2	Level 3	Total at fair value
Financial Assets				
Financial assets at fair value through profit or loss	286	142	-	428
Financial assets mandatorily at fair value through profit or loss	65	23	78	166
Derivative financial instruments	1	5,568	16	5,585
Investment securities at fair value through other comprehensive income	789	1,999	26	2,814
Total	**1,141**	**7,732**	**120**	**8,993**
Financial Liabilities				
Due to customers designated as at fair value through profit or loss	-	426	-	426
Derivative financial instruments	-	3,318	3	3,321
Total	**-**	**3,744**	**3**	**3,747**

The tables below present the fair values for the assets and liabilities classified as held-for-sale in the Group's Statement of Financial Position and measured at fair value for 30 June 2021 and 31 December 2020:

Held for Sale Operations - Financial instruments measured at fair value | Group

As at 30 June 2021	Fair value measurement using			
	Level 1	Level 2	Level 3	Total at fair value
Financial Assets				
Financial assets at fair value through profit or loss	7	20	-	27
Derivative financial instruments	-	1	-	1
Investment securities at fair value through other comprehensive income	1,434	1,653	-	3,087
Insurance related assets and receivables	133	116	-	249
Total	**1,574**	**1,790**	**-**	**3,364**

As at 31 December 2020	Fair value measurement using			
	Level 1	Level 2	Level 3	Total at fair value
Financial Assets				
Financial assets at fair value through profit or loss	6	20	-	26
Derivative financial instruments	-	1	-	1
Investment securities at fair value through other comprehensive income	1,354	1,719	10	3,083
Insurance related assets and receivables	115	126	-	241
Total	**1,475**	**1,866**	**10**	**3,351**

Transfers between Level 1 and Level 2

As at 30 June 2021, there were no transfers between Level 1 and Level 2.

As at 31 December 2020, certain fair value through profit or loss securities issued by European Stability Mechanism ("ESM") for which the Group determined that sufficient liquidity and trading existed as of that date, have been transferred from Level 2 to Level 1 according to the Group's fair value hierarchy policy. The carrying amount of the fair value through profit or loss securities transferred as at 31 December 2020 was €43 million.

All transfers between levels are assumed to happen at the end of the reporting period.

Level 3 financial instruments

Level 3 financial instruments at 30 June 2021 and 31 December 2020 include:

(a) Derivative products, which are valued using valuation techniques with significant unobservable inputs, including certain correlation products, such as correlation between various interest indices. They also include derivatives for which the credit value adjustment ("CVA") is based on significant unobservable inputs and the amount of the CVA is significant relative to the total fair value of the derivative.

(b) Mandatorily at fair value through profit or loss items, include securities for which the models used to estimate their fair value is based on unobservable credit spreads or which are price-based and the price is obtained from the issuers of the securities. They also include loans and advances to customers mandatorily measured at fair value through profit or loss, valued using discounted cash flow valuation techniques incorporating unobservable credit spreads. Additionally, they include receivables resulted from the disposal of loan portfolios through Project ICON and Project Danube (please refer to Note 10: Assets and liabilities held for sale and discontinued operations). The main part of these receivables relates to an unconditional consideration to be received at a predetermined future date while the remaining part relates to a contingent consideration to be received based on the achievement of predetermined collection targets. The valuation of the contingent consideration incorporates a range of unobservable inputs, hence the Group assesses the whole receivable to be classified in the lowest level of the fair value hierarchy.

(c) Equity securities at fair value through other comprehensive income, which are not traded in active markets and their fair value is estimated using an income or market approach, for which the main inputs used are not market observable.

The table below presents a reconciliation of all Level 3 fair value measurements for the period ended 30 June 2021 and the year ended 31 December 2020, including realized and unrealized gains/(losses) included in the "Income Statement" and "Statement of Other Comprehensive Income".

Transfers into or out of Level 3

The Group conducts a review of the fair value hierarchy classifications on a quarterly basis.

For the period ended 30 June 2021 and the year ended 31 December 2020, transfers from Level 2 into Level 3 include derivative instruments for which the bilateral CVA adjustment is significant to the base fair value of the respective instruments. Transfers from Level 3 into Level 2 include derivative instruments for which the bilateral CVA adjustment is no longer significant to the base fair value of the respective instruments.

Movement of Level 3 financial instruments

Group	2021 Net derivative financial instruments	Investment securities at FVTOCI	Mandatorily at FVTPL
Balance at 1 January	**13**	**26**	**78**
Gain/(loss) included in Income Statement	(9)	-	2
Gain/(loss) included in OCI	-	1	-
Purchases/Additions	-	-	281
Settlements	(1)	-	-
Transfer into/(out of) level 3	14	-	-
Balance at 30 June	**17**	**27**	**361**

Group	2020 Net derivative financial instruments	Investment securities at FVTOCI	Mandatorily at FVTPL
Balance at 1 January	**2**	**34**	**136**
Gain/(loss) included in Income Statement	6	-	(2)
Gain/(loss) included in OCI	-	(8)	-
Settlements	-	-	(56)
Transfer into/(out of) level 3	5	-	-
Balance at 31 December	**13**	**26**	**78**

Bank	2021 Net derivative financial instruments	Investment securities at FVTOCI	Mandatorily at FVTPL
Balance at 1 January	**13**	**27**	**78**
Gain/(loss) included in Income Statement	(9)	-	2
Purchases/Additions	-	-	276
Settlements	(1)	(1)	-
Transfer into/(out of) level 3	14	-	-
Balance at 30 June	**17**	**26**	**356**

Bank	2020 Net derivative financial instruments	Investment securities at FVTOCI	Mandatorily at FVTPL
Balance at 1 January	**2**	**34**	**136**
Gain/(loss) included in Income Statement	6	-	(2)
Gain/(loss) included in OCI	-	(7)	-
Settlements	-	-	(56)
Transfer into/(out of) level 3	5	-	-
Balance at 31 December	**13**	**27**	**78**

For the period ended 30 June 2021, changes in unrealised gains/(losses) included in the income statement of financial instruments measured at fair value using significant unobservable inputs (Level 3), relate to financial assets mandatorily at fair value through profit or loss, amounting to €1 million for the Group and the Bank (30 June 2020: €3 million), as well as to net derivative financial instruments amounting to €(4) million for the Group and the Bank (30 June 2020: €7 million).

Valuation Process and Control Framework

The Group has various processes in place to ensure that the fair values of its assets and liabilities are reasonably estimated and has established a control framework which is designed to ensure that fair values are validated by functions independent of the risk-taker. To that end, the Group utilizes various sources for determining the fair values of its financial instruments and uses its own independent functions to validate these results, where possible.

Fair values of debt securities are determined either by reference to prices for traded instruments in active markets, to external quotations or widely accepted financial models, which are based on market observable or unobservable information where the former is not available, as well as relevant market based parameters such as interest rates, option volatilities, currency rates, etc.

The Group may, sometimes, also utilize third-party pricing information, and perform validating procedures on this information to the extent possible or base its fair value on the latest transaction prices available, given the absence of an active market or similar transactions or other market observable inputs. All such instruments are categorized within the lowest level of fair value hierarchy (i.e. Level 3).

Generally, fair values of debt securities, including significant inputs on the valuation models are independently checked and validated by the Middle Office and Risk Management Function on a systematic basis.

Fair values of derivatives are determined by Management using valuation models which include discounted cash-flow models, option pricing models or other appropriate models. Adequate control procedures are in place for the validation of these models, including the valuation inputs, on a systematic basis. Middle Office and Risk Management functions provide the control valuation framework necessary to ensure that the fair values are reasonably determined, reflecting current market circumstances and economic conditions. Furthermore, over-the-counter derivatives are also compared on a daily basis with counterparties' valuations, under the daily collateral management process.

Market Valuation Adjustments

Counterparty credit risk-adjustments are applied to all over-the-counter derivatives. Own credit-risk adjustments are applied to reflect the Group's own credit risk when valuing derivatives. Bilateral credit-risk adjustments consider the expected cash flows between the Group and its counterparties under the relevant terms of the derivative instruments and the effect of the credit-risk profile of the counterparties on the valuation of these cash flows. Where appropriate, the Group takes into consideration the credit-risk mitigating arrangements, including collateral agreements and master netting arrangements, for the purpose of estimating own and counterparty credit risk valuation adjustments.

Quantitative Information about Level 3 Fair Value Measurements | 30 June 2021

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Input	Range of Inputs	
				Low	High
Investment securities mandatorily at fair value through profit or loss	9	Price Based	Price	102.00	102.00
	1	Discounted Cash Flows	Credit Spread	781 bps	781 bps
Interest Rate Derivatives	18	Discounted Cash Flows, Internal Model (for CVA/DVA)	Credit Spread	136 bps	496 bps
	(1)	Discounted Cash Flows	Constant Maturity Swap correlation between different tenors	72.80%	100.00%
Investment Securities at fair value through other comprehensive income	27	Income and market approach	n/a[1]	n/a[1]	n/a[1]
Loans and advances to customers mandatorily at fair value through profit or loss	71	Discounted Cash Flows	Credit Spread	200 bps	650 bps
Receivables from sale of loan portfolios, mandatorily at fair value through profit or loss	281	Discounted Cash Flows	n/a[2]	n/a[2]	n/a[2]

[1] Equity securities at FVTOCI include equity securities which are not traded in active markets. In the absence of an active market the fair value of these securities is estimated using a market or an income valuation approach. Given the bespoke nature of the valuation method in respect of each holding, it is not practicable to quote a range of unobservable inputs.

[2] The valuation of the contingent part of the receivables from the loan portfolio sales, has been performed using a discounted cash flow methodology under the income approach and includes a wide range of unobservable inputs, for which is not practicable to quote a relevant range of them, for disclosure purposes.

Quantitative Information about Level 3 Fair Value Measurements | 31 December 2020

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Input	Range of Inputs	
				Low	High
Investment securities mandatorily at fair value through profit or loss	8	Price based	Price	102.00	102.00
	1	Discounted Cash Flows	Credit Spread	824 bps	824 bps
Interest Rate Derivatives	10	Discounted Cash Flows, Internal Model (for CVA/DVA)	Credit Spread	210 bps	453 bps
	(1)	Discounted Cash Flows	Constant Maturity Swap correlation between different tenors	72.80%	100.00%
Other Derivatives	3	Discounted Cash Flows, Internal Model (for CVA/DVA)	Credit Spread	210 bps	453 bps
Investment Securities at fair value through other comprehensive income	26	Income and market approach	n/a[1]	n/a[1]	n/a[1]
Loans and advances to customers mandatorily at fair value through profit or loss	69	Discounted Cash Flows	Credit Spread	200 bps	650 bps

[1] Equity securities at FVTOCI include equity securities which are not traded in active markets. In the absence of an active market the fair value of these securities is estimated using a market or an income valuation approach. Given the bespoke nature of the valuation method in respect of each holding, it is not practicable to quote a range of unobservable inputs.

Sensitivity of Fair Value Measurements to Changes in Unobservable Inputs

For structured interest rate derivatives, a significant change in the correlation inputs (e.g. the degree of correlation between two different interest rates, or between interest rates and foreign exchange rates) would have a significant impact on the fair value of the individual instrument; however, the magnitude and the direction of the impact depends on whether the Group is long or short the exposure, among other factors. Due to the limited exposure that the Group has to these instruments, a reasonable change in the above unobservable inputs would not be significant to the Group. Additionally, interest rate derivatives include interest rate swaps for which the bilateral credit valuation adjustment is significant in comparison to their fair value. The counterparty credit-risk adjustment in these cases is mainly driven by the internal ratings of the counterparty. A reasonable increase in the credit spread of these entities would result in an insignificant change in the fair value of the Group financial instruments.

Other derivatives include derivatives for which the bilateral credit valuation adjustment is significant in comparison to their fair value. In these cases, the counterparty credit risk adjustment is mainly driven by the internal ratings of the counterparty. A reasonable increase in the credit spread of these entities would result in an insignificant change in the fair value of the Group financial instruments.

For loans and advances to customers mandatorily measured at fair value through profit or loss, the valuation includes a parameter which is not observable in the market, i.e. the credit spread of the customer. A reasonable increase in the respective credit spreads used would not have a significant effect on their fair value for the Group.

The valuation of the contingent part of the receivables from sales of loan portfolios, mandatorily measured at fair value through profit or loss, includes a range of unobservable inputs. A reasonable change in the unobservable inputs used would not result in a significant change in the fair value of these receivables.

NOTE 19: Group companies

			Group		Bank	
Subsidiaries	**Country**	**Tax years unaudited**	**30.06.2021**	**31.12.2020**	**30.06.2021**	**31.12.2020**
National Securities S.A.	Greece	2015-2020	100.00%	100.00%	100.00%	100.00%
NBG Asset Management Mutual Funds S.A.	Greece	2015-2020	100.00%	100.00%	100.00%	100.00%
Ethniki Leasing S.A.	Greece	2010-2020	100.00%	100.00%	100.00%	100.00%
NBG Property Services Single Member S.A.	Greece	2015-2020	100.00%	100.00%	100.00%	100.00%
Pronomiouhos Single Member S.A. Genikon Apothikon Ellados	Greece	2010-2020	100.00%	100.00%	100.00%	100.00%
Ethniki Hellenic General Insurance S.A. (2)	Greece	2015-2020	100.00%	100.00%	100.00%	100.00%
KADMOS S.A.	Greece	2010-2020	100.00%	100.00%	100.00%	100.00%
DIONYSOS S.A.	Greece	2010-2020	99.91%	99.91%	99.91%	99.91%
EKTENEPOL Construction Company Single Member S.A.	Greece	2010-2020	100.00%	100.00%	100.00%	100.00%
Mortgage, Touristic PROTYPOS Single Member S.A.	Greece	2010-2020	100.00%	100.00%	100.00%	100.00%
Hellenic Touristic Constructions S.A.	Greece	2010-2020	78.14%	78.14%	78.14%	78.14%
Ethniki Ktimatikis Ekmetalefsis Single Member S.A.	Greece	2010-2020	100.00%	100.00%	100.00%	100.00%
Ethniki Factors S.A.	Greece	2015-2020	100.00%	100.00%	100.00%	100.00%
I-Bank Direct S.A.	Greece	2015-2020	100.00%	100.00%	99.90%	99.90%
Probank Leasing S.A.	Greece	2010-2020	100.00%	100.00%	100.00%	100.00%
NBG Insurance Brokers S.A.	Greece	2015-2020	100.00%	100.00%	99.90%	99.90%
NBG Malta Holdings Ltd	Malta	2006-2020	100.00%	100.00%	-	-
NBG Bank Malta Ltd	Malta	2005-2020	100.00%	100.00%	-	-
ARC Management Two EAD (Special Purpose Entity)	Bulgaria	2016-2020	100.00%	100.00%	-	-
Bankteco E.O.O.D.	Bulgaria	2016-2020	100.00%	100.00%	100.00%	100.00%
NBG Leasing S.R.L.	Romania	2016-2020	100.00%	100.00%	100.00%	100.00%
S.C. Garanta Asigurari S.A.(2)	Romania	2003-2020	94.96%	94.96%	-	-
ARC Management One SRL (Special Purpose Entity)	Romania	2013-2020	100.00%	100.00%	-	-
Stopanska Banka A.D.-Skopje	North Macedonia	2014-2020	94.64%	94.64%	94.64%	94.64%
NBG Greek Fund Ltd	Cyprus	2016-2020	100.00%	100.00%	100.00%	100.00%
National Bank of Greece (Cyprus) Ltd(2)	Cyprus	2012-2020	100.00%	100.00%	100.00%	100.00%
National Securities Co (Cyprus) Ltd (1)	Cyprus	-	100.00%	100.00%	-	-
NBG Management Services Ltd	Cyprus	2016-2020	100.00%	100.00%	100.00%	100.00%
Ethniki Insurance (Cyprus) Ltd(2)	Cyprus	2004-2020	100.00%	100.00%	-	-
Ethniki General Insurance (Cyprus) Ltd(2)	Cyprus	2004-2020	100.00%	100.00%	-	-
National Insurance Agents & Consultants Ltd(2)	Cyprus	2008-2020	100.00%	100.00%	-	-
CAC Coral Limited(2)	Cyprus	2019-2020	100.00%	100.00%	100.00%	100.00%
NBG Asset Management Luxemburg S.A.	Luxembourg	2020	100.00%	100.00%	94.67%	94.67%
NBG International Ltd	U.K.	2003-2020	100.00%	100.00%	100.00%	100.00%
NBGI Private Equity Ltd(1)	U.K.	2003-2020	100.00%	100.00%	-	-
NBG Finance Plc	U.K.	2003-2020	100.00%	100.00%	100.00%	100.00%
NBG Finance (Dollar) Plc(1)	U.K.	2008-2020	100.00%	100.00%	100.00%	100.00%
NBG Finance (Sterling) Plc(1)	U.K.	2008-2020	100.00%	100.00%	100.00%	100.00%
SINEPIA Designated Activity Company (Special Purpose Entity)(3)	Ireland	-	-	-	-	-
NBG International Holdings B.V.	The Netherlands	2020	100.00%	100.00%	100.00%	100.00%

Notes:
(1) Companies under liquidation.
(2) Ethniki Hellenic General Insurance S.A. and its subsidiaries, National of Bank Greece (Cyprus) Ltd, and CAC Coral Ltd, have been reclassified as Non-current assets held for sale (See Note 10).
(3) The liquidation of the entity was completed on 16 April 2021. The company will be dissolved three months after the date of registration of the final documents-forms of the final Members' winding up meeting to the Companies Registration Office.

The Group's equity method investments are as follows:

			Group		Bank	
	Country	Tax years unaudited	30.06.2021	31.12.2020	30.06.2021	31.12.2020
Social Security Funds Management S.A.	Greece	2015-2020	20.00%	20.00%	20.00%	20.00%
Larco S.A.	Greece	2010-2020	33.36%	33.36%	33.36%	33.36%
Eviop Tempo S.A.	Greece	2015-2020	21.21%	21.21%	21.21%	21.21%
Teiresias S.A.	Greece	2010-2020	39.93%	39.93%	39.93%	39.93%
Planet S.A.	Greece	2015-2020	36.99%	36.99%	36.99%	36.99%
Pyrrichos Real Estate S.A.	Greece	2010-2020	21.83%	21.83%	21.83%	21.83%
SATO S.A.	Greece	2015-2020	23.74%	23.74%	23.74%	23.74%
Olganos S.A.	Greece	2010-2020	33.60%	33.60%	33.60%	33.60%
Perigenis Business Properties S.A.	Greece	-	28.50%	28.50%	28.50%	28.50%

NOTE 20: Risks Related to the COVID-19 Outbreak

For a list of measures that have been adopted in 2021 and up to 4 August 2021, the date of publishing the six-month Financial Report for the period ended 30 June 2021, in order to provide support to the European banking system and the Greek economy in dealing with COVID-19 please see section "Response to COVID-19 crisis" of the Board of Directors Report.

NOTE 21: Events after the reporting period

2021 EU-wide Stress Test

For the 2021 EU-wide Stress Test results, see Note 17 "Capital adequacy".

COVID-19 developments

For a list of measures that have been adopted in 2021 in order to provide support to the European banking system and the Greek economy in dealing with COVID-19 please see section "Response to COVID-19 crisis" of the Board of Directors Report.