



NATIONAL BANK
OF GREECE

Green Bond Impact Report

Creating a more sustainable future together



CONTENTS

CEO Statement

1. Introduction
2. NBG's Vision and Values
3. NBG at a Glance
4. Sustainability at NBG
5. NBG's Green Bond Allocation Report and Impact Report
6. Case Studies
7. Calculation Methodology
8. Post-Issuance Annual Review







CEO Statement

2021 was another year when we continued facing the challenges of the Covid-19 pandemic crisis, but also a year when Greece had to fight with natural disasters exacerbated by the impact of climate change. This impact was made particularly clear during the wildfires triggered by the hot, dry weather of the past summer.

Facing environmental and more widely ESG issues is certainly one of the key challenges for 2022. All individuals and firms have the ethical requirement to strive for rapid decarbonization goals in line with internationally agreed objectives. To this end, NBG expects that the demand for renewable and sustainable energy and related projects will rise markedly.

On the ESG front, NBG has traditionally been acknowledged as an active supporter of numerous initiatives in the culture, health, social and environmental areas, and will continue to be active in these areas in the future. For example, regarding the Environment, NBG holds the largest, by far, market share in financing of renewable energy projects.

Acknowledging the long road ahead, NBG remains committed to improving its focus on sustainable development and to moving forward on its ESG agenda, to the benefit of its customers, regulators, and investors, and be a significant contributor to the transition process of the Greek economy to a sustainable economic model.

1. Introduction

Founded in 1841, the National Bank of Greece was the first bank of the newly established modern Greek state. Throughout our 181 years of operation, in parallel with the Greek state, we always strive to be present at each small or big venture of our country, by supporting its financial and social growth efforts.

With operations focused on Greece and with a long-lasting presence in foreign countries, our operations are always governed by transparency, reliability and customer-orientation. Having our customers' best service in mind, we continuously develop and offer a wide range of financial products and services, in order to efficiently cover the ever-changing needs of businesses and individuals.

With respect towards the environment and society, as well as with an immense sense of responsibility towards our customers and our people, we invest constantly in sustainable growth guided by our values. This is why at the start of 2021 NBG launched a holistic Environment, Social and Governance ("ESG") effort to ensure compliance with the evolving regulatory framework and implementation of ESG best practices across the organization (covering management of credit and other types of risks 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 maintain a high level of focus and execution discipline in this critical area.



2. NBG’s Vision and Values

“To create future together” is our revamped purpose statement, launched during the first half of 2021. NBG's vision, is “to be the bank of first choice” for its customers, but also to attract talent and investors. A trustworthy, human, responsive bank, that acts as a growth catalyst and fully unlocks potential and opportunities for households, businesses, and communities alike.

Throughout our history, from 1841 until today, we recognize that our successful business activity is mainly based on the fact that we operate guided by our values and our principles. Our values point to who we are, what we believe in and how to reach our goals. Day by day we create the future. We build on the strong foundations of our history, 181 years of reliability and relationships of trust. At the same time, we are evolving into a more flexible and contemporary bank that responds to its customers’ needs. Today, we move forward with vision and optimism. We open new paths, by immersing into the new digital era and by providing new solutions and prospects for households, businesses and the economy as a whole.

Four key values constitute the core of the Bank's and the Group's culture. Those 4 values are, and will remain etched in our DNA, in order to move forward together to the next day:



Human-Centricity

- Always demonstrate genuine interest and respect for others
- Encourage team work and mutual support at all times
- Blend joy in working life



Trustworthiness

- Uphold the highest professional and ethical standards of conduct
- Take decisions with integrity and prudently manage risk
- Foster long-term relationships based on trust



Responsiveness

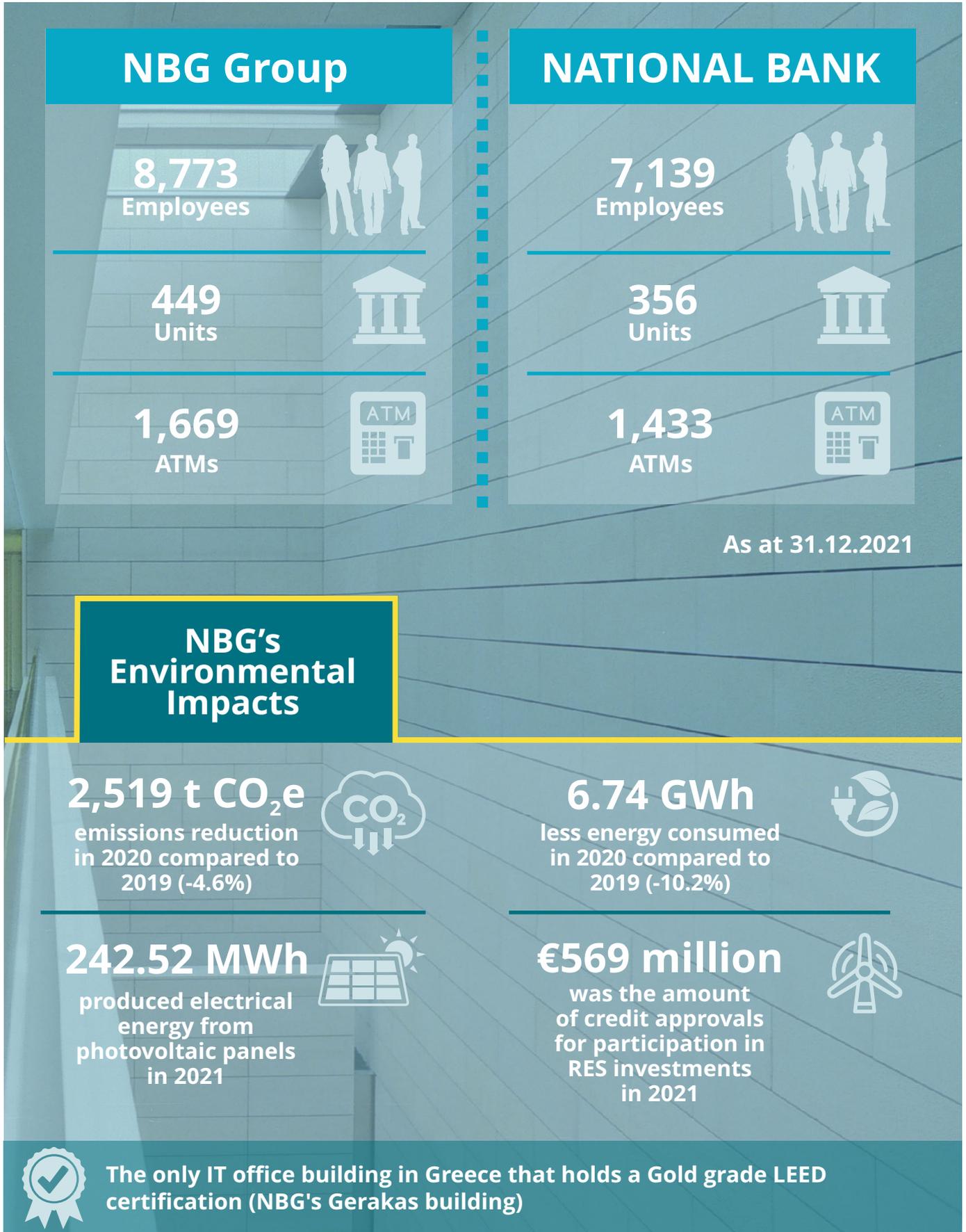
- Take ownership and act in a timely and decisive way
- Deliver simple and customer-centric solutions continuously
- Focus on timely performance by mobilizing others to act quickly



Growth Catalyst

- Follow ambitions and respond decisively to today’s challenges
- Enable sustainable development through new ideas and innovative solutions
- Develop talent with fairness and transparency

3. NBG at a glance



4. Sustainability at NBG

4.1. Sustainable Development

NBG has consistently demonstrated its concern and long-standing interest in the promotion of the Greek economy, the support of society, as well as the protection of the natural environment. Throughout our history, we maintain our leading position in our country's banking sector. We are here to provide guidance and lead every small or big national venture. As we move forward, we focus on our stakeholders' needs in order to create a better, more sustainable future.

NBG being traditionally the leading Greek bank in financing the energy sector aims to play a leading role in Greece's energy transition, by supporting all initiatives for the transition to the European target model and remaining committed to supporting the country's decarbonization. Standing by its commitment to play a key role to the new demanding and challenging era, NBG:

- is committed to reducing any adverse impact on the environment arising, from its financing activity and from its own operations. Recognizing climate change as a major environmental challenge of our times and the significant investment required by all players involved, this commitment focuses on the Bank's role as a financier and advisor in the transition effort to a net-zero carbon economy, more cyclical and less dependent on natural resources. We lead the Greek market in the renewable energy sector, and we are already regarded as "the bank for energy in Greece". Furthermore, we support the green transition of our customers and the decarbonization of their operations.
- believes that environmental responsibility and the reduction of its environmental footprint are cornerstones of sound corporate behavior and, vital to sustainable development and to addressing climate change. NBG has developed since 2004 an Environmental Management System which is in conformity with the requirements of the international standard ISO 14001 and is planning to execute further responsible actions to reduce its emissions.
- has adopted and implements numerous policies in order to achieve a robust corporate governance and strengthen the existing risk management framework (e.g. the Group Sustainability Policy, the Code of Ethics, the Corporate Governance Code, Anti-bribery Policy, Whistleblowing Policy e.t.c.). These policies are harmonized with NBG's activities and ensure the transparency and efficiency of its operations.

Furthermore NBG and its Group Companies recognize that the success of their business activity through the years stems largely from the fact that they operate based on the principles and values that the Group and the Bank as a whole and each employee individually accept and embrace.



4.2. NBG Green Bond Framework briefly presented

The rationale for issuing a green bond

NBG supports investment efforts that contribute to the energy upgrade of Greece, establishing itself as "the bank for energy" of the country. We estimate that NBG holds a 40% share in Renewable Energy Sources (RES) financing in Greece. The financing of projects in the energy sector and above all in renewable energy, is a strategic goal of the Bank, which targets financing of €3 billion over the next 3 years.

In this context one of the objectives of issuing a green bond is to further support the transition to a low-carbon economy.

The Green Bond Framework

In this context a Green Bond Framework was established in April 2020, which is aligned with the ICMA principles 2018 and has been confirmed by the Second Party Opinion provider Sustainalytics.

Use of Proceeds

An amount equivalent to the proceeds of Green Bond issuance(s) will be used to finance or refinance, in whole or in part, new or existing loans and/or investments to equipment, development, manufacturing, construction, operation, distribution and maintenance of Renewable Energy ("Eligible Assets") from the following generation sources:

- Onshore wind energy
- Solar thermal energy
- Small hydro projects (<20 MW)

For refinancing of existing projects or assets, only loans or investments that have been originated within



ICMA Category: Renewable Energy

Finance or refinance, in whole or in part, new or existing loans and/or investments to equipment, development, manufacturing, construction, operation, distribution and maintenance of Renewable Energy ("Eligible Assets") from the following generation sources:

- Onshore wind energy
- Solar thermal energy
- Small hydro projects (<20 MW)

4.2.1. Process for Project Evaluation and Selection

The NBG Green Bond Framework Committee, which has a direct reporting line to the ESG Committee, is responsible for:

- Requesting and receiving potential eligible assets from the Corporate Division.
- Reviewing and validating the selection of Eligible Assets based on the criteria of:
 - Alignment with NBG's Environmental Policy and Environmental Management System
 - Alignment with the three defined eligible project categories
 - Compliance with local laws and regulations, including any applicable regulatory environmental and social requirements.

4.2.2. Monitoring the Eligible Assets portfolio throughout the life of the Green Bond

- Removing from the portfolio any Eligible Assets that no longer meet the eligibility criteria and replacing them with new Eligible Assets as soon as feasible.
- Coordinating any future updates of this Framework.

4.2.3. Management of Proceeds

The net proceeds of the Green Bond are managed by NBG's Treasury on a portfolio basis. As long as the Green Bond amounts are outstanding, the Treasury is intended to exclusively allocate an amount equivalent to the net proceeds to Eligible Assets.

Based on the internal process of monitoring the portfolio of Eligible Assets, the Green Bond Framework Committee is reviewing and validating allocations of bond proceeds to Eligible Assets on a quarterly basis.

4.2.4. Reporting

In order to provide to the investors information on the allocation of proceeds and the non-financial impact of the Eligible Assets included in its Green Bond portfolio, NBG will publish, on an annual basis, starting one year after issuance of the Green Bond and until full allocation, a specific Green Bond allocation and impact report.



4.3. NBG's Inaugural Green Senior Bond in a nutshell

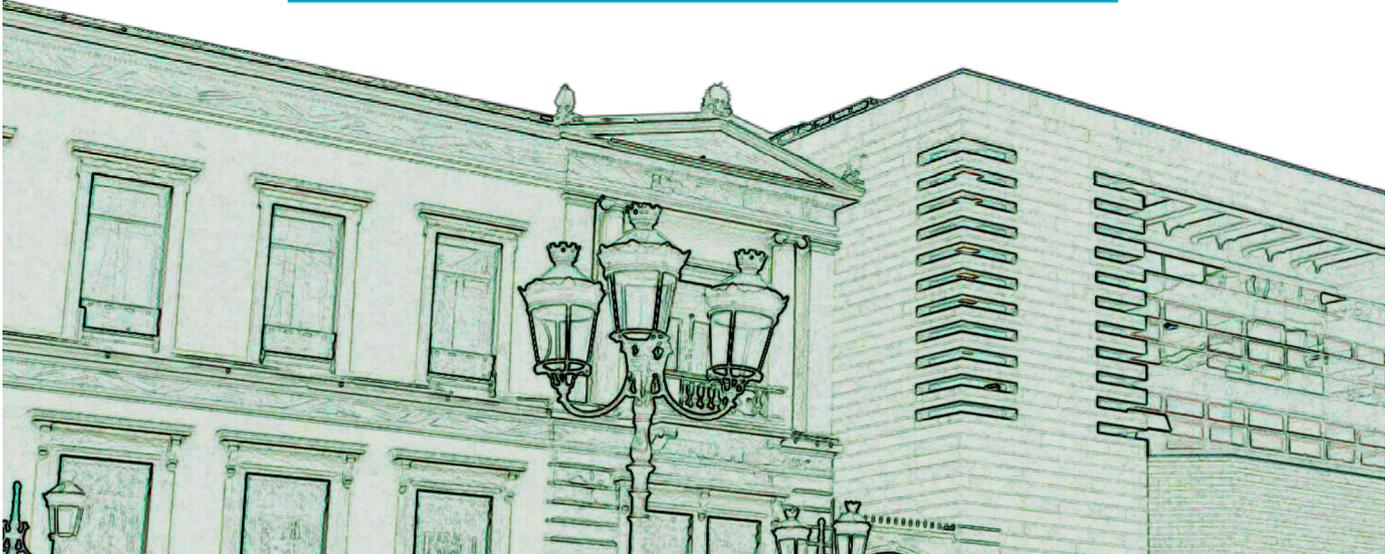
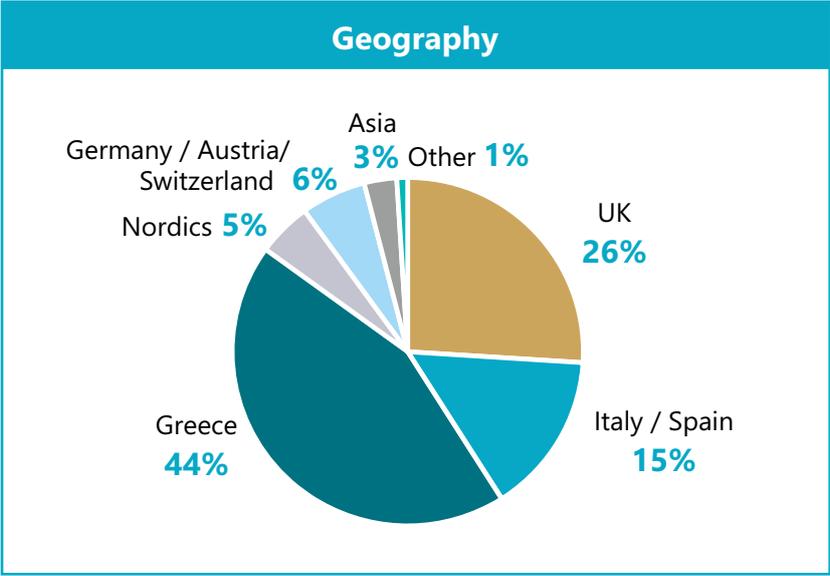
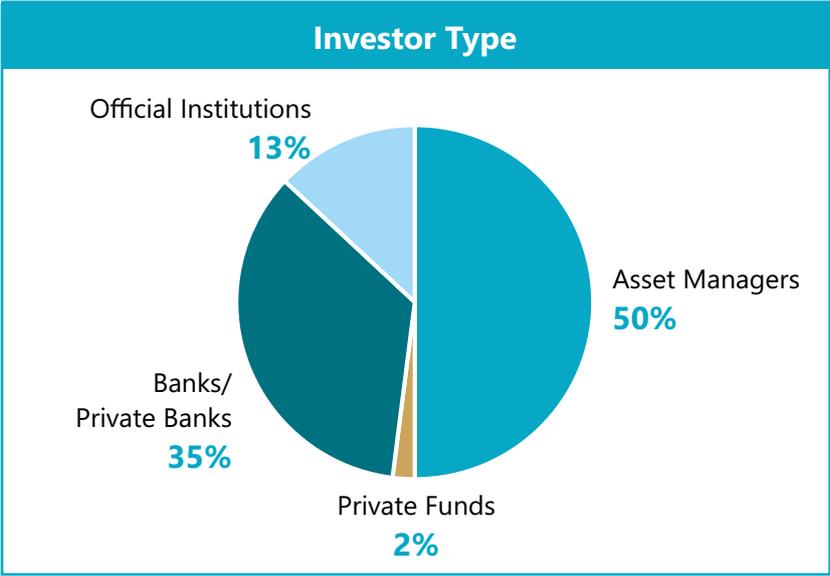
This is NBG's inaugural green bond and the first green bond by any Greek bank. It attracted a diverse pool of investors and high-quality accounts, with approximately 30% of the allocations placed with investors that are highly committed to responsible investing.

Key terms

Issuer	National Bank of Greece S.A.
Issuer Rating	Caa1 (Moody's) / B (S&P) / CCC+ (Fitch)
Issue Rating	Caa1 (Moody's) / B (S&P) / CCC- (Fitch)
Notes	Senior Preferred MREL Notes
Size	EUR 500 million
Issue Date	8 October 2020
Maturity	8 October 2026
Coupon	2.75% fixed per annum
Yield	2.875%
Listing	Luxembourg Stock Exchange
Use of Proceeds	To finance or refinance a portfolio of eligible green projects selected in accordance with the use of proceeds criteria and selection process as described in the Issuer's Green Bond Framework
SPO Provider	Sustainalytics



Synthesis of Bond Investors



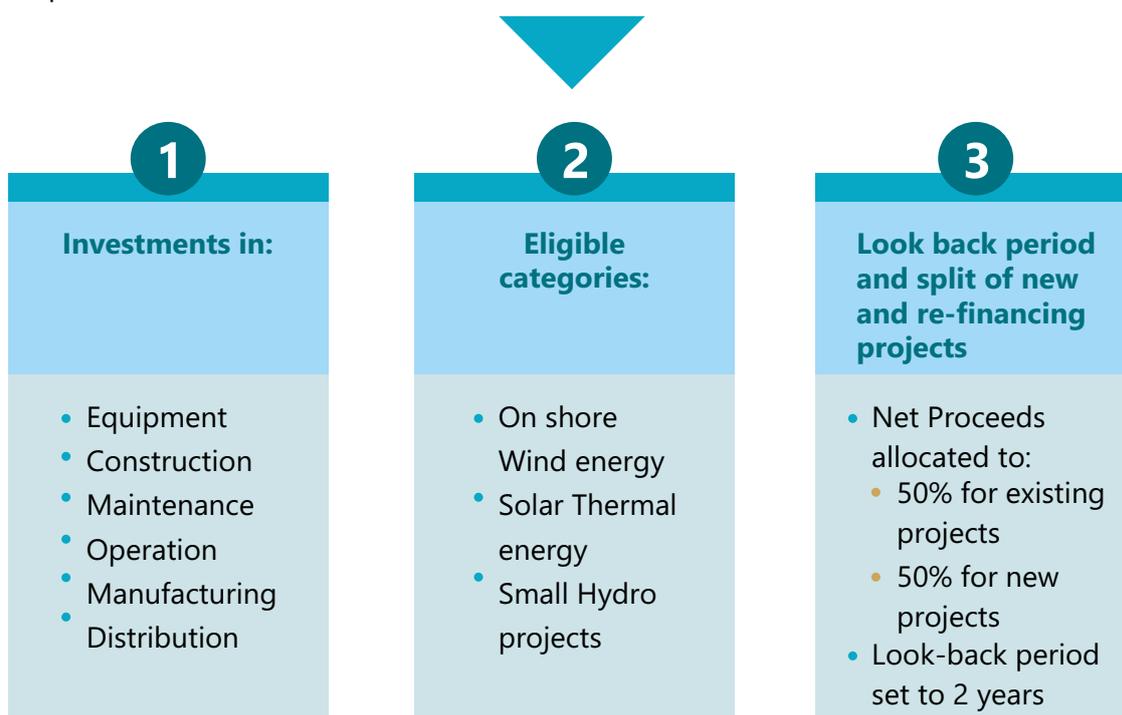
5. NBG's Green Bond Allocation Report and Impact Report

5.1. Allocation Summary

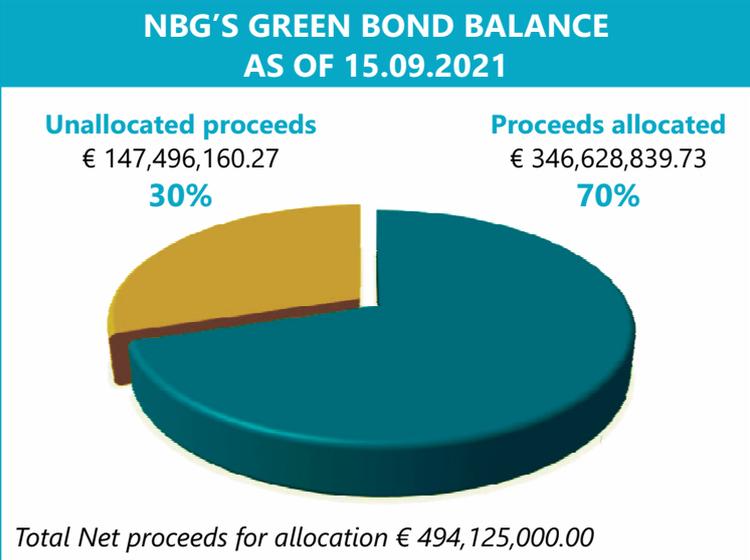
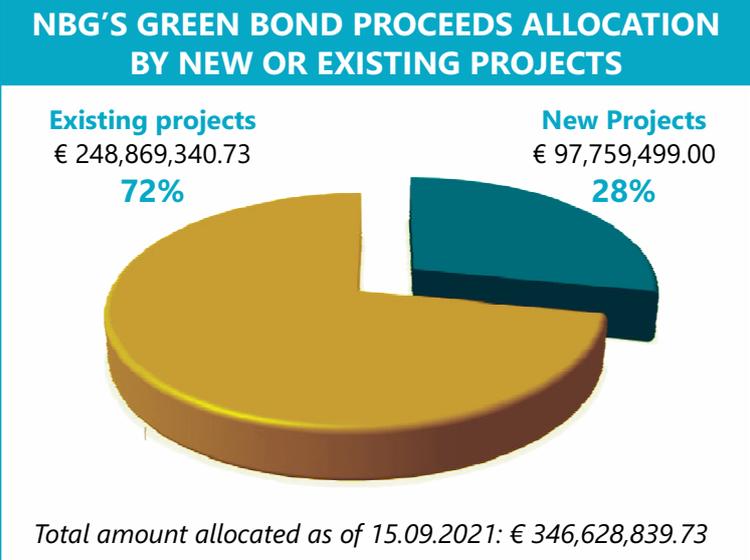
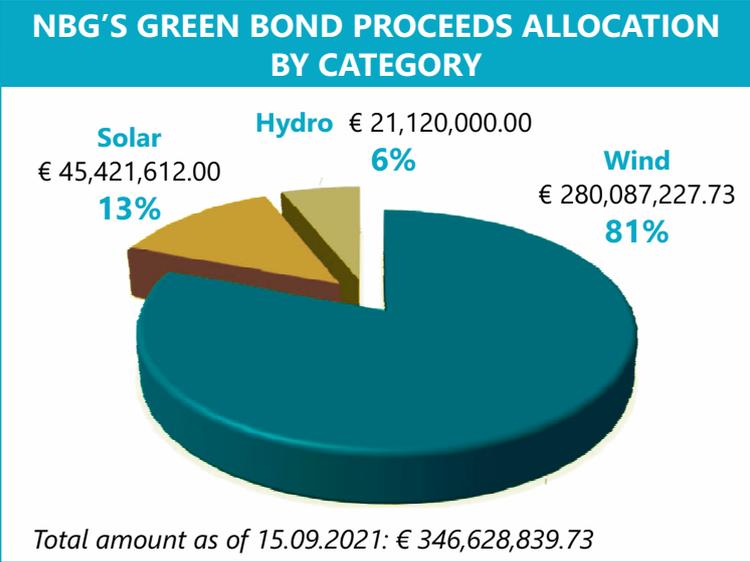
In Eur	
Nominal amount	500,000,000.00
Issue price	99.425
Gross proceeds	497,125,000.00
Commission	3,000,000.00
Net proceeds	494,125,000.00
Proceeds allocated	346,628,839.73
Proceeds allocated %	70%
Unallocated proceeds	147,496,160.27
Unallocated proceeds %	30%

5.2. Eligibility Criteria

- Aligned with NBG's Environmental Policy and Environmental Management System
- Aligned with the three defined eligible project categories
- Compliance with local laws and regulations, including any applicable regulatory environmental and social requirements



5.3. Allocation

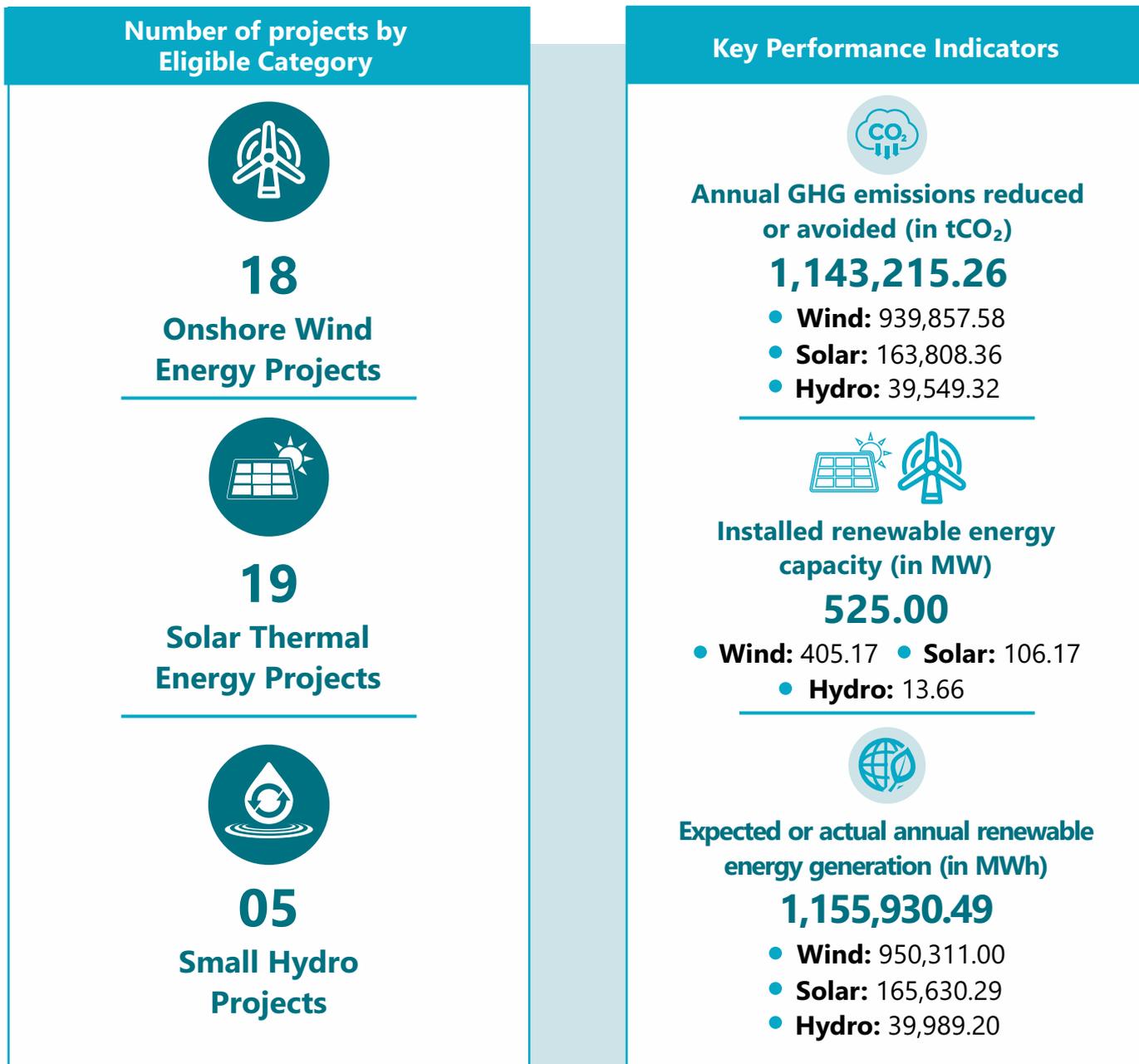


The allocated proceeds contribute to the UN Sustainable Goals 7, 9 and 13

- 7 AFFORDABLE AND CLEAN ENERGY
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 13 CLIMATE ACTION

5.4. Impact reporting

as per allocated proceeds 15.09.2021

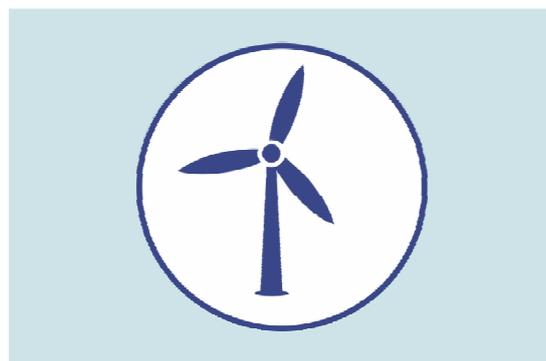


6. Case Studies

Case Study 1

C.N.I. Aioliko Parko Korobili S.A. is a company that has been engaged in the development and operation of a wind power project, with a total installed capacity of 21.6MW, located in Korobili, Viotia Prefecture, Greece, comprising of 6 wind turbines V136-3.6MW.

The execution of the loan agreement took place in December 2018 and NBG assumed exclusively the underwriting of 100% of the facilities for the debt financing of the project. The construction of the windfarm was completed in January 2020 while its Operation License was issued in August 2020.



Case Study 2

Aioliki Marmariou Evias SA, a Special Purpose Entity of Terna Energy SA, has been engaged in the development and operation of 3 windfarms, with a total installed capacity of 46.5MW, located at Marmari Municipal Unity, at Karystou Municipality in Evia, Greece. The 3 windfarms are a) the 6.9MW Pyrgari-Dardiza wind project consists of 3 wind turbines E70-2.3MW b) the 19.8MW Karabila-Kimi wind project, consists of 6 wind turbines N100-3.3MW and c) 19.8MW Galosi-Rikeza wind project, consists of 6 wind turbines N100-3.3MW. While construction started in early 2019, and was financed by bridge loan and equity, financial close of the long term financing was reached in August 2020 and was structured under a syndicated bond loan with NBG assuming part of the total bond loan. The construction of the 3 windfarms was completed in Q3 and Q4 2020.



7. Calculation methodology

The calculation methodology

The calculation methodology applied by NBG to calculate the emissions avoided from projects financed, is according to the Technical Guidance No 20701-1 of Technical Chamber of Greece and in the Guidance for Energy Inspections in buildings, industry and transportations, issued by the Ministry of Environment and Energy in January 2017.

The avoided CO₂ emissions have been calculated multiplying the renewable energy generation by the CO₂ emission factor 0.989 kgCO₂ / kWh.



8. Post-Issuance Annual Review



National Bank of Greece

Type of Engagement: Annual Review

Date: February 23, 2022

Engagement Team:

Shreeya Garg, shreeya.garg@sustainalytics.com, (+31) 20 205 0067

Audrey van Herwaarden, audrey.vanherwaarden@morningstar.com

Introduction

In October 2020, the National Bank of Greece ("NBG" or the "Issuer") issued a green bond (the "Green Bond") under the National Bank of Greece Green Bond Framework (the "Framework").¹ In April 2020, Sustainalytics provided a Second-Party Opinion on the Framework.² The Green Bond intended to finance or refinance the development, manufacturing, construction, operation, distribution and maintenance of onshore wind energy, solar thermal energy and small hydro power projects with the objective of supporting the transition to a low-carbon economy. In February 2022, NBG engaged Sustainalytics to review the projects funded through the issued Green Bond and to provide an assessment as to whether the projects met the Use of Proceeds criteria and the Reporting commitments outlined in the National Bank of Greece Green Bond Framework.³

Evaluation Criteria

Sustainalytics has evaluated the projects and assets funded by the proceeds from the Green Bond based on whether the projects:

1. Met the Use of Proceeds and Eligibility Criteria outlined in the Framework; and
2. Reported on at least one of the Key Performance Indicators (KPIs) for each Use of Proceeds criteria outlined in the Framework.

Table 1: Use of Proceeds, Eligibility Criteria and associated KPIs

Use of Proceeds	Eligibility Criteria	Key performance indicators (KPIs)
Renewable Energy	Development, manufacturing, construction, operation, distribution and maintenance of renewable energy from the following generation sources: <ul style="list-style-type: none"> • Onshore wind energy • Solar thermal energy • Small hydro projects (<20MW) 	<ul style="list-style-type: none"> • Installed renewable energy capacity (MW) • Expected or actual annual renewable energy generation (in MWh) • Annual GHG emissions reduced or avoided (in tCO₂)

Issuing Entity's Responsibility

NBG is responsible for providing accurate information and documentation relating to the details of the projects that have been funded, including description of projects, amounts allocated and project impact.

¹ National Bank of Greece Green Bond Framework is available at: https://www.nbg.gr/-/jssmedia/Files/nbgportal/debt-investors/documents/NBG-Green-Bond-Framework_April-2020vF.pdf?rev=-1

² Sustainalytics, "Second-Party Opinion - National Bank of Greece Green Bond Framework", at: <https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/published-projects/project/national-bank-of-greece/national-bank-of-greece-green-bond-framework-second-party-opinion/national-bank-of-greece-green-bond-framework-second-party-opinion-pdf>

³ The ICMA Green Bond Principles require issuers to report on the use of proceeds annually until full allocation. In line with these requirements, Sustainalytics notes that the allocation report shared by NBG is for the allocation of proceeds until September 2021, one year after the issuance of the green bond in October 2020. However, due to delays in the intended publication of the impact report, NBG has engaged Sustainalytics to perform the Annual Review in February 2022.

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of NBG’s Green Bond Use of Proceeds. The work undertaken as part of this engagement included collection of documentation from NBG employees and review of documentation to confirm the conformance with the Framework.

Sustainalytics has relied on the information and the facts presented by NBG with respect to the Nominated Projects. Sustainalytics is not responsible nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct due to incorrect or incomplete data provided by NBG.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the review.

Conclusion

Based on the limited assurance procedures conducted,⁴ nothing has come to Sustainalytics’ attention that causes us to believe that, in all material respects, the reviewed bond projects, funded through the proceeds of NBG’s Green Bond, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the National Bank of Greece Green Bond Framework. NBG has disclosed to Sustainalytics that 70% (EUR 346.6 million) of the net proceeds from the Green Bond had been allocated as of 15th September 2021.

Detailed Findings

Table 2: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded by the green bond in 2020 to determine if projects aligned with the Use of Proceeds Criteria outlined in the National Bank of Greece Green Bond Framework and above in Table 1.	All projects reviewed complied with the Use of Proceeds criteria.	None
Reporting Criteria	Verification of the projects funded by the green bond in 2020 to determine if impact of projects was reported in line with the KPIs outlined in the Framework and above in Table 1. For a list of KPIs reported please refer to Appendix 1.	All projects reviewed reported on at least one KPI per Use of Proceeds criteria.	None

⁴ Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impact, which were provided by the Issuer. The Issuer is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Appendix

Appendix 1: Allocation and Impact Reporting by Eligibility Criteria

Use of Proceeds Category	Project	Allocated amount (EUR million)	No. of projects	Installed renewable energy capacity (MW)	Expected or actual annual renewable energy generation (MWh)	Annual GHG emissions reduced or avoided (tCO ₂)
Renewable Energy	Onshore wind	280.09	18	405.17	950,311.00	939,857.58
	Solar thermal energy	45.42	19	106.17	165,630.29	163,808.36
	Small hydro	21.12	5	13.66	39,989.20	39,549.32
Total		346.63	42	525.00	1,155,930.49	1,143,215.25

Disclaimer

Copyright ©2022 Sustainalytics. All rights reserved.

The information, methodologies and opinions contained or reflected herein are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data), and may be made available to third parties only in the form and format disclosed by Sustainalytics, or provided that appropriate citation and acknowledgement is ensured. They are provided for informational purposes only and (1) do not constitute an endorsement of any product or project; (2) do not constitute investment advice, financial advice or a prospectus; (3) cannot be interpreted as an offer or indication to buy or sell securities, to select a project or make any kind of business transactions; (4) do not represent an assessment of the issuer's economic performance, financial obligations nor of its creditworthiness; and/or (5) have not and cannot be incorporated into any offering disclosure.

These are based on information made available by the issuer and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-dateness or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics accepts no liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.

The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.

About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. The firm works with hundreds of the world’s leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. The world’s foremost issuers, from multinational corporations to financial institutions to governments, also rely on Sustainalytics for credible second-party opinions on green, social and sustainable bond frameworks. In 2021, Climate Bonds Initiative named Sustainalytics the “Largest Approved Verifier for Certified Climate Bonds” for the fourth consecutive year. The firm was also recognized by Environmental Finance as the “Largest External Reviewer” in 2021 for the third consecutive year. For more information, visit www.sustainalytics.com.

