ANNUAL REPORT
2015

ΕΘΝΙΚΗ ΤΡΑΠΕΖΑ

GROUP FINANCIAL HIGHLIGHTS

Profit & loss account data (€ millions)	2015	2014	2013
Net interest income	1,905	1,998	3,157
Net fee & commission income	93	139	529
Earned insurance premia net of claims & commissions	88	86	67
Net trading income & results from investment securities	(64)	(187)	(95)
Net other income	(50)	28	113
Total operating income	1,972	2,064	3,771
Total operating expenses & other non-cash expenses	(1,302)	(1,357)	(2,572)
Operating profit / (loss) before provisions	671	707	1,199
Credit provisions & other impairment charges	(4,263)	(2,523)	(1,373)
Share of profit / (loss) of equity method investments	3	1	(5)
Profit/ (loss) before tax & minorities	(3,589)	(1,815)	(179)
Taxes	997	1,606	986
Profit/ (loss) from discontinued operations	(1,606)	315	-
Minorities	29	40	(2)
Attributable profit/ (loss)	(4,227)	66	809

Balance sheet data (€ millions)			
Due from banks (net)	2,799	3,324	2,847
Loans & advances to customers (net)	45,375	68,109	67,250
Investment securities & financial assets	18,603	19,123	20,564
Other assets	44,455	24,656	20,269
Total assets	111,232	115,212	110,930
Due to banks	25,166	22,226	27,897
Due to customers	42,959	64,929	62,876
Debt securities in issue & other borrowed funds	1,252	5,991	3,806
Other liabilities	32,756	12,706	9,240
Total shareholder equity	9,099	9,612	7,111
Total equity & liabilities	111,232	115,212	110,930

Key figures & ratios			
Earnings (losses) per share (€)	(0.36)	0.32	0.62
Net interest margin	2.8%	2.8%	3.4%
Core Tier I	14.6%	13.5%	10.3%
Total CAR	14.6%	13.6%	11.2%
Staff numbers (year end)	33,957	34,129	37,591

**Earnings/(losses) per share – Diluted from continuing and discontinued operations*
*** The 31.12.14 figures have been calculated excluding year-end profits as per Article 26-2 of E.U. Regulation 575/2013.*

Credit ratings	Long-term	Short-term
Moody's	Caa3	NP
Standard & Poor's	SD	SD
Fitch Ratings	RD	RD

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LETTER TO SHAREHOLDERS

Dear Shareholder,

The Greek economy in 2015 experienced intense fluctuations and pressures due to the political and economic uncertainty that led to the bank holiday and the imposition of capital controls.

Despite the economic downturn and negative GDP growth, which stood at -0.7%, the recessionary impact was less than feared. This was mainly due to the resilience of the private sector, which had generate deffective reserves of liquidity, and the rapid growth in the volume of transactions carried out using plastic money, which cushioned the negative impact of the bank holiday and the restrictions imposed on cash withdrawals. The deal reached at the Euro Area Summit on 12 July 2015 created the conditions for a new stable financing framework to support the Greek economy, reducing the political and economic uncertainty and fostering positive expectations.

Despite the difficulties of 2015, the banking system as a whole responded, professionally and rapidly, in the best possible way to the multiple challenges that it faced. Upon successful completion of the recapitalization process in December 2015 —with significant participation even by private investors— the systemic banks are now well fortified in terms of capital and ready to fulfill their key role, i.e.to channel liquidity to the real economy and provide financing to viable investment and business initiatives. Major challenges for the banking system overall include the roll-out of restructuring plans, effective management of loan impairments, the recovery of deposits, and acclimatization to enhanced European supervisory and regulatory requirements. A key precondition for this multi-pronged effort is the need to build strong and sustainable "confidence-building measures" between financial institutions and their partners, i.e. depositors, customers, businesses, and society at large. At the same time, however, the banking system is called upon to prepare effectively for the transition to the new digital banking landscape, both within its business structure sand in its offering of new products and services to customers.

National Bank of Greece successfully completed its recapitalization process, raising €457 million in equity from the international market and €2.7 billion from the HFSF. Indeed, we were the only bank to address our capital raising also to Greek investors, raising funds of €300 million to cover our capital needs. Today, NBG has a CET 1 ratio of 17.2%[1] (excluding CoCos), the best loan-to-deposit ratio in the sector (91% for the Bank and 92% for the Group), and the lowest dependency on the ELA mechanism in the sector. In addition, NBG has created a shareholder mix that in terms of quality and sustainability ensures the conditions under which it can play a leading, frontline role in the economy.

[1]The sales, soon due for completion, of Astir Palace, NBGI and Finansbank have been factored into CET 1.

The NBG Group is a pillar of stability and certainty for the Greek economy and society, backed by its longstanding tradition, good name, pioneering business profile and significant contribution to the development and social transformation of the country, and —above all— the enduring confidence of its shareholders, customers, depositors and employees. The main intention of the NBG Group is to maintain its leadership profile and to play an active role — guided by the principles of efficiency and profitability— in supporting investments that can foster a resurgence in economic activity and the sustainable economic and technological transformation of the Greek production base.

Chair of the Board

Professor Louka T. Katseli

Dear Shareholder,

2015 was a year of significant developments and upheavals in the Greek economy. Although the year closed with growth in negative territory, economic activity posted a decline of only 0.3%, much less than expected.

Likewise, developments in the domestic banking system were also momentous. Heightened uncertainty in the first half of the year, the collapse of confidence among savers, and the flight of deposits led to the imposition of capital controls in July 2015. Furthermore, the protracted recession of the past years and the bleak outlook at the time were reflected in the results of the Comprehensive Assessment of the Single Supervisory Mechanism at the end of the year.

To cover our capital needs, we submitted a revised restructuring plan to the DG-Comp of the European Commission, and moved ahead with a share capital raise to cover the baseline scenario of the stress test, successfully raising €1.8 billion from private investors. Besides including the participation of international investors, the share capital raising was also open to the participation of domestic investors. In addition, to meet the capital needs arising from the adverse scenario of the stress test, the bank received €2.7 billion in state aid, of which €2.0 billion was in the form of contingent convertible bonds (CoCos) and €0.7 billion in the form of common shares issued to the Hellenic Financial Stability Fund (HFSF). Last, in December, an agreement was signed with Qatar National Bank for the sale of 100% of our stake in the Group's subsidiary Finansbank, thereby meeting the key undertaking of our Restructuring Plan and enabling us to opt for paying back in full the CoCos, following SSM approval.

Accordingly, in terms of capital adequacy, the year ended with the Group having the highest CET1index among its peers, at 17.5%, factoring in the sale of Finansbank and the repayment of CoCos. In terms of liquidity, the Group remains in a superior position, with its loan-to-deposit ratio standing at 91%. Since September 2015, the Bank has sharply reduced its exposure to ELA liquidity by €4.4 billion, thus posting the lowest dependence on the emergency liquidity mechanism.

The financial results reflect fully the outcome of the Asset Quality Review ("AQR") carried out in the frame of the Comprehensive Assessment, coupled with the Group's capital enhancement actions. In 2016 the Group finds itself with a fortified balance sheet, robust capital base and superior liquidity.

In 2016, we continue to concentrate our efforts on the implementation of our commitments, focusing on the following strategic directions:

- Return to profitability by normalizing cost of risk and reducing cost of funding.
- Enhance asset quality through effective management of NPLs and the implementation of radical and sustainable solutions.
- Financing to the Greek economy and healthy export-oriented and innovative businesses, and thereby help reverse the recession and reduce unemployment.

In light of the current positive trend of 2016 and the recent completion of the 1st Review of the Program, the conditions are present and will allow us to achieve our targets for the year.

I would like to extend warm thanks to all our shareholders and our staff for their support. This year NBG celebrates its 175th anniversary. When we consider the Bank's history and the circumstances throughout these years, we see that it is thanks to the unswerving dedication of all involved, that the course the Bank has pursued has proved successful. We look to the future with optimism and confidence.

Chief Executive Officer

Leonidas Frangkiadakis

BOARD OF DIRECTORS

Louka T. Katseli
Chair of the Board, Professor at the National and Kapodistrian University of Athens (Non-executive member)

EXECUTIVE MEMBERS
Leonidas Fragkiadakis
Chief Executive Officer

Dimitris Dimopoulos
Deputy CEO

Paul Mylonas
Deputy CEO

NON-EXECUTIVE MEMBERS
Efthymios Katsikas
Employees' Representative

Stavros Koukos
Employees' Representative, President of OTOE

INDEPENDENT NON-EXECUTIVE MEMBERS
Dimitrios Afendoulis
Member of the Executive Board, John S. Latsis Public Benefit Foundation

Spiridon Theodoropoulos
Chief Executive Officer, Chipita SA

Petros Sabatacakis
Economist

Marianne Økland
Economist

Mike Aynsley
Economist

REPRESENTATIVE OF THE HELLENIC REPUBLIC (Law 3723/2008)
Angeliki Skandaliari
Economist

REPRESENTATIVE OF THE HELLENIC FINANCIAL STABILITY FUND (HFSF) (Law 3864/2010)
Charalambos Makkas
Economist

SECRETARY OF THE BOARD & BOARD COMMITTEES
Panagiotis Dasmanogolou
Assistant General Manager - Group Chief Compliance and Corporate Governance Officer

Notes:

The current Board, whose term expires in 2018, was reconstituted as a body at its 19 June 2015 meeting.

In 2015, and during the first half of 2016, the following changes were made to the Board's membership:

- Mrs. Marianne Økland was elected as independent non-executive Board member on 29 June 2016 in replacement of Mr. Kurt Geiger who submitted his resignation as independent non-executive Board member, on 28 June 2016.
- Mr. Kurt Geiger was elected as independent non-executive Board member on 26 May 2016.
- Mr. Mike Aynsley was elected as independent non-executive Board member on 26 May 2016.
- Mrs. Alexandra T. Papalexopoulou-Benopoulou submitted her resignation as independent non-executive Board member, on 17 July 2015.
- Mr. Andreas Boumis who was elected as independent non-executive Board member, on 19 June 2015, submitted his resignation as non-executive Board member, on 26 January 2016.
- Mrs. Paula Hadjisotiriou submitted her resignation as executive Board member and Deputy CEO, on 28 May 2015.
- Mr. Petros Christodoulou submitted his resignation as non-executive Board member, on 30 April 2015.
- Mrs. Louka T. Katseli was elected as non-executive Chair of the Board in replacement of Mr Georgios Zanias, who submitted his resignation as non-executive Chairman of the Board, at the meeting of the Board of Directors held on 23 March 2015.
- Mr. Leonidas Fragkiadakis was elected as Chief Executive Officer in replacement of Mr Alexandros Tourkolias, who submitted his resignation as CEO, at the meeting of the Board of Directors held on 23 March 2015.
- Mr. Stefanos Vavalides, submitted his resignation as independent non-executive Board member, on 23 March 2015.
- Mr. Alexandros N. Makridis, submitted his resignation from the Board on 25 February 2015, which was approved by the Minister of Finance on 2 March 2015. In his replacement, Mrs. Angeliki Skandaliari was appointed as the Hellenic Republic's representative to the Bank's Board, pursuant to Greek Law 3723/2008, which was published in the Government Gazette on 4 March 2015 (Board of Directors meeting on 23 March 2015).

NBG SENIOR MANAGEMENT

EXECUTIVE COMMITTEE

Chair:

Leonidas Fragkiadakis	CEO

Members:

Dimitrios Dimopoulos	Deputy CEO
Paul Mylonas	Deputy CEO
Damianos Charalampidis	Chief of Operations
Nelly Tzakou-Lambropoulou	General Manager, Retail Banking
Dimitrios Kapotopoulos	General Manager, Corporate Banking
Ioannis Kyriakopoulos	General Manager, Group Chief Financial Officer (CFO)

Non-voting members:

Panagiotis Dasmanogolou	Assistant General Manager - Group Chief Compliance and Corporate Governance Officer
Georgios Triantafyllakis	Assistant General Manager of Legal Services

GENERAL MANAGERS

Dimitrios Kapotopoulos	General Manager Corporate Banking
Ioannis Kyriakopoulos	General Manager, Group Chief Financial Officer (CFO)
Marinis Stratopoulos	General Manager, International Activities
Nelly Tzakou-Lambropoulou	General Manager Retail Banking
Petros Fourtounis	Group Human Resources General Manager
Damianos Charalampidis	Chief of Operations
Nikos Christodoulou	Chief Information Officer (CIO)

ASSISTANT GENERAL MANAGERS

Ioannis Vagionitis	Assistant General Manager, Group Chief Credit Officer
Constantinos Vossikas	Assistant General Manager of Corporate Special Assets
Panagiotis Dasmanogolou	Assistant General Manager - Group Chief Compliance and Corporate Governance Officer
Vassileios Kavalos	Assistant General Manager, Group Treasurer
Georgios Kaloritis	Assistant General Manager, Group Chief Audit Executive
Ioanna Katzilieri-Zour	Assistant General Manager, Group Marketing & Communications
George Koutsoudakis	Assistant General Manager, Corporate Banking
George Maligiannis	Assistant General Manager, Retail Collections
Vassileios Mastrokalos	Assistant General Manager of Group Strategy
Alexander Benos	Assistant General Manager, NBG Group Chief Risk Management, (CRO)
Konstantinos Bratos	Assistant General Manager, Corporate Workout & Remedial Management
Dimitrios Pavlineris	Assistant General Manager, Branch Network
Vassilis Skiadiotis	Assistant General Manager of Retail Banking
Georgios Triantafyllakis	Assistant General Manager of Legal Services
George Frangou	Deputy General Manager, Head of Real Estate

FINANCIAL REVIEW 2015

The annual results of the Bank for 2015 reflect the key developments of the year in the Greek economy. The three landmark events that impacted the Group's performance in the year under review were: the results of the ECB's Comprehensive Assessment, the subsequent successful capital increase, and the agreed sale of Finansbank to Qatar National Bank.

The results of the Comprehensive Assessment reflect the impact of the economic recession on the quality of NBG's loan portfolio. The Group increased its provisioning levels so as to cover the provisions gap and has now increased the 90dpd coverage ratio from 60.2% in 2014 to 76.8% in 2015.

The recapitalization of the Bank was carried out pursuant to a conservative approach to future economic prospects and, accordingly, at the end of the year, NBG recorded a Common Equity Tier 1 (CET1) capital ratio of 22.7%, and 17.5% excluding contingent convertible securities (CoCos), after the recapitalization process and the agreement for the sale of Finansbank. Despite the pressures on liquidity in the banking system, the Bank still has a loan-to-deposit ratio of 91% at Group level and 90% in Greece, while funding from the Eurosystem was reduced to 17% of total assets, and 12% if EFSF bonds are excluded.

The approval of the divestiture of Finansbank in December, in accordance with NBG's commitment to the European Commission's Directorate-General for Competition, demonstrates the determination of the Bank to implement its restructuring plan. Backed by sound provisions, a robust capital base and healthy liquidity, NBG will be able to prosecute its strategic plan for 2016, playing a frontline role in the Greek economy's efforts to exit the recession, focusing on enhancing its asset quality and generating positive organic results.

Enhanced liquidity vs our peers

Group[1] deposits grew by 2.6% qoq to €43.0 billion in the last quarter of the year, mainly reflecting the increased inflow of domestic deposits amounting to €793 million (€345m in Q3), partly due to seasonality (13th salary and increased Christmas turnover). In SE Europe and other countries, deposits grew by 4.5% qoq to €6.3 billion (Q4 inflows of €277 million vs €49 million in Q3).

As a result, NBG has the best loan-to-deposit ratio in the sector, standing at 90% in Greece (94% in Q3) and 91% at Group level1 (96% in Q3), serving as a foundation for future growth of credit activity.

Reflecting the recent capital increase and deposit inflows, funding via the ELA decreased by €4.1 billion qoq and amounted to €11.5bn at the end of the fourth quarter of 2015, being the lowest exposure of the sector expressed as a percentage of assets (ELA-to-assets excluding EFSF and ESM bonds and discontinued operations: 16%). Eurosystem funding amounted to €24.0 billion vs €25.6 billion at the end of Q3.2015. The reduction of the nominal amount of bonds backed by Greek government guarantees (Pillar II) by €4.8 billion corresponds to a year-on-year benefit of circa €90 million for 2016. There should be a further reduction with the completion of the sale of Finansbank in the second quarter of 2016, which should generate a liquidity impact of €3.5 billion.

Since the end of December[2], ELA funding has been further reduced by €0.4 billion to €11.1 billion (Eurosystem funding at €21.9 billion). This trend should continue throughout the course of 2016, impacting positively on net interest income. NBG is capable of raising additional liquidity of up to €7.7 billion.

The coverage ratio for loans in arrears (90dpd) at Group level and in Greece is the highest in the sector

At Group level[1], formation of loans in arrears (90 days past due) slowed down to €54 million in Q4.2015 from €406 million in Q3, reflecting a drastic reduction in Greece, where 90dpd formation amounted to €86 million, down from €406 million in the previous quarter. This improvement was aided by an increase in loan recoveries across the entire range of the Bank's products in the second half of Q4, with 90dpd formation moving into negative territory in December. The trend

[1] The Group excludes assets and profit/(loss) data from discontinued operations.

[2] Data as at 17 May 2016

continued in the early part of the first quarter of 2016 in the retail loan book, signaling ongoing momentum in the reduction of 90dpd formation.

Domestic loan impairment provisions amounted to €671 million in Q4.2015 vs €232 million in Q3, more than covering the provisioning shortfall identified by the Asset Quality Review (AQR), as the Bank decided to adopt a more conservative approach to further fortify its balance sheet in view of current economic conditions. For 2015, domestic provisions amounted to €3,528 million, making 90dpd loan coverage the highest in the industry at 76.8% vs 73.4% in the Q3 (74.6% at Group level, up by 3 percentage points on the previous quarter). The NPE coverage ratio amounted to 53.4% vs 52.4% in Q3 (52.8% at Group level, up 1 percentage point on the previous quarter).

In SE Europe and other international activities in the NPL ratio over 90 days decreased to 26.8% in the fourth quarter from 28.3% in the previous quarter. The coverage ratio rose to 57.4% from 56.3% in the previous quarter.

Profitability

Greece:
In the last quarter of 2015, core profit before provisions in Greece rebounded significantly to €153 million (+10.1% vs Q3), following the 10.4% qoq downturn reported in Q3, reflecting early signs of an emerging improvement in net interest income and fees and commissions in 2016.

Interest income topped €392 million vs €389 million in Q3, reflecting the lower cost of deposits (-14 bps qoq), due to ongoing time deposit repricing (-19 bps qoq) and the improvement in the deposit mix (68% of domestic deposits consists of lower margin sight and savings deposits, vs 52% in Q4.2014). The lower cost of deposits offset the lower net income on loans (€407 million, 4.5% lower than in the previous quarter). Net interest income was also boosted by the substantial reduction in ELA funding, albeit for just two weeks during Q4. The positive impact of the lower reliance on the ELA will become fully evident from Q1.2016 onwards.

Excluding the cost of Pillar II bonds, fee and commission income posted a recovery, rising to €51 million in Q4 (+21.4% qoq), due to higher net income from commission on business loans, procurements, custodian services and investment banking. However, the costs of Greek government guarantees remained high (€54 million in Q4 vs €53 million in Q3), bringing the total cost to €197 million for full-year 2015 (vs €161 million in 2014). The substantial reduction in the use of Pillar II bonds by almost €9 billion (nominal value) from Q3.2015 onwards will help reduce related annualized expenses in 2016 to less than half the level of Q4.2015. Including the cost of Pillar II bonds, net commission income remained in negative territory in Q4 (-€3 million vs -€10 million in Q3).

Operating expenses totaled €1,030 million in 2015, posting a decline of 2.1% yoy, and an aggregate decrease of 38% since 2009. Personnel costs fell by 0.7% yoy to €665 million, marking an aggregate decrease of 43% since the beginning of the crisis.

The Bank recorded a loss of €857 million, adversely affected by high provisions for loan impairments of €671 million and other asset impairments amounting to €242 million[3]. The results were weighed down further by one-off charges of €135 million, which mainly reflect the voluntary retirement provision (€118 million).

SE Europe and other countries:
In SE Europe and other countries, the Bank recorded losses of €34 million in Q4 vs profit of €15 million in Q3, negatively impacted by high loan impairment provisions (at €68 million, from €23 million in Q3), which incorporate part of the provision shortfall identified by the asset quality review for Serbia and pave the way for assets quality reviews in Bulgaria and Romania.

Capital adequacy

Excluding contingent convertible bonds (CoCos), but factoring in the pending completion of the sales of Astir Palace, NBGI and Finansbank, the CET 1 ratio stands at 17.5% (if the CoCos are added to the equation, the figure stands at 22.7%). The scheduled sales of Astir Palace

[3] Including the impairment charges on the ongoing sale of NBGI PE (€106 million), real estate investments (€68 million) and international subsidiaries (€26 million) and other assets (€42 million).

and NBGI are expected to add a further 70 bps to CET 1.

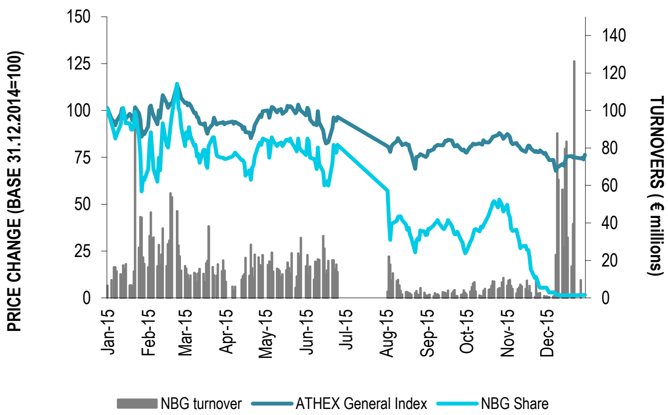
When applying fully loaded Basel III and including the aforesaid capital actions, the CET 1 ratio settles at 16.8%.

THE NBG SHARE

In 2015, the Athens Exchange (ATHEX) posted significant losses mainly because of political uncertainty, particularly in the second half of the year. NBG's share presented greater volatility, its year high standing at €25.8 on 24/02/2015 (adjusted after a reverse split), its year low at €0.25 on 15/12/2015, and its closing price on 31/12/2015 at €0.34.

NBG's market capitalization as at 31 December 2015 stood at €3.1 billion vs €5.2 billion in the previous year, including the recapitalization. The total trading volume of shares stood at €2.4 billion, higher than the previous year (€2.1 billion), comprising 17.8% of the annual trading volume in the domestic capital market vs 8.4% in 2014.

DIAGRAM 1



Sources: Bloomberg, NBG calculations

TABLE 1

NBG STOCK MARKET DATA [1]

	2015	2014
Year-end price (€)	***0,3***	***22,0***
Year high(€)	***25,8***	***63,6***
Year Low (€)	***0,3***	***21,4***
Yearly standard deviation for NBG share price (%)	***10,0***	***3,7***
Yearly standard deviation for banking sector (%)	***8,6***	***2,9***
NBG market capitalization at year end (€ billions)	***3,1***	***5,2***
Annual trading volume (€ billions)	***3,3***	***2,4***
NBG-to-ATHEX trading volume ratio (%)	***17,8***	***8,4***

Sources: ATHEX, Bloomberg, NBG calculations

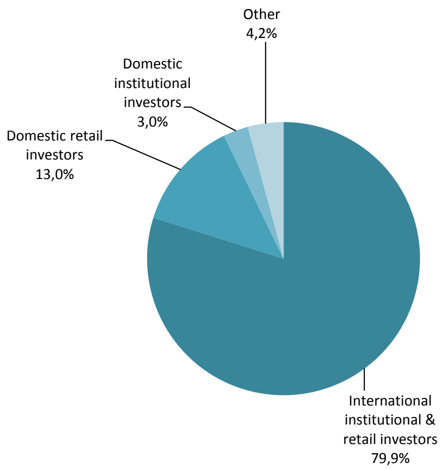
[1] For ease of comparison, share prices have been adjusted

SHAREHOLDER STRUCTURE

As at 31 December 2015, NBG's share capital was divided into 9,147,151,527 common shares of a nominal value of €0.30 each.

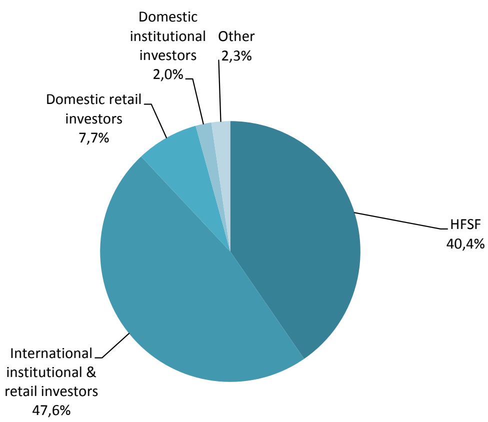
On 17 November 2015, the Extraordinary General Meeting of the Bank's shareholders approved a €4,482 million increase in the Bank's share capital, with the issue of common registered shares and cancellation of the preemption right of old shareholders, which was completed on 9 December 2015. The offer price was set at €0.30 per share, as determined by resolution of the Bank's Board dated 19.11.2015, as authorized the Extraordinary General Meeting of 17 November 2015.
At the end of December 2015 NBG's free float was broad-based, including circa 198,000 institutional and retail shareholders. As at 31/12/2015, NBG's shareholder data indicate (DIAGRAM 2) that the HFSF held 40.4% of its share capital, while 47.8% was held by international institutional and retail investors, and 7.7% by domestic retail investors. Excluding the HFSF's shareholding, the participation of international institutional and retail investors stood at 79.9% while that of domestic retail investors stood at 13.0% (DIAGRAM 3).

DIAGRAM 3
Shareholders structure (x-HSFS) 31.12.2015



* Including Subsidiaries, Insurance companies, Hospitals, Associations etc

DIAGRAM 2
Shareholders Structure NBG 31.12.2015



* Including Sudsidiaries, Insurance companies, Hospitals, Associations etc.

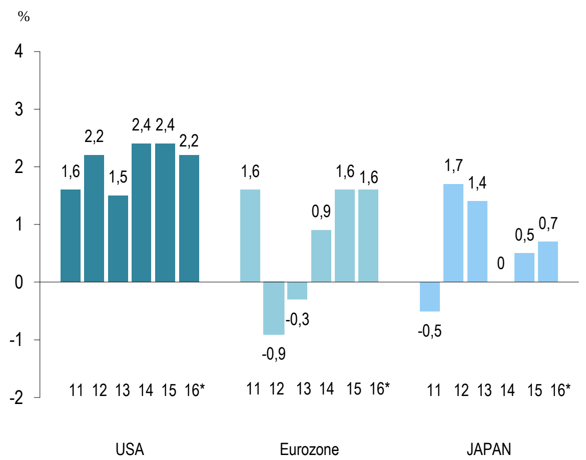
SECTION 1

THE FINANCIAL ENVIRONMENT

1.1 THE GLOBAL ENVIRONMENT

The recovery of the global economy lost ground in 2015, reflecting the recessionary environment in key developing economies, such as Brazil and Russia, which suffered from declining commodity prices, and a gradual slowdown in China. Overall, global GDP growth is forecast at 3.1% in 2015, vs 3.4% in 2014. In the US, economic activity remained robust, with growth in real GDP standing at 2.4%, broadly unchanged from 2014 (DIAGRAM 1.1.1), supported mainly by private consumption, as the labor market continued to improve at a dynamic pace. In the euro area, economic activity picked up as domestic demand benefited from lower oil prices and improved bank lending conditions. Indeed, real GDP grew by 1.6% in 2015, vs 0.9% in 2014. Last, in Japan real GDP grew by 0.5% in 2015, vs 0% in 2014, supported by the gradual improvement in workers' incomes and supportive financial conditions due to the expansionary monetary policy of the central bank.

DIAGRAM 1.1.1
GDP GROWTH (YEAR-ON-YEAR)



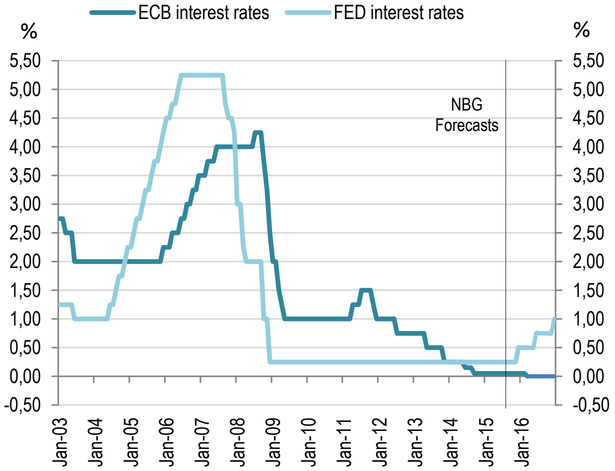
*NBG Forecasts

Sources: Eurostat, US Buraeu of Economic Analysis και IMF

International oil prices followed a downward trend in 2015 because of increased oil supplies from the US and sluggish demand due to the slowdown in growth in emerging economies. By the end of the year, the price of crude oil had fallen by approximately 30.5% to USD37/ barrel vs USD53/ barrel in 2014. In terms of average annual prices, oil fell to USD49/ barrel in 2015, fromUSD93/ barrel in 2014. In addition, average annual prices of agricultural produce fell by 17% in 2015. As a result of these developments, inflation in the developed economies slowed significantly to 0.2% (average annual change) in 2015 from 1.3% (average annual change) in 2014. In the developing economies, the average annual inflation rate rose to5.5% in 2015 from 5.1% in 2014.

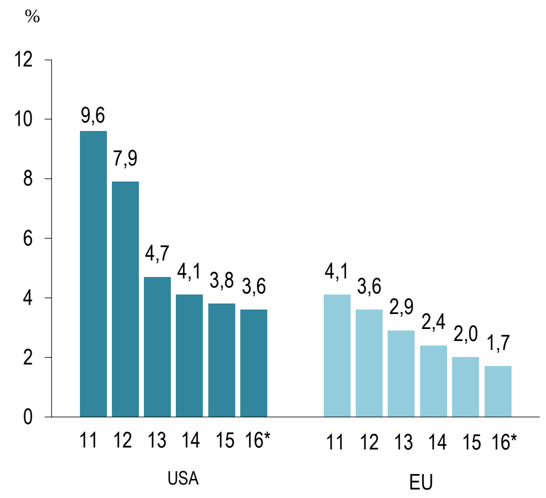
Most central banks continued to support growth policy in 2015.In the US, the Fed increased the reference rate by 25 bps in December 2015 to the 0.25% – 0.5% range, but stressed that the cycle of interest rate increases will be gradual and, above all, dependent on the course of economic fundamentals. In addition, the Fed will continue to reinvest the proceeds from Treasuries (USD1.7 trillion) and mortgage-backed securities (USD1.7 trillion) it holds on its balance sheet, thereby maintaining a supportive monetary policy. During the course of 2015, the European Central Bank (ECB) expanded its asset purchase program, buying, as of March 2015, €60 billion of government and private sector securities per month. In the midst of intense deflationary pressures, in March 2016, the ECB reduced its intervention rate by 5 bps to 0.0% (DIAGRAM 1.1.2), its margin lending facility by 5 bps to 0.25%, and its deposit facility by 10 bps to -0.4%. At the same time, monthly purchases under the asset purchase program will be increased to €80 billion, and will last at least through to March 2017, to include top rated corporate securities. The ECB also announced four new targeted longer-term refinancing operations (LTROs), which will take place between June 2016 and March 2017having a four-year duration and aiming at enhancing bank lending to the private sector (excluding home mortgage loans). Last, the Bank of Japan continued its policy to aggressively expand its balance sheet, mainly by purchasing Japanese government securities to the tune of YEN80 trillion on an annual basis. At the beginning of 2016, the Bank of Japan introduced negative interest rates on the deposits of commercial banks, adopting a three-pillar system that sets the amount of surplus liquidity of commercial banks that are subject to negative interest rates.

DIAGRAM 1.1.2
SHORT-TERM INTEREST RATES



The fiscal deficit in the US declined to 3.8% of GDP in 2015 from 4.1% in 2014,reaching its lowest level since 2007. In the euro area, the deficit-to-GDP ratio decreased to 2.0% in 2015 from 2.4% in 2014 (DIAGRAM 1.1.3). Continued fiscal adjustment, though significantly slower due to the progress achieved in recent years, demonstrates the authorities' intention, on both sides of the Atlantic, to adhere to their policies for improving their fiscal profile. In the euro area, fiscal policy is likely to become marginally expansive in 2016 due to increased spending for dealing with the refugee crisis and moderate tax cuts in certain countries.

DIAGRAM 1.1.3
BUDGET DEFICIT (% of GDP)

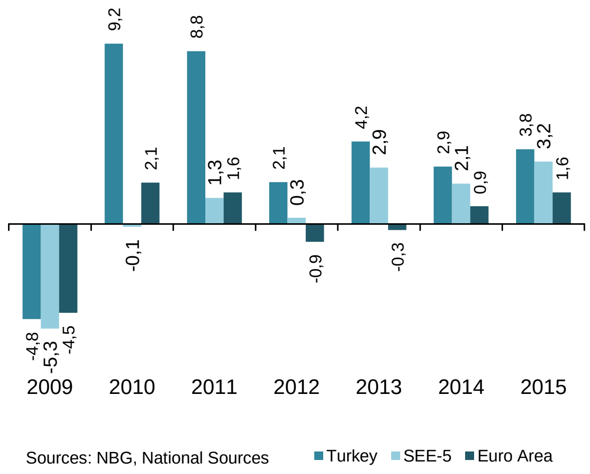


Source: IMF *IMF Forecasts

<u>SE Europe</u>*

<u>The Turkish economy and banking system posted a solid performance in 2015</u>, despite adverse domestic and international factors, including: i) protracted political uncertainty due to the repeat elections in November after the indecisive result of the general elections in June, ii) increased concerns about the security situation, after the collapse of the two-year ceasefire with the military wing of the Kurdistan Workers Party (PKK) and the country's involvement in the war against ISIS, iii) tightening of liquidity in international markets in view of the normalization of the Fed's interest rates at the end of 2015, and iv) adverse geopolitical developments, which led to a reduction of commercial activity with key trading partners (Russia and Iraq). Indeed, economic growth is estimated to have accelerated to 3.8% in 2015 from 2.9% the previous year, due to the substantial improvement in private domestic demand. In addition, external adjustment continued in 2015 despite the fact that the mix of economic growth shifted to domestic demand, with the current account deficit moderating to 4.5% of GDP from 5.5% in 2014, due to favorable gold and energy balances.

DIAGRAM 1.1.4
RAEL GDP GROWTH (%)

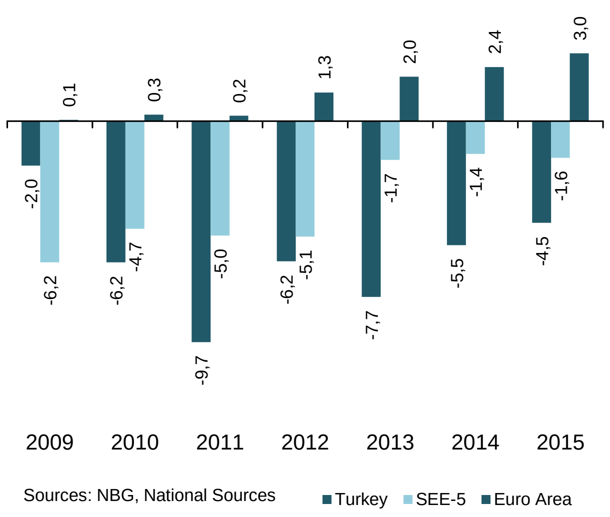


**Turkey and SEE-5, which includes Albania, Bulgaria, Former Yugoslav Republic of Macedonia, Romania and Serbia.*

Against the backdrop of strong economic growth and despite the tight liquidity conditions, the banking industry in Turkey posted a relatively good performance in 2015. Earnings grew by 6.0% to TRY26.0 billion (€7.9 billion) yoy. In addition, +90dpds as a percentage of total loans increased only slightly, and at the very low level(compared with the data for emerging markets) of 3.1% at the end of 2015 from 2.9% at the end of 2014. Last, the capital adequacy ratio fell slightly to 15.6% at the end of 2015 from 16.3% a year earlier, significantly higher than the minimum statutory limit of 12.0%.

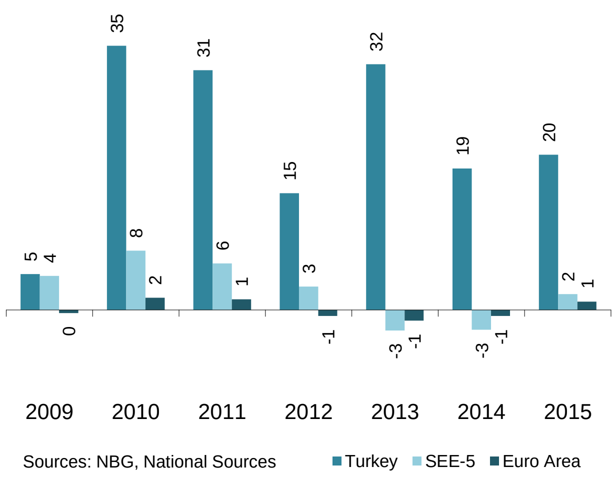
<u>Likewise, in theSEE-5, the macroeconomic outlook and performance of the banking sectors was relatively good in 2015</u>. GDP growth is estimated to have accelerated to a seven-year high of 3.2% in 2015 from 2.1% the previous year, despite the restrictive fiscal policy (the budget deficit contracted to 2.2% of GDP in 2015 from 3.0% a year earlier). This increase was boosted by private consumption and, to a lesser extent, investment. Stronger real disposable income resulting, inter alia, from improving labor market conditions and the decline in inflation (at 0.4% yoy in 2015 vs 0.6% in 2014) in tandem with the favorable international oil prices, served to increase private consumption, while higher absorption of EU funds, especially in Romania and Bulgaria, supported investment further. Moreover, despite the recovery in private domestic demand, the current account deficit remained at the low level of 1.6% of GDP for a third consecutive year in 2015, well below the pre-crisis high (15.0% of GDP), due to lower energy spending.

DIAGRAM 1.1.5
CURRENT ACCOUNT BALANCE (% of GDP)



Amid a favorable operating environment, the fundamentals and performances of the SEE-5 banking industry improved in 2015. Estimated profitability increased significantly to €1.8 billion on an annualized basis in the first nine months of the year vsan estimate of €0.3 billion(annualized) for the same period in 2014, supported by lower NPL provisioning due to the lower ratio of problem loans to total loans. In addition, the capital adequacy ratio strengthened at high levels, auguring a strong recovery in lending activity in the near future, given the low degree of banking penetration in the region (the loan-to-GDP ratio ranged between 31.3% and 60.8%, depending on the country, at the end of 2015 in SEE-5) --especially in the retail segment (loans to households as a percentage of GDP ranged between 10.7% and 21.6% at the end of 2015 in SEE-5) -- and the satisfactory liquidity ratio (in the SEE-5, the average loan-to-deposit ratio fell to 90% at the end of 2015 from 96% at the end of 2014, having remained above 100% for 8 consecutive years).

DIAGRAM 1.1.6
CREDITEXPANSION TO THE PRIVATE SECTOR
(y-o-y change, %)



1.2 THE GREEK ECONOMY

The Greek economy displayed considerable stamina in 2015, with GDP posting a marginal decline of 0.3% yoy, despite the significant headwinds that marked the greater part of the year. These headwinds included: a) increased uncertainty associated with the protracted negotiations with the country's creditors (EU, ECB and IMF), which peaked in mid-year with the citation of scenarios of Grexit or temporary suspension of member ship of the euro accompanying the end of the

2nd economic support program, b) increasing lack of liquidity in the public and private sectors, due to the extremely limited funding from abroad (including inflows from the EU), and capital flight, and c) freezing the lines of access to the ELA mechanism providing liquidity to Greek banks that compensate the outflows of liquidity from the Greek banking system and, finally the imposition of capital controls from 29 June onwards, accompanied by a bank holiday in the first three weeks of July.

DIAGRAM 1.2.1
GDP GROWTH

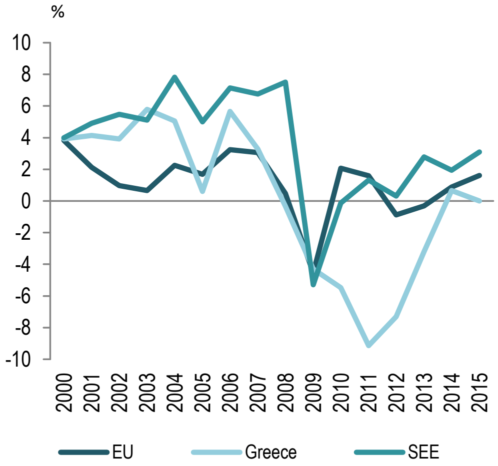
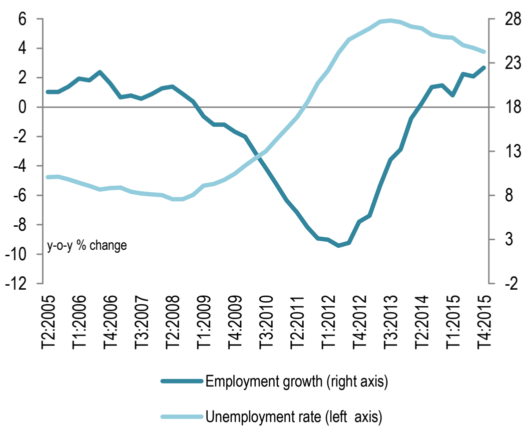


DIAGRAM 1.2.2
EMPLOYEMNT GROWTH & UNEMPLOYEMNT RATE



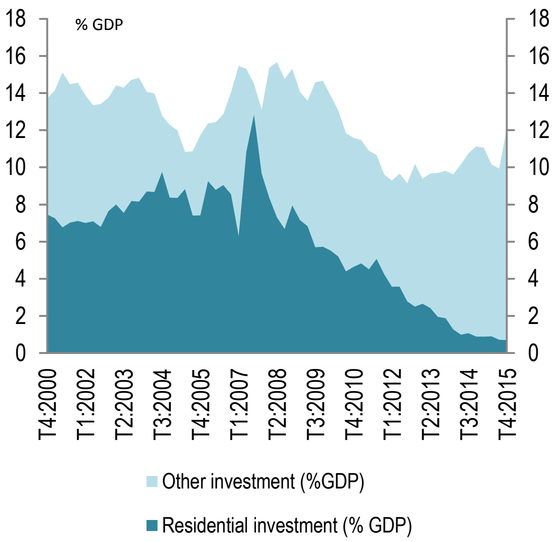
Source:EL. Stat.

In this difficult environment, economic activity increased by 0.6% in the first half of 2015 and shrank by 1.2% in the second half, with the contraction of GDP for the full year amounting to 0.3% annually, far less severe than the highly pessimistic forecasts, published in Q3.2015, for a year-on-year decline of -2.3% after the imposition of capital controls. Private consumption increased by 0.3% yoy in 2015, supported by relatively resilient conditions in the labor market, low oil prices, and the increase in reported activity vs the informal economy, due to the substantial growth of cashless transactions.

Conditions in the labor market remained positive throughout 2015, with employment increasing by 2.0% yoy (on average) and the unemployment rate falling to a three-year low of 24.0% in December. Wage employment accounted for almost all of the new jobs in 2015, of which 55.5% concerned flexible forms of work, and the rest permanent positions.

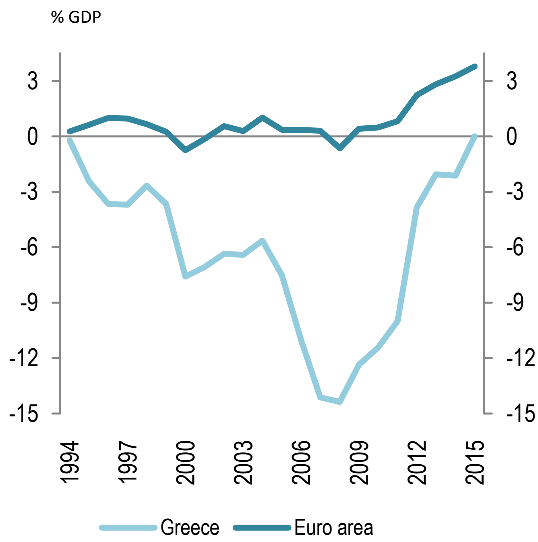
Fixed capital formation contracted in the second half of the year by 2.8% yoy (vs +4.9% yoy in the first half of 2015),as uncertainty and lack of liquidity impacted negatively investment decisions, while for the full year they stood at +0.9%. Against this backdrop, business investment rose by 3.3% yoy in 2015, while residential investment fell by 23.3% yoy. The pressure on house prices intensified in the second half of 2015 (-5.6% yoy), compared with the first half of the year (-4.5% yoy), with the high inventory of unsold homes placing a further drag on valuations.

DIAGRAM 1.2.3
INVESTMENTS OF A % OF GDP



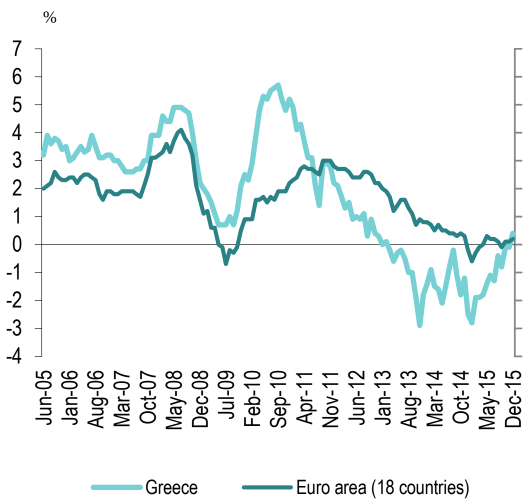
The country's current account balance with the outside world improved further in 2015, showing a balanced position. The contraction of the trade deficit mainly reflects the drop in oil imports and other goods (-9.8% yoy in total) and strong tourism receipts (+6% yoy in 2015), which offset the sharp decline in revenue from non-tourism services (mainly because of the 24.1% downturn in shipping revenue),aggravated in part by the capital controls.

DIAGRAM 1.2.4
CURRENT ACCOUNT BALANCES (% of GDP)



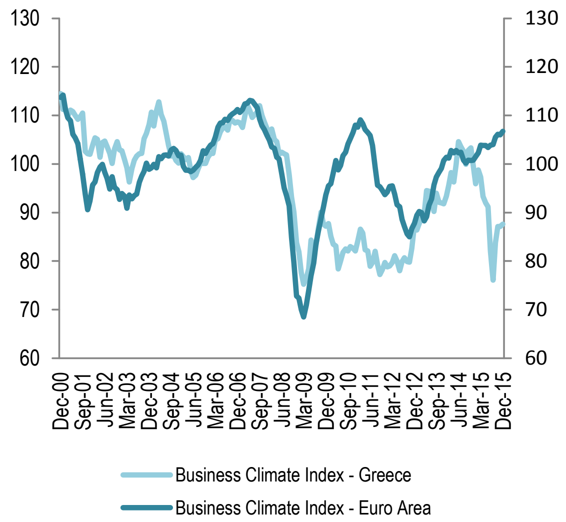
Source: OECD

DIAGRAM 1.2.5
HARMONIZED CPI



Source: European Commission

DIAGRAM 1.2.6
CORPORATE BUSINESS CLIMATE INDEX



Source: European Commission

Fiscal trends showed a marked improvement in the second half of 2015, after a relatively difficult first half, combined with the de-escalation of uncertainty and the imposition of new fiscal measures in July 2015. It is estimated that the primary balance of the State Budget presented a surplus of 0.2% of GDP , outperforming the program's annual target of a 3.0% deficit, aided by improved revenue in the second half of 2015 and further reductions in spending reversing the shortfall of the first half of the year. Government debt is estimated by the European Commission to have risen to 179% in 2015 from 178.6% in 2014, with the fiscal cost of there capitalization of banks not exceeding 3% of GDP, vs the original European Commission estimates of a potential fiscal cost of up to 14% of GDP in the worst case scenario.

**ESA 2010 figures, without the impact of the support measures for the financial sector, Ministry of Finance estimates.*

In 2015, the Greek banking system remained in a state of deleveraging, with the pace of annual contraction of lending to the private sector posting a moderate decline of 2.0% yoy. Against this backdrop, total bank deposits stabilized following the imposition of capital controls on 29 June and increased cumulatively by €1.2billion in the period August-December, supported by the normalization of government spending after the disbursement of funds under the program and the acceleration of other inflows from the EU, which were partly passed on to the private sector. However, total bank deposits remain €46.4 billion lower than their December 2014 level.

The completion of a thorough assessment of Greek systemic banks by the ECB, on 30 October 2015, identified a capital shortfall in the overall banking system of €4.4 billion under the baseline scenario and €14.4 billion under the adverse scenario of the stress test. The official sector lenders participated in the recapitalization through the European Financial Stability Fund ("EFSF") paying just €5.4 billion -- compared with initial estimates for payment of up to €25 billion -- with the involvement of private investors limiting the use of the funding available under the new program.

As regards developments in the yields of Greek government bonds, a continuous decline was observed between July and December 2015 (cumulative decline of 520 bps in performance of Greek 10-year government bonds) in parallel with the recovery of the economic climate over the same period.

DIAGRAM 1.2.7
BANK FINANCING & DOMESTIC PRIVATE SECTOR DEPOSITS

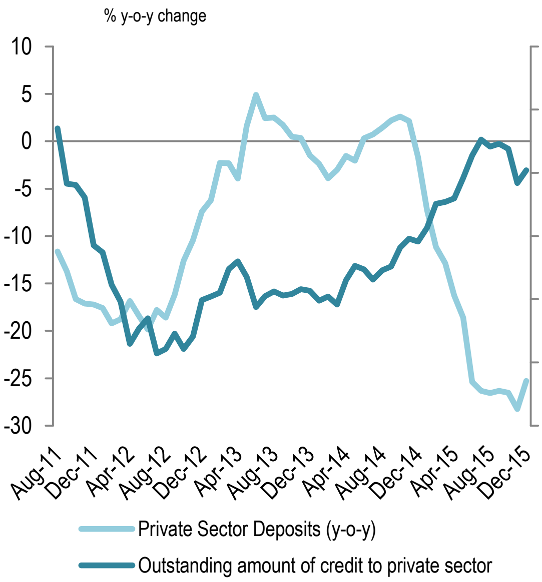
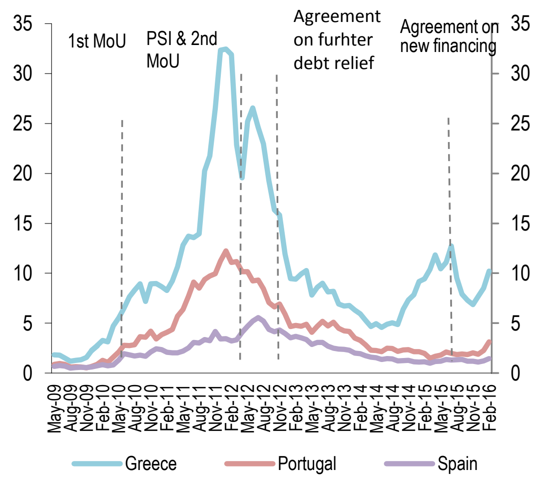


DIAGRAM 1.2.8
10YGGB/BUND SPEADS



Source: Bloomberg

Anticipated developments – Outlook

In 2016, economic activity in Greece is likely to continue to labor under downward pressure associated with the negative impact of the recession of 2015 on 2016 and the additional burden of implementing the new fiscal measures required to achieve the target of a general government primary surplus of at least 0.5% of GDP in 2016. Consequently, it is estimated that GDP will decline further on an annual basis in the first half of 2016, and that the economy will return to positive growth in the second half of the year, supported by: i) low energy prices, ii) improved economic climate compared with the previous year, iii) positive trends in tourism and exports, iv) gradual stabilization of liquidity conditions (reflecting, inter alia, the gradual repayment of overdue liabilities to the private sector), v) the re-acceptance of Greek securities in the ECB's main refinancing mechanisms after the anticipated completion of the 1st assessment of the financial support program, and vi) further substantial easing of the capital controls.

1.3 THE GREEK BANKING SECTOR

With the expiry of the Master Financial Assistance Facility Agreement and the Second Programme on 30 June 2015, the Governing Council of the ECB decided to maintain unchanged the ELA ceiling for the Greek banking system at around €89 billion, thereby limiting any further access by Greek banks to the ELA system at a time of extremely heightened withdrawals from

Greek banks. In the event, confidence in the banking system vanished, leading to the imposition of a bank holiday from 28 June 2015. Although the bank holiday ended on 19 July 2015, the restrictions on capital movements are still in place.

The initial draft proposal for a new economic and fiscal adjustment programme submitted by the Greek Government to the European Commission and the European Council on 14 July 2015 aimed at the adoption of a package of measures to improve the sustainability of public finances and at ensuring an adequate level of external financing. The Greek proposal received initial approval by the Eurogroup for a new three-year loan programme from the ESM. On 16 July 2015, in light of a positive assessment by the Institutions, the Eurogroup agreed "in principle" to grant a three-year programme designed to stabilize the Greek economy.

On 19 August 2015, the Board of Governors of the ESM approved the proposal for the Financial Assistance Facility Agreement (FFA) in Greece and signed a respective Memorandum of Understanding (MoU) with Greece. The MoU and FFA together constitute the "Third Programme" which sets out the policies and reforms required; the amount of the financial aid granted depends on the level of success in implementing the said policies and reforms.

Comprehensive Assessment Exercise 2015

Pursuant to the statement issued by the EuroSummit on 12 July 2015 and the ECB decision of 5 August 2015, the ECB launched its Comprehensive Assessment Exercise 2015 for the four Greek systemic banks. The Comprehensive Assessment Exercise 2015 included an Asset Quality Review ("AQR") and a Stress Test consisting of a base scenario and an adverse scenario. The AQR was carried out on the basis of the balance sheet at 30 June 2015. The Stress Test was a review exercise based on forward-looking estimations, assessing the resilience of the economic position of each bank in view of further significant deterioration in the economic environment as of June 2015 (after AQR adjustments) through to the end of 2017.

Recapitalization 2015

The recapitalization of Greek banks was successful with all of the systemically important banks (NBG, Piraeus Bank, Alpha Bank, Eurobank), raising sufficient funds from the private sector to meet the needs arising from the AQR and baseline scenario of the stress test, and was completed on time in 2015. Greek banks raised a total of €13.7 billion through capital increases, of which €8.3 billion came from the private sector.

SECTION 2 ACTIVITIES OF THE GROUP IN GREECE

2.1 RETAIL BANKING

As at 31.12.2015, the Group's retail lending business, before provisions, stood at €30.4 billion, down by 3% yoy, €27,1 billion of which comprised the Bank's retail portfolio.

Mortgage lending

Despite the fact that the demand for new housing loans was low following the implementation of capital controls, in 2015 lending rose to €59 million from €45 million in 2014.

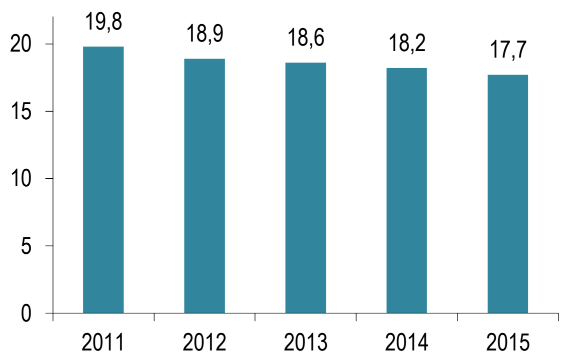
Mortgage loans outstanding declined by 3% mainly due to repayments. As a result of these developments, NBG managed to maintain its market share.

NBG focused on the clean-up of its mortgage loan book, thereby achieving a slowdown in new delinquencies.

Specifically, the Bank proceeded with loan reschedulings amounting to €1.6 billion out of a total of 26,506 loans. The percentage of NPLs(*) increased to 33.2% vs 30.1% in 2014 and 27.3% in 2013, mainly due to contraction of the aggregate loan book.

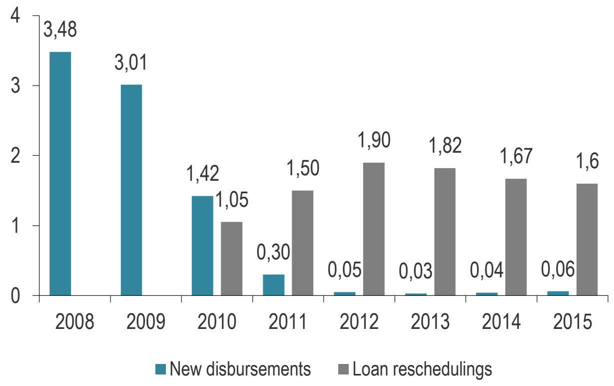
In 2016, NBG aims to increase new disbursements and maintain its market share.

DIAGRAM 2.1.1
NBG MORTGAGE LOANS
(BALANCES AT YEAR END- € BILLIONS)



** NPLs are 90+past due.*

DIAGRAM 2.1.2
NBG MORTGAGE LOANS
(NEW DISBURSEMENTS- € BILLIONS)



Credit cards and consumer loans

One of the Bank's strategic goals in 2015 was to increase the use of debit cards by consumers in their daily shopping habits and to improve the features and services that they provide.

Accordingly, NBG completed the upgrade of its debit card portfolio with the issue of new Debit MasterCard and Debit MasterCard Business, while also launching contactless transaction technology. Gradually, over 3 million customers will be supplied with the new card, in replacement of the previous Ethnocash Plus card. Contactless transaction technology provides easy, secure and fast transactions with businesses that are equipped with the appropriate terminals.

In early 2015, NBG launched its Smart Pin Delivery service, a cutting edge method for generating and delivering PIN numbers for the Bank's cards.

Within the context of the Humanitarian Crisis Relief Program (Law 4320/2015), NBG designed, issued and managed the prepaid "Solidarity Card" granted to circa 150,000 beneficiaries of food subsidies, the card being credited with the subsidy amount corresponding to each beneficiary.

In addition, NBG prepared the issue of a rechargeable prepaid contactless Visa card, which was launched at the beginning of 2016.

In the meantime, NBG continued its efforts to expand the credit card portfolio on a quality basis by supporting reward programs. Specifically, emphasis was placed on the new go4more customer loyalty program launched in January 2015. It is the only customer loyalty program in Greece that rewards the overall customer-Bank relationship and not just the use of cards. Day-to-day transactions automatically earn cardholders points that can be redeemed at participating businesses or through NBG products and services.

In 2015 and through the new i-bank POS service, special emphasis was placed on the sphere of acceptance, management and clearing of card transactions, aiming both at attracting new businesses and at enhancing and upgrading existing business relationships. To this end, we implemented actions including the promotion and advertising of the i-bank POS service, the assignment of supply, maintenance and technical support of devices to specialised companies, the modernisation of the existing POS network, cooperation with business sectors that did not previously accept card transactions (taxis, kiosk owners, etc.), the promotion of the card acceptance service via alternative networks, plus the development of a new online system that relays applications to acquire the said service.

As regards consumer loans, the Bank's main goal was to continue supporting borrowers facing difficulties in repaying normally their debts through the implementation of a relief measures policy.

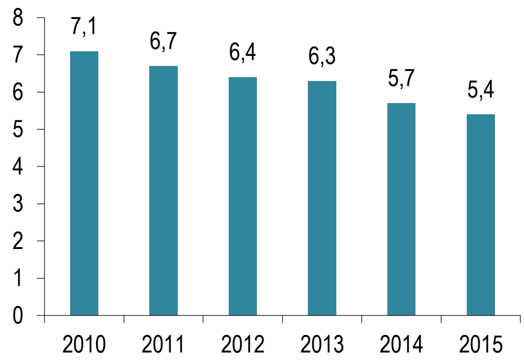
Programs that provide the option to register a prenotation on the borrower's property. In this case, the combination of a lower interest rate and longer repayment term leads to the reduction of instalments to very low levels. The Bank's clientele chooses at a consistent rate (23% for 2015) to offer mortgage prenotation on property as collateral to improve the financial terms of the arrangement.

NBG focused on the clean-up of its card and consumer loan portfolio, thereby achieving a slowdown in new delinquencies. Specifically, the Bank's rescheduling arrangements totalled €0.35 billion out of a total of 28,900 loans.

The balance of card and consumer loans remained steady at €5.6 billion. New disbursements dropped to €536 million vs €629 million in 2014; however, NBG's consumer credit market share remained unchanged yoy, i.e. 21.2% vs 21.4% in 2014.

The Bank's objectives for 2016 include the presentation of specialized products and services in the retail banking segment, as part of its efforts to meet specific needs of consumers, as well as the promotion of electronic banking.

DIAGRAM 2.1.3
NBG CONSUMER LOANS
(BALANCES AT YEAR END- € BILLIONS)



Lending to small businesses

Within the context of enhancing domestic economic activity, the Bank financed working capital requirements and investment plans of existing and new businesses, providing credit both through co-funded schemes and own funds. Specifically, in 2015, €14.3 million was made available to SMEs through the Jeremie Initiative (in collaboration with the European Investment Fund) and ETEAN programs on particularly favorable terms, while new loans were disbursed via NBG products totalling €162.3 million.

In addition, recognizing the dynamic and growth potential of the agricultural sector as a key pillar of the primary sector of the Greek economy, the Small Business Loans Division approved financing amounting to €3.3 million to farmers via the Contract Farming Program to help cover production costs.

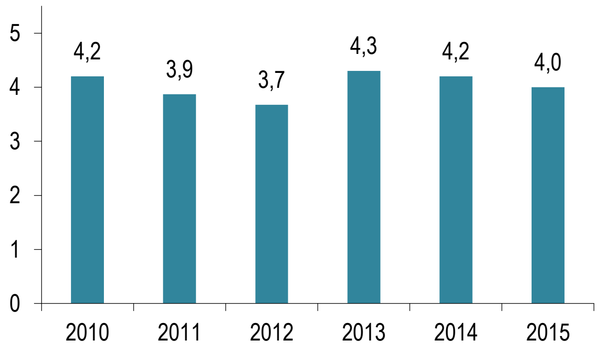
Furthermore, within the context of supporting the sustainability of our existing customers, NBG provided facilities to help SMEs repay outstanding debts through restructuring or rescheduling programs and arrangements. These facilities provided for the repayment of outstanding customer debts totalling €560 million as at 31.12.2015 .

For yet another year, the Bank will continue to support the growth of Greek entrepreneurship:

- by participating in Actions as part of its efforts to facilitate access by SMEs to financing on favorable terms, and
- by developing innovative products and services.

Last, the Bank shall manage more efficiently customers who have difficulty in meeting their obligations, complying with the applicable provisions of the Code of Conduct and meeting the legislative framework for debt arrangements.

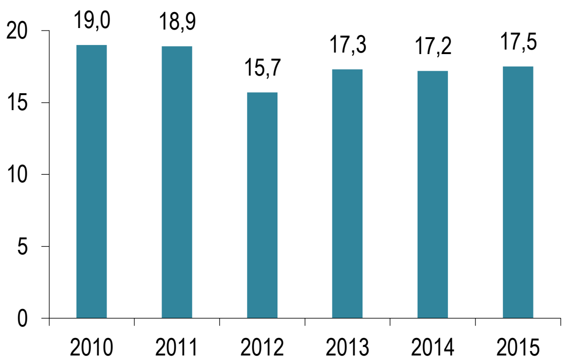
DIAGRAM 2.1.4
NBG LENDING TO SMALL BUSINESSES WITH TURNOVER BELOW €2.5 MILLION (BALANCES AT YEAR END - € BILLIONS)



2.2 BUSINESS BANKING

The business loan portfolio (for businesses with turnover over €2.5 million) in Greece totaled at €17.5 billion, up 1.7% yoy.

DIAGRAM 2.2.1
NBG LENDING TO BUSINESSES WITH TURNOVER OVER €2.5 MILLION (BALANCES ST YEAR END- € BILLIONS)



Corporate lending

In 2015, the economic climate showed signs of weakness after its positive course in 2014, deteriorating further with the imposition of capital controls in June. This adversely affected efforts to improve the quality of the Bank's corporate loan portfolio and to expand it with new credit facilities offered to viable large businesses, which was the main target of the past year.

In 2015, NBG focused on supporting its customers both by refinancing existing loans, thereby enabling them to cope with the effects of the ongoing crisis, and by selectively financing new business plans (mainly in the areas of energy, tourism, manufacturing, etc.), though these measures were limited compared with the previous year. Moreover, significant arrangements were implemented jointly with the other Banks, particularly for sectors that have been hit hard by the crisis.

The Bank's loan book to large businesses increased by 2% in 2015 mainly due to the implementation of approvals granted in 2014 as well as to new approvals granted in 2015. Additionally, restrictions on working capital significantly encouraged the use of e-money, within the context of which NBG broadened its clientele and enhanced its collaboration with businesses as regards the use of alternative payment networks, internet banking, POS terminals etc.

Last, as part of the efforts to effectively clean up its portfolio and to efficiently manage bad loans, the Bank continued to transfer part of the Large Enterprises portfolio to the Special Asset Unit, which was launched in 2014.

Project finance

In 2015, the domestic loan portfolio remained unchanged as the funds granted to existing or new approved projects were balanced by repayments of funds for completed projects and portfolio transfers. New domestic lending totalled €18.6 million and was channelled exclusively to PPP and energy-related (mainly RES) projects. In the following years, the PPP and energy sectors are expected to comprise the key mechanism for the expansion of project finance in Greece, in the financing of which NBG aspires to play a significant role, either through own funds or through its participation in JESSICA. NBG also seeks to participate in financing new large projects, its immediate target being the participation in the financing of the concession of 14 regional airports.

Exposure to financing abroad continued to decline in 2015, as no new approvals were granted, thereby reducing such financing by 2.4% as a result of the repayment of principal of completed projects.

In summary, the Project Financing portfolio presented the following picture with regard to approvals and outstandings:

Syndication Desk

In 2015, the issue of syndicated loans increased both in respect of new loan facilities and the refinancing of existing loans.

In aggregate, in 2015 the issuance of syndicated loans totalling €2 billion was completed, with our Bank's participation standing at €1.1 billion. In 26 of the syndicated loans, the Bank played a leading role as Coordinator/ Arranger and in 11 NBG was a Co-arranger.

Advisory Services

In 2015, advisory services to the public and private sector with regard to concession projects and Public and Private Partnership (PPP) projects remained at the same levels due to the general economic situation.

There are reasonable grounds for estimating that the stabilization of the economic climate will rekindle the interest, on the one hand, of the Hellenic Republic to promote international tenders for the implementation of major infrastructure projects and, on the other, of investors to participate in the said tenders.

JESSICA Initiative

Since December 2011, in its capacity as an "Urban Development Fund" the Bank has undertaken the management of resources of European Structural Funds within the context of the Joint European Support for Sustainable Investment in City Areas - JESSICA Initiative, totalling €83.3 million for Attica, the Ionian Islands, Western Greece, as well as the Environment and Sustainable Growth Program. In aggregate, by 31 December 2015, financing agreements for projects worth €131.3 million in total had been concluded, which projects will be financed by the Urban Development Fund in the amount of €41.2 million.

Lending to medium-sized businesses

In 2015, NBG continued to provide liquidity for the financial support of healthy businesses, both old and new, which carried out sustainable investments so as to enhance competitiveness, innovation, export orientation, and the creation of new jobs.

It also provided tangible support to efforts to put the Greek economy on a recovery path and actively contributed to the promotion and offering of financing programs designed to enhance investment and business plans, leveraging available Financial Engineering Instruments under the National Strategic Reference Framework 2007-2013.

Specifically, the Bank participated in the offering of low interest loans for the implementation of investment and business plans by startups and existing businesses, via the "Business Restart" and "Island Tourism Entrepreneurship" actions, co-financed by the Hellenic Fund for Entrepreneurship and Development (ETEAN), and the JEREMIE initiative of the European Investment Fund.

In addition, NBG contributed to the reduction of the cost of financing for businesses by channelling funding via the "Grouped Loans for SMEs" program of the European Investment Bank, backed by the Hellenic Guarantee Fund for Small and Medium-Sized Enterprises (Guarantee Fund).

Our Bank has stood by the efforts of sectors and firms of the Greek economy to strengthen their business during the critical stage of their recovery, enhancing its policy for 2016 by supporting the development of Greek entrepreneurship via the provision of liquidity to healthy SMEs, leveraging available Financial Engineering Instruments under the National Strategic Reference Framework 2007-2013, and enabling SMEs to access credit facilities on favorable terms.

In addition, within the context of designing and developing innovative products and services for the enhancement of entrepreneurship, NBG seeks to broaden its partnerships with developmental bodies and organizations, aspiring to leverage any potentially available source for the financial strengthening of SMEs.

Leasing

New leasing offered by Ethniki Leasing stood at roughly the same level as in 2014 (€55.9 million in 2015 vs €56.9 million in 2014) in the framework of the company's endeavor to contribute to the implementation of new investments and support viable customers. It is noted that, for a second consecutive year (2014 and 2015), Ethniki Leasing ranked 1st in new leasing among its peers, while in 2013 it had ranked 2nd.

The company's key priority was to maintain core profitability and to contain operating costs.

Ethniki Leasing maintained its capital adequacy ratio at levels well over the statutory minimum. Specifically, the capital adequacy ratio as at 31 December 2015 stood at 21.3%.

In view of the adverse climate prevailing in the market, the company will seek to grow substantially new leasing business in selected areas of activity which can contribute to the general recovery of the market and support customers of strong credit standing, within the context of a general credit expansion to be defined by the Management of the NBG Group.

Shipping

In 2015, the volatility of the financial environment generated challenges that were addressed in a spirit of mutual cooperation with the existing clientele in the Greek shipping industry. At the same time, the completion of the Bank's capital strengthening process set the foundation for the targeted and cautious expansion in the area of shipping finance, once conditions permit.

In the past year, the difference in conditions governing dry and liquid cargo shipping continued, with the former facing a protracted recession and the latter posting sound performance throughout the year. In addition, the decline in fuel prices had a beneficial impact on the results of the larger shipping lines and the outlook for a recovery of the sector.

The Bank continued its long-standing commitment to support Greek-flagged shipping, taking measures to improve repayment prospects and to enhance existing collateral for part of current exposures, where required.

In 2015, 29% of the portfolio concerned vessels older than 5 years, the average age being 13 years. The largest part concerned bulk carriers (43.6%) and tankers (36.4%). Exposure to the passenger shipping segment is smaller and the prospects of smooth repayment appear more positive.

In 2016, the Bank will likely focus mainly on the improvement of prospects for the smooth repayment of loans, primarily in the area of bulk carriers, anticipating a gradual reversal of the slowdown in the freight market. However, the Bank should be able to leverage opportunities to expand further with new lending that supports quality and positive business performance.

Global transaction services

NBG responded immediately to the requirements of the new institutional framework and the urgent needs of the market provoked by the imposition of capital controls. With its substantial expertise in cross-border trade issues, NBG played a key role in formulating the adjustments to the regulatory framework with a view to ensuring the market's ongoing smooth operations and maintaining credibility against counterparty banks.

The Bank's distinction as "Greece Best Trade Finance Bank" by Global Finance magazine for a fourth consecutive year as well as the Gold Award the Bank won in the category of "Top Export Assistance Company" of the Foreign Ministry, confirm the dynamic of the Bank in the Trade Finance sector and its recognition by the international business and banking community.

This dynamic is grounded on NBG's active participation in international developments, as well as on a wide range of cutting-edge financing solutions in combination with automated of collection and payment services, which meet the needs of Greek businesses. Notably, NBG absorbed 88% of the EIB's programme for the provision of guarantees, supporting Greek businesses that are active in the construction industry for their participation in the tender held for the TAP pipeline.

National Bank of Greece has high market shares in payments in Euro (in-country and cross-border - 32% outgoing & 30% incoming), cross-border credit transactions (Foreign Letters of Guarantee 34.9%, Letters of Credit 45.4%) and Exports (29.3%).

Corporate Special Assets Divisions (CSAD)

In 2015, Corporate Special Assets Units (CSAUs) managed a portfolio that totalled €6.3 billion, implementing the applicable Overdue Debt Management Strategy and seeking the most effective credit portfolio management for businesses facing difficulties in servicing their financial obligations.

CSAUs offered tailored proposals to ensure that businesses facing operating and/or financial difficulties would be able to arrange or reschedule their debt through long-term and viable solutions. Within this context, for small businesses, new types of loan reschedulings and arrangements both for non-performing and pre-non-performing debts were set up.

For the purposes of assessing businesses and proposed solutions, CSAUs have adopted viability assessment models for their customers, as well as a model for determining the net current value under the alternative settlement proposals.

In 2015, CSAUs sent notification letters to debtors with overdue debts taking into consideration the Code of Ethics under Law 4224/2013, either as a reminder of their outstanding obligations or suggesting a mutually acceptable settlement solution.

2.3 ASSET MANAGEMENT

Deposits – Investment products

As at 31.12.2015, NBG's deposit balances stood at €32.5 billion down by 17.7%. Market shares, in respect of total deposits, posted an improvement (+1.72 pps, i.e. from 24.6% to 26.3%).

As regards the deposit mix, the Bank maintained its comparative cost advantage vs competition.

NBG continued its product promotion actions aiming at sustaining, enhancing and expanding its deposit base. Specifically, the Bank:

- Continued the promotion of "Ethniki Sight Account",
- Continued the effort to attract salaried employees of the private sector, and to approach salaried employees of the Public Sector and of Public Legal Entities.
- Focused on facilitating beneficiaries of agricultural subsidies through the expansion of its business relationship with agricultural cooperative associations.

2015 projects

In 2015, NBG implemented projects in line with its strategy. The main fields of action were:

- the development and sale of new products and services, and
- further modernization of the Bank's systems and applications

However, as of H2.2015, following the imposition of capital controls, new needs were generated which had to be immediately addressed and which the Division managed to cope with:

- provision of written directions to the Network on an ongoing basis, so as to ensure the proper implementation of the applicable provisions from time to time,
- launch of a Help Desk to support Network officers,
- receipt, processing and handling of customer requests for the performance, on an exceptional basis, of transactions not otherwise permitted as per Act of Legislative Content dated 18 July 2015, as amended.

Within this context, as of July 2015, over 13,000 requests of individuals and legal persons were reviewed and processed.

Outlook regarding the progress of operations in 2016

The Division's key actions for 2016 are the following:

- Development of new products and replacement of existing ones, aiming at generating a recovery of funds in the Bank.
- Broadening of revenue through the upgrade of services provided and fee and commission income.
- Rationalization and simplification of costing, in view of enhancing profitability.
- Further upgrading of systems related to deposits, investments and fee-based operations, as part of the effort to simplify processes, improve customer service and reduce cost.

Mutual funds

NBG Asset Management M.F.M.S. ranks 1st amongst Mutual Fund Management Companies as regards net pre-tax profit for the period of 2012-2014.

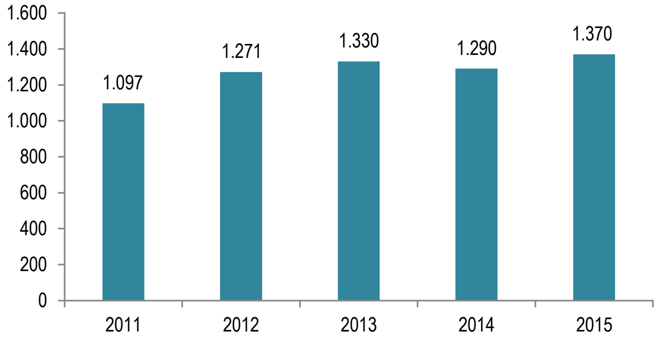
In 2015, the company was included in the list of "Healthier developing companies" by Active Business Publishing – Diamonds of The Greek Economy 2015 and was awarded 1st prize as the best mutual fund management company for 2015 by "HRIMA" magazine on the basis of investor votes.

The Company's profit before tax stood at €5 million. The company's M/F posted remarkable returns, in view of the prevailing conditions, with the DELOS US BOND M/F - FOREIGN BOND FUND and NBG ETF Athex General Index – Domestic Equity Funds ranking first in their category.

On the basis of assets under management, almost 100% of the order books outperformed their benchmarks.

In 2016, the company aims to maintain and increase its assets and achieve, both in M/F and the order books, returns above and beyond the benchmarks.

DIAGRAM 2.3.1
TOTAL ASSETS OF NBG ASSET MANAGEMENT MF SA (BALANCES ST YEAR END- € MILLIONS)



At the end of 2015, total company assets deriving from Mutual Funds and Portfolio Management Services stood at €1.37 billion, up by 6.2% yoy.

The company manages 22 DELOS Mutual Funds and 3 SICAV funds of NBG International, which is registered in Luxembourg. The Company's clientele base is particularly wide and surpasses 45,000 unit-holders, 83 of whom are institutional investors.

Private Banking

The Private Banking Division serves high and ultra high-net-worth customers (HNW & UHNW) and operates in Greece, London and Malta. The products and services offered meet a wide range of customer needs, ranging from standard banking transactions to wholly tailor-made investment banking. The open-architecture investment solution platform, in tandem with experienced investment advisors, comprise for the core function of the Division, offering top quality services to customers.

The aim of NBG's Private Banking is to tap the full potential of the Group's resources and know-how for the benefit of the customer. The main objective of the Division's operations is to generate added value for the customer, while respecting the customer's risk profile.

The capital controls adversely affected Private Banking operations across the market as a whole, mainly because of restrictions on investment transactions in international securities. In the current year, it is anticipated that capital controls will gradually be lifted, and as a result, the Division will be able to resume full activity in the market. Our aim is to effectively meet customer needs, generating value added for the customer and enhancing our competitive position in the market.

2.4 INVESTMENT BANKING

Treasury

Activity in 2015 was affected by the significant outflow of customer deposits, the suspension by the ECB on accepting Greek bonds as collateral for the suppy of liquidity, and the imposition of capital controls.

During the first half of the year, customer deposits declined dramatically. This, together with the Bank's inability to tap funds from the ECB because of the ECB's decision not to accept Greek bonds, meant that NBG was compelled to resort to the ELA mechanism and greater dependence on the Eurosystem. The cost of deposits declined during the first half of the year both in absolute terms and in terms of the margin, despite the adverse financial conditions, while NBG increased its share in customer deposits.

During H2 deposits increased. This increase, combined with the successful recapitalization of NBG at the end of the year, led to the reduction of dependence on the Eurosystem. The cost of the deposits declined yet further, while NBG increased its share in deposits, reflecting customer trust in the Bank even in these difficult times.

The imposition of capital controls prompted the Division to step up its measures to minimize the fallout on business with customers as far as possible.

The Greek bond market saw similar developments. In the first half of the year, Greek bond prices continued to fall; for example, the value of the bond maturing in 2025 started off the year at 60 (yield: 9.8%) and dropped to 51.2 by the end of H1 (yield: 12.3%). In the second half of the year, Greek bonds recovered their value and as a result the bond maturing in 2025 closed at 70.5 (yield: 8.2%).

Meanwhile, NBG played a significant role as a primary dealer of bonds issued under the euro area support mechanisms (EFSM and ESM) for yet another year, actively participating in all syndicated issues and auctions of bonds and treasury bills of these organizations.

Last, the Bank actively participated in auctions of Greek T-bills, thereby contributing to the uninterrupted financing of the country's short-term needs.

Brokerage

NBG Securities ranked 3rd in the ATHEX ranking list, with an 8.37% market share, and 2nd as in FTSE/ASE Large Cap futures contracts, at 18.1%. Furthermore, it ranked second as regards Options on the index, holding a share of 30.3%.

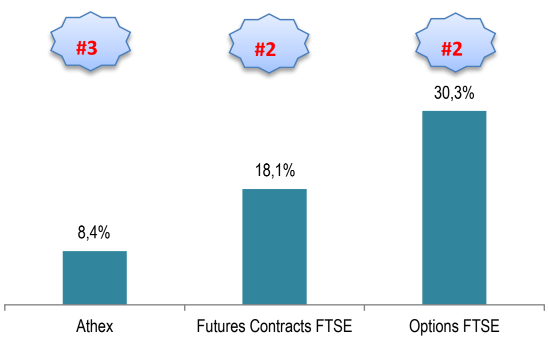
The Company continued its operations as a market maker in virtually all listed derivatives, holding top rankings in futures, as well as in most large cap stocks on the ATHEX, providing uninterrupted liquidity and serving the wider market.

During 2015, the Analysis Department published targeted analyses and was in daily contact with institutional investors and the management of the companies it covers. A large number of meetings with international institutional investors were held, and the Company participated in ATHEX conferences designed to bring institutional investors in contact with the managements of Greek listed companies. In 2015, the Analysis Department came fourth in the survey conducted by Extel.

The main targets for year ahead are:

- ongoing growth of market share,
- reduction of costs and attainment of profitability despite the adverse economic climate,
- increase in sales to international brokers/ dealers,
- further growth of DMA trading, and
- further growth of e-trading through the Company's trading site.

DIAGRAM 2.4.1



Private equity

During 2015, NBGI Private Equity (NBGI) invested c. €7.9 million in follow-on investments. In the same year, two investments were exited generating proceeds of c. €10.3 million, of which €7.6 million was received and distributed in 2015. The portfolio made further distributions from prior year exited investment of c. €3.8 million.

As the economic slowdown continued to abate, several portfolio companies' performances have begun to recover as attested by the increase in the valuation of the companies across the Group. Nevertheless, some portfolio companies continued to be affected. However, with the continued active engagement of NBGI's investment teams the Group continued to help those businesses to overcome their difficulties. Regional difficulties remain, in particular the pace of recovery in Greece, which continue to impact on the valuations of several business managed by NBGI in these countries despite the underlying dynamics of the companies including their management teams remaining strong. The investment team of NBGI is confident that it can overcome these difficulties and continue to work closely with portfolio company management teams to implement the value creation strategies which are the foundation to delivering returns in the ensuing two to three years.

The focus in 2016 continues to be the enhancement of value of the portfolio companies with a view to exiting these companies in 2016 through to 2018.

In 2015, NBG carried out a strategic review of its private equity business following which it entered into discussions with two prospective investors who have shown an interest in acquiring NBG's positions in all the funds managed by NBGI. A Share Purchase Agreement was signed on 29 January 2016 with a consortium comprising Goldman Sachs and Deutsche Bank for the sale of NBG's limited partnership interests for €288 million.

Custodian services

With its long standing presence in custodian services in the Greek market, NBG offers top quality services to its Greek and foreign clients in respect of their investment activities in domestic and global markets.

The persistent low level of activity in every type of investment service, as a result of the crisis and the imposition of capital controls, has inevitably had a direct impact on custodian activities, while also depriving local custodian service providers of significant competitive advantages because of their low credit ratings. Despite the extremely adverse environment, NBG managed to mitigate the impact of the crisis by maintaining excellent business relationships with its clientele and providing top-class tailor-made services.

In addition, the Bank successfully completed the alignment of its systems and processes with the environment of the Europe-wide transaction securities settlement engine **Target 2 Securities (T2S)** in which the Bank of Greece's "System for Monitoring Transactions in Book-Entry Securities" was launched in June. NBG is also expanding its range of activities by focusing on the provision of cutting-edge services to domestic financial services companies, and by supporting its subsidiaries abroad in their effort to develop custodian services and consolidate their presence in markets that are likely to post significant growth rates going forward.

According to the annual survey conducted by **Global Custodian**, the high quality services offered by NBG to Greek and foreign customers continue, for many successive years, to rank the Bank among the top custodians of the Greek market.

2.5 STRATEGY FOR OPERATIONS UPGRADE

Branch network

As at 31 December 2015, the units of the Bank's branch network totalled 526 branches and 51 transaction offices or agencies. They offer wide geographical and population coverage and are present even in remote or economically weaker areas of the country, acting as a point of service for over 6 million customers.

In 2015, the Branch Network continued to play a crucial role in:

- the implementation of the Bank's strategic priorities, (sustaining liquidity, cleaning up loan books, increasing NBG's share capital)
- the provision of quality services to customers, individuals and businesses, coping with the special conditions generated by the capital controls.

More specifically, during the bank holiday (from 28.6.15 to 20.7.15), 327 branches were gradually opened for the banking tasks of paying pensions, salaries and benefits to beneficiaries who were unable to use electronic networks. The Network also took action to enable its customers to access electronic networks and to ensure the uninterrupted operation of the NBG ATM network. During the period under review, an average of 25,000 applications for new debit cards and 3,000 applications to register for Internet Banking were submitted daily.

Moreover, throughout the period of capital controls, the branch network supported businesses experiencing difficulties in managing their cash flows and facilitated the performance of wire transfers to foreign countries by obtaining the approvals required.

As part of the Bank's ongoing efforts to enhance the business operations of the network and the services provided to customers, the following actions have been scheduled for 2016:

- Upgrade of the Network's image, through targeted interventions which include the launch of i-bank & Premium banking corners in the interior of selected busy Branches.
- Further enhancement and upgrade of operations and systems.
- Optimum management of workload at branch cashier points.

Alternative networks

In 2015, NBG continued to place strategic emphasis on developing its electronic delivery channels.

i-bank has established itself as the umbrella for customer-oriented banking services through Alternative Networks.

In 2015, incoming calls to the **Contact Center** numbered over 4.3 million, up by 41.6% on the previous year.

Various projects were advanced during the year, including the replacement of the old series of debit cards with the new **Debit MasterCard** Contactless (renewals and new issues) and the **Smart Pin Delivery** service.

In addition, cutting-edge technology projects have also progressed, including the deployment of Natural Language Understanding (NLU) in the Bank's Interactive Voice Responses (IVR) portal, and voice biometrics, which enables the recognition and identification of the customer on the basis of the customer's (voice) biometrics.

A new i-bank store was opened in Larissa. There were over 780K visits to the five i-bank stores, and over 130K banking transactions were carried out.

i-bank Internet Banking registered users totalled 1.1 million and transactions totalled 17 million, their aggregate value exceeding €25.8 billion.

DIAGRAM 2.5.1
INTERNET, PHONE & MOBILE BANKING SUBSCRIBERS

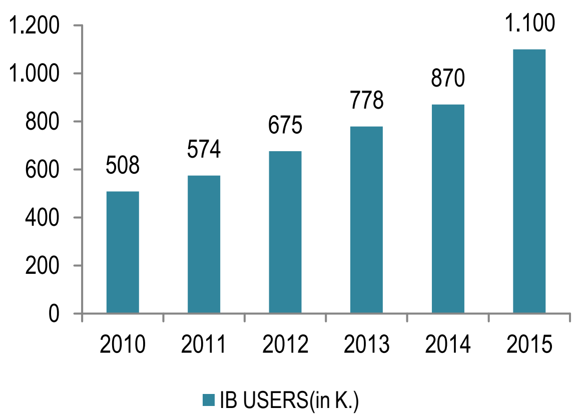


DIAGRAM 2.5.2
INTERNET BANKING TRANSACTIONS

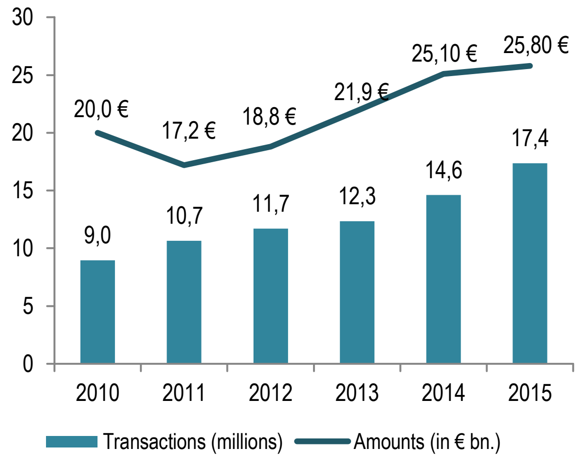
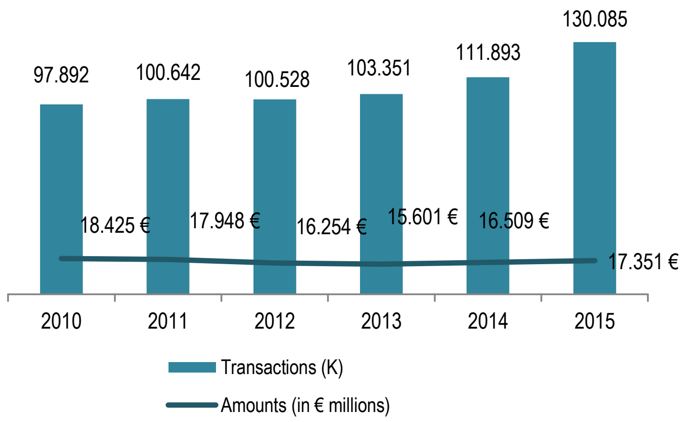


DIAGRAM 2.5.3
ATM Transactions (in € millions)



In 2015, the new i-bank Internet Banking platform was also launched for Businesses.

In February 2015, the new fully upgraded i-bank Mobile Banking app for smartphones and tablets was launched. There are already over 90K active users (DIAGRAM 6) who carried out 287K transactions (DIAGRAM 7) worth over €122 million.

The new SMS i-code service was developed enabling customers to carry out transactions by using a one-time code (SMS i-code) sent by SMS to their mobile phone. In addition, the new i-bank statements service enables i-bank Internet Banking users to manage their credit card accounts online.

At the end of 2015, NBG launched i-bank Social Pay, a new innovative service for making payments, via smartphone, of small amounts between contacts listed in the user's telephone contacts or facebook friends.

In the year under review, the i-bank Simple Pay Spot network was expanded, enabling payment of bills with telecom, insurance, and other organizations, at 393 small retail stores throughout Greece.

As at 31 December 2015, the Bank operated **1,444 ATMs**. The number of transactions carried out via ATMs rose by 17.6 million vs 2014 and totalled 130 million transactions worth €17.3 billion.

The Bank's Fraud detection unit against total compensation payouts worth €205K successfully prevented fraudulent transactions of all kinds (ATM, Internet Banking, new debit card) of a total value of €900K.

The Bank's 48 APS centers serviced one million transactions worth €165.7 million.

With the escalation of the crisis, the demand for cash from ATMs increased significantly, and, as a result, faults and breakdowns occurred.
NBG addressed these problems through ongoing and coordinated actions, adjusting the cash supply schedule appropriately and immediately dealing with any technical hitches.

In addition, as part of its program to upgrade the network and provide optimum service to customers, the Bank has started replacing or upgrading old ATMs to Win7.

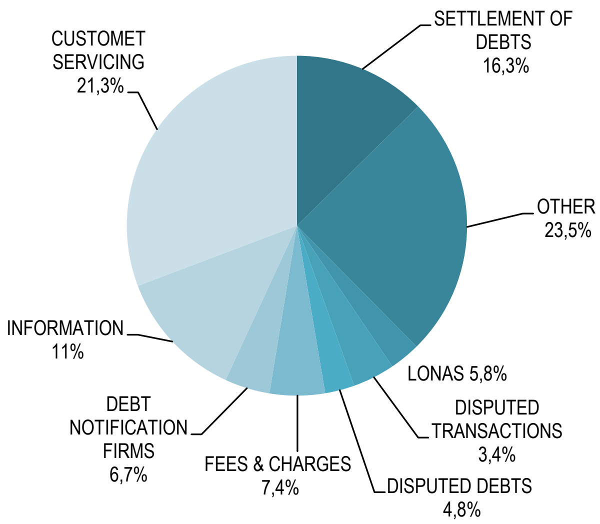
2.6 NBG OMBUDSMAN

The Customer Ombudsman reports directly to the Board of Directors of the NBG Group and operates independently as an "Amicable Settlement of Disputes Unit" for issues relating to NBG and Ethniki Insurance prior to the customer's recourse to judicial or other arbitration bodies. In 2015, the Customer Ombudsman:

- was awarded distinctions in the field of Business Ethics by the European Business Ethics Network in Greece (EBEN.GR) and in the field of Responsible Entrepreneurship by the Quality Net Foundation, receiving a Bravo Sustainability Award in the Market category.

- demonstrated the central significance that the NBG Group places on its customers, respecting the customer's problems and seeking mutually acceptable solutions to such problems. Of the total complaints investigated (and which properly fall within the Ombudsman's jurisdiction), 81% were resolved successfully while 77% were processed within one week.
- enhanced the relationship between the Bank and the International Ombudsman Association.
- enhanced the relationships of the Bank and Ethniki Insurance with the clientele and various bodies in Greece and abroad.

DIAGRAM 2.6.1
TYPES OF ISSUES FILED WITH THE CUSTOMER OMBUDSMAN



SECTION 3 INTERNATIONAL ACTIVITIES OF THE GROUP

3.1 THE GROUP'S INTERNATIONAL PRESENCE

In a particularly demanding and volatile economic environment, the results of the Group's international operations – with the exception of Turkey – were particularly satisfactory, reporting profits before tax and provisions of €172 million, up 9% yoy, excluding operating cost allocation at Group level. In addition, uncertainty regarding the political and economic situation in Greece and the imposition of capital controls on Banks initially generated distrust in the Greek banks, not only among the central banks and supervisory authorities of the countries where the Group is active but also among depositors. The recapitalization of the Banks, which was successfully completed in December 2015, has already reversed the negative climate and restored, to a reasonable level, confidence in Greek banks. As a result, the total deposits at the Group's overseas units at the end of 2015 were not significantly behind the respective balances at year-end 2014.

The Group's international subsidiaries were swift in prioritizing the challenges and, under the guidance of the parent company, managed to deal with them successfully, while placing emphasis on attaining qualitative targets, thereby achieving solid improvement in financial performance. Specifically, the priorities set were as follows:

- to reduce operating costs, with further rationalization of the branch network and central services (a -1% yoy reduction in operating expenses, not including cost allocation at Group level);
- to reduce the cost of raising retail funds, by leveraging the trend of local markets, as most of the Group's international entities have adequate liquidity, thereby leading net interest margin to 355 bps in Q4.2015 vs 325 bps in Q4.2014;
- to observe well-weighted credit criteria, which contributed to further improving asset quality and boosting the coverage ratio by 4%;
- to reduce the NPL ratio (+90 dpd) by 1 percentage point vs 2014, the ultimate goal being to reduce it yet further;
- to ensure robust capital adequacy at all subsidiaries;
- to reduce the raising of liquidity from the parent company, maintaining the loan-to-deposit ratio below one (97%).

In 2015 the Asset Quality Review (AQR) at NBG's subsidiary Vojvodjanska Banca was successfully completed, while within 2016 relevant reviews will be conducted at our subsidiaries in Bulgaria and Romania, under the supervision of the respective central banks.
Foreseeing that the sociopolitical arena in Greece will stabilize and, provided the economic environment prevailing in the countries where the Group is active will continue to improve by posting satisfactory growth rates, the overall results of the Group's international concerns are expected to improve significantly.

International retail banking

Retail banking business in 2015 reported improved profitability, achieving a reduction in NPLs and an increase in lending, as costs were kept under control and credit expansion was pursued under prudent guidelines. Moreover, significant investments were completed in the area of e-banking with a view to improving customers' banking experience.

In addition, the cost of raising retail deposits continued its downward trend with a further decline of 45% in 2015, reaching new low levels. However, despite the increased uncertainty prevailing in the markets, mainly because of the implementation of capital controls in Greece in 2015, total retail deposits managed to remain at the same levels as in the previous year.

The loan book remained at the levels of 2014, balancing repayments of older loans with the 17% increase in new loan disbursements. In particular, lending to small businesses increased by 20%, reflecting the Group's strategic decision to invest in this specific segment of the retail market. In addition, the retail NPL ratio stood at 14%, down 2 percentage points yoy.

Significant investments were completed in 2015 in the sphere of online transactions. UBB and Banca Romaneasca implemented customer loyalty programs, while debit and credit card products and POS networks were modernized in all our overseas units, with a focus on contactless transactions. In addition, integrated services tailored to meet the needs of specific customer segments – e.g., payroll customers, pensioners, affluent customers and small businesses – were developed and marketed.

International business banking

The key focus of our international banking business in 2015 continued to be the improvement of the quality of the corporate portfolio while enhancing provisioning levels for bad and doubtful debt.

Under conditions of stiff competition, made more intense by the de-escalation of interest rates and high liquidity, emphasis was placed on growing the corporate portfolio in selected markets where the Group subsidiaries have adequate liquidity and show sound profitability.

3.1.1 OVERSEAS BRANCHES (EGYPT, UK)

NBG operates 17 branches in Egypt and 1 in London.

In Egypt, the social and political climate showed clear signs of improvement in 2015 and the local economy has been reporting an upward trend, with growth of around 4%.

Under these circumstances, the business of the branch network recorded a significantly improved performance, mainly due to:

- the excellent quality of the loan book (NPLs at 2%), which was expanded,
- the maintenance of the strong deposit base (with the Loan/Deposit ratio at 57%), alongside continued efforts to restrain deposit costs within the context of rising interest rates, and
- the containment of operating costs, given that the country reports inflation of 10%.

Last, in 2015 the NBG London Branch managed to expand its presence in the market, providing services mainly to affluent customers, and focusing in particular on Private Banking segments.

3.2 FINANSBANK SA

2015 has been a year dominated more by politics than by economic developments for Turkey. Turkey's risk assessment suffered from ensuing political uncertainty as no government was formed after the June elections, which led to a re-run in November. Further, bond yields, in single digits since the second quarter of 2014, rose to double-digit levels once again. Falling commodity prices proved positive for Turkey in terms of external balance. Despite this fall, however, the projected disinflation failed to materialize.

Finansbank has reached its targets despite challenging macroeconomic conditions. Total loans rose by 14% and reached TL 57.3 billion. As a result of the positive impact of the strategic shift in the portfolio to business loans net income came at TL 706 million.

2015 has been a year when Finansbank personnel proved their prowess to succeed by combining targets and drive, even under fluctuating and strenuous market conditions. It was also a time of major milestones laid in Finans bank's history.

Finansbank established the “Small Hands Big Dreams” developmental platform for children, tomorrow's creative leaders, and organized activities all over the country to infuse them with innovation and creative and analytical thinking, qualities engrained in the genes of our employees.

As of end-year 2015 Finansbank assets, customer deposits and shareholder equity reached TL 85.7 billion, TL 47 billion and TL 9 billion, respectively.

3.3 UNITED BULGARIAN BANK (UBB)

In 2015 UBB continued to maintain its leading position in the banking sector, despite the unfavorable economic situation in this country and the negative events in Greece. During the year

UBB achieved very good profitability and excellent efficiency indicators while keeping a very high level of coverage of loans with provisions. In 2015 UBB increased its operating profit by 5.5% yoy to €96.5 million. For the same period the Bank recorded profit before tax of €34.1 million. UBB's financial result was affected by significant growth in net interest income (+6.3% yoy) and fees and commissions income increase (+5.0% yoy). During the year the Bank increased provisions by 15.5% yoy to €63.7 million. For FY.15 UBB achieved a return on assets (ROA) of 0.9%. In 2015 the Bank continued to maintain one of the lowest Cost to Income Ratio of 42.3%.

At the end of 2015 total assets amounted to €3.4 billion, maintaining the level of the previous year. Gross loans amounted to €2.5 billion and mark a decrease of 7% yoy, including retail loans of €1.0 billion and corporate loans for €1.5 billion. UBB's deposit base amounted to €2.6 billion. Additionally, in a very strong competitive environment, the Bank achieved growth in corporate deposits by 15% yoy to €574 million. For the same period the Bank's retail deposits amounted to€2.0 billion. Thus, as of December 31, 2015 UBB maintained its key market position in total deposits through a 7.4% market share, including an 8.2% market share for retail deposits and a 5.9% market share for corporate deposits.

UBB's total capital adequacy ratio as of December 31st 2015 amounted to 28.2% and Tier 1 capital adequacy amounted to 26.1%. At the same time, the Bank significantly improved its Loans/Deposits ratio from 83% in 2014 to 80% at the end of 2015.

In 2016, UBB will continue to allocate provisions and liquidity under conditions of optimal risk management. At the same time, the Bank will be more active on the credit side in order to establish its leading position in the Bulgarian banking sector and improve its profitability.

3.4 STOPANSKA BANKA AD

The positive performance of Stopanska Banka AD Skopje (SB) continued in 2015, with Profit before taxes amounting to€40.2million, growing by almost 20% yoy. Consequently, all key performance indicators were improved such as, Return on Equity at 15.3%, Return on Assets at 2.6% and Cost to Income ratio at 39.8%.

2015 was a challenging year. However, the Bank overcame the difficulties passing a stress test with excellent performance, delivering the best results among peers in the country. Despite the major challenges, SB succeeded to increase its deposits by 2%, keeping the Loan to Deposit ratio at 86%, and allowing* two subordinated loans of €45 million. The Capital Adequacy Ratio reached 17.8%, significantly above the required regulatory levels.

The improved and sustainable performance is a result of the long-term strategy of the Bank, with a focus on qualitative credit growth, the appropriate pricing policy and an efficient operational model, allowing the Bank to undertake balanced risks with high return.

Innovation is at the core of our business. The Bank is customer oriented, constantly seeking suitable solutions to improve its business model. SB is the market leader in most of the key banking businesses and especially in retail as the Bank has introduced many innovative products in the market, covering the needs of its customers. Apart from the traditional large branch network, all modern channels have been accessed, rendering the Bank a pioneer in e-services and digitalized banking.

3.5 BANCA ROMANEASCA SA

During 2015, Banca Romaneasca continued its efforts to optimize the cost/income ratio, benefiting from sustained reduction of cost of funding. The money market cost of funding decreased on average during 2015 by 54 bps, reaching 27 bps by the end of the year, whilst the cost of deposits dropped by 92 bps, recording a historical low of 168 bps. The decreasing trend of cost of funding also continued at the beginning of 2016.

The Bank's assets decreased by 8%, reaching €1.8 billion at the end of 2015, generating a profit before provisions of €15.4 million, a 45% improvement compared with the previous year.

Customer deposits decreased to €752 million from €890 million at the end of 2014 (-16% year on year), indirectly affected by the imposition of capital controls in Greece. The descending trend was reversed in the last quarter of 2015, when customer confidence was regained.

BROM continued to take steps to defend the quality of its assets by improving its collection infrastructure while writing off loans. Non-performing loans recorded a slight decrease of 1.8% year on year.

On the retail side, Banca Romaneasca continued to promote the unsecured loans, targeting both new and existing clients, in an effort to maintain lending volumes. The bank's performance was good, managing to maintain its market share on consumer loans. The unsecured lending market was increasingly competitive in 2015, both at the level of pricing and at the level of customer service and response time.

Corporate Banking faced a challenging 2015, focusing on the traditional products developed in factoring and reverse factoring, as well as in trade finance lines with the support of the IFC and EBRD.

At the end of the year 2015, the bank's network totaled 119 ATMs and 110 branches, operating with increased efficiency (6.5% less staff compared with the end of 2014) in key areas within the country.
Banca Romaneasca has a strong capital adequacy, with the total capital ratio of 20.1% at the end of the year (under Basel III rules), above the average for the Romanian banking sector.

3.6 VOJVODJANSKA BANKA AD

In adverse economic conditions, Vojvodjanska Banka managed to perform well achieving sustainable revenue growth, net profit of 3mn €, and a strong depository base with no significant concentration. It remained among the top 10 banks in Serbia, ranking number eight in terms of asset size. The Bank's CAR stood at 18.9%, well above the regulatory threshold of 12%. The Bank has managed to keep the percentage of NPLs well below market average, primarily due to the good credit risk assessment policy.

Business operations have been optimized during the past few years with reduction in headcount on aggregate for the past nine years of 1,727 employees. Moreover, this trend will continue in 2016 as well. Vojvodjanska Banka introduced innovations and improved products and services for our clients. As a result, we continued for a third consecutive year with positive results in all business segments.

As one of the systemic banks with the third largest network in the country, the Bank's retail lending portfolio grew by 3%. Main driver of portfolio growth are consumer loans where portfolio grew by 7%, keeping at the same time a high yield of 17.1% despite the fact that reference rate has kept on continuous decreasing trend. By closely following the market trends and clients' needs, Vojvodjanska Banka introduced several innovative products in all segments: retail consumer loans (Cash loan with bonus for loyal customers, Short term loan with fixed interest rate), Cards (pre-paid cards for youth segment, self-service of electronic payment of bills through ATMs), mortgage loans (secured consumer loans, new housing loan), deposits (payroll packages, bonus time deposit, M-banking and improvement of E-banking), Promotional overdraft and range a of deposit products for Small Business Banking segment and finally insurance products for private individuals (individual life insurance, group life insurance etc.).

The focus during 2015 of the Corporate Division was to maximize profitability while maintaining market share. Vojvodjanska Banka's corporate portfolio decreased by 3.4% yoy, as a result of significant prepayments caused by significant pricing competition. Further, it is important to note that 90+ level remained constant compared with the previous year, maintaining asset quality at a satisfactory level.

The Bank remains committed to the following strategic priorities: increase lending to attractive domestic business segments, drawing on the Bank's healthy liquidity; enhance further the Bank's operational efficiency and keep up with technological change and evolving customer demands.

3.7 BANKA NBG ALBANIA SH.A

Credit growth to the private sector remained low throughout the year, taking into consideration the high risk aversion of the banking system due to the significant level of Non-Performing Loans and the respective low rate of recoveries, mostly attributed to weaknesses in the judicial system which ultimately hampers the liquidation procedures. In addition, lending growth is affected by local GAAP compulsory write-offs imposed by new regulatory framework. Excluding the effects of NPL write-offs, lending has increased by only 3% in 2015.

2015 was the first year since the beginning of the economic crisis in 2009, when the Albanian Banking sector, including NBG Albania, reversed the negative trends in the credit portfolio performance. The Bank NPL ratio decreased to the level of 27.7% in 2015 compared with 30.2% in 2014.

During 2015, NBG Albania achieved sustainable revenue growth which was coupled with effective cost management, generating positive pre-provision results of €3.5 million in 2015 vs €1.9 million in 2014. Net Interest Income increased by 20% yoy, reflecting mainly a significant decrease in funding costs by 50% yoy. Net interest margin increased by 80bps, reaching 336bps by the end of 2015. The Bank boosted its cost efficiency, reducing C:I ratio from 80% to 68% in yoy comparison, following a cost containment policy.

The Bank remains self-financed, effectively overcoming the mass deposit outflows which occurred during the summer period due to depositors' concerns regarding the developments in Greece, by launching attractive structured deposit products NBG Albania was able to recover almost 25% of the reduction during Q3:15.

NBG Albania enjoys strong capital adequacy, with a total CAD Ratio at 19.1% at the end of 2015, well above the regulatory threshold of 15% and the Albanian market average of 15.7%.

NBG Albania will continue to take the designated steps aiming to achieve its strategic goals of strengthening its risk management policies in alignment with NBG Group guidelines, upgrading its IT systems and MIS as well as diversifying its Retail and Corporate business in the Albanian market, concurrently improving its Asset Quality, Profitability and the level of services to its customers.

3.8 NATIONAL BANK OF GREECE (CYPRUS)

2015 was a year of stabilization of the economy in general, as all the reforms imposed by the lending institutions were implemented and only a few remain to be completed in 2016-17.

Against this background, it is anticipated that 2016 will be a year of recovery and 2017 a year of growth.

The situation is not the same in the real economy, where the problems persist and affect most notably the banking sector due to the level of Non-Performing Exposures (NPEs). NPEs today still comprise 160% of the Cyprus GDP, and have put a brake on the banks' ability to expand lending, thereby generating losses and putting pressure on liquidity, which remains weak.

In this transitional period, NBG Cyprus focused on dealing effectively with the weaknesses of the system, mainly by containing operating costs and increasing provisioning levels.

The Bank designed its strategy to provide for further reductions in operating costs, and stepped up its collection efforts in respect of NPEs.

Achieving both these targets in 2015, the bank succeeded in posting a very positive performance, comprised of the following:

- Significant improvement in the Capital Adequacy Ratio (CETI) to 24.9%.
- Surplus liquidity – at 120% of its equity – despite the general lack of liquidity in the economy.
- A profitable year with earnings standing at €11.9 million vs €10.5 million in 2014, despite higher loan impairment provisions.

- Last, the most significant development reflecting the successful performance of the bank is the over-coverage of NPEs (by 102%) by means of collateral and provisions already formed by the Bank over the last period.

In 2016 – forecast to be a year of recovery of the economy – banks' capital, liquidity and profitability will continue to be under pressure because of non-performing exposures. Accordingly, despite the favorable economic outlook, further efforts to ensure containment and collection of NPEs will be required.

SECTION 4

OTHER NBG GROUP ACTIVITIES

4.1 INSURANCE

Via its subsidiaries Ethniki Insurance and NBG Bancassurance, the Group offers a full range of retail and business insurance products and services on the domestic market.

Ethniki Insurance, the largest insurance company in Greece, recorded profit before tax of €79 million in 2015 vs €105 million in 2014, mainly due to extraordinary provisions and weaker results in the General Insurance sectors. This level of profit continues to be particularly satisfactory, as the Company has succeeded in sustaining its profitability at healthy levels under harsh economic conditions.

In addition, Ethniki Insurance further reduced the volume of uncollected claims by €10.2 million (down 12.7%) yoy by applying more rigorous procedures, changing aspects of its credit policy, and deploying new ways of collecting premiums across all insurance sectors.

The Company's operating costs reached €100.8 million vs €99.8 million, up 1.0% vs 2014, without including extraordinary results.

The key financial data of Ethniki Insurance are as follows:

Key financial data

(€ millions)	**2015**	**2014**	**%**
Total assets	3,320	3,189	4.1%
Equity	674	567	18.9%
Profit before tax	79	105	-24.8%
Profit after tax	100	76	31.6%

The consistently positive progress in Ethniki Insurance's performance enabled it to present a solvency margin surplus of €651.7 million, up 9.5% yoy.

Ethniki Insurance submitted the preparatory reports required by the Bank of Greece and the European Insurance and Occupational Pensions Authority (EIOPA) and is substantially ready to switch smoothly to the new regulatory framework. The network of Ethniki Insurance in Greece consists of 13 branches, 150 sales offices, 2,180 insurance advisors and 1,443 associated insurance agencies, while its products are marketed through the Bank's extensive branch network (bancassurance) and direct selling through the Ethniki Protect on-line platform.

Besides Greece, Ethniki Insurance maintains also an active presence in Romania, through Societate Commerciala Asigurari Garanta SA, in Bulgaria through UBB-Metlife Zhivotozastrahovatelno Drujestvo AD and UBB Insurance Broker AD, and in Cyprus through Ethniki Insurance (Cyprus) and Ethniki General Insurance (Cyprus).

On 13.06.2014, Ethniki Insurance's Board of Directors decided, jointly with United Bank of Bulgaria AD and AIG Central Europe & CIS Insurance Holding Corporation, to sell UBB AIG Insurance Company AD. The sale was completed at the start of the current year (04.01.2016).

In 2015 priority was placed on the implementation of key infrastructure projects, such as the new Integrated IT System, systems for cost management and operational upgrade, systems for developing sales and harmonization with regulatory requirements.

In 2016 Ethniki Insurance continues to keep its customers/insurees at the focal point of its concerns, while developing programs for the ongoing training of its staff, incorporating cutting-edge characteristics in its business models and adapting its risk assessment methodologies to evolving conditions. In addition, it offers significant discretionary leeway to its network, and has completed all the processes for adaptation to the Solvency II Directive, ready to face new challenges.

The Company's key objective in the current year is to remain at the top of the league in the insurance market and offer cutting-edge products to its customers, effectively responding to the new demands stemming from the economic environment. At the same time, Ethniki Insurance will continue to endeavor to further enhance its operating efficiency, offering top-quality services, leveraging its human resources and ensuring sustainable profitability by means of which it will be able to realize its investment plans and fortify its capital position.

4.2 HOTEL BUSINESS

2015 proved to be a year of significant financial, political and social developments in Greece as well as of particularly negative conditions for Astir Palace Vouliagmeni.

Against this particularly adverse backdrop, in 2015 the Group's hotel business succeeded in significantly improving its net results after tax, reducing losses by 35% yoy (€2.6 million in 2015 vs a loss of €4.0 million in 2014), while posting operating income of €0.2 million (against a loss of €0.7 million in 2014). These results reflect, on the one hand, the coordinated efforts of management to contain operating costs and economize on resources without impacting negatively the quality of services provided and, on the other, the management restructuring following the termination of the business management agreement with Starwood Hotels & Resorts.

Consolidated turnover amounted to €26.9 million against €30.9 million in 2014 (down by 13% yoy), reflecting primarily: a) the organization of the Posidonia events which in 2014 generated income of circa €2.5 million and are held every 2 years, and b) the discontinuation of bookings and closed systems as a result, in the beginning of 2016 the hotel had zero bookings vs bookings for 7,500-8,000 overnight stays at the beginning of 2014. The increase in VAT on hospitality and dining services also had a significant impact, as the Company chose to absorb the increase in its pricing, rather than pass it on to customers.

It is significant that, despite the reduction in turnover, the hotel complex enhanced its EBITD (including the ENFIA property tax) to €5.2 million vs earnings of €4.9 million in 2014.

In 2016, the hotel is running on a healthier bookings basis and the Company's management is promoting a number of significant marketing actions, as well as the upgrade of the hotel premises so as to provide even better service to its customers and achieve its targets.

Procedures are underway for the sale of the majority shareholding of the Company by National Bank of Greece and the Hellenic Republic Asset Development Fund (TAIPED) to strategic investor Apollo Investment HoldCo, within the frame of a revised plan for the development of the Astir Palace Vouliagmeni complex.

4.3 REAL ESTATE

In 2015 the Bank's Property Management Division was highly active in the management and exploitation of the real estate of the Bank itself and of the real estate of the NBG Group companies. Special emphasis was placed on the review of city-planning/technical issues, with a view to finalizing the inclusion of the Bank's real estate assets under Law 4178/2013 and the issuance of 240 certifications of legality as regards building license issues.

Within the context of implementing a range of planned actions regarding the exploitation and management of real estate assets, the Bank's Property Management Division announced on 27 November 2015 the sale of 50 properties at an aggregate starting price of €10.8 million through a public bidding process. Already, three of these properties have been auctioned at a total sale price of €1.1 million.

Despite the harsh economic environment, the imposition of capital controls and the lack of liquidity, the total collection of dues from leases and/or sale of properties under deferred settlement amounted to €1.6 million.

In addition, 20 new agreements were entered into with a total annualized lease of €578.6 thousand, while the total number of lease agreements reached 113, generating aggregate annual lease revenue of €2.8 million.

The renegotiation of 7 leaseholds owned by NBG PANGAEA Real Estate Investment Company was successfully completed, where the benefit for the Bank stood at ~ € 1million.

The upgrade of the Real Property subsystem from Classic RE to Flexible RE ensures even more effective management of our Unit's real estate portfolio, which, at 31.12.2015, comprised 1,455 properties of a total book value (under IFRS) of €216 million (specifically: 125 owner-occupied and investment properties worth €137.5 million, and 1,330 properties from auction proceedings worth €78.5 million).

SECTION 5

RISK MANAGEMENT & CORPORATE GOVERNANCE

5.1 GROUP RISK MANAGEMENT

Risk control and management plays a fundamental role in the overall strategy of the Group, aiming to both effectively monitor the recognized and potential risks for the organization and to align with the legal and regulatory requirements.

The Group has clearly defined its risk profile and risk appetite and has designed a risk strategy and management policy. Responsible for the development and application of this general framework of risk management at a Group level is the Board of Directors (the Board) and more specifically the Board Risk Committee (the "BRC"), directly supported by the Audit Committee.

The BRC forms and submits for approval to the Board of Directors the risk appetite and risk strategy of the Bank and the Group, on an annual basis. It also sets the principles, approves the policies that govern risk management and monitors the appropriate management of risk. The Committee is composed exclusively of non-executive Board members, at least three in number, the majority of whom (including the Chairman) are independent members of the Board. The members and the Chairman of the Committee are elected by the Board of the Bank, following recommendation by the Board's Corporate Governance & Nominations Committee. The BRC has the responsibility to review reports and evaluate the overall risk exposure of the Bank and the Group on a regular basis, taking into account the approved risk strategy and the business plan of the Group. The proposals to the BRC are submitted by the Group Chief Risk Officer (CRO). During 2015 the Board Risk Committee convened 11 times.

A central role in the risk management framework, that is to monitor and control risks accepted by the Group, has been assigned to the two Group Risk Management Units: the Group Risk Control and Architecture Division (GRCA) and the Group Market and Operational Risk Management Division (GMORM). The Units identify the risks of different portfolios and activities, and supervise all subsidiaries operating in the financial sector.

The two Group Risk Management Units support the following:

- the Asset Liability Committee of the Bank (ALCO), which defines the strategy and policy concerning the structure and management of assets and liabilities, taking into account current market conditions and risk limits that the Bank has set.
- the Group Compliance Department, which is responsible for ensuring compliance to existing rules and regulators. Such rules and regulators are the current Greek legislation, the Basel Committee of Banking Supervision, the European Central Bank (ECB), the Single Supervisory Mechanism, the European Banking Authority (EBA), Bank of Greece (BoG), the Greek Securities Exchange Commission and the decisions of all competent authorities supervising the Group's subsidiaries. Group Compliance Department reports to the Board via the Audit Committee.
- the Group Internal Audit Division, which reports to the Board through the Audit Committee. This Unit is part of the risk management framework, acting as an independent supervisory body that focuses on its effective implementation.

The two Group Risk Management Units also cooperate with the Credit Units, which supervise the credit departments of the financial institutions across the Group and participate in their approval granting bodies. Credit Units' independence ensures an unbiased first level control for risk undertaken. These Units are also responsible for developing and updating specific Credit Policies.

Market risk

NBG & Finansbank

Estimation and Management

The Bank, in order to ensure the efficient management of market risk, calculates the Value at Risk (VaR) of its Trading and Available for Sale ("AFS") portfolios on a daily basis, along with the VaR per risk type. This calculation is implemented through RiskWatch™ by Algorithmics. In particular, due to the predominantly linear nature of its portfolio, the Bank has adopted the variance-covariance (VCV) methodology, with a 99% confidence interval and 1-day holding period. The most significant types of market risk to which the Bank is exposed are namely interest rate, equity and foreign exchange risk.

VaR estimates are used both as a risk management tool, as well as for regulatory purposes. For internal use, the Bank calculates the VaR of its Trading and AFS portfolios, on a daily basis, using the latest 75 exponentially weighted daily observations to construct the VCV matrices. The risk factors, relevant to the financial products in NBG's portfolio, are interest rates, equity indices, foreign exchange rates and commodity prices.

VaR estimates are also used for the calculation of the Bank's regulatory capital charges against market risk. Under the current regulatory framework, the calculations refer only to the Bank's Trading portfolio and are based on 252 equally-weighted daily observations per risk factor.
On a Group level, Finansbank is the other main contributor to market risk, through its positions held in the Trading and AFS portfolios. Finansbank calculates VaR on a daily basis for its Trading and AFS portfolios, as well as VaR per risk type (interest rate, equity and foreign exchange risk). These calculations are based on a 99% confidence interval and 1 day holding period[1]. The engine used for all the calculations is the same as that of the Bank (i.e. RiskWatch).

Since 2009, the Bank also calculates the Group VaR on a daily basis, taking into account both its own portfolios and the respective portfolios of Finansbank. The VaR is calculated on a daily basis for the Trading and AFS portfolios, along with the VaR per risk type.

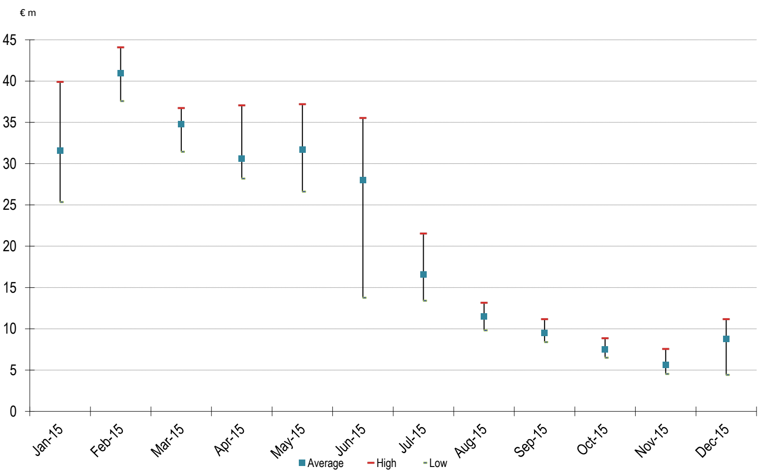
In order to verify the predictive power of its VaR model, NBG conducts back testing on a daily basis. In 2015, there were no cases in which the back testing result exceeded the corresponding VaR estimate.
Back-testing is also carried out daily by Finansbank, based on a similar procedure with that developed by NBG. In 2015, there were five (5) cases where the result of the back-testing exceeded the corresponding VaR estimate.

NBG and Finansbank have also established a framework of VaR limits. These limits are determined based on their Risk Appetite framework and refer not only to specific types of market risk, but also to the overall risk of their Trading and AFS portfolios.

Total market risk

i. NBG
During 2015, total VaR (99%, 1-day) of NBG's Trading and AFS portfolios ranged between €4.4 million and €44.1 million, while the average for the year stood at €21.0 million. As of December 31st, 2015, the total VaR was €9.5 million.
As shown in Chart 1, total VaR increased significantly during the first six months of the year, mainly due to an increase in interest rate risk (see Chart 1).

DIAGRAM 5.1.1
NBG TOTAL VAR



ii. Finansbank
Accordingly, in 2015, the VaR (99%, 1-day) of the Trading and AFS portfolio of Finansbank (Chart 2) ranged between TRY 21.6 million (€6.8 million) and TRY 48.3 million (€15.2 million), while the average for the year stood at TRY 34.3 million (€10.8

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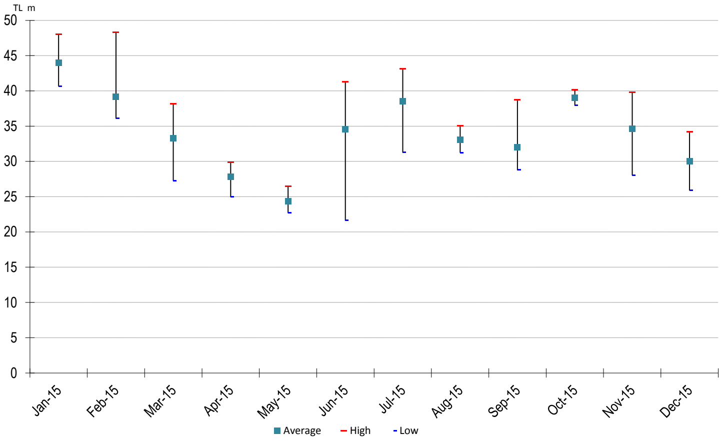
[1] *For comparison purposes, the Bank also calculates VaR using the Historical Simulation method.*

million). As of December 31st, 2015, the total VaR was TRY 30.8 million (€9.7 million).

DIAGRAM 5.1.2
FINANSBANKTOTAL VAR



The change in Finansbank's total VaR is also mainly attributed to the change in the interest rate risk of the subsidiary.

During 2015, the total VaR of the Group's (NBG & Finansbank) Trading and AFS portfolios ranged between €10.6 million and €51.7 million, while the average for the year was at €26.7 million.

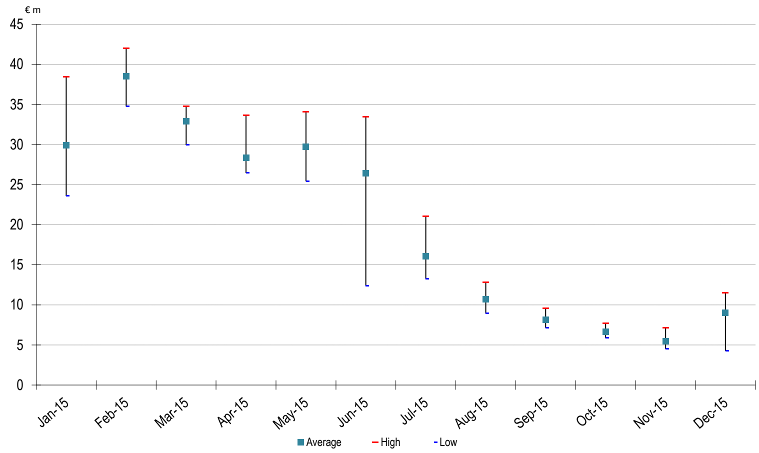
Interest rate risk

i. NBG

The most significant type of market risk to which NBG is exposed, is interest rate risk. It arises mainly from the Bank's trading and AFS bond portfolios, as well as from the interest rate derivatives, both exchange traded and over-the-counter. The level of interest rate (IR) VaR mostly depends on the level and volatility of the underlying interest rates as well as on the positions (duration) of the portfolio. During 2015, the IR VaR (99%, 1-day) of NBG's Trading and AFS portfolios ranged between €4.3 million and €42.0 million, while the average for the year stood at €19.8 million.

During the first six months of 2015, due to the ongoing negotiations between the Greek government and the Institutions, which led to economic turbulence in the country, the spread between the Greek and the German government bond yields widened significantly and climbed to its highest level at the beginning of July, after the negotiations between the Greek government and the Institutions were terminated. This led to an increase in the volatilities of the Greek government bond yields and to higher interest rate (IR) and total VaR estimates for the Bank, as shown in Chart 3. Since the middle of July, when an agreement was reached, the spread between the Greek and the German government bond yields narrowed and reverted to the levels that were observed at the beginning of the year, which in turn caused the respective volatilities to decrease. In addition to the above, at the end of the second quarter, the largest portion of the Bank's positions in Greek government bonds was transferred from the available-for-sale portfolio to the loans-and-advances portfolio, resulting in a sharp decrease of the Bank's IR and total VaR. After the transfer, the VaR was mostly influenced by the level and volatility of the euro swap rates and the respective government bond yields. In this context, the ECB's decision on the level of interest rates which took place at the beginning of December, resulted in an increase of the respective volatilities and VaR estimates for the Bank.

DIAGRAM 5.1.3
NBG INTEREST RATE VAR

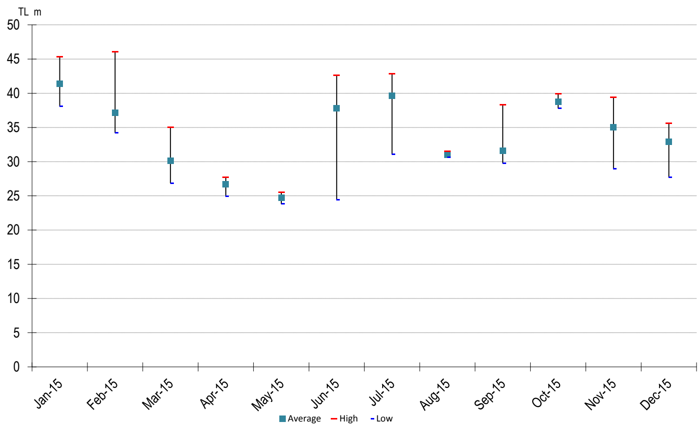


ii. Finansbank

On the other hand, Finansbank is mostly exposed to interest rate risk that arises from the positions it retains in Turkish government bonds, denominated mainly in TRY, USD and EUR and enters into swap transactions mainly for hedging the interest rate risk of its bond portfolio and, to a lesser extent, for proprietary trading. During 2015, the IR VaR (99%, 1-day) of the Trading and AFS portfolio of Finansbank ranged between TRY 23.8 million (€7.5 million) and TRY 46.1 million (€14.5 million), while the average for the year stood at TRY 34.0 million (€10.7 million).

In 2015, the IR and total VaR of Finansbank remained at relatively high levels throughout the year, following the movements of the underlying volatilities. More specifically, mainly due to the political uncertainty, the yields of the Turkish government bonds and the local swap rates fluctuated markedly during the course of the year, following an upward trend. The economic environment deteriorated after the first elections that were held at the beginning of June, which resulted in a sharp increase of the relevant volatilities and in higher IR VaR estimates (Chart 4). During the last quarter of the year, when political stability was restored in the country, interest rates, as well as the respective volatilities, gradually decreased.

DIAGRAM 5.1.4
FINANSBANK INTEREST RATE VAR



During 2015, the IR VaR of the Group (NBG & Finansbank) ranged between €10.2 million and €49.6 million, while the average for the year was €25.3 million.

Equity risk

i. NBG

NBG has a moderate exposure to equity risk, arising from the positions it retains in stocks and equity derivatives. More specifically, the Bank holds a limited portfolio of stocks, the majority of which are traded on the ATHEX and retains positions in stock and equity index derivatives traded on the ATHEX, as well as on international exchanges. The portfolio of equity derivatives is used for proprietary trading, as well as for hedging the equity risk arising from the Bank's cash position and equity- linked products offered to its clientele. During 2015, the Equity VaR (99%, 1-day) of the Trading and AFS portfolios of NBG ranged between €0.7 million and €3.5 million, while the average for the year stood at €1.8 million.

During the first quarter of 2015, due to the prevailing political conditions in Greece, there was increased volatility in the stock market that subsequently caused the equity VaR to rise. In the following months, the respective volatilities decreased, leading to lower Var estimates for the Bank. However, after the termination of the negotiations between the Greek government and the Institutions at the end of June and the reopening of the Athens stock exchange following a five-week shutdown, there were intense movements in the prices of stocks and equity indices. During the fourth quarter of the year, market volatility was reduced and thus equity VaR decreased significantly.

ii. Finansbank

Finansbank retains an even smaller exposure to equity risk, due to its positions in stocks traded on the BORSA. During 2015, the Equity VaR (99%, 1-day) of the Trading and AFS portfolio of Finansbank ranged between TRY 0.01 million (€0.003 million) and TRY 0.04 million (€0.014 million), while the average for the year stood at TRY 0.01 million (€0.004 million).

During 2015, the Group's (NBG & Finansbank) equity VaR ranged between €0.7 million and €3.5 million, while the average for the year was €1.8 million.

Foreign Exchange risk

Foreign exchange (FX) risk of NBG and Finansbank stems from their Open Currency Position (OCP). The OCP primarily arises from foreign exchange spot and forward transactions performed by their Treasury Division.

i. NBG

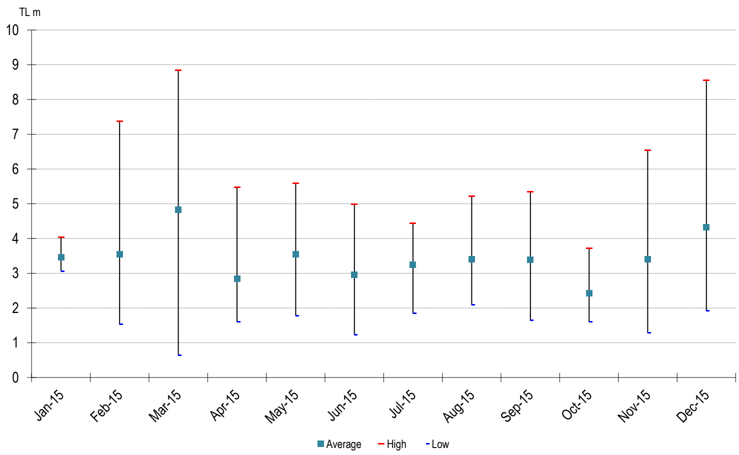
During 2015, the FX VaR (99%, 1-day) of NBG ranged between €0.2 million and €2.1 million, while the average for the year stood at €0.6 million. As of December 31st, 2015, the FX VaR was €0.5 million.

In 2015, the FX VaR mostly remained at relatively low levels. The increase in the month of January is attributed to the decision of Swiss National Bank to discontinue the minimum exchange rate of the Swiss franc against the Euro, whereas the increase in the months of May and July is mainly due to changes in the Bank's OCP.

ii. Finansbank

During the year, the FX VaR (99%, 1-day) of the Trading and AFS portfolio of Finansbank ranged between TRY 0.6 million (€0.2 million) and TRY 8.8 million (€2.8 million), while the average for the year stood at TRY 3.5 million (€1.1 million).

DIAGRAM 5.1.5
FINANSBANKFX VAR



During 2015, the FX VaR of the Group (NBG & Finansbank) ranged between €0.4 million and €5.9 million, while the average for the year was €1.9 million.

Stress testing

i. NBG

The daily VaR estimations refer to "normal" market conditions. Hence, 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, both on the Trading and AFS portfolios, based on specific scenarios, depending on the risk factor type (interest rate, equity, exchange rate).

ii. Finansbank

Stress test analysis is also performed separately by Finansbank on its Trading and AFS portfolios, on a monthly basis. The scenarios refer to extreme movements of interest rates and foreign exchange prices and are based on the latest financial crises that have taken place in Turkey.

Other Subsidiaries

United Bulgarian Bank (UBB)

The Trading and AFS portfolio of UBB consists mainly of Bulgarian sovereign bonds in local (BGN) and foreign currency (80%), and other EU sovereign debt and corporate issues in EUR and USD (3%). Additionally, the subsidiary retains moderate positions in commercial paper (13%), municipal bonds and Bulgarian corporate issuances (4%). As of December 31st, 2015, the total value, in nominal amounts, of UBB's bond portfolio stood at €550.3 million, out of which 55% was classified in the Trading and 45% in the AFS portfolio.

UBB has very limited exposure to FX risk. According to the subsidiary's OCP at the end of 2015, the only significant position held in foreign currency was in EUR. However, this position does not create FX risk, because, since January 1st, 1999, BGN is pegged against EUR at 1.9558 BGN / EUR.

In order to monitor and efficiently manage market risk, UBB calculates the VaR (99%, 1-day) of its Trading and AFS portfolios on a daily basis, as well as the VaR per risk type (interest rate, equity and foreign exchange). UBB has also established a framework of VaR limits in order to control and manage the risks to which it is exposed in a more efficient way. These limits refer not only to specific types of market risk, but also to the overall market risk of the subsidiary's Trading and AFS portfolios. As of December 30th, 2015, the total VaR of UBB stood at €3.1 million.

Banca Romaneasca

The AFS portfolio of Banca Romaneasca consists mostly of Romanian government bonds issued in local and foreign currency (RON and EUR respectively).

Romaneasca's interest rate risk arises from its bond holdings. As of December 31st, 2015, the total value of the portfolio stood at €207.3 million, in nominal amounts. Romanian government bonds (RGBs) issued in RON comprised 89% of this amount, whereas RGBs in EUR were at 10%. The remaining 1% was due to corporate issues in RON.

Moreover, Banca Romaneasca has a limited exposure to FX risk. According to the subsidiary's OCP, at the end of 2015, FX risk was mainly due to positions in CHF, JPY, NOK and EUR. For the efficient management of FX risk, the subsidiary calculates the FX VaR of its portfolio on a daily basis. As of December 31st, 2015, this stood at €11K.

Vojvodjanska Banka

The AFS portfolio of Vojvodjanska Banca consists of Serbian government bonds and T-bills, and shares traded on the Belgrade stock exchange.

Vojvodjanska Banca's interest rate risk arises from its Bond and T-Bill holdings. As of December 31st, 2015, the total nominal amount of the portfolio stood at €92.3 million, out of which 83% was due to government bonds and 17% due to T-bills issued by the Serbian government, in local currency (RSD) and EUR.

Vojvodjanska Bancaalso has a very limited exposure to equity risk. As of December 31st, 2015, the value of its equity portfolio was €717K.

According to the subsidiary's OCP at the end of 2015, the main FX positions were in EUR, USD and CHF. For the efficient management of FX risk, Vojvodjanska Banca calculates the FX VaR of its portfolio on a daily basis. However, its exposure to FX risk is very low and the respective VaR estimates are insignificant (as of December 31st, 2015, the FX VaR amounted to €8.4K).

Credit risk

Credit risk control and management plays a fundamental role in the overall strategy of the Group, aiming to effectively monitor both recognized and potential risks for the organization as well as to align with legal and regulatory requirements.

The Group's credit risk management function is spread across four different levels of defense, traced as follows:

- The First Line involves the operational function i.e. business units taking credit risk. They own the risk, hence they are accountable for it, so they are also responsible for implementing corrective actions to address process and control deficiencies. Their ultimate objective is to minimize risk for a given level of expected return by establishing and implementing internal rules to their "day-to-day" business.
- The Second Line of Defense in NBG Group is performed by Credit Units, acting independently of business units. They receive credit proposals by operational units, on which they perform an impartial risk assessment, through the "four eyes principle", eventually underwriting the risk and having a veto right in the credit approving procedure.
- The Third Line is implemented by the Group Risk Control and Architecture Division (GRCA) which oversees credit risk. Its role is to monitor and quantify risks at portfolio or entity level. GRCA assists other units undertaking risks and establishes the adoption of appropriate pricing and risk measurement tools. In this sense, it assists risk owners in defining the target risk exposure and reporting adequate risk-related information throughout the Group. Group Compliance contributes to

ensure compliance with applicable laws and regulations.
- Finally, the Fourth Line of Defense is the object of Group Internal Audit which provides independent assurance to the Board, based on the highest level of independence and objectivity within the organization.

The duties and responsibilities of all lines of defense functions above are clearly identified and separated.

GRCA occupies central stage in credit risk management since it recognizes, evaluates, monitors and controls risks accepted by the Group. It reports to the Group CRO and possesses the following responsibilities:
To specify and implement credit risk policies emphasizing on rating systems, risk assessment models and risk parameters according to the guidelines set by the Board:

- To assess the adequacy of methods and systems that aim to measure, control and report credit risk undertaken by the Bank and other financial institutions of the Group and periodically validate these methods and systems;
- To establish guidelines for the development of assessment methodologies for Expected Loss (EL) and its components, i.e. Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) for each exposure class in corporate and retail portfolios;
- To calculate the Regulatory and Economic Capital required to support all banking risks, as well as prepare relevant regulatory and MIS reports;
- To introduce best practices and standards for the development, validation and calibration of all credit risk models at Group level.

A. Corporate Portfolio – NBG

The persistence of the severe economic crisis in Greece during 2015 led BUs to put greater effort into increasing the quantity and quality of collateral pledged, channelling fresh funds towards export-oriented firms and reviewing most credit programs in order to strengthen the portfolio and improve the repayment likelihood of corporate clients.

Since 2008, the Bank is using five (5) corporate rating models, all of them implemented through the web-based Risk Analyst™ (RA) platform (an upgraded version of Moody's Risk Advisor™ software), backed where necessary by the ratings of Moody's Investors Service and S&P's. The deterioration in the financial statements of companies led to rating downgrades by most of the models.

Portfolio analysis

The table below illustrates the distribution, per model type, of both outstanding exposures and obligors for NBG Bank:

TABLE 5.1.1
NBG – DISTRIBUTION OF CORPORATE CUSTOMERS & EXPOSURES BY MODEL

Rating Model	Number	% no	Exposure (€ million)	% Exposure
Corporate Rating Model	2,567	67.1%	6,299	57.0%
Limited Financial Scorecard	104	2.7%	32	0.3%
Expert Judgement	446	11.7%	314	2.8%
Slotting Criteria-Project Finance	551	14.4%	962	8.7%
Slotting Criteria-Object Finance	110	2.9%	1,745	15.8%
Moody's - S&P	47	1.2%	1,696	15.4%
Non-Rated	188		12	
In Default	4,550		6,471	
GRAND TOTAL	**8,563**		**17,531**	

As seen in the table above, the vast majority of obligors of the corporate portfolio are entities with full financial data. The distribution of obligors and exposures in NBG's ORR Scale (6 and Chart 7, respectively) indicates sufficient dispersion without any high concentration (over 25%) at any rating grade.

DIAGRAM 5.1.6
NBG – CORPORATE – CUSTOMERS DISTRIBUTION PER ORR

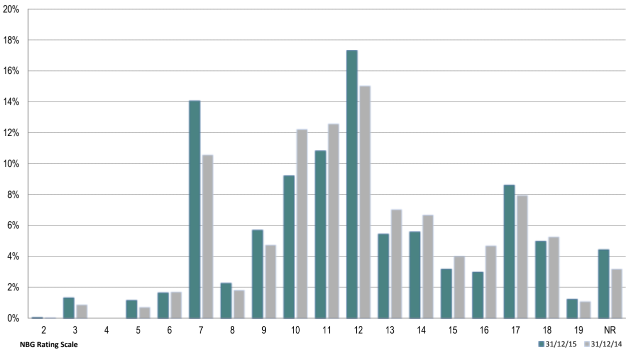
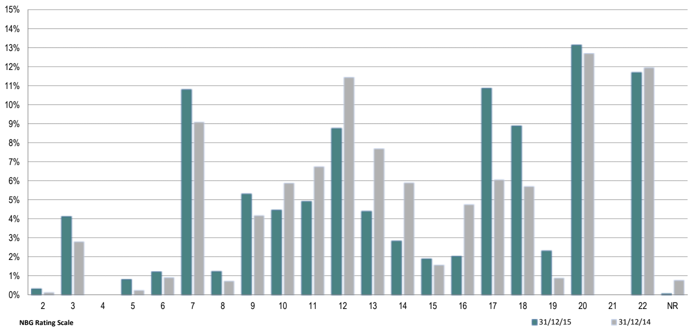


DIAGRAM 5.1.7
NBG – CORPORATE – EXPOSURES DISTRIBUTION PER ORR



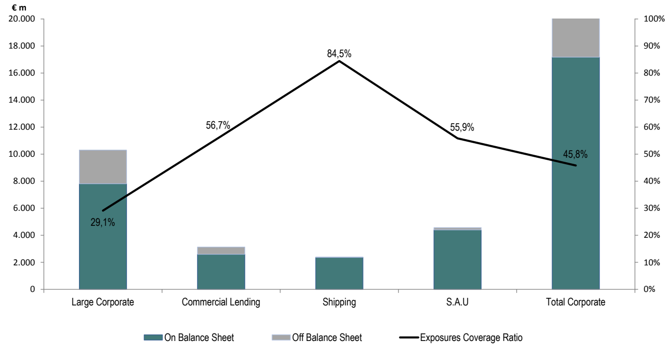
Compared with the previous year, exposures in default (Rating grades 20 & 21, above) increased as a consequence of further deterioration of the Greek macroeconomic conditions. The exposure-weighted average PD for performing corporate obligors on 31.12.2015 is estimated at 6.6%:

TABLE 5.1.2
NBG – ORR SCALE WITH PD

ORR	PD	ORR	PD	ORR	PD	ORR	PD
1	0.09%	6	0.50%	11	2.65%	16	14.50%
2	0.12%	7	0.70%	12	3.75%	17	20.30%
3	0.20%	8	1.00%	13	5.25%	18	28.50%
4	0.25%	9	1.35%	14	7.35%	19	40.00%
5	0.35%	10	1.90%	15	10.30%	20, 21 (default)	100.00%

Collateral distribution per origination unit indicates that shipping facilities achieve the highest coverage (appr. 85%), with the corresponding percentage for the entire corporate portfolio being close to 46%.

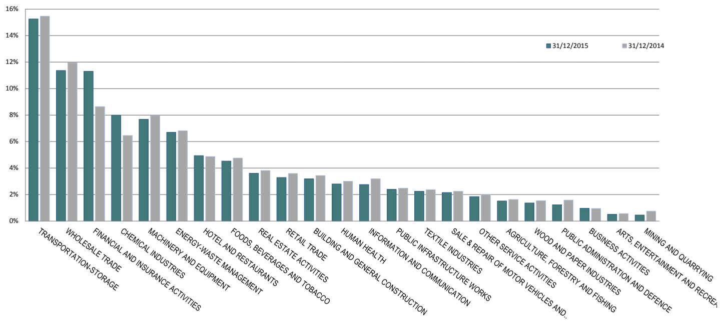
DIAGRAM 5.1.8
NBG – CORPORATE – EXPOSURES COVERED BY "STRONG" COLLATERAL



Sector analysis

Turning to the sectoral distribution of the Bank's corporate portfolio, no significant changes are to be noted since 2014 and no significant concentration risk in any industry exists. The Financial & Insurance Activities sector indicates the highest increase in balances on a yearly basis (€535.6 million) while Public Administration & Defense records the largest decline (€50.2 million):

DIAGRAM 5.1.9
NBG – CORPORATE PORTFOLIO – SECTORAL DISTRIBUTION



The sector presenting the largest balances is Transportation & Storage (15.3%) due to the ocean shipping exposures NBG holds traditionally. The second largest sector (Wholesale Trade) reaches 11.4% of total exposures, but is quite diversified, since it is comprised of a large number of various trading activities.

DIAGRAM 5.1.10
NBG – CORPORATE PORTFOLIO – TRANSPORTATION &STORAGE SECTOR

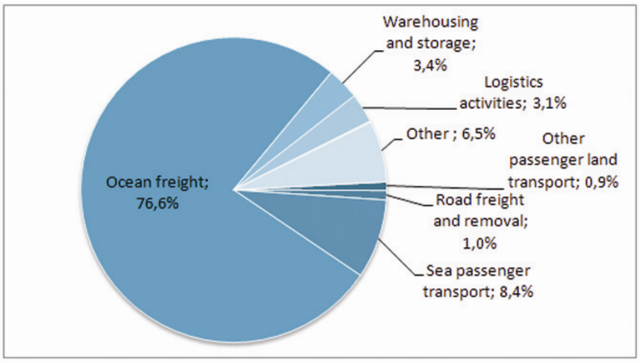
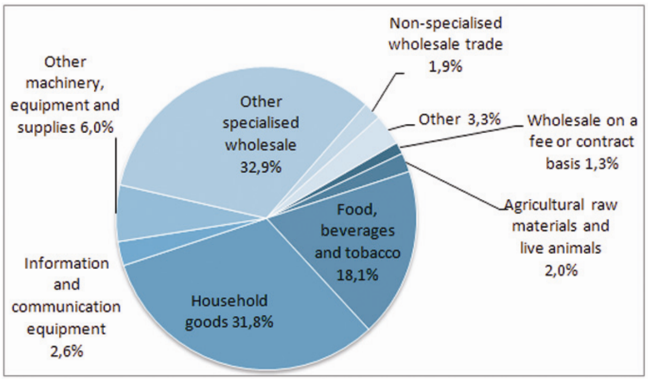


DIAGRAM 5.1.11
NBG – CORPORATE PORTFOLIOΧΑΡΤΟΦΥΛΑΚΙΟ – WHOLESALE TRADE



B. Retail Portfolios – NBG

There has not been any credit expansion in the retail portfolios of NBG during 2015. Instead, the Bank focused on controlling delinquencies both through collection efforts and modification[2] program offers. Retail Collections, in collaboration with retail BUs, designed and offered restructuring and rescheduling products, some of them pre-approved for certain customer segments, with the aim to facilitate debt servicing and, consequently, control portfolio delinquencies.

Despite such significant effort, performing balances continued to shrink and total delinquent balances increased, as gross 90+dpd generation exceeded the balances returning to performing status.

[2] *All facility contracts whose previous terms and conditions have been modified through refinancing, renegotiating and restructuring products.*

The upward trend in 90+dpd appears, however, to have reversed in the last quarter of 2015 and during the first months of 2016; the impulse came from both the "return side" (higher cash recoveries and modification solutions better suited to the customers "ability to pay") and the "new production side" (90+ gross generation slowing down as the macroeconomic environment stabilizes).

Concerning loan loss allowances, the Bank increased collective provisions for both housing and consumer credit loans and, by the end of 2015, has fully covered the provision shortfall diagnosed by ECB's 2015 Comprehensive Assessment.

Housing Loans

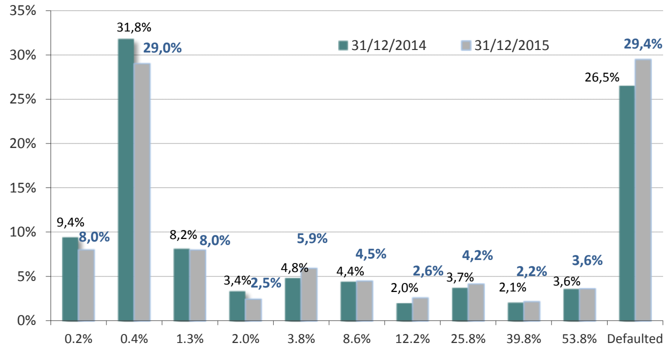
Housing loans represent by far the largest portfolio of the Bank. Consequently, they are very closely reviewed and constantly monitored using advanced credit risk techniques. The Bank has adopted the Advanced IRB approach (A-IRB) for calculating capital requirements against credit risk for mortgages since the beginning of 2008.

The PD and LGD models the Bank developed for housing loans are based on 20 years of historical data. They reflect its long term experience in mortgage lending and take into account the Greek legal framework as well as the Bank's policies regarding foreclosure of real estate collateral. The credit risk parameters produced by the models (PD and LGD), besides being the key inputs for the Expected Loss and the Risk Weighted Assets calculation are further used in:

- IFRS provisioning;
- ICAAP (adjusted for recent performance experience);
- stress-testing;
- new loans' pricing;
- quality assessment and monitoring,

as well as the regular internal reporting to the BRC and the Executive Committee of the Bank. By year end 2015, the percentage of loans allocated to low PD pools (less than 2.0%) has decreased relative to December 2014. Still, half of the population remains rated in low PD value pools while 29.4% of the accounts are defaulted (vs. 26.5% in December 2014).

DIAGRAM 5.1.12
NBG – MORTGAGE LOANS – PD POOL DISTRIBUTION OF EXPOSURES

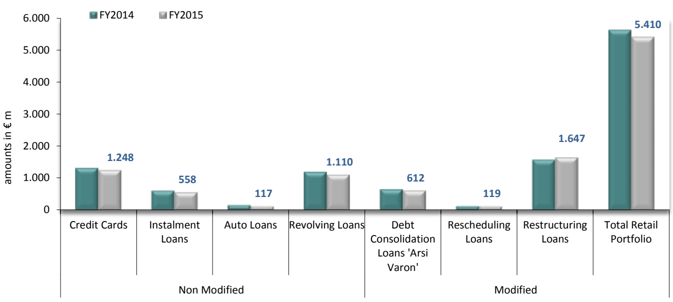


Consumer Credit Lending

The Consumer Credit portfolio (€5,4bn) includes Credit Cards, Consumer Term loans, Revolving facilities and Consumer Auto loans. In 2015, total balance declined by 3.8% compared with 2014, due to deleveraging.

A large share (44%) of this portfolio is modified products offered to existing customers to facilitate debt servicing; the offers include debt consolidation products to absolutely performing (0dpd) customers, rescheduling products for early delinquencies and restructuring products, for late delinquencies. In all cases, the new "modified" loan combines all of the customer's consumer credit facilities.

DIAGRAM 5.1.13
NBG – CONSUMER LOANS – BALANCES DISTRIBUTION



Vintage analysis illustrates that new lending granted after 2010, improves by the year and exhibits continuously lower 90+ rates.

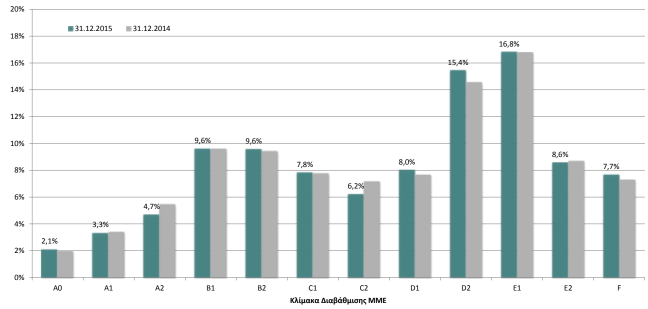
TABLE 5.1.3
NBG – CONSUMER LOANS VINTAGE ANALYSIS (90+ days) FOR NEVER MODIFIED LOANS

Vintage	Loans	6 MOB	12 MOB	24 MOB
2010	43.508	1,7%	4,9%	11,2%
2011	13.672	0,8%	2,7%	8,4%
2012	8.620	0,5%	2,3%	7,9%
2013	13.768	0,7%	2,6%	3,7%
2014	7.784	0,1%	0,3%	
1H2015	2.285	0,0%		

Small Business Loans (SBLs)

This portfolio has been hit hard by the crisis, with around 63% (vs. 59% in December 2014) of exposures related to customers in default. The rest of the rating grades show adequate dispersion without high concentration in any grade. The situation of small businesses is further substantiated by the observation that only half the balances are allocated to obligors with a grade better than or equal to D1[3]; (i.e., only half the customers have a probability of default lower than 20%). This segment is slightly lower than it was a year earlier.

DIAGRAM 5.1.14
NBG – SMALL BUSINESS LOANS - PERFOMING BALANCES DISTRIBUTION



C. Subsidiaries

The standards for the risk undertaken by NBG's subsidiaries as well as the framework for the estimation and measurement of the basic risk parameters for the Corporate and Retail portfolio are set by the NBG headquarters. The Bank also controls systematically and approves, when

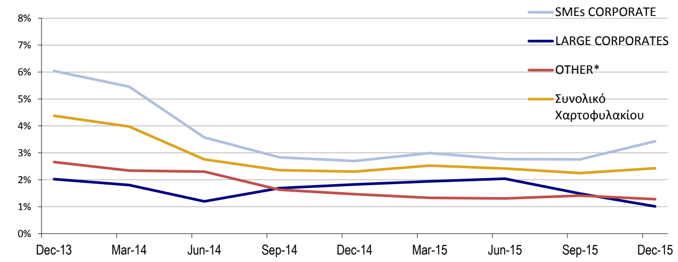
[3] *For a description of the SBL model and its PD scale, see the Appendices.*

necessary, the credit assessment models developed by the subsidiaries.

Corporate Portfolio

The Large Corporate segment in Turkey (defined as companies with turnover over TRY 100 million) experienced a noticeable improvement in 2015, with its 90+dpd ratio down to 1.0% from 1.8% back in December 2014. On the contrary, SME Corporates (i.e. obligors with turnover between TRY2 million and 100 million) fared less well, with the same ratio ending at 3.4%, after reaching its minimum value (2.7%) in December 2014. The rest of corporate segments (i.e. energy, shipping, leasing and factoring) that are monitored separately, continued the downward trend in delinquencies, with 90+dpd reaching a low 1.3% (compared with 1.5% in the previous year). The overall 90+ dpd ratio for the entire Turkish corporate portfolio remains at 2.4%[4].

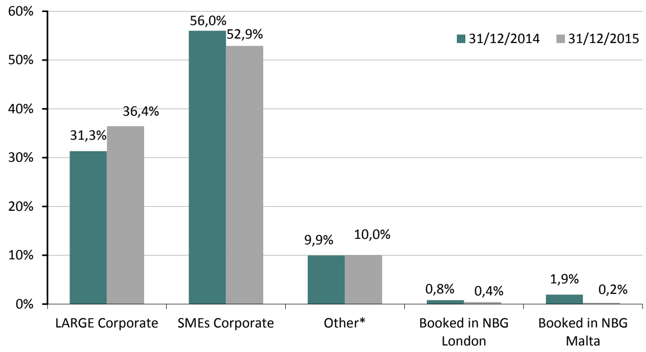
DIAGRAM 5.1.15
FINANSBANK – CORPORATE PORTFOLIO - 90+ DPD RATIOS



* Energy, Shipping, Leasing & Factoring

The portfolio remains concentrated on medium-sized firms (SME Corporate), their share declining slightly (3.1pps) from 56.0% to 52.9% and Large Corporates being the key winner (from 31.3% up to 36.4%).

DIAGRAM 5.1.16
FINANSBANK – CORPORATE PORTFOLIO - BREAKDOWN BY SEGMENT



Retail Portfolio

Retail Portfolios – Finansbank

Finansbank's retail banking portfolio consists of Consumer Loans – further segmented into unsecured consumer loans for Personal Needs, Overdrafts and Auto Loans – Housing Loans and Credit Cards.

TABLE 5.1.4
FINANSBANK – RETAIL LENDING – DISTRIBUTION PER SEGMENT

millions	2014	2015		YOY	TOTAL NPL	NPL %
	TL	TL	EURO		TL	
Retail Banking	23.926	25.340	7.977	5,9%	2.376	9,4%
Personal Needs	6.657	7.232	2.277	8,6%	725	10,0%
Auto Loans	53	35	11	-34,0%	3	9,3%
Overdrafts	1.766	2.539	799	43,8%	231	9,1%
Mortgage Loans	5.892	5.099	1.605	-13,5%	27	0,5%
Credit Cards	9.557	10.436	3.285	9,2%	1.390	13,3%

Modified products currently hold a small percentage of the respective portfolios, with the largest share of modifications observed in credit cards (6.1%) and consumer loans (5.0%). The Retail Banking portfolio increased by 6% compared with December 2014, reaching a 35% share of the bank's loans to customers. Increasing balances of unsecured retail portfolios help keep delinquency ratios at low levels.

Retail Portfolio - SEE Subsidiaries

An overview of the retail banking portfolios of NBG SEE subsidiaries is presented below.

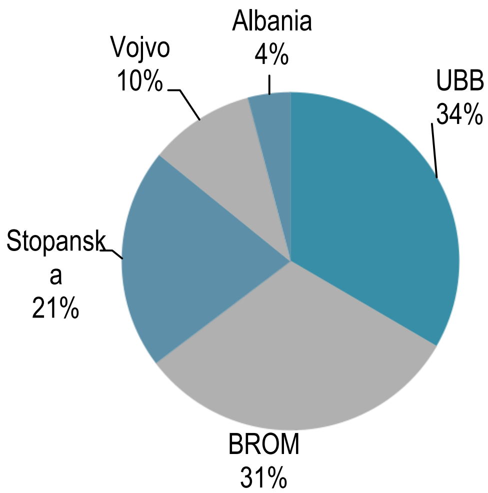
[4] *This includes financing to Turkish companies approved by Finansbank, irrespective of where the loan is ultimately booked in the Group.*

TABLE 5.1.5
SEESUBSIDIARIES – RETAIL LENDING – DISTRIBUTION PER SEGMENT

	Balances (€ millions)						
	UBB	BROM	Stopanska	Vojvo	NBG Albania	2015	YOY
			Consumer Loans				
Balances	411	294	390	166	12	1.273	14
90+	83	80	29	22	1	215	-33
			Credit Cards				
Balances	73	10	60	8		151	-4
90+	8	2	3	3		16	-2
			Mortgage Loans				
Balances	499	627	143	112	104	1.485	-31
90+	100	25	3	10	13	151	-31
			SBLs/Micro Loans				
Balances	9	3	34	16	4	66	36
90+	7		2	9	1	19	1
			Total Retail Portfolio				
Balances	992	934	627	302	120	2.975	14
90+	198	107	37	44	15	401	-65

Retail volumes in SEE subsidiaries remained almost flat (+0.5%). The greatest changes took place in UBB, whose retail portfolios decreased by 7.9%, because of extensive write-offs that took place in December 2015. In contrast, retail balances of all other subsidiaries increased slightly.

DIAGRAM 5.1.17
SEE SUBSIDIARIES – PORTFOLIO OF RETAIL LENDING



UBB's retail portfolio is the largest in terms of balances when compared with the rest of SEE subsidiaries. The FY2015 NPL generation was improved by 223% yoy (-€15 million in 2015 vs. €12 million in 2014), mainly driven by the performance of mortgage portfolio (-€11 million). It is indicative that, on an annual vintage analysis basis, the bad rate of new loans is below 1% for an outcome period up to 24 month. This performance is attributed to the continuing effect of the credit policy restrictions that took place during the previous years.

Counterparty risk

National Bank of Greece

Counterparty risk for the Bank is due to OTC derivative and other interbank secured and unsecured funding transactions, as well as commercial transactions, and it arises from the potential failure of the obligor to meet contractual obligations.

For the efficient management of this risk, the Bank has established a framework of limits, which are set and monitored by the GMORM. These limits are set at the counterparty's Group level and are based on the credit rating of the financial institutions, as well as the product type. Credit ratings are provided by ECAIs, in particular by Moody's and Standard & Poor's; if they diverge on the creditworthiness of a financial institution, the lowest credit rating is considered. The limits framework is revised annually according to the business needs of the Bank and the prevailing conditions in international and domestic financial markets.

For interbank transactions, the maximum acceptable exposure per counterparty group equals 70% of the corresponding Obligor Limit, as defined in NBG's Corporate Credit Policy[5]. Subsequently, limits are allocated to the subsidiaries of the counterparty group, in accordance with the business needs of the Bank.

Interbank transactions are carried out mainly with low and medium risk (investment grade) financial institutions, whose credit ratings range between AAA and BBB-. In view of their low ratings, Greek banks are exempted from this general rule and a separate framework is put in place for them to better serve the Bank's business needs. Interbank placements with Greek banks are limited to O/N and T/N, while the maximum tenor with foreign

[5] *The Bank's Corporate Credit Policy uses the counterparty – obligor rating as the sole criterion to define the maximum exposure allowed per counterparty for credit lines (Obligor Limit). Ratings are provided by ECAIs or by the internal NBG Obligor Risk Rating (ORR) scale*

banks cannot exceed three months, although practically almost all interbank transactions mature within the week.

NBG seeks to reduce counterparty risk by standardizing the terms of the agreements with counterparties through ISDA and GMRA contracts, which encompass all necessary netting and margining clauses. Additionally, for almost all active counterparties, Credit Support Annexes ("CSAs") have been signed, so that net current exposures are managed, on a daily basis, through margin accounts by exchanging cash or debt securities as collateral.

Finally, the Bank is also active in international trade finance, with a limit framework in place to efficiently manage counterparty risk from funded commercial transactions.

Country risk

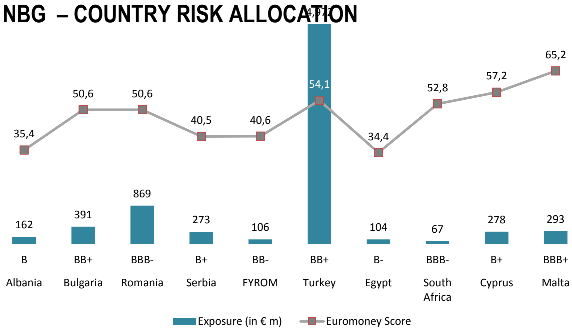
Country risk is the current or prospective risk to earnings and capital caused by events in a particular country, which are, at least to some extent, under the control of the government, but not under the control of a private enterprise or individual. The main categories of country risk consist of sovereign risk, convertibility risk and transfer risk. Sovereign risk stems from a foreign government's lack of capacity and/or unwillingness to repay its debt or other obligations. Convertibility and transfer risk arise when a borrower is unable to convert funds from local to foreign currency in order to repay external obligations. Therefore, country risk refers to all cross-border transactions, either with a central government, or with a financial institution, a corporate or a retail client.

The on and off-balance sheet items, which potentially entail country risk are the following:

- participation in the equity of the Group's subsidiaries, which operate in other countries; interbank secured and unsecured placements and risk that arises from OTC transactions, with financial institutions which operate abroad;
- loans to corporations or financial institutions, positions in corporate bonds of foreign issuers and cross-border project finance loans;
- funded and unfunded commercial transactions with foreign counterparties; and
- holdings in sovereign debt and the sale of protection through Credit Default Swaps, where the underlying reference entity is a sovereign.

In this context, NBG's exposure to country risk arises from the Bank's holdings in foreign sovereign bonds, loans given to foreign states, cross-border activities in the form of interbank or commercial transactions, as well as from corporate lending or participation in the Group's subsidiaries operating abroad. The GMORM monitors country risk on a daily basis, mainly focusing on Turkey, the countries of South East Europe, Egypt, Malta and South Africa, where NBG Group has presence.

DIAGRAM 5.1.18
NBG – COUNTRY RISK ALLOCATION



As of December 31st, 2015, NBG's country risk exposure in the above countries amounted to 6.9% of the total NBG Group assets.

TABLE 5.1.6
NBG COUNTRY RISK

Country	Moody's Rating	S&P Rating	Exposure / Group Total Assets as of 31.12.15
Albania	B1	B	0,15%
Bulgaria	Baa2	BB+	0,36%
Romania	Baa3	BBB-	0,80%
Serbia	B1	BB-	0,25%
FYROM		BB-	0,10%
Turkey	Baa3	BB+	4,57%
Egypt	B3	B-	0,10%
S. Africa	Baa2	BBB-	0,06%
Cyprus	B1	BB-	0,26%
Malta	A3	BBB+	0,27%
Total			6,90%

Operational Risk (OR)

Operational risk arises from the possibility of human error, inadequate or faulty internal processes, system failures and/or as a result of external events. This definition includes legal risk, but excludes strategic and/or business risk and reputational risk.

Operational risk management framework

NBG recognizes the importance of operational risk, and has established a high quality effective framework for its management across all Group operations since 2007, namely the Operational Risk Management Framework (ORMF).

Operational risk management is integrated into the day-to-day business, adding value to the organization based on the following pillars:

- Knowledge of the real losses associated with this type of risk through the Loss Collection process and the maintenance of a sound and consistent loss database;
- Identification, prioritization and management of real and potential risks, through the Risks and Control Self-Assessment (RCSA) process;
- Prioritization of efforts to mitigate the relevant risks and losses through the determination, update and monitoring of Action Plans;
- Analysis of operational risks over time and identification of warning signals through the definition and monitoring of Key Risk Indicators;
- Reduction of the Group's exposure to extreme events through the Structured Scenario Analysis process.

All of the above improve the control environment and strengthen the corporate culture of NBG, while generating a positive reputational impact.

Operational risk management principles

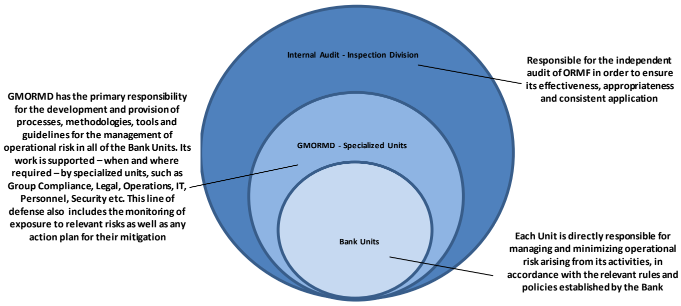
The principles described below reflect NBG's vision of operational risk which is designed in such a way as to:

- be aligned with the risk appetite set out by the Board of Directors.
- anticipate the potential operational risks to which the Group is exposed as a result of products, activities, processes or systems and establish procedures for their evaluation and mitigation.
- identify the contributory factors of operational losses sustained by the Group and establish measures to reduce them.
- assess, analyze and quantify events with a low probability of occurrence and high impact, which may lead to unexpected risk events.
- establish an efficient system of governance, where responsibilities in the areas and bodies involved in operational risk management are clearly defined.

Three lines of defense in operational risk management

The governance model of the Group's operational risk management is based on the "three lines of defense model", as illustrated in the figure below:

DIAGRAM 5.1.19
«THREE LINES OF DEFENCE» ΓFOR OPERATIONAL RISK



Operational Risk Correspondents have been appointed to each Unit of the Bank. Their role is to liaise between the GMORM and their respective Unit (business, support or specialized), to which they convey the key principles of OR management. They raise the OR culture and reinforce the risk awareness on OR issues, while being constantly updated on any methodological changes by the GMORM. Finally, they are responsible for coordinating the implementation of ORMF in their Units.

OR Correspondents receive training from GMORM, on an annual basis. 2015 was the 10th consecutive year in which operational risk training seminars and awareness campaigns were organized for OR Correspondents as well as for the Executive Management of the Bank and the Group. Over the past five years, NBG Group has delivered training on the management of OR to more than 1,000 people, whereas around 9,000 have been trained through e-learning seminars.

The active management of operational risk was strengthened further by the installation of Algorithmics' OpVar software in the Bank as well as in all major Group subsidiaries. At the end of 2015, a total of 1,206 users (OR Correspondents, BU Managers and OR Managers) were using OpVar, at a Group level.

NBG Group's operational risk profile Risks & Control Self-Assessment Process (RCSA)

It is the Bank's policy to proceed to operational risk assessment by establishing a RCSA process, mainly focusing on the more accurate determination of its operational risk profile. This particular approach emphasizes the local ownership concept, while strengthening the ORM culture and awareness for critical operational risks Bank-wide.

The chart below shows the distribution of potential operational risk events, as per each unit's assessment, identified in the 2015 RCSA process, for different geographical areas where NBG Group operates and classified by event type:

DIAGRAM 5.1.20
NBG–RISK DISTRIBUTION BY EVENT TYPE CATEGORYACCORDING TO BASEL AND RCSA

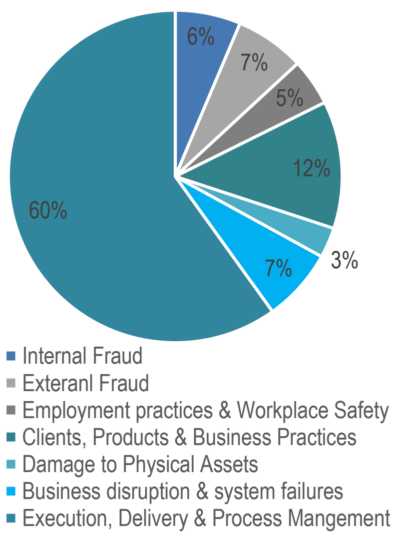


DIAGRAM 5.1.21
FINANSBANK - RISK DISTRIBUTION BY EVENT TYPE CATEGORYACCORDING TO BASEL AND RCSA

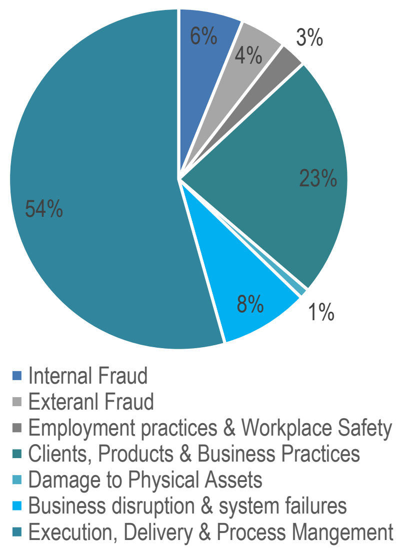
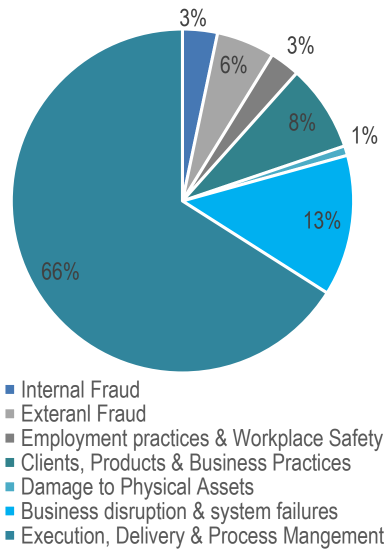


DIAGRAM 5.1.22
SEE - RISK DISTRIBUTION BY EVENT TYPE CATEGORYACCORDING TO BASEL AND RCSA



Loss Data Collection

Loss data contribute significantly to the analysis, monitoring and control of operational risk within the Bank, thus their collection serves as a feedback to the other components of the ORM Framework.

The Bank has, since 2007, developed and maintained an integrated, sound and consistent operational loss database. Loss events are classified, in accordance with the regulatory requirements, in seven Event Type categories and in eight Business Lines. Losses affecting the entire Bank are classified under the "Corporate Items" Business Line.

The charts below provide a distribution of operational risk related loss events, recorded in the Group's loss database, for different geographical areas where NBG operates, classified by Business Line:

DIAGRAM 5.1.23
NBG – HISTORICAL DISTRIBUTION OF LOSSES (2007-15) PER BASEL BUSINESS LINE CATEGORY

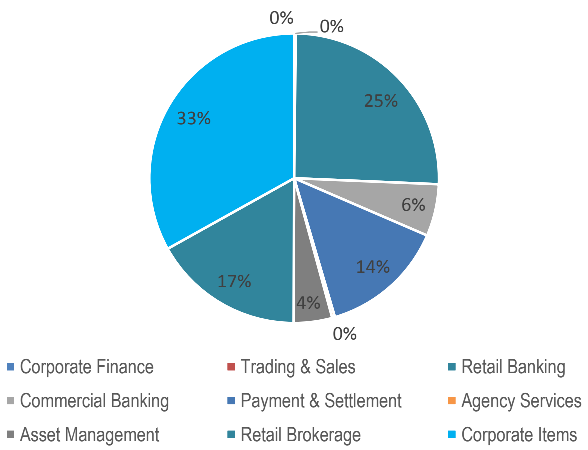


DIAGRAM 5.1.24
FINANSBANK – HISTORICAL DISTRIBUTION OF LOSSES (2007-15) PER BASEL BUSINESS LINE CATEGORY

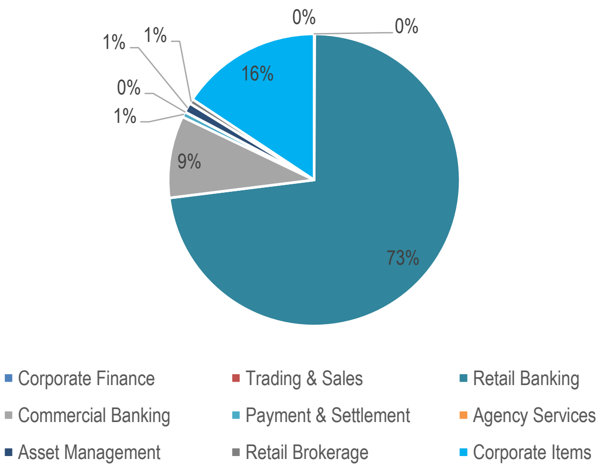
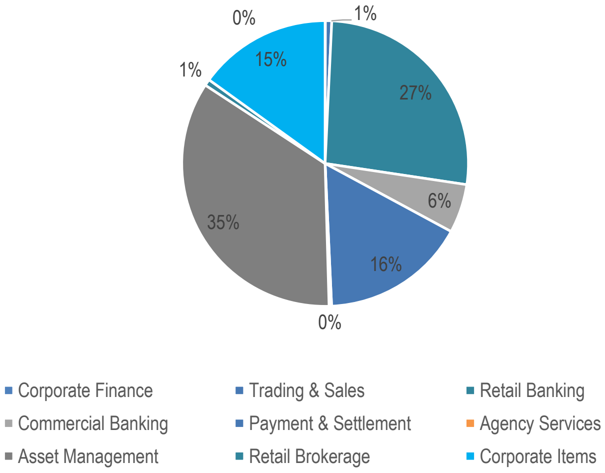


DIAGRAM 5.1.25
SEE – HISTORICAL DISTRIBUTION OF LOSSES (2007-15) PER BASEL BUSINESS LINE CATEGORY



Liquidity Risk

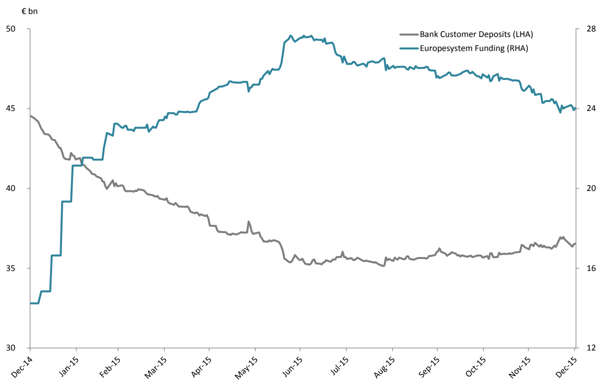
The Bank's principal sources of liquidity are its deposit base, Eurosystem funding in the form of repurchase agreements with the ECB and through the Emergency Liquidity Assistance (ELA) mechanism and long-term debt. ECB funding is collateralized mainly by EFSF/ESM bonds received from HFSF, whereas ELA funding is collateralized mainly by notes issued by the Bank and guaranteed by the Hellenic Republic, in the context of the Bank's participation in the Hellenic Republic Bank Support Plan, as well as by Greek government bonds, T-Bills and loans.

During the first half of 2015, the structure of the Bank's liquidity position has changed substantially. The reasons for this change were the economic turbulence and the uncertainty in the Greek banking sector that was caused by the ongoing negotiations between the Greek Government and the Institutions. More specifically, the Bank faced significant deposit outflows of around €9 billion, as well as the cancellation of about €3.6 billion of repurchase agreements with financial institutions. This in turn caused an increased dependence on Eurosystem funding and a commensurate deterioration in the Bank's counterbalancing capacity. Furthermore, the ECB lifted the waiver, based on which it accepted notes issued or guaranteed by the Hellenic Republic as collateral for repurchase agreements, which forced the Bank to cover its increasing funding shortfall through the Emergency Liquidity Assistance (ELA) mechanism. In the height of the liquidity crisis, on June 29th 2015, due to the termination of the negotiations and ECB's decision to freeze the level of ELA, the Greek authorities imposed capital controls, in order to prevent a widespread bank run and to preserve the sustainability of the Greek banking system. Moreover, on July 7th 2015, the ECB raised the haircuts on the notes issued or guaranteed by the Hellenic Republic, which subsequently further lowered the Bank's buffer for ELA refinancing. In order to mitigate all the above developments, the Bank's Eurosystem funding increased in the first half of the year by €13.3 billion and reached a level of €27.6 billion. However, even at that point, the Bank retained an adequate buffer of ELA eligible collateral, of around €5.5 billion, in order to cover further outflows.

During the second half of 2015, while the capital controls remained in force, the liquidity position of the Bank was improved. Eurosystem funding was reduced by about €3.5 billion and ELA funding decreased by about €6 billion. The main driver for these developments was the Bank's successful share capital increase that was completed in December. The Bank not only enhanced its capital base, but also increased the amount of its ECB eligible collateral by receiving an amount of €2.7 billion of ESM bonds, under the Bond Loan Program. Additionally, the Bank further reduced its liabilities through the Liability Management exercise (LME), by replacing with equity all of its long-term debt, except for the covered bonds. Finally, the Bank's liquidity profile was strengthened further by a moderate increase of around €1 billion in its customer deposits and by further deleveraging. In this context, on December 31st 2015, ECB funding stood at €12.53 billion, while ELA funding was €11.5 billion, amounting to a total exposure to the Eurosystem of €24.03 billion, whereas the Bank's liquidity buffer stood comfortably at €8.44 billion.

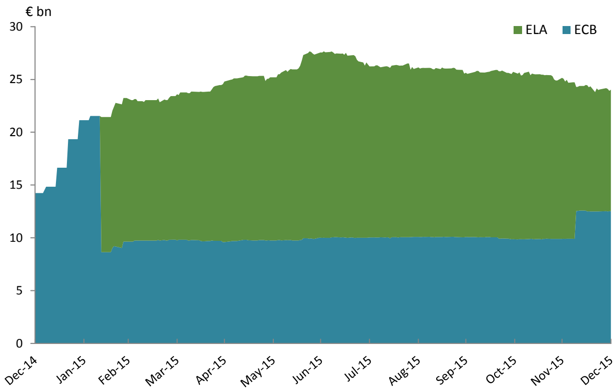
The Chart below shows the evolution of NBG's main funding sources throughout 2015:

DIAGRAM 5.1.26
NBG – LIQUIDITY SOURCES



The structure of the Eurosystem funding, during 2015, is presented in Chart 20below:

DIAGRAM 5.1.27
NBG – STRUCTURE OF EUROSYSTEM FUNDING



Basel III / CRD IV Liquidity Developments
Liquidity Coverage Ratio

The Liquidity Coverage Ratio (LCR) refers to the Liquidity Buffer of high quality liquid assets that a Financial Institution (FI) holds, in order to withstand the net liquidity outflows over a 30 calendar day stressed period and is defined as:

$$\text{Liquidity Coverage Ratio}=\frac{\text{Liquidity Buffer}}{\text{Net Liquidity Outflows(0-30 days)}}$$

The LCR intends to capture the ability of an FI to remain solvent over a 30 calendar day stressed period. More specifically, LCR measures whether an FI holds sufficient, unencumbered, high quality liquid assets (HQLAs) to replenish the net outflows that could face under a sudden liquidity shock, triggered by a combination of idiosyncratic and market-wide stressed scenarios, such as:

a) a significant credit rating downgrade of the FI,
b) a run-off of its customer deposits,
c) a significant loss of unsecured wholesale funding,
d) a significant impairment of securities pledged as collateral,
e) additional collateral needs for derivative products,
f) a partial loss of contingent funding, such as committed or uncommitted liquidity or credit lines.

The mandate for the LCR calculation has been effective since October 1st 2015. A target threshold of 60% has been set, which will gradually rise to 100% by January 2018. However, because of the events that occurred during the beginning of 2015, already analyzed in the previous section, NBG was forced to resort to the ELA mechanism for funding and remained in this mechanism throughout the entire year. Thus, the use of LCR as a liquidity metric, under these circumstances, is not applicable.

Net Stable Funding Ratio

In the context of the Basel III liquidity requirements, the Net Stable Funding Ratio (NSFR) is a complimentary metric to LCR and aims at controlling excess maturity transformation risk and reducing funding liquidity risk. It encourages an FI to limit excessive reliance on short-term, unstable funding sources and use more stable and longer-term liquidity sources to fund its on- and off-balance sheet assets.

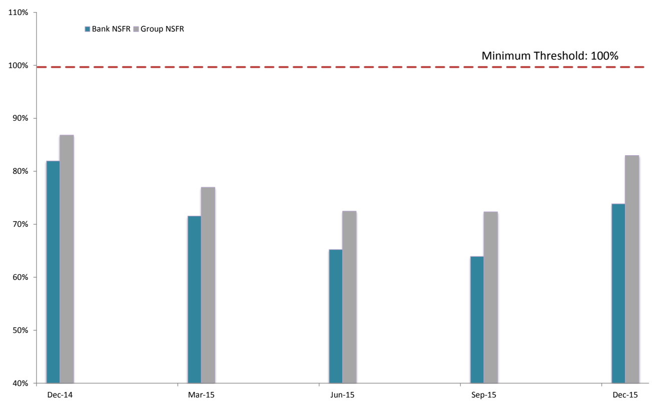
The NSFR compares the amount of "Available Stable Funding" to the amount of "Required Stable Funding" and requires that an FI holds this ratio at a minimum level of 100% on an ongoing basis. While the NSFR is currently in an implementation phase, the proposed target of 100% will be effective from January 1st 2018.

$$\text{Net Stable Funding Ratio} = \frac{\text{Available Stable Funding}}{\text{Required Stable Funding}} \geq 100\%$$

During 2015, the Bank's NSFR dropped considerably, due to the significant deposit outflows, which decreased the amount of Available Stable Funding. However, in the last quarter of the year, the ratio improved, mainly driven by the successful capital increase that was completed in December and stood at 73.9% on December 31st. The Group's NSFR decreased at a more gradual pace during the year and stood at 83% on December 31st 2015.

The evolution of the Bank's and the Group's NSFR, during 2015, is presented in the Chart 21 below:

DIAGRAM 5.1.28
NBG – BANK AND GROUP NSFR



SECURITIZATION RISK

Between 2008 and 2011, the Bank securitized part of its assets by transferring them to Special Purpose Entities (SPEs), which then issued securities backed by those assets. The objective of the Bank was to convert illiquid receivables to "tradable" securities, which can either be placed with the market or used as collateral for funding transactions. The Bank has purchased and retained all securities issued by the SPEs. Consequently, there has been no material transfer of credit risk. The Bank has not proceeded with any synthetic securitization or re-securitizations.

The total outstanding balance of the securitized assets as of 31 December 2015 is €8,166million. For more information about securitizations please refer to Consolidated Financial Statements Note 21.

The outstanding balances of the securities in issue as of 31 December 2015 are:

TABLE 5.1.7
NBG – OUTSTANDING BALANCES

Issuer (SPE)	Asset Type	Issue Date	Final Maturity Date	Outstanding amount(€ million)
Spiti Plc Class A	Greek State receivables	26/2/2009	20/9/2039	4.418
Spiti Plc Class B	Residential mortgages	20/9/2011	20/9/2058	854
Autokinito Plc Class B	Residential mortgages	20/9/2011	20/9/2058	250
Agorazo Plc Class A	Automobile loans	23/9/2011	20/9/2023	49
Agorazo Plc Class B	Term consumer loans	23/9/2011	15/9/2033	392
Spiti Plc Class A	Term consumer loans	23/9/2011	15/9/2033	413

The roles that the Bank assumes at the initiation and during the securitization process are:

- Originator
- Seller
- Servicer
- Arranger
- Custodian
- Swap provider
- Cash Manager
- Account Bank
- Subordinated loan provider

Methodology for risk weightings

Whenever the Bank invests in securitization positions, it uses the Ratings Based Method of EU Regulation 575/2013 CRR article 261 for capital calculation purposes. For the Ratings Based Method, the Bank uses ratings provided by the rating agencies.

On 31 December 2015, there was no exposure after credit risk mitigation to securitized positions for investment purposes.

5.2 REGULATORY COMPLIANCE

With a view to incorporating effectively the applicable regulatory framework and best practices into the Group's operations, the Group Regulatory Compliance & Corporate Governance Division and the Group Transactions Compliance Monitoring Division, which fall under the responsibility of the General Manager of Group Compliance & Corporate Governance, are responsible for the ongoing monitoring of the applicable regulatory framework and the best practices implemented in their respective sectors, for the provision of guidelines and support to the various units of the NBG Group, and the monitoring of the effective implementation of the said framework.

The Greek banking system faced formidable challenges in 2015, while at the same time the deterioration of the economic environment took its toll on the banking system, thus making the role of the Regulatory Compliance function decisive for the management of issues that arose during the year and adaptation to the regulatory environment.

A key moment in the year was the declaration of a short-term bank holiday and the imposition of capital controls. Against the backdrop of such harsh conditions, the Regulatory Compliance Units helped with the management of the exceptional situation and the ability of the Bank to maintain effective operations and customer servicing by providing guidance to the Bank's staff and advice to the Bank's Units during this period.

In addition, in 2015 the Regulatory Compliance Units dealt with issues related to corporate governance, customer/investor protection, data privacy, prevention of money laundering and AML/CFT, investigation of customer assets, cases of garnishment, customer complaint management, staff training, monitoring, and communications with the Supervisory Authorities.

Special emphasis was placed on the timely adaptation of the Group to the new legal and regulatory framework, as well as on the Bank's requirements deriving from the Relationship Framework Agreement with the HFSF, which was revised in 2015.

Moreover, in order to ensure the NBG Group's good name and standing vis-à-vis its shareholders, customers, investors, supervisory and other authorities, the Regulatory Compliance Units focused on preventing the occurrence of risks associated with any lack of compliance, and on creating an efficient and effective environment for monitoring the compliance of the NBG Group Units.

Accordingly, with a view to addressing in a timely fashion any deficiencies identified by internal or external controls, or by the Supervisory Authorities, and to protecting the Group's goodwill, the Regulatory Compliance Units, deploying specialized software (Enterprise Governance Risk and Compliance Information System – EGRC), monitor on an ongoing basis the progress of necessary corrective actions implemented by the Bank's Units, pursuant to the special requirements arising from the findings of the controls.

To ensure the observance of high standards of ethics, in December 2015 the NBG Group updated its Code of Ethics, which sets out clearly the ethical principles and values and the relevant rules that frame the behavior of staff and management. It also provides the necessary guidelines for taking the right decisions in compliance with the corporate governance rules and the legal and regulatory framework of each country where the Group is active.

At Group level, the monitoring and control of effective adoption by the Group Units of existing Bank Policies continued, and assistance was provided to the Group Units for the proper implementation of Group Policies.

In 2015 the Bank also dealt with the following issues:

- Management of exposures in arrears and non-performing exposures, and implementation of the provisions of the Code of Conduct under Law 4224/2013;
- Implementation of the US "Foreign Account Tax Compliance Act";
- Monitoring of issues arising from the Monitoring Trustee's quarterly reports and provision of clarifications to the Group Units;
- Policy regarding Related Obligors.

As in previous years, in 2015 emphasis was placed on training, in cooperation with the NBG Group Staff Development Division. Through courses and e-learning programs, special attention was given to issues regarding AML/CFT, protection of consumers and personal data, and accreditation/reaccreditation of staff providing investment services. In addition, the development of a special e-learning program for the new updated NBG Group Code of Ethics was completed, which includes detailed guidance, scenarios and Q&As, so as to ensure its effective understanding and implementation.

Further, with a view to ensuring that adequate and accurate information is provided to the public with respect to corporate developments in the Bank and the Group, the Group Regulatory Compliance & Corporate Governance Division continued to play an active role in providing guidelines regarding corporate information and press releases published by the Bank.

Last, Group Regulatory Compliance & Corporate Governance contributed to the successful completion of the Bank's Share Capital Increase in December 2015, by providing support to all the stages of the process (conduct of an Extraordinary General Meeting of Shareholders, preparation of the Information Bulletin, drafting of the Bank's announcements), thus playing a key role in serving and providing clarifications to shareholders interested in the public offering in Greece. The Division was also responsible for the coordination of the provision of information and maintaining a database for the Bank in the context of the share offering to institutional and other eligible investors.

In the year ahead, the key aims of Regulatory Compliance include ensuring, on an ongoing basis, timely and effective compliance of the Bank and the Group with the legal and regulatory framework and international best practices in a constantly changing regulatory environment, providing essential and effective support to the Bank's and the Group's Units, responding to requests from the supervisory authorities, and ensuring top class corporate governance.

5.3 INTERNAL AUDIT

The relevant internal control unit, whose charter states that it has Group oversight in its field of competence, aims at covering the work of the local internal control units and of external providers who have undertaken to conduct audits at some of the Group's subsidiaries outside Greece. In addition, it provides internal audit services on an outsourced basis to some of the Group's subsidiaries in Greece. All the Group's internal audit units use a single:

- internal control methodology that is based on the 2013 COSO internal controls integrated framework and the IFRS of the Institute of Internal Auditing,
- methodology for controlling IT systems, based on ISACA's COBIT framework,
- online application that enables effective management of internal control processes and standardization of control methodology at Group level.

The auditing and advisory activities carried out by Internal Audit are regularly adjusted so as to help in attaining the strategic goals of the Group and in mitigating all potential risks.

NBG's revised audit schedule for 2015 was covered in its entirety, while the respective schedules of the IC units at the Group's subsidiaries were also covered to a satisfactory level. Besides scheduled audits, a significant number of investigations and extraordinary audits were also performed.

In addition, in 2015, with a view to further strengthening the unit's work and effectiveness, its alignment with international best practices, and further enhancing the expertise of its personnel, a job rotation scheme was applied in the unit. In addition, the unit initiated the design of an internal auditor training and development program.

5.4 CORPORATE GOVERNANCE

The Bank's corporate governance framework is aligned with the provisions of Greek and European legislation, the rules of the Hellenic Capital Market Commission ("HCMC"), the Corporate Governance Code and the Bank's Articles of Association and regulations. In combination with the above, the Bank also implements the special regulatory framework stemming from the Relationship Framework Agreement (RFA) between the Bank and the Hellenic Financial Stability Fund (HFSF), and the Bank's Restructuring Plan which has been approved by the European Commission and includes the Bank's obligations towards the Monitoring Trustee. The Bank is also required to comply with the stipulations of the US legal and regulatory framework regarding negotiable securities (Sarbanes Oxley Act and related SEC rules).

In 2015, to ensure ongoing strengthening of corporate governance structures and practices, on which the Group places special emphasis, the said structures and the corporate governance practices implemented at Group level were reviewed and the requirements imposed by the regulatory framework were examined with a view to further refining the corporate governance framework at Group level and alignment with the institutional framework and international best practices.

The key corporate governance actions that took place in 2015 included the following:

- Review and revision of the Bank's Corporate Governance Code, which was amended in September 2015. Note that the revision of the Bank's Corporate Governance Code is already underway in compliance with the new provisions of Law 3864/2010 and the updated RFA between the Bank and the HFSF.
- Review of the current membership of the Board of Directors in respect of the applicable legislative and regulatory framework.
- Supply of a special application for the support of the Board of Directors and its Committees so as to enhance the effective work of the governance bodies.
- Steps to upgrade the Bank's shareholder list and the application used for the support of the conduct of General Meetings of Shareholders,

so as to better support shareholders and enhance monitoring of the Bank's shareholder composition.

In the year ahead, the key areas of action for Corporate Governance will be to further strengthen the corporate governance framework at Group level, ensure on going alignment to current corporate governance requirements, monitor and control existing and new policies of the Bank, and ensure the effective input of the Bank's and the Group's Units in implementing said policies.

SUMMARY FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of "NATIONAL BANK OF GREECE SA"

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of "NATIONAL BANK OF GREECE S.A." (the "Bank") and its subsidiaries (the "Group"), which comprise the separate and consolidated Statement of Financial Position as of 31 December 2015, and the separate and consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards as these have been adopted by the European Union, and for such internal control as Management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Bank and the Group as of 31 December 2015 and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as these have been adopted by the European Union.

Emphasis of Matter

We draw attention to the disclosures made in note 2.2 to the separate and consolidated financial statements of the Bank and the Group, which refer to the material uncertainties associated with the current economic conditions in Greece and the ongoing developments that may affect access to certain liquidity facilities and could adversely affect the Bank's and the Group's going concern assumption. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

The Directors' Report includes a Corporate Governance Statement which provides the information required according to the provisions of article 43a (para. 3d) of codified law 2190/1920.

We have agreed and confirmed the content and consistency of the Directors' Report to the accompanying separate and consolidated financial statements according to the provisions of the articles 43a (para. 3d), 108 and 37 of the codified law 2190/1920.

Athens, 17 March 2016
The Certified Public Accountant

Alexandra B. Kostara
Reg. No. SOEL: 19981

Deloitte.

Hadjipavlou Sofianos & Cambanis S.A.
Societe Anonyme of Chartered Accountants & Business Consultants
Fragoklissias & Granikou Str. 151 25 Maroussi, Athens
Reg. No. SOEL: E 120

National Bank of Greece SA

A AND INFORMATION FOR THE PERIOD FROM 1 JANUARY 2015 TO 31 DECEMBER 2015

(Published in accordance with article 135 of Law 2190/1920, for enterprises preparing annual stand-alone and consolidated financial statements in accordance with IFRS)
(amounts in milion EURO)

Company Information

Headquarters:	86, Eolou Str., 102 32 Athens
Register Numbers of S.A.:	6062/06/B/86/01
Supervising Prefecture:	Athens Prefecture
Date of approval of Financial Statements by BoD:	14 March 2016
Certified Public Accountant - Auditor:	Alexandra B. Kostara (RN SOEL 19981)
Audit Firm:	Deloitte, Hadjipavlou Sofianos & Cambanis S.A. Assurance & Advisory Services
Independent Auditor's Report:	"Unqualified opinion - Emphasis of matter"
Issue date of Auditor's report:	17 March 2016
Website:	www.nbg.gr

The financial data and information listed below, derive from the financial statements and aim to a general information about the financial position and results of National Bank of Greece and NBG Group. We therefore recommend the reader, prior to making any investment decision or other transaction concerning the Bank, to visit the Bank's web site (www.nbg.gr), where the set of financial statements is posted, as well as the auditor's report.

Statement of Financial Position (Consolidated and Standalone)

	Group		Bank	
Assets	**31.12.2015**	**31.12.2014**	**31.12.2015**	**31.12.2014**
Cash and balances with central banks	2.208	5.837	1.130	1.870
Due from banks (net)	2.799	3.324	2.927	3.790
Financial assets at fair value through profit or loss	2.486	2.408	2.126	2.049
Derivative financial instruments	3.895	5.943	3.892	4.796
Loans and advances to customers (net)	45.375	68.109	39.750	43.531
Available for sale investment securities	2.634	4.775	245	778
Held to maturity investment securities	233	1.553	136	961
Loans and receivables investment securities	13.250	10.387	13.076	10.117
Investment property	869	912	6	6
Investments in subsidiaries	-	-	2.861	7.300
Equity method investments	16	141	7	10
Goodwill, software & other intangible assets	147	1.756	113	119
Property & equipment	1.325	2.109	249	260
Deferred tax assets	5.096	4.024	4.906	3.855
Insurance related assets and receivables	601	848	-	-
Current income tax advance	579	522	545	481
Other assets	1.952	2.591	1.606	1.768
Non-current assets held for sale	27.767	225	3.556	255
Total Assets	**111.232**	**115.212**	**77.131**	**81.946**
Liabilities				
Due to banks	25.166	22.226	25.240	20.481
Derivative financial instruments	4.638	6.258	4.635	5.706
Due to customers	42.959	64.929	36.868	44.130
Debt securities in issue	1.106	3.940	826	872
Other borrowed funds	146	2.051	-	871
Insurance related reserves and liabilities	2.226	2.280	-	-
Deferred tax liabilities	9	44	-	-
Retirement benefit obligations	273	337	258	270
Current income tax liabilities	10	75	-	-
Other liabilities	1.232	2.599	989	963
Liabilities associated with non-current assets held for sale	23.643	7	-	-
Total Liabilities	**101.408**	**104.746**	**68.816**	**73.293**
Shareholders' Equity				
Share capital	2.744	2.414	2.744	2.414
Share premium account	13.866	14.060	13.863	14.057
Less: treasury shares	(1)	-	-	-
Reserves and retained earnings	(6.577)	(6.862)	(10.321)	(7.818)
Amounts recognised directly in equity relating to non-current assets held for sale	(2.962)	-	-	-
Contingently convertible bonds	2.029	-	2.029	-
Equity attributable to NBG shareholders	**9.099**	**9.612**	**8.315**	**8.653**
Non-controlling interests	725	772	-	-
Preferred securities	-	82	-	-
Total equity	**9.824**	**10.466**	**8.315**	**8.653**
Total equity and liabilities	**111.232**	**115.212**	**77.131**	**81.946**

Statement of Changes in Equity (Consolidated and Standalone)

	Group		Bank	
	From 01.01 to		From 01.01 to	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Balance at beginning of period	10.466	7.874	8.653	6.383
Changes during the period:				
Total comprehensive income / (expense), net of tax	(4.704)	117	(4.497)	(551)
Share capital increase	2.130	2.426	2.130	2.426
Dividends declared	-	-	-	-
(Purchases) / disposals of treasury shares	(1)	2	-	-
Other changes	1.933	47	2.029	395
Balance at end of period	9.824	10.466	8.315	8.653

Statement of Comprehensive Income (Consolidated and Standalone)

	Group		Bank	
	From 01.01 to		From 01.01 to	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Interest and similar income	2.559	2.902	2.118	2.355
Interest expense and similar charges	(654)	(904)	(601)	(770)
Net interest income	1.905	1.998	1.517	1.585
Fee and commission income	349	372	223	242
Fee and commission expense	(256)	(233)	(242)	(219)
Net fee and commission income	93	139	(19)	23
Earned premia net of reinsurance	469	519	-	-
Net claims incurred	(381)	(433)	-	-
Earned premia net of claims and commissions	88	86	-	-
Net trading income / (loss) and results from investment securities	(64)	(187)	(3)	(222)
Net other income / (expense)	(50)	28	(65)	(63)
Total income	1.972	2.064	1.430	1.323
Personnel expenses	(802)	(816)	(590)	(588)
General, administrative and other operating expenses	(378)	(409)	(279)	(334)
Deprec. & amortis. on properties, equipment, software & other intang. assets	(121)	(125)	(70)	(78)
Amortis. & write offs of intang. assets recognised on business combinations	-	(4)	-	-
Finance charge on put options of non-controlling interests	-	(3)	-	(3)
Credit provisions and other impairment charges	(4.263)	(2.523)	(4.344)	(2.370)
Share of profit / (loss) of equity method investments	3	1	-	-
Profit/(loss) before tax	(3.589)	(1.815)	(3.853)	(2.050)
Tax benefit / (expense)	997	1.606	1.007	1.668
Profit / (loss) for the period, net of tax (A)	(2.592)	(209)	(2.846)	(382)
Discontinued Operations				
Profit / (loss) for the period from discontinued operations	(1.606)	315	(1.694)	-
Profit / (loss) for the period	(4.198)	106	(4.540)	(382)
Attributable to:				
Non-controlling interests	29	40	-	-
NBG equity shareholders	(4.227)	66	(4.540)	(382)
Other comprehensive income/(expense), net of tax (B)	(506)	11	43	(169)
Total comprehensive income/(expense), net of tax (A+B)	(4.704)	117	(4.497)	(551)
Attributable to:				
Non-controlling interests	30	42	-	-
NBG equity shareholders	(4.734)	75	(4.497)	(551)
Earnings/(losses) per share (Euro) - Basic from continuing operations:	€(1,9011)	€(1,1958)	€(2,2618)	€(1,8343)
Earnings/(losses) per share (Euro) - Diluted from continuing operations:	€(0,1732)	€(1,1958)	€(0,2061)	€(1,8343)
Earnings/(losses) per share (Euro) - Basic from continuing and discontinuing operations:	€(3,9434)	€0,3170	€(4,4156)	€(1,8343)
Earnings/(losses) per share (Euro) - Diluted from continuing and discontinuing operations:	€(0,3592)	€0,3170	€(0,4023)	€(1,8343)

Statement of Cash Flows (Consolidated and Standalone)

	From 01.01 to		From 01.01 to	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Net cash flows from / (used in):				
Operating activities	(845)	(4.544)	(2.699)	(4.238)
Investing activities	428	693	265	1.543
Financing activities	214	3.995	731	2.930
Net increase / (decrease) in cash and cash equivalents in the period	**(203)**	**144**	**(1.703)**	**235**
Effect of foreign exchange rate changes on cash and cash equivalents	(54)	50	32	35
Net increase / (decrease) in cash and cash equivalents	**(257)**	**194**	**(1.671)**	**270**
Cash and cash equivalents at beginning of period	4.449	4.255	3.768	3.498
Cash and cash equivalents at end of period	**4.192**	**4.449**	**2.097**	**3.768**

The Board of Directors

Loukia-Tarsitsa P. Katseli	Non-Executive Member - Chairman of the BoD
Leonidas E. Fragkiadakis	Executive Member - Chief Executive Officer
Dimitrios G. Dimopoulos	Executive Member - Deputy Chief Executive Officer
Paul K. Mylonas	Executive Member - Deputy Chief Executive Officer
Stavros A. Koukos	Non-Executive Member
Efthymios C. Katsikas	Non-Executive Member
Petros K. Sabatacakis	Independent Non-Executive Member
Dimitrios N. Afendoulis	Independent Non-Executive Member
Spyridon J. Theodoropoulos	Independent Non-Executive Member
Aggeliki J. Skandaliari	Greek State representative
Charalampos A. Makkas	Hellenic Financial Stability Fund representative

Notes

1) The Auditor's Report includes emphasis of matter in which they draw attention to the disclosures made in Note 2.2. "Going concern" of the separate and consolidated financial statements which refer to the material uncertainties associated with the current economic conditions in Greece and the ongoing developments, that affect the banking sector and in particular its liquidity.Management concluded that the Bank is going concern after considering (a) its current access to the Eurosystem facilities, (b) agreement reached between the Institutions and the Hellenic republic in July/August 2015, (c) the Bank's and the Group's CET1 ratio of 31 December 2015 and (d) the expected positive impact on the Bank's and the Group's CET1 ratio from the remaining actions included in the Capital Plan, and in particular the completion of the disposal of Finansbank, expected by 30 June 2016.

2) The principal accounting policies that have been adopted are in accordance with the requirements of International Financial Reporting Standards ("IFRS") and are the same with those applied in the 2014 financial statements. Details are included in Note 2 of the annual financial statements as of 31.12.2015.

3) The Bank has been audited by the tax authorities up to and including the year 2010. Tax audit for the years 2009 and 2010 was finalized by the Greek Tax Authorities on 4 February 2015. According to the tax assessment notice received on 11 March 2015, an additional tax of €36 million was levied to the Bank of which amount of €27 million was paid while the remaining amount of €9 million was permanently waived by the tax authorities. For the subsidiaries and associates regarding unaudited tax years refer to Notes 47 and 24 respectively.

4) Cases under litigation or in arbitration as well as pending cases before the Courts or Arbitration Courts are not expected to have a material adverse effect on the financial position or operations of the Bank and the Group. As of 31.12.2015, the provisions recognized by the Group and the Bank, amounted to: a) for cases under litigation €62million and €41 million respectively, and b) for other risks €10million and €3 million respectively.

5) The number of Group and Bank employees as of 31.12.2015 was 33,975, (of which 14,141 relates to Finansbank personnel) and 10,723 respectively (31.12.2014: 34,129 and 10,205 respectively).

6) Related party transactions and balances as defined in IAS 24 are analyzed as follows: assets, liabilities, interest, commission and other income, interest, commission and other expense and off-balance sheet items with associated companies and joint ventures of the Group, as of 31.12.2015, amounted to €16 million, €46 million, €38 million, €8 million and €2 million respectively. The corresponding balances and transactions with subsidiaries, associated companies and joint ventures of the Bank as of 31.12.2015 were €3,357 million, €760 million, €126 million, €147 million and €2,704 million. Loans, deposits, letters of guarantee and total compensation of the members of the Board of Directors of the Bank, the General Managers and the members of the Executive Committees of the Bank, the key management of other Group companies, as well as the close members of family and entities controlled or jointly controlled by those persons amounted, as of 31.12.2015, to €100 million, €25 million, €10 million and €21 million respectively and for the Bank alone the corresponding amounts amounted to €99 million, €9 million, €3 million and €8 million. The total receivables of the Group and the Bank from the employee benefits related funds as of 31.12.2015, amounted to €781 million. The total payables of the Group and the Bank to the employee benefits related funds as of 31.12.2015, amounted to €149 million and €73 million respectively.

7) <u>Acquisitions, disposals & other capital transactions:</u>

(a) On 11 December 2014, the Board of Directors of the Bank and Ethnodata S.A., a wholly owned subsidiary of the Bank, agreed the merger of the two companies through absorption of the latter by the Bank. The merger date was agreed to be 30 November 2014 and accounted for at carrying values. On 30 March 2015 the merger between the Bank and Ethnodata S.A. was approved by the Ministry of Development.

(b) On 1 October 2015, the merger by absorption of the company NBG Pangaea REIC by the company MIG Real Estate REIC. The company has been renamed to "NBG Pangaea Real Estate Investment company", with distinctive title "NBG Pangaea REIC".

(c) Following the preliminary agreement dated 30.9.2014 with "Sterling Properties Bulgaria EOOD", member of Marinopoulos S.A. Group, the NBG Pangaea REIC, on 27.2.2015, acquired the 100% of the share capital of the newly established company "PLAZA WEST A.D." in Bulgaria. The acquisition price amounted to €11 million paid in cash, as determined by an independent appraiser. As certain terms of the Agreement were not met by the Seller by 30.09.2015, Pangaea proceeded with the unwinding of the acquisition. Details for the above transactions are included in Note 46 of the annual financial statements as of 31.12.2015.

(d) On 3 November 2015, the Bank's Board of Directors approved the plan to proceed with the disposal of its entire stake in Finansbank. On 21 December 2015, the Bank's Board of Directors approved the sale to Qatar National Bank ("QNB") of NBG Group's 99.81% stake in Finansbank A.S. together with NBG's 29.87% direct stake in Finans Leasing. Furthermore, on 18 January 2016, the Extraordinary General Meeting of the Bank approved the transaction. The agreed consideration for the transaction amounts to €2,750 million. The closing of the transaction is subject to customary regulatory and corporate approvals and is expected within the first semester of 2016. As a result, the investment in Finansbank qualifies to be classified as a disposal group held for sale on 3 November 2015. Furthermore, Finansbank meets the definition of a discontinued operation because it is a major line of business as defined in IFRS.

(e) On 21 December 2015, the Bank's Board of Directors approved the plan to proceed with the disposal of its entire stake in eleven Limited Partnerships ("the Funds") located in UK and held directly or indirectly by NBG and managed by NBGI PE Limited. On 2 February 2016 the Bank entered into a definitive agreement to sell the 100% of its interests in Funds to funds managed by Deutsche Bank Private Equity and Goldman Sachs Asset Management. The agreed consideration for the transaction amounts to €288 million. Details for the above transactions are included in Note 30 of the annual financial statements as of 31.12.2015.

8) Included in Notes 47 and 24 of the annual financial statements as of 31.12.2015, are the group companies consolidated, their country of residence, the direct or indirect participation of the Bank in their share capital and the consolidation method applied for each such company. For the period 1.1.-31.12.2015 the following changes occurred in the Groups' structure in relation to the corresponding period of the previous year:

(a) Fully consolidated:

From 31.12.2015 our indirect 99.81% subsidiaries PSA Finansman A.S. and 32.66% Quadratix Ltd are included in the financial statements for the first time while Finans Investment Trust is no longer included in the financial statements due to its liquidation. Furthermore MIG Real Estate REIC is merged with NBG Pangaea REIC.

(b) Equity method investments:

From 24 April 2014 It is not included the 35% equity method investment "AKTOR FACILITY MANAGEMENT S.A." due to its disposal and from 31 December 2014 the 59.97% equity method investment UBB-AIG Insurance Company AD has been reclassified to Non-current assets held for sale.

(c) There are no entities of the Group exempted from the annual statements as of 31.12.2015.

(d) There have been no changes in the method of consolidation since the previous annual financial statements.

9) "Other comprehensive income for the period, net of tax", of the Group, in the current period, is comprised of €(1) million relating to the movement of available for sale investments reserve, €(568)million relating to currency

translation differences, €38million relating to net cash flow hedge and €25 million relating to the remeasurement of the net defined benefit liability. The corresponding amounts for the Bank are comprised of €25 million relating to the movement of available for sale investments reserve,nil for the currency translation differences and net cash flow hedge and €18 million relating to the remeasurement of the net defined benefit liability.

10) As of 31.12.2015, the Group held 2,001,463 treasury shares with acquisition cost of € 1million approximately, while the Bank did not hold any treasury shares.

11) Other events:

According to article 5 of Law 3556/2007 and the decisions 6 and 7/448/2007 of the Board of Directors of the Hellenic Capital Market Commission ("HCMC"), as amended and in force, as well as the article 4.1.2 of the Charter of the Athens Exchange ("ATHEX")and the decision 25/17.07.2008 of the ATHEX, as amended and in force, it is hereby notified that The Bank's Board of Directors in its meeting on 09.12.2015 certified thatfrom the Bank's share capital increase with abolition of pre-emptive rights to existing shareholders in cashthrough the international process outside Greece to institutional and other eligible investors, the public offer in Greece and the participants in the liability management exercise and in kind through the mandatory conversion of liabilities of the Bank pursuant to the Cabinet Act no 45/7.12.2015 and the ESM bonds subscription by HFSF, in accordance with the resolutions of the ExtraordinaryGeneral Meeting of the Bank's shareholders held on 17 November 2015,7,307,907,231 new ordinary registered shares with voting rights were issuedandthe capital raised amounted to €2,192,372,169.30.

In addition, due to the issuance of Cabinet Act no 45/7.12.2015 all of the Bank's preference shares were mandatorily converted (in accordance with the relevant provisions of article 6a of Greek law 3864/2010) to 1,603,700,987 common shares of the Bank. As a result the total number of new ordinary shares issued by the Bank amounts to 8,911,608,218.

In addition, the Bank issued contingent convertible securities ("CoCos") in the name of HFSF for the amount of €2,029 million by issuing of 20,292 Cocos of 100,000 Euro each. In return for the shares and Cocos received, HFSF contributed to NBG bonds issued by ESM.

Details for the above transactions are included in Note 38 of the annual financial statements as of 31.12.2015.

Athens, 14 March 2016

THE CHAIR OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE DEPUTY CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER
LOYKIA – TARSITSA P. KATSELI	LEONIDAS E. FRAGKIADAKIS	PAUL K. MYLONAS	IOANNIS P. KYRIAKOPOULOS

REPORT OF FACTUAL FINDINGS ON AGREED UPON PROCEDURES ON COUNTRY BY COUNTRY REPORTING

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

We performed the agreed upon procedures, as described in our engagement letter dated 13 July 2015, with respect to the information included in the country – by - country reporting in accordance with the article 81 of L. 4261/2014 for the year ended 31 December 2015 (hereinafter "Country – by – country reporting")of National Bank of Greece S.A. (hereinafter "the Bank"), prepared by the Bank's Management in the context of article 89 of Directive 2013/36/EU as incorporated in Greek Legislation by article 81 of L. 4261/2014. In particular, based on article 89 of Directive 2013/36/EU transposed in Greek legislation by article 81 of L. 4261/2014, the Bank is required from 1 January 2015 onwards to disclose annually, specifying by Member State and by third country in which it has an establishment (hereinafter "country"), the following information on a consolidated basis for the financial year: i) name(s), nature of activities and geographical location; ii) turnover; iii) no of employees on a full time equivalent basis; iv) profit or loss before tax; v) tax on profit or loss; vi) public subsidies received.

The Management of the Bank has the responsibility for the preparation and fair presentation of the "Country – by – country reporting". Our engagement was undertaken in accordance with the International Standard on Related Services 4400 (ISRS 4400) applicable to "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information". Our responsibility is to perform the agreed - upon procedures listed below and report to you our factual findings.

Procedures performed

The agreed upon procedures performed are summarized as follows:

1. We traced and agreed the information regarding the names and geographical location of operations to Note 47 "Group Companies" to the Bank's published IFRS Financial Statements for the year ended 31 December 2015.

2. We traced and agreed the nature of activities of each company included in the Country – by - country reporting to its articles of incorporation or other relevant supporting documentation.

3. We traced and agreed the information in respect of each country regarding i) turn over ii) profit or loss before tax and iii) tax on profit or loss, to the accounting records of the Bank used for the purpose of the preparation of the Group IFRS Financial Statements for the year ended 31 December 2015.

4. We traced and agreed the information in respect of each geographical area of operations regarding total average number of employees on a full time equivalent basis during 2015 to the IFRS consolidation packages as of 31 December 2015, used by the Bank's Management for the purpose of preparing the Group Financial Statements.

5. We agreed the information in respect of received public subsidies to the Bank's accounting records as of 31 December 2015.

6. We verified the mathematical accuracy of the total amounts of items 3, 4 and 5 which are presented in the country – by – country reporting prepared by the Bank's Management.

We report our findings below:

a. With respect to Item 1, the information regarding the names and geographical location of the operations agreed to Note 47 "Group Companies" to the Bank's published IFRS Financial Statements for the year ended 31 December 2015.

b. With respect to Item 2, the nature of activities of each company included in the country – by - country reporting agreed to its articles of incorporation or other relevant supporting documentation.

c. With respect to Item 3, the information of each country regarding i) turnover ii) profit or loss before taxand iii) tax on profit or loss, agreed to the accounting records of the Bank used for the purpose of the preparation of the Group IFRS Financial Statements for the year ended 31 December 2015. Turnover as defined by the Bank includes net interest income, net fee and commission income, earned premia net of claims and commissions, net trading income / (loss) and results from investment securities, net other income / (expense) and share of profit / (loss) of equity method investments.

d. With respect to Item 4, the information regarding the total average number of employees during 2015 per geographical area of operations agreed to the IFRS consolidation packages as of 31 December 2015, used by the Bank's Management for the purpose of preparing the Group Financial Statements.

e. With respect to Item 5, the information regarding public subsidies agreed to the Bank's accounting records as of 31 December 2015.

f. With respect to Item 6, we verified the mathematical accuracy of the total amounts of items 3, 4 and 5 as above which are presented in the Country – by – country reporting prepared by the Bank's Management.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review we do not provide you with any further confirmation other than what is referred above.

Had we performed additional procedures or had we performed an audit or review in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Restriction on Use
Our report is solely intended for the purpose set forth in the first paragraph of this report and does not extend to any financial statements of the National Bank of Greece S.A., taken as a whole.

Athens, June 17, 2016
The Certified Public Accountant

Alexandra V. Kostara
SOEL Reg. No. 19981

Deloitte.

Hadjipavlou Sofianos & Cambanis S.A.
Societe Anonyme of Chartered Accountants & Business Consultants
Fragoklissias & Granikou Str. 151 25 Maroussi, Athens
Reg. No. SOEL: E 120

Country-by-country reporting in accordance with article 81 of Law 4261/2014 for the year ended 31 December 2015

Company	Country	Business activities
National Bank of Greece S.A. (Parent Company)	Greece	Banking institution
NBG Securities S.A.	Greece	Capital Markets & Investment Services
NBG Asset Management Mutual Funds S.A.	Greece	Mutual Fund Management
Ethniki Leasing S.A.	Greece	Leasing
NBG Property Services S.A.	Greece	Property Services
Pronomiouhos S.A. Genikon Apothikon Hellados	Greece	Warehousing services
NBG Bancassurance S.A.	Greece	Insurance Brokerage
Innovative Ventures S.A. (I-Ven)*	Greece	Venture capital
Ethniki Hellenic General Insurance S.A.	Greece	Insurance Services
Audatex Hellas S.A.*	Greece	Insurance Services
National Insurance Brokers S.A.	Greece	Insurance Brokerage
ASTIR Palace Vouliagmenis S.A.	Greece	Hotel Services
ASTIR Marina Vouliagmenis S.A.	Greece	Hotel Services
Grand Hotel Summer Palace S.A.	Greece	Hotel Services
NBG Training Center S.A.	Greece	Training services
KADMOS S.A.	Greece	Real Estate Services
DIONYSOS S.A.	Greece	Real Estate Services
EKTENEPOL Construction Company S.A.	Greece	Constrution Company
Mortgage, Touristic PROTYPOS S.A.	Greece	Real Estate Services
Hellenic Touristic Constructions S.A.	Greece	Real Estate Services
Ethniki Ktimatikis Ekmetalefsis S.A.	Greece	Real Estate Services
Ethniki Factors S.A.	Greece	Factoring
NBG Pangaea REIC	Greece	Investment Property Company
Karela S.A.	Greece	Real Estate Services
FB Insurance Agency Inc *	Greece	Insurance Brokerage
Probank M.F.M.C	Greece	Mutual Fund Management
Profinance S.A.*	Greece	Financial Services
Probank Leasing S.A.	Greece	Leasing
NBG Insurance Brokers S.A.	Greece	Insurance Brokerage
Finansbank A.S.	Turkey	Banking institution
Finans Finansal Kiralama A.S.	Turkey	Leasing
Finans Yatirim Menkul Degerler A.S.	Turkey	Investment Company
Finans Portfoy Yonetimi A.S.	Turkey	Mutual Fund Management
Finans Yatirim Ortakli?i A.S. **	Turkey	Investment Company
IBTech Uluslararasi Bilisim Ve Iletisim Teknolojileri A.S.	Turkey	IT services
Finans Faktoring Hizmetleri A.S.	Turkey	Factoring
E-Finans Elektronik Ticaret Ve Bilisim Hizmetleri A.S.	Turkey	E-Invoicing
PSA Finansman A.S.	Turkey	Financial Services
NBG Malta Holdings Ltd	Malta	Holding Company
NBG Bank Malta Ltd	Malta	Banking institution
United Bulgarian Bank A.D. - Sofia	Bulgaria	Banking institution
UBB Asset Management Inc.	Bulgaria	Asset Management Company
UBB Insurance Broker A.D.	Bulgaria	Insurance Brokerage
UBB Factoring E.O.O.D.	Bulgaria	Factoring
Interlease E.A.D., Sofia	Bulgaria	Leasing
Interlease Auto E.A.D.	Bulgaria	Leasing

Country-by-country reporting in accordance with article 81 of Law 4261/2014 for the year ended 31 December 2015

Company	Country	Business activities
Hotel Perun – Bansko E.O.O.D.	Bulgaria	Hotel Services
ARC Management Two EAD	Bulgaria	Special Purpose Entity
NBG Securities Romania S.A.***	Romania	Capital Markets & Investment Services
Banca Romaneasca S.A.	Romania	Banking institution
NBG Leasing IFN S.A.	Romania	Leasing
S.C. Garanta Asigurari S.A.	Romania	Insurance - Reinsurance Services
Egnatia Properties S.A.	Romania	Investment Property Company
ARC Management One SRL	Romania	Special Purpose Entity
Vojvodjanska Banka a.d. Novi Sad	Serbia	Banking institution
NBG Leasing d.o.o. Belgrade	Serbia	Leasing
NBG Services d.o.o. Belgrade	Serbia	Financial Services
Stopanska Banka A.D.-Skopje	F.Y.R.O.M.	Banking institution
NBG Greek Fund Ltd	Cyprus	Fund Investment Company
National Bank of Greece (Cyprus) Ltd	Cyprus	Banking institution
National Securities Co (Cyprus) Ltd *	Cyprus	Capital Markets Services
NBG Management Services Ltd	Cyprus	Management Services
Ethniki Insurance (Cyprus) Ltd	Cyprus	Insurance Services
Ethniki General Insurance (Cyprus) Ltd	Cyprus	Insurance Services
National Insurance Agents & Consultants Ltd	Cyprus	Insurance Brokerage
Quadratix Ltd	Cyprus	Investment Property Company
The South African Bank of Athens Ltd (S.A.B.A.)	S. Africa	Banking institution
NBG Asset Management Luxemburg S.A.	Luxembourg	Asset Management Company
NBG International Ltd	U.K.	Financial Services
NBGI Private Equity Ltd	U.K.	Private Equity
NBG Finance Plc	U.K.	Financial Services
NBG Finance (Dollar) Plc	U.K.	Financial Services
NBG Finance (Sterling) Plc	U.K.	Financial Services
NBG Funding Ltd	U.K.	Financial Services
NBGI Private Equity Funds	U.K.	Private Equity
Revolver APC Limited *	U.K.	Special Purpose Entity
Revolver 2008-1 Plc *	U.K.	Special Purpose Entity
Titlos Plc	U.K.	Special Purpose Entity
Spiti Plc	U.K.	Special Purpose Entity
Autokinito Plc	U.K.	Special Purpose Entity
Agorazo Plc	U.K.	Special Purpose Entity
NBGI Private Equity S.A.S.	France	Private equity
NBG International Holdings B.V.	The Netherlands	Holding Company
Nash S.r.L.	Italy	Real Estate Services
Fondo Picasso	Italy	Real Estate Services
Banka NBG Albania Sh.a.	Albania	Banking institution
NBG London Branch	U.K.	Branch of Greek banking Institution
NBG Cyprus Branch	Cyprus	Branch of Greek banking Institution
NBG Cairo Branch	Egypt	Branch of Greek banking Institution

* Companies under liquidation
** Company liquidated in December 2015
*** Company liquidated in January 2016

Country-by-country reporting in accordance with article 81 of Law 4261/2014 for the year ended 31 December 2015

	Turnover[1]	Profit before tax	Income tax	Employee number	Subsidies
	€ in million	€ in million	€ in million		€ in million
Greece	1.595	(3.404)	1.012	12.108	1
Turkey[2]	1.552	(1.574)	(32)	14.032	-
Malta	1	(1)	(1)	29	-
Bulgaria	186	30	(3)	2.621	-
Romania	57	-	-	1.306	-
Serbia	63	(10)	1	1.721	-
F.Y.R.O.M.	67	41	(4)	1.050	-
Cyprus	39	5	(1)	337	-
S. Africa	10	(2)	-	153	-
Luxembourg	2	2	(1)	-	-
UK	(78)	(259)	(4)	45	-
Italy	8	1	-	-	
Albania	10	2	(1)	303	-
Egypt	15	6	(1)	213	-
	3.527	**(5.163)**	**965**	**33.918**	**1**

[1] Turnover: Includes a) net interest income, b) net fee and commission income, c) earned premia net of claims and commissions, d) net trading income / (loss) and results from investment securities, e) net other income / (expense) and f) share of profit / (loss) of equity method investments

[2] Discontinued operations

INVITATION TO THE BANK'S ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON THURSDAY, 30 JUNE 2016, AT 11:00 HOURS
(1ST Repeat AGM: Thursday, 14 July 2016, 11:00)

Pursuant to Codified Law 2190/1920 ("the Companies Act") and the provisions of Law 2396/96 on dematerialized shares, and the Bank's Articles of Association (article 11) and following Board of Directors' resolution dated 26 May2016, the Shareholders of National Bank of Greece S.A., a banking corporation having its registered office at86 Eolou St., Athens, Greece, are invited to the Bank's Annual General Meeting ("AGM") to be held at 11:00 hours on Thursday, 30June 2016, at 93 Eolou St. (Megaro Mela), Athens.

AGENDA

1. Submission for approval of the Board of Directors Report on the Annual Financial Statements of the Bank and the Group for the financial year 2015 (1.1.2015– 31.12.2015), and submission of the respective Auditors' Report.
2. Submission for approval of the Annual Financial Statements of the Bank and the Group for the financial year 2015 (1.1.2015– 31.12.2015).
3. Discharge of the members of the Board of Directors and the Auditors of the Bank and of Ethnodata S.A. (absorbed through merger) from any liability for indemnity regarding the Annual Financial Statements and management for the year 2015 (1.1.2015– 31.12.2015).
4. Election of regular and substitute Certified Auditors for the audit of the Financial Statements of the Bank and the Financial Statements of the Group for the year 2016, and determination of their remuneration.
5. Approval of the remuneration of the Board of Directors of the Bank for the financial year 2015 (pursuant to Article 24.2 of Codified Law 2190/1920). Determination of the remuneration of the Chairman of the Board, the CEO, the Deputy CEOs and non-executive Directors through to the AGM of 2017. Approval,for the financial year 2015, of the remuneration of the Bank's Directors in their capacity as members of the Bank's Audit, Corporate Governance & Nominations, Human Resources & Remuneration, Risk Management, and Strategy Committees, determination of their remuneration through to the AGM of 2017 and approval of contracts as per Article 23a of Codified Law 2190/1920.
6. Granting of permission for Directors, General Managers, Assistant General Managers and Managers to participate on the Board of Directors or in the Management of NBG Group companies pursuing similar or related business goals,as per Article 23.1 of Codified Law 2190/1920 and Article 30.1 of the Bank's Articles of Association.
7. Election ofnew members to the Board and appointment of independent non-executive members pursuant to the provisions of Law 3016/2002, as amended.
8. Election of regular and substitute members to the Audit Committee.
9. Various announcements and approvals.

In the event that the General Meeting does not achieve the quorum required by law on 30 June 2016, the Shareholders are hereby invited to attend a 1st Repeat General Meeting on Thursday, 14 July 2016, at 11:00,at 93 Eolou St. (Megaro Mela), Athens.

The items on the Agenda of any Repeat General Meetings shall be as above, with the exception of those on which a relevant decision was taken.

In accordance with articles26.2, 26.2b and 28a of Codified Law 2190/1920, as amended and supplemented by, respectively, articles 3 and 6 of Law 3884/2010, the Bank informs shareholders of the following:

ENTITLEMENT TO PARTICIPATE IN THE GENERAL MEETING

Any person listed as a shareholder (i.e. holder of common registered shares of the Bank) in the registry of the Dematerialized Securities System managed by Hellenic Exchanges S.A. ("HELEX"), at the start of the 5th day prior to the date of the General Meeting, i.e. on 25 June 2016 ("Record Date"), is entitled to participate in the GM. Each common share is entitled to one vote.

In the event that a 1st Repeat General Meeting is held, any person listed as a shareholder, as above, on 10 July 2016, i.e. at a the start of the 4th day prior to the date of the 1st Repeat General Meeting of 14 July 2016 is entitled to participate in the said General Meeting.

The Hellenic Financial Stability Fund participates in the General Meeting as per Law 3864/2010, as amended.

Proof of shareholder status should be provided by presenting to the Bank relevant certification from HELEX or alternatively through direct electronic link-up of the Bank with the records of the Dematerialized Securities System of HELEX. The relevant written certification by HELEX or the electronic verification of shareholder status must have been received by the Bank by 27 June 2016 at the latest, i.e. on the 3rd day prior to the date of the AGM. The same deadline, i.e. the third day at the latest prior to the date thereof, also applies to the Repeat General Meeting. Specifically, with respect to the 1st Repeat General Meeting, the certification or verification of shareholder status must have been received by the Bank by 11 July 2016 at the latest.

Shareholders who are legal entities must also, by the same deadline, file, pursuant to the law, their legalisation documents, unless these documents have already been filed with our Bank, in which case it is sufficient to state where they have been filed in the relevant proxy form.

Shareholders who do not comply with the provisions of article 28a of Codified Law 2190/1920, as above, may participate in the General Meeting only after the Meeting has authorized them to do so.

To exercise the said rights, it is not necessary to block the shares or follow any other similar process that may restrict the ability to sell and transfer shares in the period between the Record Date and the AGM.

PROCEDURE FOR VOTING BY PROXY

The shareholder may participate in the AGM and may vote either in person or by proxy. Each shareholder may appoint up to 3 proxy holders. Legal entities may participate in the General Meeting by appointing up to 3 natural persons as proxy holders. However, if the shareholder owns shares in the Bank that are held in more than one Investor Securities Account, such limitation shall not prevent the shareholder from appointing, in respect of the AGM, separate proxy holders for the shares appearing in each Account. A proxy holder holding proxies from several shareholders may cast votes differently for each shareholder. Before the AGM commences, the proxy holder must disclose to the Bank any particular facts that may be of relevance for shareholders in assessing the risk that the proxy holder may pursue interests other than those of the shareholder. Within the meaning intended in this paragraph, a conflict of interest may arise in particular when the proxy holder: (i) is a controlling shareholder of the Bank or is another entity controlled by such shareholder; (ii) is a member of the Board of Directors or in general the management of the Bank, or of a controlling shareholder or an entity controlled by such shareholder; (iii) is an employee or an auditor of theBank, or of a controlling shareholder or an entity controlled by such shareholder; (iv) is a spouse or close relative (first degree) of a natural person referred to in (i) to (iii) hereinabove.

The appointment and revocation of appointment of a proxy holder shall be made in writing and shall be notified to the Bank in writing at least 3 days prior to the date of the AGM.

To participate in the General Meeting either in person or by proxy, shareholders are kindly requested to fill in and submit to the Bank the form "DECLARATION – AUTHORIZATION FOR PARTICIPATION IN THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF NATIONAL BANK OF GREECE TO BE HELD ON 30.06.2016, AND ANY REPEAT MEETINGS THEREOF". The Bank shall make available the said form on its website (www.nbg.gr) and through its Branch network. The said form, filled in and signed by the shareholder, must be filed with the Bank's Subdivision for Governance of NBG Shareholder Register & Shareholder Affairs (ground floor, 93 Eolou St., Athens) or any branch of the Bank's network, or, filled in and signed by the shareholder, sent by fax to +30 2103343404, 2103343406, 2103343410 and 2103343443, or by e-mail to inikol@nbg.gr at least 3 days prior to the date of the General Meeting. Shareholders should seek confirmation that the said form has been successfully received by the Bank by calling +30 2103343415,2103343421, 2103343422or 2103343411.

MINORITY RIGHTS

(a) If shareholders representing 1/20 of the paid-up share capital of the Bank so request, the Bank's Board of Directors is obliged to include additional items in the Agenda of the General Meeting, provided that the said request is communicated to the Board by 15 June 2016, i.e. at least 15 days prior to the General Meeting.The said request should be accompanied by justification or a draft resolution to be approved by the AGM and on 17June 2016, i.e. 13 days prior to the AGM, the revised agenda should be disclosed in the same manner as the previous agenda, and at the same time made available to shareholders through the Bank's website, along with the justification or draft resolution tabled by the shareholders, in accordance with the provisions of article 27.3 of Codified Law 2190/1920, as amended.

(b) If shareholders representing 1/20 of the paid-up share capital of the Bank so request, the Board of Directors shall, in accordance with the provisions of article 27.3 of Codified Law 2190/1920, as amended, make available to shareholders by 24 June 2016 at the latest, i.e. at least 6 days prior to the AGM, any draft resolutions on the items included in the initial or revised agenda, provided that the said request is communicated to the Board by 23June 2016, i.e. at least 7 days prior to the AGM.

(c) If any shareholder so requests, and provided that the said request is filed with the Bank by 25June 2016, i.e. at least 5 full days before the AGM, the Board of Directors is obliged to provide the AGM with information regarding the affairs of the Bank, insofar as such information is relevant to a proper assessment of the items on the agenda. The Board may decline to provide such information citing sufficient material grounds, and this should be recorded in the minutes. The Board may provide a single answer to shareholders' requests that are of similar content. The obligation to provide information does not apply in the event that such information is already available through the Bank's website, particularly in the case of frequently asked questions.

(d) If shareholders representing 1/5 of the paid-up capital of the Bank so request, and provided that the said request is filed with the Bank by 25June 2016, i.e. at least 5 full days prior to the AGM, the Board of Directors is obliged to provide the AGM with information on the course of the business affairs and financial status of the Bank. The Board may decline to provide such information citing sufficient material grounds, and this should be recorded in the minutes.

In all the aforesaid cases the shareholders making requests are required to prove their shareholder status as well as the number of shares they hold as at the time of exercising the relevant right. A certificate to this effect from HELEX or verification of shareholder status through direct online link-up between the records held by HELEX and the Bank may also serve as such proof.

AVAILABLE DOCUMENTS AND INFORMATION

The information required under article 27.3 of Codified Law 2190/1920, as amended, including the invitation to the AGM, the participation-proxy appointment form and the draft resolutions on the items of the agenda shall be made available in electronic form on the website of the Bank atwww.nbg.gr. Hard copies of the full text of the draft resolutions and any documents specified under article 27.3(c) and (d) of Codified Law 2190/1920, as amended, can be obtained from the

Bank's Subdivision for Governance of NBG Shareholder Register & Shareholder Affairs(ground floor of the Megaro Mela, 93 Eolou Str., Athens).

Athens, 26 May 2016
By order of the Board of Directors
The Chair of the Board

Louka T. Katseli

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