ANNUAL REPORT
2012

NATIONAL BANK
OF GREECE

GROUP FINANCIAL HIGHLIGHTS

Profit and loss account data (€ millions)	2012	2011	2010
Net interest income	3,365	3,843	4,148
Net fee & commission income	495	494	610
Earned insurance premia net of claims & commissions	131	147	76
Net trading income/ (loss) & results from investment securities	(588)	(29)	(138)
Net other income	(33)	(84)	(56)
Total operating income	3,371	4,371	4,640
Total operating expenses*	(2,335)	(2,541)	(2,512)
Operating profit/ (loss) before provisions	1,036	1,830	2,128
Loan loss provisions	(2,532)	(2,185)	(1,365)
Provisions for claims on the Greek Government not included in PSI+	(418)	(1,254)	(85)
Share of profit of equity method investments	2	1	2
Profit/ (loss) before tax and minorities	(1,911)	(1,608)	679
Taxes	(158)	63	(197)
Minorities	4	(19)	(35)
Non-cash charges	(27)	(30)	(41)
Income from the sale of Finans Pension	140	-	-
Impairment of Greek Government Bonds due to PSI+ (after tax)	(187)	(10,750)	-
Attributable profit/ (loss)	(2,139)	(12,344)	406

Balance sheet data (€ millions)	2012	2011	2010
Due from banks (net)	4,318	4,636	3,321
Loans and advances to customers (net)	69,135	71,496	77,262
Investment securities & financial assets	13,745	13,372	22,090
Other assets	17,601	17,228	18,072
Total assets	104,799	106,732	120,745
Due to banks	33,972	34,108	29,899
Due to customers	58,722	59,544	68,039
Debt securities in issue & other borrowed funds	3,772	3,440	4,432
Other liabilities	10,221	9,893	7,470
Total shareholder equity	(1,888)	(253)	10,905
Total equity and liabilities	104,799	106,732	120,745

Key figures and ratios	2012	2011	2010
Earnings (losses) per share (€)	(2.12)	(12.93)	0.46
Dividend per ordinary share (€)	-	-	-
Cost: Income	66%	58%	54%
Net interest margin	3.7%	3.7%	3.9%
Tier I CAD ratio**	7.8%	11.5%	13.1%
Tier I CAD ratio**	9.2%	12.6%	13.7%
Staff numbers (year end)	35,078	34,698	36,866

Credit ratings	Long-term	Short-term
Moody´s	Caa2	NP
Standard & Poor´s	CCC	C
Fitch Ratings	B-	B

* *Including other operating charges.*

** *The funds of 2012 have been recalculated on the basis of Act No 13/28.3.2013 of the Executive Committee of the BoG. The capital adequacy ratios for 2012 and 2011 include the sum of €9,756 million.*

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LETTER TO SHAREHOLDERS

Dear Shareholder,

For Greece and its banking system, 2012 marked a turning point. The necessary and unavoidable decision to restructure the sovereign debt transposed the greater part of the burden of the Greek economic rescue process onto the banks. The restructuring of the domestic banking system, which was essential in order for it to cope with the extremely stressed conditions, has brought about radical changes to its structure and operation. While the recapitalization of the banking system was immediately put into motion and the necessary funds were secured through the country's support program, the restoration of the capital position of Greek banks took second place to the avalanche of financial and political developments that dominated the greater part of the year.

The protracted negotiations required to complete the first review of the second economic support package served to amplify uncertainty, and forced the government sector to operate under economically difficult conditions for much of the year, as the scheduled economic support was delayed by over five months. A part of the funding needs was financed by Treasury bills—the refinancing of which was largely shouldered by Greek banks—while government spending was further slashed, thereby fuelling, in combination with the political uncertainty and contracting domestic demand, the recessionary dynamic.

Since the end of 2012 there have been clear signs of improvement in economic sentiment, reflecting the significant progress that has been made in fiscal adjustment— overperformance as regards the deficit target for the first time in many years—and the rapid correction of external imbalances, which translated into a substantial contraction in the current account deficit, which will be close to balance in 2013. Indeed, the greater part of lost competitiveness, in cost terms, has been regained, while there are also strong signs of recovery in the deposit base (sustained in Q1.2013), mainly due to returning funds that had fled the domestic banking system due to uncertainty. Judging by the markets and our partners, it is clear that there is now greater confidence in Greece's ability to meet its obligations and achieve a primary surplus, most probably from 2013 onwards. As far as implementation of structural changes and, above all, reversing the recessionary spiral of the economy are concerned, the challenges remain significant. A series of leading indicators, however, appear to suggest that a turnaround is not far away.

It is reasonable to expect the turnaround in economic performance to start with the banking sector, in view of the fact that banks are the key source of financing for economic growth. To play this role effectively, banks need to ensure that two key fundamentals are firmly in place: a satisfactory capital base, and sufficient liquidity. The successful completion of the recapitalization process by the country's core banks should resolve the first of these two issues, which since the outbreak of the global financial crisis has been the key focus of interest of regulatory and supervisory authorities.

The second crucial issue—liquidity—is recovering gradually, with the return of substantial volumes of deposits into the Greek banking system following the elections last summer and, at a more intense pace, from December 2012 onwards, as the Economic Support Program for Greece was put back on track, and as the crisis in the Cypriot banking system unwound. In addition, banks have regained access to relatively cheaper liquidity from the ECB, enabling them to shift from the Emergency Liquidity Assistance facility which they had to resort to for a large part of the year. In the meantime, Greek banks have been scaling down their funding from the ECB, and moreover, they now hold high quality debt instruments with which to draw liquidity either from the ECB or the markets.

Likewise, substantial progress has been made in the restructuring of the banking sector, both in terms of operating costs and the divestment of non-core assets. Note also that NBG and other Greek banks are engaged in more active liability management in the context of measures designed to enhance their capital.

The recent recapitalization of systemic banks secures the key tool they need in order to meet the challenges involved in revitalizing the Greek economy and improving the business climate. Indeed, a more positive story is finally becoming evident. Only with strong foundations will Greek banks be able to play their part in shaping the future of the economy.

With the support of its shareholders and staff, NBG will stand at the forefront of this national endeavour, true to its history.

George P. Zanias

Chairman of the Board

Dear Shareholder,

For much of 2012, the country and its economy laboured under extreme economic and political uncertainty, while the modus operandi of key economic institutions experienced significant changes. The intensification of the crisis left deep marks on the Greek economy, making the implementation of radical restructuring of its productive structures inevitable.

The unprecedented challenges faced by Greece on the fiscal level sent shock waves across the entire spectrum of the domestic banking business. Banks were required to manage the massive losses arising from the restructuring of the Greek sovereign debt, runs on deposits, and deterioration in asset quality.

NBG had to take on a series of immense challenges:

- The fifth consecutive year of recession led domestic NPLs to the high level of 24.3% in Q1.2013 from 13% at the end of 2011. In 2012, new loan delinquencies accelerated by 10 pps, leading to formation of provisions of circa €2 billion for the domestic portfolio. Note that for the years 2010-2012, NBG set aside some €5 billion in provisions for doubtful debts, thereby maintaining a high coverage ratio of 54%. It is significant that NBG has managed to absorb much of the losses arising from NPLs through its core profitability.
- Liquidity conditions were severely stressed, posting some improvement only in the second half of the year when the country's funding program was put back on track. For NBG (as for the other domestic banks) this meant a sharp increase in funding costs since it was forced to resort to costly emergency liquidity via the Emergency Liquidity Assistance (ELA), in view of the fact that the country was rated "Selective Default". We responded to this challenge by deposit gathering, deleveraging, and promoting the funding autonomy of our subsidiaries abroad.
- The pressure on core profitability made it more imperative than ever to intensify our cost cutting measures. It is noteworthy that NBG has succeeded in reducing domestic operating costs by approximately 20% cumulatively since the beginning of the crisis in 2009. It is also worth noting that our staff has accepted these hardships.
- The cost cutting measures were applied throughout the Group, with the exception of the Group's Turkish subsidiary Finansbank, which continues to post dynamic growth and contributes impressively to the Group's profitability. In the Southeast European countries, against a backdrop of high inflation, costs were actually compressed by 8% in 2012.

The discernible improvement in the economic climate and the recognition of the progress made by Greece in the spheres of competitiveness and structural reforms are gradually helping to stabilize the conditions in which we operate. Positive signs are already emerging: with the return of deposits and the slowdown in the pace of increase of loan delinquencies.

To conclude, the process of restoring the Bank's capital base entered its final phase in the spring of 2013, a challenging—in terms of scale and importance—endeavour. The moves to repurchase hybrid securities, as well as preference shares (ADSs) issued by the Bank in the US, serve to complement our efforts to strengthen our capital base.

Despite these headwinds, we are concentrating on the road ahead. We are carefully weighing the options open to us going forward, while adhering to our key strategic pillars:

- to defend our capital position;
- to improve the structure and cost of liquidity;
- to efficiently manage loans in arrears;
- to enhance profitable business lines and contain costs.

It is important that we focus on these actions, so that the sacrifices made so far by our shareholders, our workforce, and the Greek people more generally, will produce the desired result. For this reason we firmly believe that, together, we shall succeed in this endeavour to revive the economy and protect the interests of the Bank.

Alexandros G. Tourkolias

Chief Executive Officer

BOARD OF DIRECTORS

CHAIRMAN OF THE BOARD
(Non-executive member)
George Zanias
Professor of Economics at the Athens University of Economics and Business

EXECUTIVE MEMBERS

Alexandros Tourkolias
Chief Executive Officer

Petros Christodoulou
Deputy CEO

NON-EXECUTIVE MEMBERS

Ioannis Giannidis
Professor at the University of Athens School of Law and Legal Counsellor

Efthymios Katsikas
Employees' Representative

Stavros Koukos
Employees' Representative, President of OTOE

INDEPENDENT NON-EXECUTIVE MEMBERS

Stefanos Vavalidis
Former member of the Board of the European Bank for Reconstruction & Development (EBRD)

Spyridon Theodoropoulos
CEO, Chipita SA

Alexandra Papalexopoulou-Benopoulou
Member of the Board of Titan Cement SA

Petros Sabatacakis
Economist

Maria (Marily) Frangista
Managing Director, Franco Compania Naviera SA

REPRESENTATIVE OF THE HELLENIC REPUBLIC (Law 3723/2008)

Alexandros Makridis
Chairman of the Board & CEO of Chryssafidis SA

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

Charalambos Makkas
Economist

SECRETARY OF THE BOARD & BOARD COMMITTEES

Michael Frousios
Director of BoD Secretariat & Shareholder Services

Notes

The current BoD, whose term expires in 2016, was elected (except for the members appointed by the Hellenic Republic and the Hellenic Financial Stability Fund) by the 2nd Repeat Extraordinary General Meeting of Shareholders held on 23 November 2012, and was constituted into a body by resolution of the Board meeting of 23 November 2012.

In 2012, there were the following changes in Board membership:

- *Mr George Zanias resigned from his position as member of the Board on 25 May 2012.*
- *Mr Charalambos Makkas was appointed to the Board as representative of the HFSF on 11 June 2012.*
- *Messrs Ioannis Panagopoulos and Avraam Traiantafyllidis resigned from their position as Board members at the meeting held on 21 June 2012. At the same meeting, Messrs Efthymios Katsikas and Mr Stavros Koukos were elected to the Board as directors/employees' representatives in replacement of the said directors who resigned.*
- *The Chairman, Mr Vassilios Rapanos, the CEO, Mr Apostolos Tamvakakis and Deputy CEO Leonidas Theoklitos resigned from the Board at the meeting held on 28 June 2012. At the same meeting, in replacement of the said directors, Mr Alexandros Tourkolias was elected as Chairman and CEO, and Mr Petros Christodoulou as the sole Deputy CEO.*
- *Mr George Zanias was elected Chairman of the Board at the meeting held on 9 July 2012. At the same meeting Mr Alexandros Tourkolias was elected CEO.*
- *Mr Anthimos Thomopoulos resigned from his position as Board member at the meeting held on 8 August 2012.*
- *On 9 April 2013, H.E. the Metropolitan of Ioannina Theoklitos resigned from his position as non-executive Board member.*

In 2012, the Bank's Board met 28 times in total. 14.3% (2 out of 14) members of the Bank's Board are female.

NBG SENIOR MANAGEMENT

EXECUTIVE COMMITTEE

Chairman:

Alexandros Tourkolias - CEO

Members:

Petros Christodoulou
Deputy CEO

Damianos Charalampidis
Chief of Operations

Paul Mylonas
General Manager of Strategy & International Operations

Andreas Athanassopoulos
General Manager of Retail Banking

Dimitrios Dimopoulos
General Manager of Corporate Banking

Member without voting right:

Miltiadis Stathopoulos
General Counsel & General Manager of Corporate Governance

GENERAL MANAGERS

Aristotelis Karytinos
General Manager of Group Real Estate

Michael Oratis
General Manager, Group Risk Management Division

Marianna Politopoulou
General Manager, Group Retail Collections

Nelly Tzakou
General Manager, Group Head of Operations, Business Processes & IT

Leonidas Fragkiadakis
General Manager of Treasury & Global Markets

ASSISTANT GENERAL MANAGERS

Anthony Antonopoulos
Assistant General Manager, Group Human Resources

Panagiotis Georgiou
Assistant General Manager, Branch Network

Panos Goutakis
Assistant General Manager of Investment Banking

Andreas Exarhos
Assistant General Manager, Retail Banking

Ioanna Katzilieri-Zour
Assistant General Manager, Group Marketing and Communications

Angelos Katsikas
Assistant General Manager of Business Processes

Spiros Mavrogalos
Assistant General Manager, Group Procurement & Administrative Support

Vassilis Mitrakos
Assistant General Manager, NBG Staff Insurance Fund

Telemachos Palaiologos
Assistant General Manager of Security

Theofanis Panagiotopoulos
Assistant General Manager of Corporate Banking

Petros Fourtounis
Group Chief Audit Executive

Dimitris Frangetis
Chief Credit Officer

Nikos Christodoulou
Group CIO

FINANCIAL REVIEW 2012

Group losses in 2012 amounted to €2,139.5 million. These results reflect, above all, the deterioration in asset quality in Greece in the wake of extreme political uncertainty and the ongoing recession, leading to a peak in loan delinquencies. The decline in domestic net interest income, due to the higher cost of raising funds under the Emergency Liquidity Assistance mechanism (ELA), plus the reduction in the borrowing rates linked to Euribor, also had an adverse effect on the Group's bottom line.

The Group has responded to this highly stressed economic environment by adjusting its business model, and taking initiatives to fortify its capital position and balance sheet. Actions in this context included: the repurchase of part of the covered bonds and hybrid securities (Core Tier I capital of €302 million); the sale of a majority stake in the Group's insurance franchise in Turkey (profit before tax of €157.3 million); large reduction in domestic operating expenses and strengthening of the balance sheet with the formation of provisions amounting to €2.5 billion. The Group's strategy was accompanied by significant cost reductions in SE Europe (Bulgaria, Romania, Serbia, Albania, and the Former Yugoslav Republic of Macedonia) and even stronger earnings from Finansbank, which posted a net profit of €668 million in 2012.

The large reduction in domestic operating expenses was the result of a coordinated series of actions, including the signing of a Collective Labour Agreement providing for a reduction in employee salaries, and ongoing cost control at every level. Note that staff expenses have declined by 19% over the past three years, while general expenses and depreciation and amortization fell at the same rate. Efforts to cut back on operating costs continued in SE Europe also, with an annual reduction of 8.2%, and a cumulative reduction of 15% since the end of 2009. In Turkey, the increase in operating expenses remained moderate (up 13.5%, excluding non-recurring expenses), and was commensurate with the rate of inflation, the substantial expansion of the branch network, and the dynamic rise in operating income.

As regards liquidity, our strategy of self-funded subsidiaries abroad over the past two years has resulted in the closing of the funding gap of our SE Europe subsidiaries and independent access by Finansbank to the global markets. Particularly encouraging developments in the last quarter of the year included the lifting of Eurosystem restrictions on accepting Greek debt securities and collateral, the enhancement of assets that can be offered as collateral to the ECB through HFSF securities, and the gradual inflow of circa €2.0 billion of domestic deposits, which began after the elections. As a result of these developments, we anticipate significant strengthening of net interest income in the quarters ahead.

The deleveraging of the loan book led to an improvement in the liquidity ratio (loans-to-deposits) to 106.7% in December 2012, while in Greece the loan-to-deposit ratio stood at 99.0%, on the back of returning deposits in the second half of the year. There was also a significant 19 pp improvement in the loan-to-deposit ratio in SE Europe, which by the end of December 2012 had dropped to 113.4%.

The Greek economy faced unprecedented macroeconomic challenges against a backdrop of financial and political uncertainty that served to drag out the recession (GDP down by 6.4% year on year in Q4.2012, and down by more than 20% since 2009) and push up unemployment to levels not witnessed in the past 45 years (26.5% at the end of 2012), thus leading to deterioration in the quality of banks' loan portfolios.

The Bank's ratio of +90 dpd to total loans stood at 23.1%, compared with 13.0% in December 2011. The rapid rise of new loan delinquencies in Greece was caused by the significant deterioration in the country's macro-economic environment as well as by political instability and two rounds of elections that rekindled talk of the country's exit from the euro. Accordingly, NBG stepped up its provisioning levels, forming total provisions for 2012 of €2,026 million. The +90 dpd coverage ratio reached 53.3% at the end of 2012, which is deemed high in view of the solid level of collateral associated with these loans. In Q4.2012 there was a significant decline in the growth rate of delinquencies, and this trend continued in Q1.2013.

Net interest income (€1,782.5 million) in the domestic market declined by 30.1% year on year. Besides the key impact of the rise in the cost of Eurosystem funding and the decline in Euribor rates, interest income was also affected by the deleveraging of the loan book, the fallout from the bond exchange programme under the PSI+, and the unprecedented rise in non-performing loans.

The reversal of this climate can now be discerned—beginning with the gradual return of deposits, the significant reduction in funding costs with the switch back to ECB funding, and the decline in the rate of new loan delinquencies in Q4.2012 and through the first quarter of 2013.

The net profit of Finansbank increased by 82% year on year to TL1,545 million (€668.1 million) on the back of the strong performance of net interest income (up 39.5%) and fees and commissions (up 26.9%). In 2012, NII grew by 134 bps to 654 bps—mainly due to the decline in funding costs. The sale of a 51% stake in its insurance business Finans Pension in Q4.2012 strengthened the results of the Turkish group by circa €157 million.

Growth in operating costs (excluding non-recurring expenses) was contained at 13.5% year on year, despite the bank's network expansion program and the persistence of inflation at high levels. As a result, Finansbank's efficiency (cost/income) ratio improved to 42.0% as compared with 51.9% the previous year.

Total lending at Finansbank amounted to TL42.5 billion (€18.1 billion), up 15.5% year on year. +90 dpd loans increased marginally to 5.5% compared with 4.8% in 2011, as growth in credit expansion in Turkey was contained in order to avert an overheating of the economy.

Despite the strong lending growth, the bank's Capital Adequacy Ratio (CAR) stood at the robust level of 19.2%, the highest among its peers, strengthened by the sale of its insurance business in Q4.2012 and its growing profitability.

Finansbank's deposit pool was further enhanced as its total deposits grew by 20.2% year on year (including the TL2.9 billion bond issue). The growth of the loan book by 15.5%—tracking credit expansion in the Turkish banking market—led to a reduction in the loan-to-deposit ratio to 108.5%, compared with 113.2% in 2011, including the TL2.9 billion bond issue.

The successful raising of funds from the global capital markets was a key component in the bank's policy to diversify its funding sources. Accordingly, Finansbank raised funds totalling USD188 million and €212 million at Libor/Euribor +1.35% by means of a syndicated loan in which 21 banks participated. In addition, the bank successfully issued on the European market bonds amounting to USD350 million with a 5.15% coupon, notwithstanding the increased supply of similar bond issues by Turkish banks; it also securitized business claims worth circa USD150 million at Libor/Euribor +350 bps (approx.).

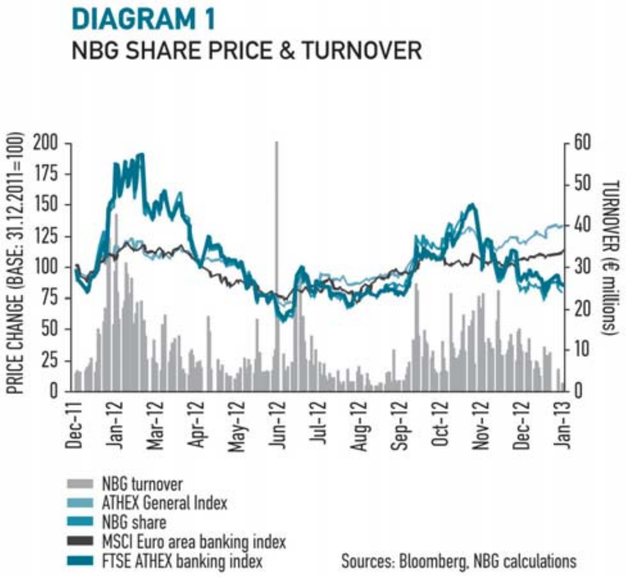
In SE Europe, stagnant economic activity and the slowdown in credit growth led to a decline in total lending after provisions by 8.2% year on year to €5.7 billion by the end of 2012. The 7.4% growth in deposits over the same period contributed to a further improvement in the loan-to-deposit ratio by 19.0 pps to 113.4% by the end of the year. In addition, it should be noted that by the end of Q3.2012 the funding gap of the Group's units in the region had been completely closed.

Net interest income posted a substantial decline of 24.6% year on year as a result of higher funding costs, cuts in lending rates, and the impact of deleveraging.

In 2012, operating expenses were further compressed, declining by 8.2%, year on year. Profits before provisions totalled €118.1 million, vs. €173.4 million in 2011, posting a decline of 31.9%.

Despite the adverse macroeconomic climate, the rate of deterioration in asset quality in SE Europe shows signs of stabilization, with a slowdown in new NPLs since the beginning of 2013 (just €22 million in Q4.2012 compared with €104 million in Q1.2012). Indeed, in Q4.2012 the pace of new NPLs slowed (up by just 0.2 pps to 23.3%) vs. the first three quarters of the year, during which the rate at which +90 dpd loan delinquencies were increasing was 1.1 pp per quarter. Provisions for NPLs grew by 3.8% on the previous year (€182.8 million)—but are likely to fall in 2013—thereby increasing the coverage ratio for NPLs to 49% from 46% a year earlier.

NBG SHARE



The climate of economic and political instability prevailing in the country, uncertainty about the success of the recapitalization process of Greek banks and the resulting lack of confidence among domestic and international investors caused bank shares, including NBG's share, to fall sharply for a fifth consecutive year. The limited rally following the formation of a coalition government in the middle of 2012 was not sufficient to reverse the overall picture of general decline year on year. NBG's share price displayed high volatility, peaking at €3.0 on 8 February 2012 and dipping to €0.9 on 5 June 2012, while its average annual price was €1.7 and its closing price at 31 December 2012 was €1.3. The annual standard deviation (ASD) of the NBG share price was 6.2% compared with 5.4% in 2011. The ASD of the Greek banking sector rose from 4.8% to 6.1%, while the change in the ASD year-on-year of the GI-ATHEX index was much smaller (2.5% in 2012, 2.4% in 2011).

NBG's market capitalization at 31 December 2012 was €1.2 billion, while its average market capitalization over the year was €1.7 billion. NBG's share of the total market capitalization of the Greek banking sector decreased by 43.9% in 2011 to 28.8% in 2012, while NBG's share of the total capitalization of the Greek stock market stood at 4.2%, compared with 5.8% in 2011. The total trading volume of the NBG share amounted to €2.5 billion, lower than the previous year (€4.7 billion), equivalent to 19.8% of the annual trading volume of the domestic capital market and 38.9% of the annual volume of transactions of the domestic banking sector, against 44.7% in 2011.

The stock's liquidity ratio (the ratio of the value of the stock's trading volume to average capitalization) for 2012 stood at 149%, far above the corresponding ratio (just 54%) for the GI-ATHEX.

TABLE 1

NBG STOCK MARKET DATA [1]

	2012	2011	2010	2009	2008
Year-end price (€)	**1.3**	1.6	6.1	15.4	10.4
Year high (€)	**3.0**	8.1	17.7	24.0	35.9
Year low (€)	**0.9**	1.4	6.0	6.9	8.8
Mean price for the year (€)	**1.7**	4.4	9.6	15.0	22.8
Yearly standard deviation for NBG share price (%)	**6.2**	5.4	3.8	4.0	4.4
Yearly standard deviation for banking sector (%)	**6.1**	4.8	3.4	3.4	3.4
Yearly standard deviation for ATHEX (%)	**2.5**	2.4	2.2	2.1	2.5
NBG market capitalization at year end (€ billions)	**1.2**	1.5	5.8	11.0	6.6
NBG-to-ATHEX market capitalization ratio at year end (%)	**4.2**	5.8	10.7	17.1	9.6
NBG-to-banking sector capitalization ratio at year end (%)	**28.8**	43.9	34.9	35.4	31.1
Annual trading volume (€ billions)	**2.5**	4.7	11.1	11.6	14.9
NBG-to-ATHEX trading volume ratio (%)	**19.8**	22.6	31.7	26.2	19.2
NBG-to-banking sector trading volume ratio (%)	**38.9**	44.7	52.0	41.4	38.8
Annual liquidity ratio: NBG (%) [2]	**149.2**	112.0	155.1	113.4	103.6
Annual liquidity ratio: banking sector (%)	**147.7**	87.4	99.6	96.6	77.7
Annual liquidity ratio: ATHEX (%)	**53.8**	46.5	54.2	70.4	62.7

Sources: ATHEX, Bloomberg, NBG calculations

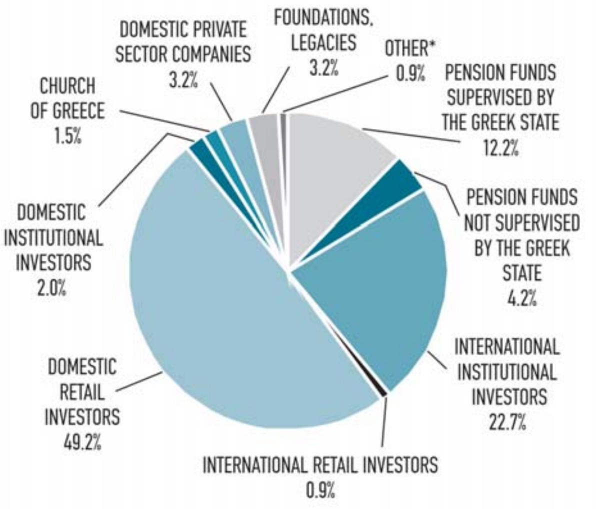
[1] *For ease of comparison, share prices have been adjusted to reflect capital increases of the past 5 years.*
[2] *Ratio of annual trading volume to average capitalization.*

SHAREHOLDER STRUCTURE

In 2012 no change occurred in NBG's share capital, which at 31 December 2012, as at 31 December 2011, was divided into: a) 956,090,482 common shares of a nominal value of €5 each, b) 25,000,000 redeemable non-voting preference shares without cumulative dividend rights, of a nominal value of €0.30 each, and c) 270,000,000 redeemable preference registered shares, under Law N.3723/2008, of a nominal value of €5 each.

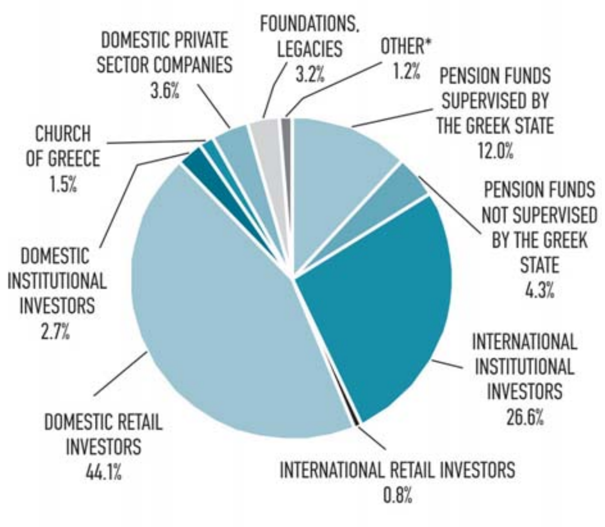
NBG's share capital had a widely dispersed shareholder base, spread across approximately 220,000 retail and institutional shareholders at the end of December 2012. No single shareholder owned more than 3.5% of the share capital. NBG's shareholder data indicate (DIAGRAM 2) that, as at 31 December 2012, 23.6% of its share capital was owned by international institutional and retail investors, compared with 27.4% a year earlier (DIAGRAM 3). The percentage shareholding of domestic retail investors increased substantially from 44.1% to 49.2% at the end of 2012, while by contrast the respective percentage of domestic institutional investors fell to 2.0% from 2.7% in 2011. The percentage shareholding of pension funds (supervised or not by the Greek State) remained virtually unchanged for the year.

DIAGRAM 2
NBG SHAREHOLDER STRUCTURE AT 31 DECEMBER 2012



* These include NBG subsidiaries, banks, insurance companies, hospitals, associations, etc.

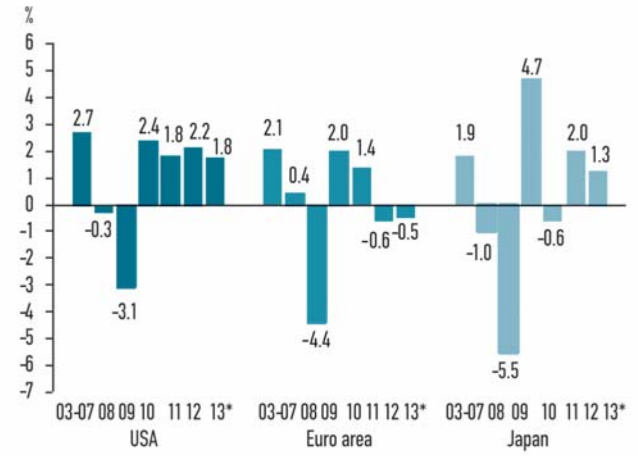
DIAGRAM 3
NBG SHAREHOLDER STRUCTURE AT 31 DECEMBER 2011



* These include NBG subsidiaries, banks, insurance companies, hospitals, associations, etc.

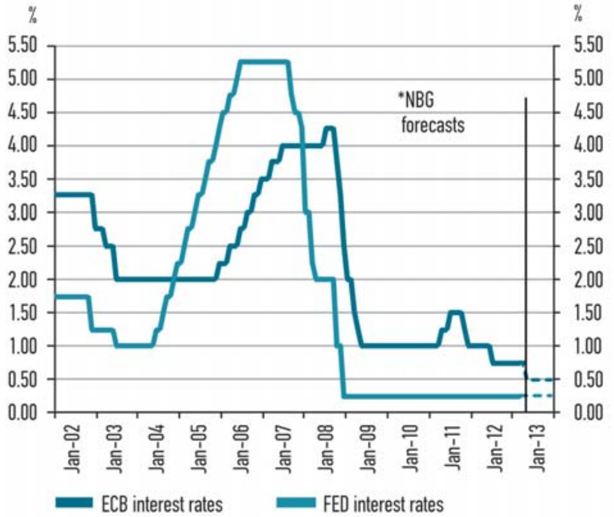
SECTION 1 FINANCIAL ENVIRONMENT

DIAGRAM 1.1.1
GDP GROWTH (YEAR-ON-YEAR)



*NBG forecasts Sources: Eurostat and US Bureau of Economic Analysis

DIAGRAM 1.1.2
SHORT-TERM INTEREST RATES



1.1 FINANCIAL ENVIRONMENT

In 2012, global economic activity slowed to an annual rate of 3.2%, from 4.0% in 2011, mainly due to the negative growth rate in the euro area. Specifically, the euro area economy contracted by 0.6% in 2012, from positive growth of 1.4% in the previous year (DIAGRAM 1.1.1), with Spain and Italy joining the rest of the peripheral euro area economies in recession (except for Ireland). The US economic recovery gained traction, expanding by 2.2% in 2012, from 1.8% in 2011, due to resilient domestic demand, a slow but steady improvement in the labour market and a stronger housing market recovery. The Japanese economy grew by 2.0% from -0.6% in 2011, as a result of the reconstruction activity that followed the disastrous Tohoku earthquake and the ensuing nuclear accident of 2011. Last, the pace of growth decelerated in 2012 to 5.1%, from 6.4% in 2011, across the board in emerging economies.

International oil prices declined in 2012, due to the slowdown in the global economy, which impacted negatively the demand for oil, and the weakening of geopolitical tensions in the Middle East and North Africa. Specifically, by the end of the year the price of crude oil retreated 7% to USD92 per barrel, from USD99 per barrel a year earlier. In terms of average price over the whole year, oil remained virtually unchanged at USD94 per barrel, from USD95 in 2011. The (average annual) prices of food and industrial metals declined by 5.6% and 15.1%, respectively, mainly as a result of slow global economic growth. In the developed economies inflation decelerated in 2012 to 2.0%, from 2.7% in 2011, while in the emerging economies it slowed to 5.9%, from 7.2% in 2011. By contrast, in the four key developing economies, core inflation (which excludes the particularly volatile component of food and energy prices) rose in 2012 to 1.6%, from 1.3% in 2011, though remaining at manageable levels, mainly because of the widening output gap and high unemployment.

Most central banks kept their monetary policy extremely loose in 2012. Specifically, in the US, the Fed expanded its Operation Twist program by USD267 billion by end-2012 and initiated a third round of quantitative easing targeting agency mortgage-backed securities at a pace of USD40 billion per month on an open-ended basis as well as a further expansion by USD45 billion per month targeting Treasuries to replace Operation Twist, by January 2013. Moreover, the Fed linked its interest rate policy guidance to quantitative targets for the unemployment rate and inflation, with 6.5% as a maximum threshold for the unemployment rate and 2.5%, for the one year ahead annual inflation rate. The ECB continued its liquidity assistance to the euro area banking sector through longer-term refinancing operations ("LTROs") in February, proceeded with a rate cut by 25 bps in its main refinancing rate, bringing it to 0.75% (and the deposit facility rate to zero) in July (DIAGRAM 1.1.2) and, most importantly, announced in September a second program (to replace the Securities Markets Program "SMP") of unlimited sovereign bond purchases in the secondary market (Outright Monetary Transactions/OMT) targeting government bonds with remaining maturity of 1-3 years for countries that apply for an EFSF/ESM program (European Financial Stability Facility / European Stability Mechanism program).

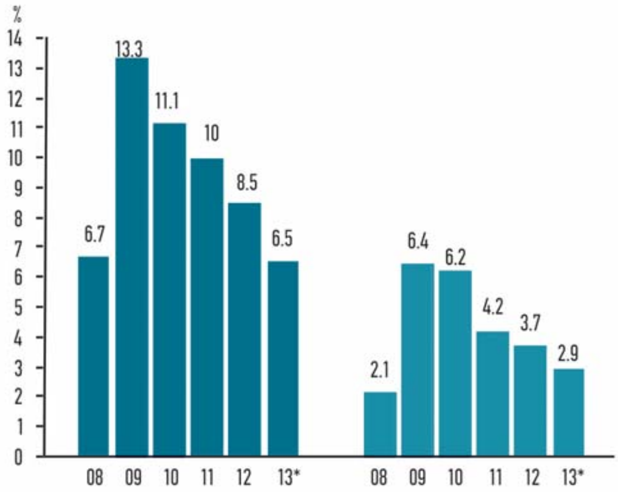
As regards public finances, the deficit-to-GDP ratio in the US declined to 8.5% in 2012, from 10.0% in 2011, while in the euro area it dropped to 3.7% in 2012, from 4.2% in 2011 (DIAGRAM 1.1.3), reflecting the intention of the relevant authorities on both sides of the Atlantic to adhere to the current course of fiscal adjustment.

Southeast Europe (SEE-5) and Turkey

The macroeconomic picture in Southeast Europe – 5 ("SEE-5", comprising Albania, Bulgaria, FYROM, Romania and Serbia) and Turkey was mixed in 2012.

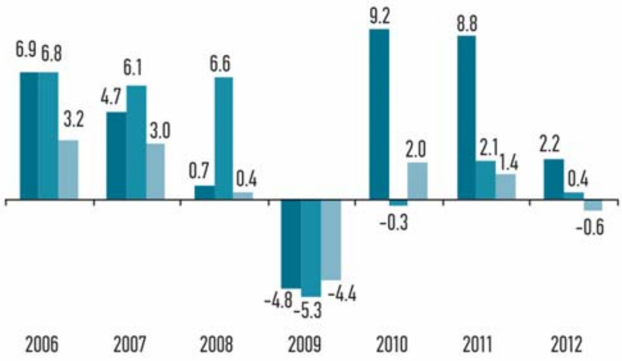
In Turkey, growth moderated sharply; however, external imbalances receded and the banking sector's performance strengthened further. The sharp economic slowdown was driven by weakening domestic demand, reflecting mainly tight liquidity conditions, as the authorities took measures to contain credit activity growth to 15% and to limit surging foreign capital inflows, in order to cool the overheating economy and avoid financial instability. As a result, real GDP growth eased sharply to 2.2% in 2012 from 8.8% in 2011 and the current account deficit, the "Achilles heel" of the Turkish economy, narrowed markedly to the manageable level of 6% of GDP in 2012 from 10% of GDP in 2011. Note that the improvement in the current account in 2012 was

DIAGRAM 1.1.3
BUDGET DEFICIT (% of GDP)



Sources: Eurostat and IMF *IMF forecasts

DIAGRAM 1.1.4
REAL GDP GROWTH (%)



Sources: NBG, National sources

DIAGRAM 1.1.5
CURRENT ACCOUNT BALANCE (% of GDP)

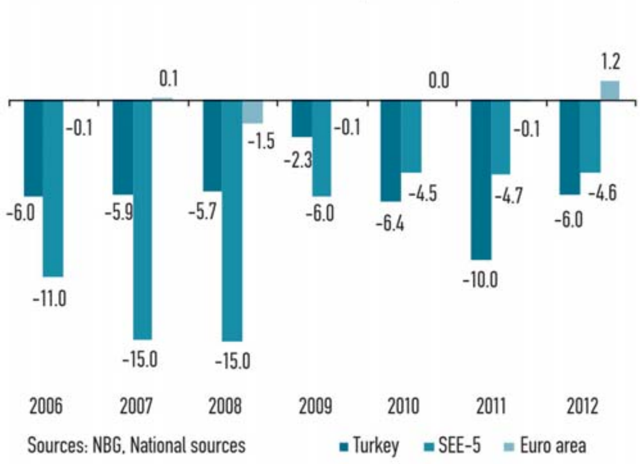
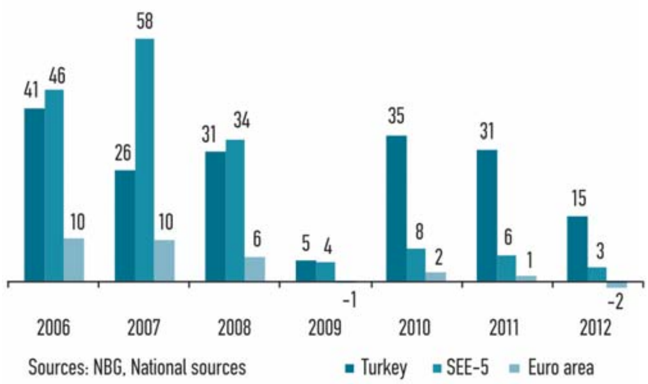


DIAGRAM 1.1.6
CREDIT EXPANSION TO THE PRIVATE SECTOR (y-o-y % change)



supported by gold (net) exports (1% of GDP), which cannot be sustained as Turkey is not a producer of gold.

Despite this backdrop of weak economic growth and tight liquidity conditions (reducing lending growth to 15.3% in 2012 from 31.4% in 2011), the Turkish banking sector managed to improve its already strong fundamentals and impressive performance. Specifically, the return on average equity ratio rose to 18.9% in 2012 from 18% in 2011, the ratio of NPLs to total loans remained broadly unchanged from their 2011 level of 2.8%, and the capital adequacy ratio improved further to 17.9% in 2012 from 16.6% in 2011, well above the statutory threshold of 12%.

In the SEE-5, economic activity decelerated and the banking sector performance deteriorated further; however, external imbalances receded. Subdued domestic demand and weakening external demand were behind the poor growth performance. The former reflected, inter alia, tight incomes and fiscal policy, lower foreign capital inflows, and weak credit activity, on the back of limited financing of the primarily foreign-owned banking sector by parent banks and tighter bank credit rules. The weak external demand was due to the return to recession of the region's main trading partner – the euro area. As a result, real GDP in the SEE-5 slowed to just 0.4% in 2012, following a recovery in 2011 (up 2.1%), while the adjustment in external imbalances, started in 2009 in the wake of the global economic and financial crisis, continued, with the current account deficit standing at the sustainable level of 4.6% of GDP.

The fundamentals of the SEE-5 banking sector weakened further in 2012, as i) economic activity weakened, ii) credit activity moderated (up only 3.1% in 2012, against 6.1% in 2011) on the back of banks' efforts to contain the deterioration of their asset quality and protect their capital, and iii) domestic and external financing became more expensive. Indeed, the bottom line stood at circa €100 million in 2012 compared with €400 million in 2011, the ratio of NPLs to total loans deteriorated further, ranging between 10.5% (FYROM) and 22.8% (Albania) in 2012, as against 9.9% (FYROM) and 19% (Serbia) in 2011, and the capital adequacy ratio weakened, ranging between 14.6% (Romania) and 17.1% (FYROM) in 2012 compared with 14.9% (Romania) and 19.1% (Serbia) in 2011.

1.2 THE GREEK ECONOMY

The Greek economy continued to face severe macroeconomic headwinds in 2012, as high uncertainty regarding the evolution of the Greek crisis, a protracted pre-election period and the recessionary impact of austerity measures underlying the fiscal adjustment strategy, eroded – for the greater part of the year – confidence gains that followed the approval of a new Economic Support Program for Greece in March 2012, and the successful completion of the ambitious sovereign debt restructuring with private sector involvement ("PSI") in April. Nevertheless, steady progress with regard to the implementation of the fiscal adjustment program and the successful completion – albeit after several months of delay – of the progress report by the troika at the end of 2012 served to improve the economic climate, which has gained even greater momentum in the beginning of 2013.

Greece underwent its fifth year of recession in 2012, with GDP contracting yet again, by 6.4%. This reflects the 9.4% decline in domestic demand. Specifically, consumer spending declined by 8.2%, while investment spending posted a significant slowdown (down 19% year on year). On the other hand, net exports of goods and services impacted positively on GDP, reflecting mainly the marked drop in imports (down 13.6%), as exports (at constant prices) posted a slight decline (down 1.9%). The current account deficit posted a significant decline (by 3.4% in 2012, compared with 9.9% in 2011), due both to the decline in net exports and the substantial improvement in the income account with the reduction in interest payments as a result of the more favourable financing terms (under the PSI).

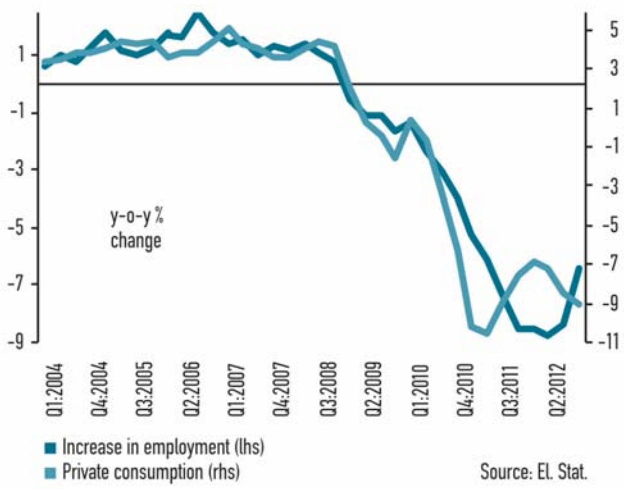
The strong recessionary pressures led to a further deterioration in the labour market. The unemployment rate for the year overall stood at 24.2%, while in Q4.2012 it reached 26%. Equally worrying was the 8% reduction in employment. However, it should be pointed out that a number of significant changes in the nature of labour relations have been introduced, as reflected in labour contracts – post-termination effects of CLAs, greater flexibility in the level and nature of employment – and labour costs, which have declined substantially to competitive levels. Ultimately, it is anticipated that the improvement in cost competitiveness will translate gradually into enhanced productivity and competitiveness of the economy and the creation of new jobs.

In addition, the recession led to a further decline in house prices, by 13.2% in 2012, while the cumulative decline in house prices from the historical high of 2008 through to Q4.2012 was 26.1%. The CPI rose by 1.5%, showing a sharper deceleration in the second half of the year, while the annual change in the harmonised

DIAGRAM 1.2.1
GREECE GDP GROWTH (%)

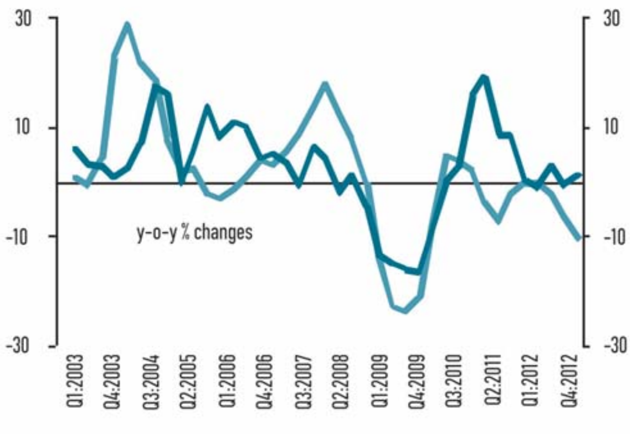
Sources: El. Stat., EU Commission, NBG

DIAGRAM 1.2.2
EMPLOYMENT & PRIVATE CONSUMPTION



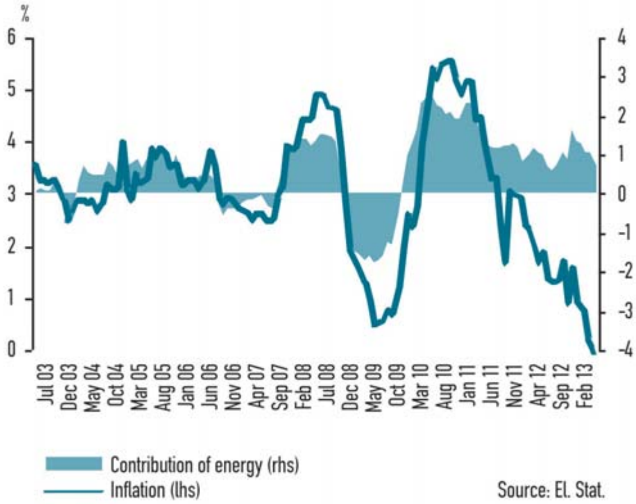
Source: El. Stat.

DIAGRAM 1.2.3
GREECE: EXPORTS OF GOODS & SERVICES
– Constant prices



Source: El. Stat.

DIAGRAM 1.2.4
INFLATION & ENERGY PRICES



Source: El. Stat.

index of consumer prices was below the euro area level (1% vs. 2.5%). The deflationary trends are more evident in the services sector, and show signs of strengthening in early 2013, as the annual impact of energy prices is likely to be more favourable in 2013, while the inflationary impact of higher taxes (the last being on heating oil) should have waned by the end of the current year.

In view of the unprecedented cumulative decline in economic activity, the recovery effort is particularly difficult and requires more time, as well as improved labour market conditions. Nevertheless, in 2012 Greece managed to make significant progress in reversing – to a significant extent – the highly negative climate, at least in terms of credibility and the implementation of commitments and consolidating the progress made in fiscal adjustment. This effort was given a decisive boost by the approval of the new Economic Support Program in March 2012, and the successful completion of the public debt restructuring (under the PSI) in April 2012. Indeed, the PSI brought about a substantial reduction in public debt, as well as the requirements for debt servicing, due to the substantial reduction in lending rates (average lending rate less than 3% per year, vs. 5% in 2011) and the lengthening of the debt term (from 10 to 30 years).

This positive trend was also given a boost with the signing of the agreement, in November 2012, with euro area partners and the IMF to give Greece additional debt relief with a view to counteracting the adverse impact of a sharper than expected deterioration in macroeconomic conditions. The new agreement on debt relief provides for lower interest rates and deferred interest and longer maturities on official loans, sufficient financing to cover the greater part of 2015, and the implementation of a voluntary debt buyback from the private sector. Greece carried out successfully the public debt buy-back tender process in December 2012. The deal aims to reduce the Greek debt-to-GDP ratio from around 175% of GDP in 2013 to approximately 124% by end-2020, and to below 110% of GDP in 2022. Greece's partners in the euro area have undertaken to provide further support so as to achieve a sustainable debt dynamic, provided the country manages to bring the primary fiscal balance into balance and move ahead decisively with the remaining structural reforms.

The successful meeting of budget targets, the gradual return of deposits, as well as the ongoing structural reforms have all laid the foundations for stabilization, in the first stage, of the economy, and forge the right conditions for growth. According to the final budget data for 2012 in the framework of the Excessive Deficit Procedure, which were submitted and approved by

Eurostat, the General Government deficit for 2012 reached 10% (including a net fiscal burden of 4% of GDP associated with government support for the banking sector), while the General Government debt stood at 156.9%, from 170.3% in 2011. In essence, the fiscal adjustment achieved in 2012 exceeded the targets of the Program, with the primary budget deficit standing at 1% of GDP (excluding the extraordinary cost of the support to the banking sector), vs. the Program's target of 1.5% of GDP. The remarkable progress in curbing government spending more than offset the continued pressure on revenue due to the recession and the slow rate of improvement in tax efficiency.

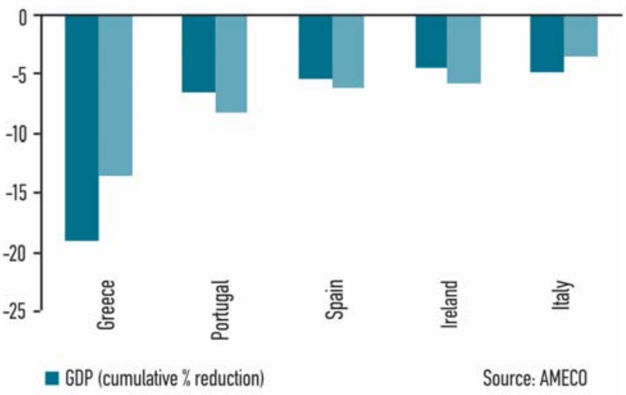
The challenge for 2013 is the gradual stabilization of the real economy. To do this it is necessary to secure liquidity, and to strengthen and develop the production base by supporting firms that can present innovative business plans and prospects of success, though they may be facing problems in the current economic juncture. Furthermore, it is necessary to foster plans and programs that will contribute to economic activity, so as to regain the competitive position of our country as well as the confidence of international markets.

Anticipated developments – Outlook

The successful completion of the 3rd Review in April 2013 and the disbursement of the associated funding package help to consolidate the favourable dynamic for the Greek economy that began at the end of 2012, and is reflected in the de-escalation of GGB yields, which fell from 34.8% in February 2012 to 11.9% in December of the same year and to less than 10% in the first four months of 2013. The economic climate, as reflected mainly in leading economic indicators, is improving steadily, while the recovery in confidence has led to a €10.6 billion increase in the retail deposit base, up by 6.3%, during the second half of 2012 and Q1.2013. Particularly encouraging signs from the tourism industry (forecasts for revenue growth of over 7% year on year), together with faster clearance of government arrears to the private sector (over 3.5% of GDP in 2013) and inflows of funding from Structural Funds and the European Investment Bank should put a significant brake on the recessionary spiral from Q3.2013 onwards, laying the foundations for a gradual recovery from 2014. However, the recessionary pressure from the fiscal measures and further reductions in wages, coupled with the continuing decline in employment, will put further pressure on domestic spending.

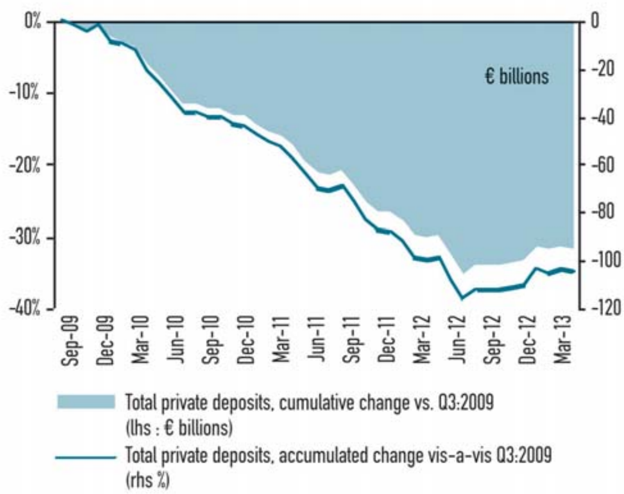
Specifically, GDP is expected to contract by about 4.5% year on year in 2013, although the quarterly rate of decline should decelerate gradually in Q3 and Q4.2013, creating the conditions for a recovery of GDP in 2014. Fiscal consolidation is likely to maintain its momentum in 2013,

DIAGRAM 1.2.5
IMPROVEMENTS IN BUDGET DEFICIT vs. CHANGE IN GDP



Source: AMECO

DIAGRAM 1.2.6
TOTAL PRIVATE DEPOSITS



Source: Bank of Greece

DIAGRAM 1.2.7
GOVERNMENT BOND YIELDS

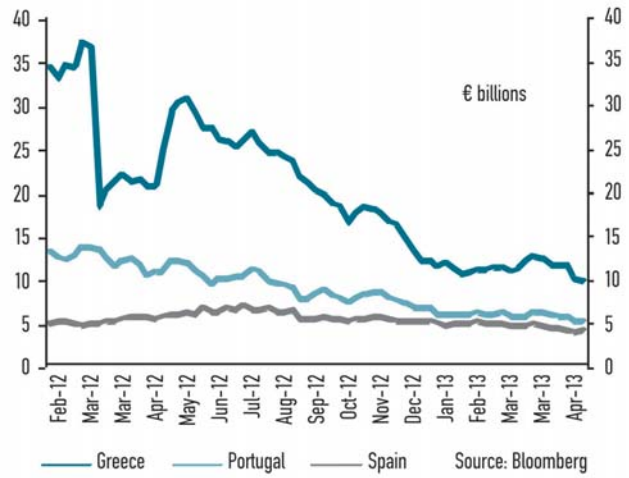
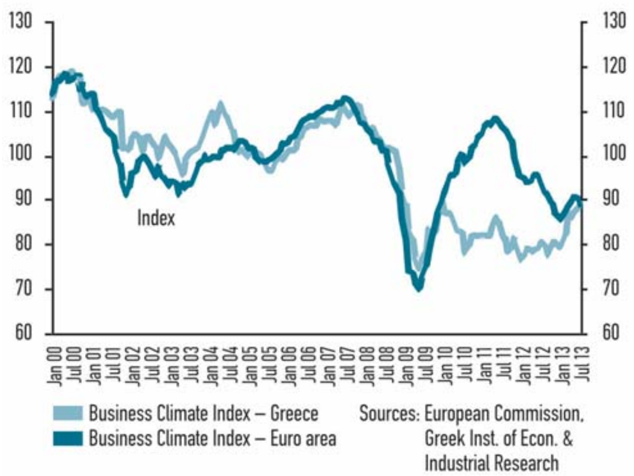


DIAGRAM 1.2.8
BUSINESS CLIMATE (COMPOSITE INDEX)



with the deficit forecast to be below 4% of GDP, based on a credible mix of new spending cuts and relatively realistic revenue targets backed by effective measures. Furthermore, the steady progress in structural reforms and a new start to the privatization process can provide additional impetus to the country's credibility, reducing recessionary pressures and gradually alleviating the high social cost of the recession.

1.3 GREEK BANKING SECTOR

In 2012 the Greek banking system remained under severe pressure in all key aspects of its business: capital, liquidity, asset quality and profitability. Sovereign and political uncertainty dominated the sector, liquidity conditions remained challenging through sustained outflows and cash burn in the first half of the year, while increased collateralization requirements of assets pledged to the Eurosystem and eventually the temporary ban on the ECB's acceptance of Greek sovereign paper and guarantees affected profitability significantly.

In the second half of 2012 conditions improved materially in the aftermath of twin elections that restored political stability and reduced dramatically the risk of a Greek exit, allowing the resumption of official program funding by the ECB, the IMF and euro area members. Also, liquidity conditions almost reversed through a substantial return of deposits, the significant reduction of haircuts imposed on collaterals, the lift of the ECB ban on the eligibility of Greek debt securities and guarantees used for refinancing purposes and the increase in Greek banks' effective collateral pool through the receipt of additional EFSF bonds used for their recapitalization.

In early December 2012, Greek banks took the decision to fully support the debt buy-back program of the Greek State, in which new GGBs acquired during the PSI+ were exchanged with EFSF bonds at about 1/3 of their nominal value. The incentive for Greek banks in foregoing the interest income of the exchanged securities as well as in crystallizing a significant loss at a period of distress was their determination to support the targeted public debt reduction. The success of the buy-back has contributed significantly to the sustainability of the public debt in line with the prescriptions of the earlier Eurogroup decisions, and has led to a green light for the release of program funds in excess of €50 billion. The disbursement included funds earmarked for the funding of the country's primary deficit, the reduction of arrears and the recapitalization of the banking system.

On the asset quality front, 2012 has been the worst year by far of the crisis with economic recession combined with sovereign uncertainty and perceived political instability creating an explosive mix that resulted in the creation of past due loans that exceeded even the most pessimistic forecasts by a wide margin. In 2012, banks had to incur provisions exceeding 4.5% of the domestic loan portfolios in just one year. Extremely high provisions and higher funding costs led to the reporting of substantial losses for the sector, despite concerted efforts to curb operating expenses.

2012 was a decisive year for the structure of the Greek banking system as long awaited mergers and acquisitions took place in response to the escalating crisis and ahead of the pressing need for recapitalization. Following an early 2012 strategic assessment of the Greek banking sector regarding the viability of banks commissioned by the Bank of Greece, viable and core banks were distinguished from non-viable ones with the former receiving capital support through program funds (EFSF bonds) and the latter opting for recapitalization by private shareholders or be subject to a resolution arrangement. The four core banks received an aggregate €27.5 billion in EFSF paper via the Hellenic Financial Stability Fund ("HFSF") thereby restoring capital adequacy levels above minimum regulatory levels.

The restructuring process has so far resulted in the reform of two State banks and two private banks (ATE Bank and Hellenic Post Bank, Probank and First Business Bank-FBB), the cease of operation of three cooperative banks (Achaiki, Lamia, and Lesvos-Limnos cooperative banks), and the absorption of three foreign-owned banks (Emporiki by Alpha Bank, and Geniki and Millennium by Piraeus Bank). The planned merger of NBG and Eurobank Ergasias was suspended due to the need to recapitalize the two banks separately. Unable to secure the minimum 10% private shareholder participation in the recapitalization process, Eurobank was fully recapitalized by the HFSF. Following the stormy events in the Cypriot banking sector in the spring of 2013, the healthy business of the three Cypriot banks operating in the Greek market (Cyprus Bank, CPB and Hellenic Bank) was transferred to the Piraeus Bank Group. Moreover, in May 2013, NBG absorbed the healthy business of First Business Bank–FBB.

Once the core banks have completed their rights issues and other capital enhancement initiatives, the Greek banking sector will be heavily occupied with executing multiple integration projects over a medium-term horizon that will yield benefits from the realization of synergies on the cost, funding and revenue sides for the new banking groups. With the flexibility provided by the new larger and more viable banking structures, Greek banks will be in a much better position to play their part in the national effort to put the economy back on the road to growth.

SECTION 2 ACTIVITIES OF THE GROUP IN GREECE

2.1 RETAIL BANKING

As at 31.12.2012, the Group's retail loan book before provisions amounted to €45,455 million, down by 3% year on year, of which €28,981 million concerned activities in Greece.

In 2012, the quality of the retail loan portfolio deteriorated due to the extremely adverse environment in Greece. NBG focused on rescheduling and collecting borrowers' debts so as to break the rise of delinquencies, a trend that became more discernible as liquidity conditions improved and economic uncertainty began to recede in the last quarter of the year.

Mortgage lending

In 2012 household finances were further stressed by tax increases and contraction of incomes, coupled with very high increases in unemployment. Activity in the real estate sector was low, as construction and related transactions slumped, while prices fell for the fifth consecutive year. As a result, mortgage lending posted a decline, in terms of both outstanding housing loans and new loans.

The Bank's mortgage lending balance fell by 4.6%, to €18.9 billion, tracking the general market trend. The fall in mortgage outstandings was impacted by the particularly low demand for new housing loans and the implementation of very strict lending criteria. Accordingly, new disbursements totalled just €50 million, against €300 million in 2011, and €1,415 million in 2010. The Bank's market share remained unchanged at 24%, still ahead of its peers.

The Bank's efforts focused on effective management of the existing portfolio in order to prevent further deterioration through the design and implementation of debt rescheduling packages, which for the most part offer lower instalments adjusted to the borrowers' financial status for a pre-agreed period of time. The rescheduling terms ensure normal repayment of the loans, thereby mitigating the risk for the Bank, in view of the fact that interest rates are kept at satisfactory levels and the collateral on the loans is enhanced. Large customers are handled by a special team at the Bank, which formulates the terms of the rescheduled financing on a case by case basis, depending on the borrower's financial status.

The Bank also enhanced its loan restructuring and rescheduling packages for unemployed customers, offering particularly favourable terms in the first years of the rescheduled loan term. In addition, acting proactively, it developed rescheduling packages for borrowers whose debts are only slightly in arrears, thereby seeking to reduce future problems. With these measures the Bank has covered the entire range of its customers, who have suffered a severe loss of income, with the launch and introduction of flexible tailor-made packages.

Based on the experience gained during the recent years of crisis and the new economic situation, the Bank optimized its customer evaluation systems, with the introduction of stricter credit score criteria and ratings.

The target for the year ahead is to continue improving the offering of loan rescheduling packages, adjusted to market conditions, the aim being to maximize revenue and contain the increase in delinquencies. Accordingly, the Bank will be prepared to address effectively any legislative changes that may occur in the near future regarding rescheduling of borrowers' dues.

Consumer lending

The Bank's coordinated efforts to support distressed customers continued in 2012. These efforts are particularly significant in view of the stabilization of the economy and, thereafter, recovery in activity. Specifically, the Bank:

- continued to offer debt rescheduling packages in order to establish realistic repayment schedules;
- enhanced measures to support unemployed borrowers by offering new consumer credit debt restructuring and rescheduling solutions, with an initial 2-year period during which just a part of the monthly instalment is paid;

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

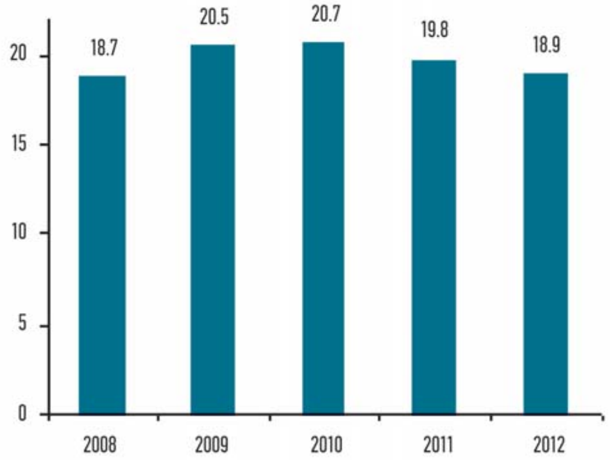


DIAGRAM 2.1.2
BANK MORTGAGE LOANS
(DISBURSEMENTS, RESCHEDULED LOANS - € BILLIONS)

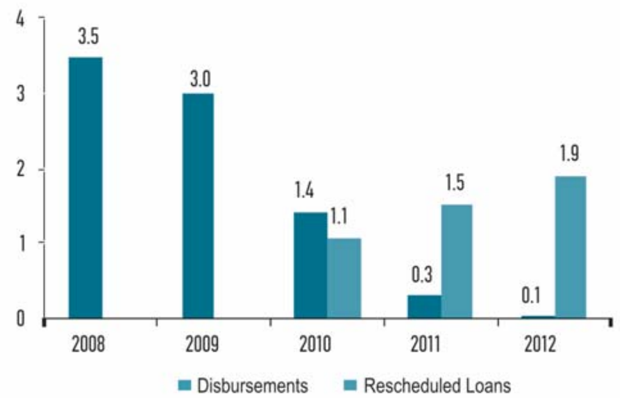
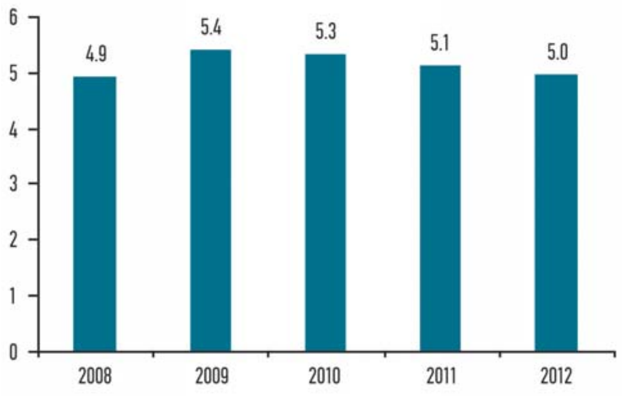


DIAGRAM 2.1.3
BANK CONSUMER LOANS
(BALANCES AT YEAR END - € BILLIONS)



- offered all the aforementioned packages with the option to register a prenotation on real estate. In this case, a much lower interest rate and the maximum repayment term are offered, the combination of which leads to a reduction of the instalment to a very low level, as well as the total cost of the credit, while at the same time it enhances customers' likelihood of meeting their loan repayment obligations. At an ever increasing rate, which now exceeds 32%, the Bank's customers are electing to offer a prenotation on real estate as collateral in order to improve the financial terms of their debt rescheduling;

- resolved customer cases that are not provided for under the conventional debt rescheduling framework through its Retail Banking Debt Rescheduling Committee, which has wide discretion in respect of loan restructuring matters;

- made serious efforts to deal with customer cases that resorted to the provisions of Law 3869/10 on over-indebted households. The aim of these efforts is to find a mutually acceptable solution on an extrajudicial basis, so as to contain the mounting number of debtors filing requests for judicial settlement of debts.

At the same time, NBG, besides the environmental policy it implements, encourages its customers involved in environmental actions to play an active role in the protection of the environment by choosing environment-friendly energy forms and technology, offering them a full range of products aimed at financing green actions. In this context, the Bank holds 1st place as regards the number of applications and volume of disbursements in the "Energy-Saving at Home" program, designed to encourage green upgrade of residences, with an immediate benefit for households due to the reduction in the annual cooling and heating expenditure. Four banks participate in the program, while NBG has secured via open public tender 40% of the total funding for its customers.

Credit cards

In 2012, the Bank focused on improving liquidity by encouraging customers to use debit cards in their daily transactions and by cleaning up its credit card portfolio and offering restructuring packages to customers presenting a high likelihood of default.

More specifically, in 2012, the Bank launched "Your small change turns to gains", a transaction reward program via its ETHNOCASH debit card, aiming to encourage customers to use their cards for purchases, by debiting directly the deposit account, instead of withdrawing cash from ATMs. In addition, the Bank expanded the use of

ETHNOCASH to online purchases using a personal security code.

By taking these initiatives the Bank has laid the foundations for establishing its debit card as a state-of-the-art payment instrument in daily transactions—convenient for both consumers and retailers—which will help stimulate the market and enhance retailers' efforts to get back to business growth.

With regard to its credit card portfolio, the Bank stepped up its efforts to assist its customers by providing debt rescheduling products under privileged terms, as well as other measures to avert the likelihood of future default.

In addition, NBG focused on qualitative expansion of its credit card portfolio by supporting reward and cash-back programs, placing particular emphasis on its "go" cards and "go National" customer loyalty program that enable cardholders to enjoy cash bonuses and special offers via partner retailers.

For instance, throughout the year the Bank offered its special "go National" discount programs that enable customers to enjoy instant gains on the purchase price of a wide range of goods and services (clothes, shoes, household equipment, gifts, electrical appliances, food, fuel, recreation, medical services) from popular stores and franchises.

Furthermore, as part of its social responsibility actions, the Bank launched its "go for Kids" program from 01.12.2012 to 15.01.2013, by which the Bank gives a part of its card turnover to support non-profit organizations such as The Smile of the Child, MDA Hellas, ELEPAP, the Hatzikyriakeio Childcare Institution, the Hatzikonsta Foundation, SOS Children's Villages, the Theotokos Foundation, IAKE, Margarita and Pisti, which support children and young people in vulnerable social groups.

In 2013, the Bank aims to launch tailor-made products and services for consumers, further develop its loyalty programs, and consolidate the use of its debit cards as a payment instrument for shopping.

Lending to small businesses

NBG offered liquidity to small and medium businesses (SMEs) through the following co-funded programs, which grant credit to SMEs at low rates of interest:

- The JEREMIE initiative, which seeks to cover the needs of SMEs for working capital and the acquisition of fixed assets. These loans are funded jointly, 50% by the European Investment Fund via the NSRF 2007-2013, and 50% by means of NBG funds.

DIAGRAM 2.1.4
BANK CREDIT CARDS
(BALANCES AT YEAR END - € BILLIONS)

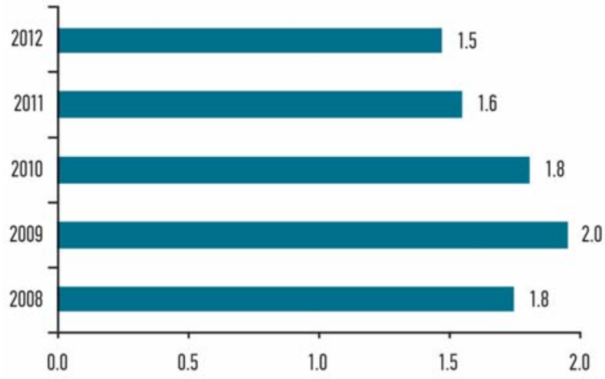
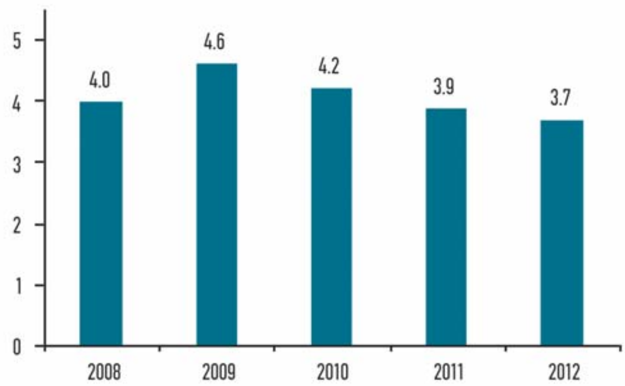


DIAGRAM 2.1.5
BANK LENDING TO SMALL BUSINESSES WITH TURNOVER BELOW €2.5 MILLION (BALANCES AT YEAR END - € BILLIONS)



- The ETEAN SA Programs, and specifically:
- Action C: "Youth Entrepreneurship", set up for the financing of investment plans under Investment Law 3908/2011.
- Action E: "Thematic Tourism, Desalination, Waste Management, Green Infrastructures, Green Applications, RES", for financing investment plans that are included in EPAN II programs or other business programs, or which are not included in any state aid program, whose purpose is primarily to finance Renewable Energy Sources (RES). The results so far have been good.

The Bank also continued to grant liquidity to businesses and thereby support their activities, arranging for rescheduling of debts that are in an early stage of default, while continuing to help customers repay their obligations by means of various rescheduling and restructuring programs.

In addition, the Bank offers financing to individuals and legal entities who wish to invest in RES and, specifically, in power generation through photovoltaic systems.

In the area of procedures and computer systems:

- The system for the "Management of SME Loan Requests" has been deployed, for electronically forwarding and approving credit loan requests, and
- At the beginning of 2012, the "CRM – Customer Management" system was launched, for customer debt rescheduling and restructuring, with the transmission of reporting, monitoring and evaluation of operations, both on an aggregate basis and per customer, for the entire retail segment.

2.2 BUSINESS BANKING

The business loan portfolio in Greece presented deleveraging (-18.4%) year on year, while the Bank's total loans outstanding to businesses with turnover over €2.5 million stood at €15.4 billion (DIAGRAM 2.2.1).

Corporate lending

The recession in 2012 took a heavy toll on the Bank's corporate loan book.

The Bank sought to assist businesses in their efforts to meet their obligations in the face of the ongoing crisis and accordingly implemented a policy for rescheduling the loan repayments of businesses experiencing liquidity problems, under terms adjusted to the needs of each corporation.

In light of the increased need for restructuring of a large number of corporate loans, the Bank was particularly active in coordinating and organizing syndicated solutions, by means of a special purpose team. More specifically, it launched 62 new syndicated loans, while it amended the terms of several existing syndicated financing arrangements.

NBG continued to channel support to specific sectors of the economy, such as RES. In 2012, NBG approved financing of projects of a total of circa 48MW power capacity.

Total lending to corporations amounted to €6 billion, unchanged from the previous year. Financing to NBG Group subsidiaries headquartered in Greece also remained unchanged from 2011, at €1.1 billion.

Financing to the wider public sector declined by 54.6% to €1.6 billion, due to the impact of the PSI+, while financing to corporations overseas declined by 21%.

Last, financing to the Group's subsidiaries headquartered abroad was further reduced in line with efforts to enable them to meet their own funding needs on an independent basis.

Project finance

In 2012 the project finance portfolio posted a marginal decline, mainly due to the upfront payment of financing for a project abroad. On the other hand, the project finance portfolio in Greece grew by 13%, mainly reflecting the Bank's participation in the financing of a cutting-edge project (and the largest of recent years) in the real estate sector in Greece (construction of a bioclimatic building housing COSMOTE's head office). This year negotiations between the Hellenic Republic, concessionaires and lending banks should bear fruit, thus enabling construction of four motorways to continue, while boosting the domestic project finance portfolio over the next two to three years. In addition, it is expected that Public-Private Partnership (PPP) projects should gain momentum in the year ahead (particularly in the area of waste management) with concomitant need for related funding arrangements.

Developments in the lending portfolio are set out in the TABLE 2.2.1.

DIAGRAM 2.2.1
BANK LENDING TO BUSINESSES WITH TURNOVER OVER €2.5 MILLIONS (BALANCES AT YEAR END - € BILLIONS)

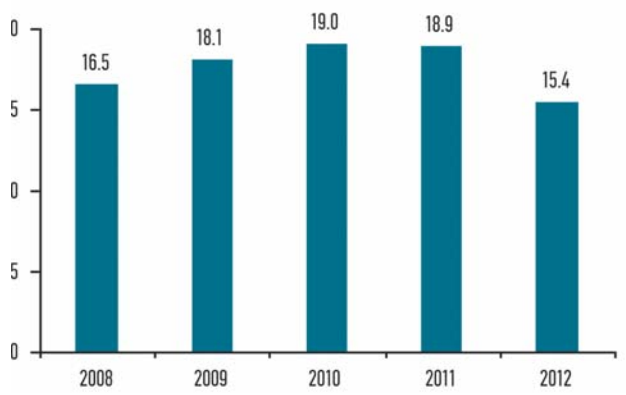


TABLE 2.2.1

PROJECT FINANCE

€million	31.12.2011		31.12.2012		Change 2012/2011
	Number of projects	Outstanding loans (€ million)	Number of projects	Outstanding loans (€ million)	
Loans to domestic projects	7	€89.3	9	€101.0	+13.1%
Loans to projects abroad	13	€364.7	12	€329.0	-9.8%
	20	**€454.0**	**21**	**€430.0**	**-5.3%**

Consulting services to the Greek government and private bodies in the sphere of concession projects and PPPs experienced stagnation in 2012, as a result of the adverse economic climate.

As of December 2011, the Bank, in its capacity of "Urban Development Fund (UDF)", undertook the management of funds of the European Structural Funds as part of the JESSICA project (Joint European Support for Sustainable Investment in City Areas Initiative) totalling €83.3 million, targeting the regions of Attica, the Ionian Islands and Western Greece, and the Environment and Sustainable Development Plan. During the period 2012-2015, these funds, along with the funds from the Bank and other private sources, will be used to finance eligible urban development projects. This activity should generate substantial revenue for the Bank in the form of management fees.

In 2012, 15 investment proposals were submitted for inclusion in UDF financing, with a total budget of €244.6 million and funding requested from the UDF amounting to €101.6 million.

Lending to medium-sized businesses

Within the severe economic conditions prevailing in Greece in 2012, our strategic focus with regard to medium-sized businesses was to provide support for their business plans in the face of the ongoing crisis.

To this end, credit frameworks have been arranged for the purpose of providing the liquidity needed to sustain the operations of business customers, following a careful analysis of all the key parameters suggesting that the firms in question present positive prospects that a minimum level of activity and performance can be maintained, this being a precondition for their medium-to-long-term solvency.

NBG continued to provide financing for business activity, focusing primarily on financing for firms that have already opened up to markets outside Greece and where they now conduct almost all their sales, under good transactional terms, as well as for firms active in the trading and processing of agricultural produce for export. In addition, it continued—on a rationalized basis—to provide financing for business plans that involve investments in photovoltaic energy generation.

The Bank was also particularly active in arranging loan restructuring for customers facing liquidity problems but who are able to demonstrate their long-term viability. To do this, it implemented business restructuring plans which are designed jointly with the businesses in question. The restructuring was carried out with a view to improving the ratio of risks to collateral and rationalizing the pricing of the loans.

Deleveraging in the relevant loan portfolio in 2012 was due, on the one hand, to the reduction in business lending needs within an environment of falling demand, contracting activity and company policies designed to reduce operating costs, and on the other, to the efforts of sound businesses to stabilize or reduce their external borrowing.

While many sectors have been severely afflicted by the current crisis, the Bank's policy choices in the development of its credit relationships as well its support for healthy businesses—backed by the Group's cutting-edge banking culture—have proved to be of sound quality.

Leasing

The slowdown in economic activity and the negative rates of credit expansion had a significant negative impact on the leasing sector, due to customers' declining liquidity, reluctance to develop investment plans, and increased delinquencies.

Against this backdrop, Ethniki Leasing continued the portfolio deleveraging process, its leases outstanding falling by around 9.5% (€621 million in 2012, compared with €686 million in 2011). Nevertheless, new financing remained at almost the same level as in the previous year, reflecting our efforts to generate new investments and support viable customers.

In light of the general adverse circumstances, Ethniki Leasing enhanced its capital position by increasing its share capital by €45.8 million, with the process reaching completion on 31.12.2012. As a result, both its total equity (€81.5 million in 2012, against €24.8 million in 2011) and capital adequacy ratio (at circa 16%) increased significantly.

Despite the ongoing deterioration in the economic climate, the company's main priority was to sustain its core income and step up efforts to control operating costs. The company's core earnings before provisions, depreciation and tax were positively affected by the increase in net interest income as a result of re-pricing of existing agreements. However, core income was negatively impacted by increased handling costs of customers in litigation (increased taxes, maintenance expenses, insurance premiums etc, for real estate and dismantling, transport, storage costs for equipment).

At the same time, substantial cost containment efforts were made, following reductions in 2011. Accordingly, payroll costs were reduced significantly, with a 10% reduction, applied as of April 2012, in the gross salary of staff on dependent-labour contracts. In addition, certain operating expenses were reduced (including software maintenance and expenses for consumables and stationery). This reduction was offset by impairments in the value of investment property and equipment.

Shipping

In 2012, as the financial environment deteriorated and shipping activity contracted for the third consecutive year, the Bank continued its long tradition of supporting Greek-flagged shipping, offering new financing arrangements—on a selective basis—to existing customers, with a reduced financing percentage and increased pricing. At the same time, efforts were made to enhance collateral and the normal servicing of the shipping loan portfolio. Likewise, when needed, it arranged rescheduling of loan instalments.

Against this backdrop, the quality of the loan portfolio remained satisfactory with the coverage ratio (loans-to-collateral) standing at 115%. 48% of the shipping portfolio corresponds to loans for vessels under 5 years old, while the average age of the mortgaged fleet is 12 years.

As at 31.12.2012, shipping financing amounted to USD2.3 billion vs. USD2.4 billion a year earlier. The greater part of the loan book concerns dry cargo vessels (42%) and tankers (33%).

At the same time, the Bank managed to sustain the deposit base of its shipping customers, and continued to improve the factors shaping net interest income in its loan book.

Global transaction services

The recession and concerns about continued Greek membership of the euro area in 2012 took a heavy toll on the flow of Greece's cross-border commercial activity. Because trading partners are reluctant to accept Greek country risk, transactions are carried out under adverse payment terms and at higher cost.

By leveraging the extensive network of its correspondent banks abroad, its strong relationships with key international financial organizations and its presence in SE Europe, NBG has managed to ensure the maximum possible smooth servicing of its customer transactions. In addition, the Bank's active participation in negotiations between the parties, coupled with a wide range of flexible solutions for financing trade and receivables, served to generate successful results.

NBG's distinction as "Greece Best Trade Finance Bank 2013" awarded by Global Finance magazine reflects the emphasis placed by NBG on this area, and in particular export business, which comprises a key pillar for Greek economic recovery.

While the economic backdrop was extremely severe, NBG nevertheless stood by its institutional role and continued to lend support to outward-looking Greek businesses, helping them to gain a firmer foothold in overseas markets and enabling them to keep their supply and financial chain flowing smoothly.

With regard to liquidity, the Bank, through its business liquidity management services, offers to its corporate customers state-of-the-art solutions with detailed analysis of their account activity and the payment flows required, thereby enabling them to optimize their available resources and access funds. These services are of vital importance at these difficult times for credit access and help to reinforce long-term working relationships between the Bank and its customers.

Managing loans in arrears

In 2012, NBG stepped up its efforts to achieve the best possible yields for the liquidation and settlement of its portfolio of business NPLs.

Accordingly, the Bank:

- focused on developing an effective strategy for the liquidation of receivables in order to deal with new, increasingly complex cases, which usually need to be addressed on a case by case basis;
- endeavoured to achieve out-of-court settlements/ workouts;

- continued to improve operational structures by concentrating and reallocating resources, controlling costs, and forging economies of scale.

These actions were taken within a deteriorating economic climate, the impact of which has been severe for those debtors already in default while also generating new weaknesses and loan repayment problems, consequently leading to a rapid rise in the number of loan delinquencies. In addition, the constantly changing legal and regulatory framework restricted the Bank's ability to move ahead with liquidation of claims through the courts.

2.3 ASSET MANAGEMENT

Deposits – Investment products

As at 31.12.2012, NBG's deposits outstanding declined 8% to €38.7 billion, in line with the general market trend. Despite this development, however, NBG's market share posted marginal growth, both in respect of total deposits (+0.02%, from 22.36% to 22.38%), as well as in the various individual categories: +0.87 in first demand deposits (sight and current deposits +2.29 and savings deposits +0.79) and time deposits +0.01.

With regard to its deposit mix, NBG managed to maintain its comparative edge vs. its peers in terms of cost (ratio of time to savings deposits: 1.12 to 1, vs. 2.76 to 1 at the other banks).

Regarding the products, the Bank continued to market the following:

- "NBG Sight Account", launched for SMEs and self-employed individuals, offering special privileges and free transactions.
- "Salary Plus", "Business Plus", "Farmers Plus", "Student Life" and "Family Fast" deposit accounts, aimed at specific customer profiles.
- "Monthly" 6-month and 12-month time deposits, "Capital Plus" guaranteed initial capital investment products, enhanced with the following new guaranteed initial capital products: "Capital Plus 5Y Zero Coupon – Callable", "Capital Plus NBG 3X2", "Capital Plus NBG 4X2", "Capital Plus Up EUR/USD" and "Capital Plus Down EUR/USD".

Notably, the Bank stepped up its efforts to attract salaried employees of the public sector and public entities (especially municipalities), as well as private sector employees. It also continued to service farming subsidies, by crediting accounts of beneficiaries, and to further penetrate the said customer category by forging successful collaboration with farmers' cooperatives.

As part of its ongoing efforts to enhance its services, the Bank created a new single application and agreement form for opening a savings, current or sight account, obtaining EthnoCash Plus or EthnoCash Plus Business cards, and for signing up for its alternative delivery channels. Likewise, the time required for handling the relevant procedures was reduced significantly by expanding the use of the new CRM system.

In 2012, the Personal Banking customer base—which includes customers with balances over €60,000—was expanded. Personal Banking posted a particularly strong performance, in line with the Bank's strategy:

- 425 accredited Personal Banking officers handled funds worth €13 billion, thereby playing a decisive role in sustaining the Bank's liquidity and enhancing its capital adequacy.
- 29 new branches were added to the Personal Banking network in 2012 so that a total of 117,000 customers at 354 branches enjoy this privileged service.
- The Personal Banking officers managed approximately 46% of total funds under management at NBG branches and over 80% of time deposits held by retail customers.
- The sale of products at special privileged prices has been promoted.
- A survey analyzing special characteristics of customers was carried out and the specifications for specially designed products that will adopt the brand name of this business area were established.

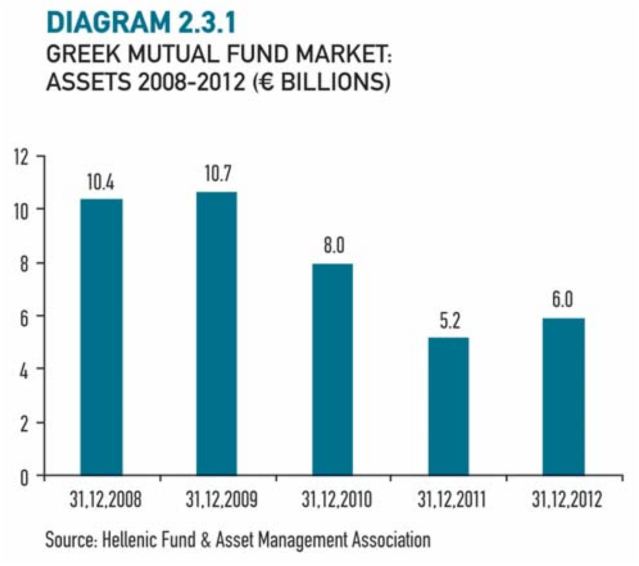
Mutual funds

In 2012, total Mutual Fund (MF) assets in the domestic market increased by €719 million (+13.7%) to €5.95 billion (DIAGRAM 2.3.1), despite the economic uncertainty and the ongoing recession, while total outflows contracted by 76% compared with 2011.

NBG Asset Management Mutual Funds SA manages 21 DELOS Mutual Funds and 3 SICAV funds of NBG International, which is registered in Luxembourg. The clientele consists of over 50,000 shareholders, 60 of whom are institutional investors—pension funds and organizations. It offers a wide range of UCITs and geographical zones, thereby covering a large part of its clientele's investment activities.

TABLE 2.3.1

Category		MF Name	2012 yields		
			MF	Index	Spread
Bonds	Domestic	DELOS INCOME	72.33%	66.91%	5.42%
	International	DELOS EUROBOND	21.93%	16.85%	5.08%
		DELOS USDBOND	16.65%	9.11%	7.54%
		DELOS USD	15.52%	4.55%	10.97%
	Non-government investment grade	NBG INCOME PLUS B	5.92%	4.59%	1.33%
Equities		DELOS BLUE CHIPS	35.76%	33.43%	2.33%
	ETF Index	NBGAM ETF GREECE & TURKEY 30	58.66%	53.41%	5.25%
		NBGAM ETF ATHEX General Index	35.30%	33.43%	1.87%
	Developed Markets	NBG EUROPEAN ALLSTARS B	16.86%	13.79%	3.07%
Mixed		DELOS SUPPLEMENTARY PENSION - MIXED DOMESTIC	42.86%	29.24%	13.62%
		DELOS COLLECTIVE – MIXED DOMESTIC	40.29%	28.63%	11.66%
		DELOS STRATEGIC PLACEMENTS - MIXED INTERNATIONAL	18.36%	11.35%	7.01%
Fund of Funds	Mixed	DELOS SYNTHESIS BEST YELLOW	8.09%	6.97%	1.12%
		DELOS SYNTHESIS BEST GREEN	6.30%	5.56%	0.74%
	Bonds	DELOS SYNTHESIS BEST BLUE	4.88%	4.18%	0.70%
A/M	Asset Management	DELOS MONEY PLUS	2.76%	0.24%	2.52%



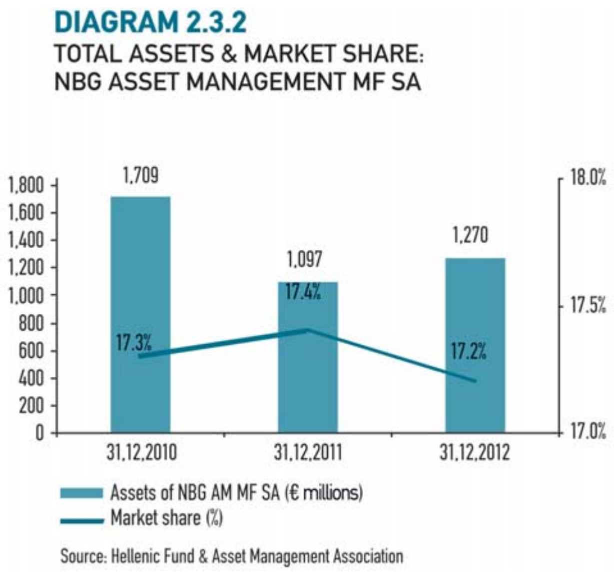
Total assets at NBG Asset Management deriving from mutual funds and portfolio management amounted to €1.27 billion, up 15.8% at the end of the year. The assets of the order books of retail and institutional investors increased by 30%, while funds under management at the end of the year amounted to €246 million. The market share of MFs stood at 17.2%, unchanged on the previous year. (DIAGRAM 2.3.2).

According to data of the Hellenic Funds & Asset Management Association, in 2012 the mutual funds managed by the NBG Group gained distinguished places in the Greek market. Its European AllStars B MF product gained first place in the Developed Markets Equity Funds. Its DELOS Eurobond product also gained first place in International Bond Funds. Likewise, the negotiable NBGAM ETF Greece & Turkey 30 and NBGAM ETF ATHEX General Index gained the first two places in the Equity MF Index.

Note that 83% of MFs and 78% of retail and institutional order books outperformed their benchmarks (TABLE 2.3.1), vs. 38% and 65%, respectively, in 2011.

Private Banking

In 2012, within an extremely harsh environment, international money markets were troubled by instability in the euro area and fiscal problems in the US, while money markets in emerging economies managed to sustain, to some degree, their growth rates.



Against this backdrop, NBG Private Banking managed to retain the confidence of customers, providing information on economic developments and offering the most beneficial investment options. Capital outflows continued in 2012, as customers, confronted by a climate of uncertainty and instability, preferred to move their funds abroad. Likewise, they continued to avoid undertaking investment risks.

Capital outflows peaked in May-June 2012, while following the formation of a coalition government the trend declined and some deposits were repatriated. Against this difficult backdrop, funds under management posted a further decline of 5% year on year, to €1,800 million. The trend of capital repatriation, which is still continuing, albeit slowly, reflects the strong position of NBG's Private Banking arm in Greece, being the first choice of Greek investors.

The overview of NBG's performance in 2012 confirms that the foundations of its Private Banking business are strong and reliable. Its business model gives it the flexibility to respond effectively to the particularly difficult conditions prevailing in the country, while meeting the needs and profile of each and every customer.

2.4 INVESTMENT BANKING

NBG provides a wide range of investment services in the fields of consulting services, capital markets and debt issuance.

In 2012, the Bank was involved in the field of consulting services, acting as Advisor to:

- the Hellenic Republic Assets Development Fund (HRADF), in carrying out the tender process for the acquisition of the right of exclusive use, management and exploitation of the block of buildings of the former International Broadcasting Center (IBC);ATEBank, for the sale of its shareholding in DODONI SA;
- the Board of Rilken SA vis-a-vis the Mandatory Offer of Henkel Hellas; and
- the Public Power Corporation with regard to its purchase option right on DEPA.

In addition, NBG continued to act as Advisor to HRADF, in the context of the privatization program (Athens International Airport, OPAP, government property development, the Public Power Corp), and to non-listed and ATHEX-listed companies, including consulting services on company restructurings. The Bank's activities in other sectors were limited, as the ongoing financial crisis has led to a significant decline in demand for services in the areas of capital markets and debt issuance.

Treasury

For yet another year, Greece and the Greek banking system had to deal with a great many challenges amid global economic turbulence. In March 2012, NBG participated in the PSI+ as developed by the Hellenic Republic and its euro area partners. Despite the implementation of the program, markets continued to perceive instability, particularly in the political environment (elections April–June 2012), and as a result the basket of 20 new bonds which derived from the PSI ended up trading at 13% of its nominal value (May 2012). In the meantime, the rate of deposit withdrawals from banks accelerated causing deposit balances to hit a record low in mid June 2012.

Despite the turbulence, NBG managed to maintain its leading role, both in the bond market and the liquidity products market (savings, sight, time deposits, Capital

Plus). Specifically, its market share remained unchanged year on year, while it succeeded in keeping the cost of deposit products low vs. competition. The successful design of the Capital Plus range of products in terms of structure and pricing led to a 140% increase year on year in the respective balances, with a simultaneous reduction in weighted cost and increase in average duration.

During the second half of the year, there was an improvement in sentiment for the first time since 2009, as the prices of new GGBs moved up from the very low levels of June and certain funds—mainly in the form of time deposits—started to revive.

Expectations surrounding the sovereign debt repurchase program led to a further improvement in economic conditions. The Hellenic Republic bond buyback program took place in December 2012. NBG participated with its entire portfolio, thereby playing a key role in the successful outcome of the program.

In addition, the Bank consolidated its role as a Primary Dealer of bonds issued under the euro area Support Mechanisms (EFSF and ESM), actively participating in all the syndicated issuances and auctions of bonds and T-bill of the said organizations.

Lastly, NBG sustained its participation in the issuance of Greek T-bills, thereby contributing to the uninterrupted funding of the country's short-term needs.

Brokerage

The severity of the economic crisis took a heavy toll on the Greek stock market in 2012, as both average daily trading volumes and the ATHEX general index (ATHEX-GI) tumbled, particularly during the first eight months of the year. The average daily trading volume for 2012 was €51.9 million, down by 37.0% year on year. In the period January to August 2012 the average daily trading volume was €45.0 million, while during the last four months of the year it rose to €65.7 million. At the end of 2012, the ATHEX-GI stood at 907.9 units, up by 33.4% year on year. However, during the course of the year the ATHEX-GI moved at very low levels. For example, at 6 June 2012 the index slumped to 476.4 points.

The activity of foreign institutional investors was significantly lower, at 29.0% of the ATHEX compared with 42.4% a year earlier. The activity of remote members was also significantly lower at 14.1% compared with 19.2% the previous year.

These developments had a general negative impact on the turnover of brokerage business. Nevertheless, the

Group's brokerage arm, National Securities SA, ranked second (vs. third in 2011) with total trading of €3.2 billion and a 12.3% market share.

In view of the close correlation of the company's revenue with the prices of shares listed on the ATHEX, as well as the likelihood that the economic crisis will persist, the company continued the program initiated in 2010 to streamline its operating costs.

The company continued to act as a market maker in all listed derivative products and all key stocks traded on the ATHEX, having gained substantial shares and quality ratings, providing uninterrupted liquidity and serving the wider market.

There was a sharp contraction of investment interest in the derivatives market in the first half of 2012, though towards the end of the year it picked up slightly. Dealings in futures contracts tended to monopolize investor interest to the detriment of the large caps index. Despite the adverse circumstances, in 2012 National Securities SA ranked second in respect of total market share of the FTSE20 index, at 23.1%. Furthermore, it ranked second in most futures contracts on stocks.

In 2012, the analysis department further enhanced the quality and range of its products. Currently, strategic analysis is offered on the market, while more detailed information as well as secondary analysis on international markets are provided on a daily basis. Communication with foreign institutional investors was enhanced further, as part of the Bank's efforts to effectively promote NBG products to this category of customers.

Our main goals in 2013 are to improve our market share, strengthen economic performance and profitability, enhance our presence on the international level by launching a branch in Bucharest, and to improve the services provided by investing in the upgrading of our systems and offering new investment tools.

Private equity

In 2012, NBGI Private Equity (NBGI) focused on the development of its investment portfolio, while it is expected the main volume of liquidations will be effected within the period 2014-2016.

The Group's philosophy is that successful strategy in the area of private equity requires more than smart investments and timely liquidations: it is more important to generate than to anticipate returns, working closely with the managements of firms and implementing strategies designed to create value and thereby increase returns and liquidity. Accordingly, most of NBGI's investment funds, and the respective investment teams, developed further the strategies of the firms making up the company's portfolio.

In 2012, the company expanded its range of activities in respect of its investment teams and invested funds. The key initiatives concerned: a) provision to businesses of know-how related to their sectors, and b) the forging of close working relations with key firms in the food, health and business services industries, which together represent the bulk of invested funds. These initiatives had a significant impact on the way the investment portfolio developed during the year, and are expected to boost the value of the corporate portfolio.

Despite the current stressed economic environment, new opportunities for liquidation have started to emerge in the medical equipment portfolio, which is less affected by the macroeconomic environment, while the real estate portfolio is shifting its strategic focus to cargo and goods storage, strengthening its position in warehouses and business parks.

Investment activities in recent years have covered a wide geographical area extending from the UK and France, to Poland, SE Europe and Turkey, in line with NBGI's strategy that focuses on low to mid-cap investment capital throughout Europe, in various key sectors. It is our firm belief that the low to mid-cap sector on which we focus offers the prospect of the best returns, while cooperation with the management of companies in which NBG invests can make a crucial difference, being decisive for the creation of returns that have more to do with the creation of the company's value than with its financial planning per se. To this end, emphasis is placed on specialized know-how related to each sector in question, whether acquired internally or in cooperation with third parties.

However, the markets where the company is active are still stressed and in certain respects—such as uncertainty caused by the impact of deleveraging by various European economies—even harsher compared with 2011. Nevertheless, its portfolio is structured in such a way that the company can rise to the challenge and will continue to implement the value creation strategies outlined above.

NBGI manages 11 funds (some of which are transferable funds) through teams of experts on acquisitions in the regions of Western Europe, the emerging European markets, real estate, energy and medical equipment. For the next two to three years, the NBG Group is planning a review of its investment activities, as the current portfolios reach maturity and are cashed in.

Custodian services

With its long-standing and dynamic presence, NBG plays a leading role in the constantly evolving, complex and specialized post-trading environment, participating in related international and domestic bodies such as the Hellenic Bank Association, Hellenic Exchanges SA, ECB/T2S, the COGESI Group and CCBM2, and the EBF/Post Trading Working Group.

The persistent low level of activity in every kind of investment service, as a result of the crisis in Greece, has 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.

NBG's record of success over the past years and high-quality services have once again been recognised by its Greek and international institutional customers, who awarded NBG's custodian services the title "Top Rated" in the annual survey conducted by industry journal Global Custodian, gaining top marks for services provided to institutional clientele at the domestic and international level.

2.5 STRATEGY FOR OPERATIONS UPGRADE

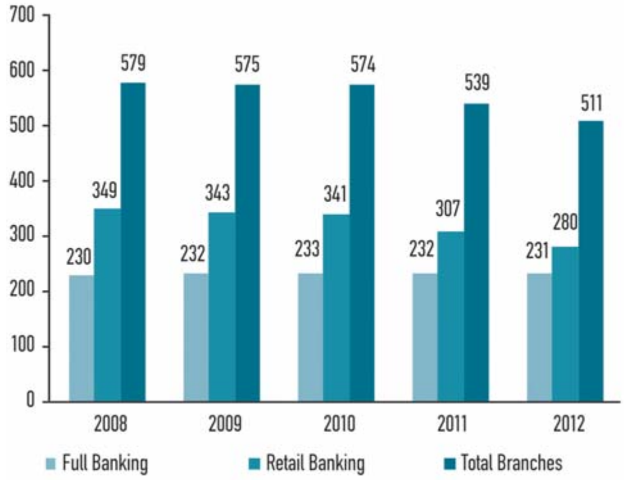
Branch network

The difficult economic climate that prevailed in 2012 affected banking operations overall and led to a shift in strategic focus so as to adapt to current developments swiftly and effectively. Accordingly, NBG decided to rationalize the branch network in order to reduce operating expenses, though without compromising the quality and security of the services provided to its customers.

In 2012:

- 28 branches were merged, 2 of which were converted into transaction offices, 1 into a branch annex and 1 into an i-bank unit
- 6 transaction offices and 1 branch annex closed

DIAGRAM 2.5.1
DOMESTIC BRANCH NETWORK



- 1 transaction office (at Evangelismos Hospital) was launched and
- 4 branches were relocated.

As a result, at 31.12.2012, NBG's domestic network totalled 511 branches, 280 of which were full banking units and 231 retail banking units, 39 transaction offices and 7 branch annexes. During the mergers, NBG placed emphasis on customer service, through off-site ATMs and other alternative networks (including internet banking, phone banking, POS), while also promoting automatic payment systems (SEPY and SPHK).

Despite the significant restructuring, NBG's network continues to be one of the largest in Greece, with a market share of 14% at 31.12.2012. The structure of the network during the period 2008-2012 is set out in DIAGRAM 2.5.1.

In 2012, the network's strategic priorities focused on the following key objectives:

- To sustain liquidity and deposits. Despite the decline in deposits in absolute terms, the Bank's market share of deposits overall was defended and it succeeded in maintaining an effective mix of savings and time deposits compared to the competition;
- To actively manage non-performing portfolios, by means of collection of dues or rescheduling of retail loans;
- To continue financing sound businesses and individuals, through the promotion of existing funding programs (including programs backed by Greek State guarantees or Community funding projects);
- To cut back operating expenses, through coordinated actions that aimed at rationalization of the network, upgrading of information systems, monitoring and target setting procedures, renegotiating of contracts with third parties, etc;
- To further improve the quality of customer service, by further expanding Personal Banking, boosting teller productivity, promoting e-transactions via ATMs and APS (Automatic Payment Systems), whose use has increased, and redesigning customer services provided to business clientele and SMEs.

At 31.12.2012, the network's staff totalled 6,820 employees, vs. 7,117 employees a year earlier, i.e. down by 4%. Efforts to reduce congestion in the back-office were continued by means of various improvements, changes or automation (e.g., improvements in the customer-focused CRM system, system for electronic submission of corporate financing requests [WCC], safe deposit box/vault management application [ESAMS], stock market "Data Feed" application, Retail Banking Application System (RBAS), payroll credits, branch accounting search facility, management of user access at Bank units, system for ordering office supplies, and SAP-HR system for overtime management at branches).

Moreover, additional measures were adopted for the safety and protection of customers, the staff and the Bank's assets.

Alternative networks

The development of alternative channels that provide access to the Bank's services is of great strategic importance for NBG. Accordingly, in 2009, NBG adopted the new i-bank trademark for alternative networks. i-bank reflects the change in the Bank's customer service approach (customer-focused), through advanced 24/7 alternative networks, via Internet or Phone Banking (PB), ATMs and Automatic Payment Systems (APS).

In 2012, the Contact Centre further developed and expanded its activities. More than 3.5 million customer calls were answered and over 40% of the Group's stock market transactions handled. There were over 1 million visitors to the two new state-of-the-art i-bank stores and two i-bank corners (two of each in Athens and two in Thessaloniki).

The role of the Processes and Applications Help Desk was enhanced and it continued to provide support to the Bank's branch network and central services with regard to all new tasks, increasing the volume of work handled by 40% year on year.

Services provided to Ethniki Insurance were developed further, as they now extend to all the various segments and services of the company, posting 15% growth in business volume, and supporting the key project of the new ETHNIKI Direct sales platform.

The Bank's web portal, www.nbg.gr, was upgraded in terms of functionality, visual design and content and structure, in line with international standards, so as to provide a top class browsing experience to visitors and promote more effectively products, services, actions and overall corporate image. The new web portal reflects the Group's innovative profile and aims at providing efficient services and forging business relationships with existing and new customers.

By harnessing cutting-edge technologies, NBG

DIAGRAM 2.5.2
MOBILE BANKING SUBSCRIBERS

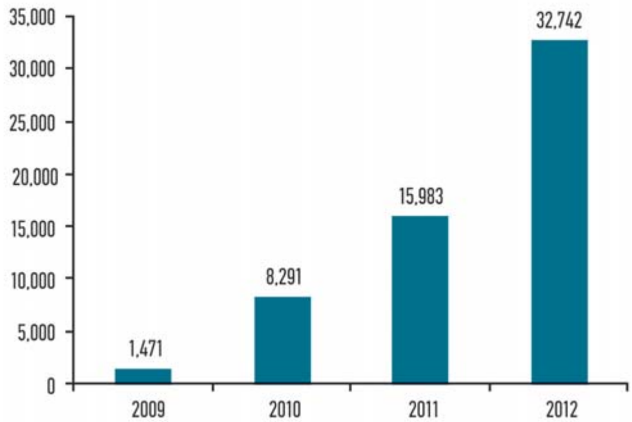


DIAGRAM 2.5.3
INTERNET (IB) AND PHONE BANKING (PB) SUBSCRIBERS

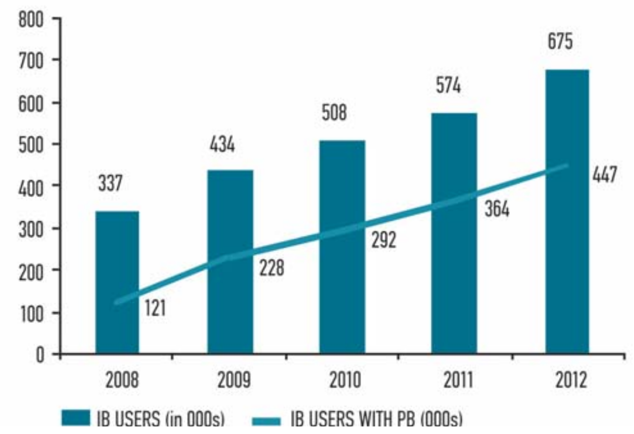
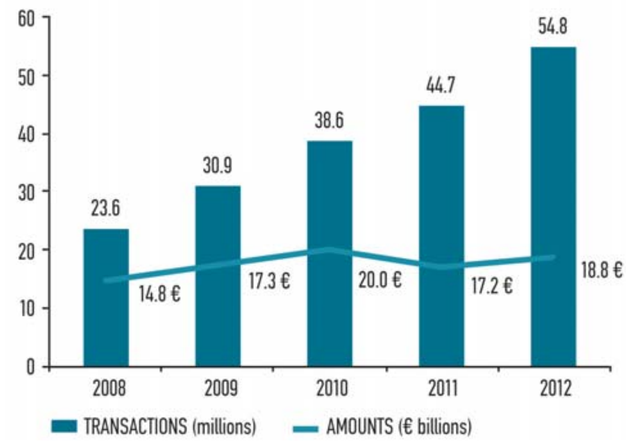


DIAGRAM 2.5.4
INTERNET BANKING TRANSACTIONS



provides real time information about the Group and its products and services for individuals and businesses. It is also a point of reference for shareholders and visitors, as the number of visitors to the web portal posted a steady increase in 2012 (on average, 368,000 unique visitors carry out 1.5 million visits per month, searching for information on 4.7 million pages). In 2012, the use of internet, phone and mobile banking networks continued to grow. New transaction categories and improvements were incorporated into the Internet Banking functions. Mobile banking is currently available for all smartphones (iPhone, Android, Blackberry, Windows Mobile, Symbian) and steadily doubles its users (DIAGRAM 2.5.2).

Internet Banking subscribers totalled 675,000. Some 55 million transactions worth €18.8 billion were carried out via internet, phone and mobile banking (DIAGRAMS 2.5.3 and 2.5.4).

In 2012, NBG continued to promote its i-bank products and services, with a focus on corporate customers. 320 visits to businesses were made; 1,716 inactive business-users were activated, while 5,761 new individual-users signed up. The promotion of targeted IKA-VAT transactions and mass payroll transactions proved to be particularly successful, generating IKA payments of €35.5 million, VAT payments of €43.9 million, and mass payroll payments of €82.07 million.

At 31.12.2012, the Bank's ATM network comprised 1,344 ATMs (834 on-site and 510 off-site), 56 fewer than the previous year, as a result of efforts to reduce the network's operating expenses. 579 of these ATMs have cash deposit facilities.

In 2012, the volume of ATM transactions declined slightly (DIAGRAM 2.5.5). However, although the number of cash machines was smaller, no less than 100.52 million transactions were effected through the NBG network (approximately 100 thousand fewer than in 2011), of a total value of €16.25 billion.

The fraud monitoring department successfully prevented fraudulent transactions against 385 cards in 112 cases of financial fraud, a lower number than in 2011 because of the replacement of the magnetic strip of the older ETHNOcash cards with chip technology in the new cards.

At 31 December 2012, the Bank also ran 33 APS Centres, via which 669,193 transactions were effected. Customer transaction behaviour at ATMs was influenced by the ongoing financial crisis. Accordingly:

- Sharp increase in the number of withdrawals, especially following announcements regarding adverse economic developments in Greece.

- Uneven pace of withdrawals, with alternating high levels of withdrawals on salary and pension paydays and very low withdrawal levels on the other days.
- ATM faults due to increased use.

To address these issues, NBG provided appropriate reporting and timely planning.

In addition, the following related works were launched:

- Procurement of a Cash Management system,
- Integration of ATM graphic screens plus proposal for project to create compatibility with ECB 6, PCI standards and the creation of the necessary TCP/IP infrastructure,
- Physical ATM security,
- Upgrading of the Gasper monitoring system,

in order to further reduce operating costs, upgrade the network, provide high quality services to customers and improve internal infrastructures and processes relating to ATMs.

Technological upgrade

The Bank places emphasis on taking full advantage of the facilities offered by new technologies, as part of its efforts to improve business processes and make them more efficient, saving time and money. Thus, the Group sought to improve its IT infrastructures, aiming to reduce operating costs, create economies of scale, and optimize customer service.

Exploiting the state-of-the-art facilities of its Athens Data Centre (ADC), NBG continued its efforts to gather and consolidate all of the Group's IT systems in Athens (Data Centre Consolidation). Top quality equipment (Enterprise Grade) is used for the support of key banking applications (T24, SAP, AML and other), while the operation of systems is fully computerized with the use of special IT tools. Moreover, NBG deployed an integrated solution for the recovery of production systems from disaster, by introducing pioneering techniques in data copying (Synchronous Copy Data Mirroring), which ensure that systems continue operating in the event of disaster.

In view of the fact that the effective management of IT services generates cost benefits and in the wake of upgrades of key banking systems carried out in 2011, the Group further pursued its measures to adapt to

DIAGRAM 2.5.5
ATM TRANSACTIONS (€ billions)

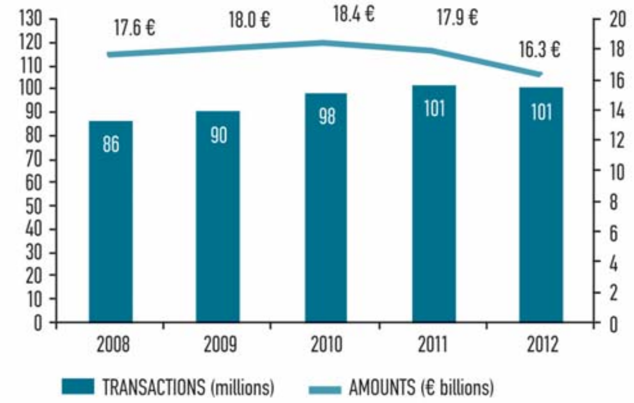
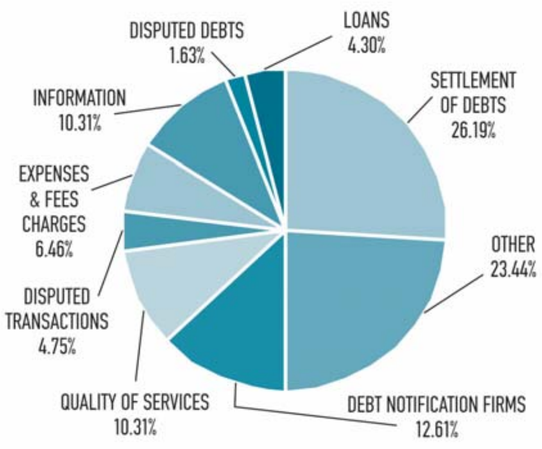


DIAGRAM 2.6.1
TYPES OF ISSUES FILED WITH THE CUSTOMER OMBUDSMAN (NBG)



international standards. Being one of the three Greek organizations certified according to ISO 20000, NBG expanded the implementation of the model to more services, so as to attain smoother and controlled operations, as part of its ongoing improvement measures.

In response to customer requirements for innovative services, speed of transactions, high availability and lower costs, NBG has upgraded its telecom network. In 2012, following assessment of the results of a pilot application, NBG launched its New Data and Voice Telecom Network in all its units.

In its ongoing endeavour to provide better services to businesses and individuals, the Bank has completed the phased shift of its units to use of internet telephony (IP), with deployment of Instant Messaging Service (IMS) in its larger units and servicing of POS via direct ADC calls. Moreover, fax services were upgraded and MPS (Managed Print Services) were expanded with the replacement of printers.

2.6 NBG OMBUDSMAN

The NBG Ombudsman – who reports directly to the BoD and operates independently in a “unit of amicable settlement of disputes”– provided amicable solutions to customer disputes with the Bank and Ethniki Insurance. In 2012, a year of recession in Greece and internationally, the NBG Ombudsman:

- reinforced customer confidence in NBG and Ethniki Insurance, acting as customer advisor, helper and ally, providing information, seeking solutions to issues that arose, and finding the best mutually satisfying resolution. The impact of the economic crisis was evident, as almost half of the complaints concerned crisis-related issues. Of the total complaints investigated (and which properly fall within the Ombudsman’s jurisdiction), 78.5% reached a successful resolution, while 66.0% were processed within one week.
- enhanced the relationship of both the Bank and Ethniki Insurance with their customers, independent authorities and consumer associations, publishing articles and interviews in newspapers and magazines, participating in seminars organized by the Bank and its insurance subsidiary and in presentations and events, and meeting other bodies.

2.7 HUMAN RESOURCES

NBG recognizes that its human resources are the driving force behind its progress so far. In view of the current adverse economic environment, effective HR management—aiming at combining experience with new ideas and initiatives—is the key component in the Group's efforts to achieve growth. Accordingly, in 2012 the Bank continued to invest significant sums in the selection, training, evaluation and promotion of its employees.

At 31 December 2012, total Group and Bank staff—including overseas branches—amounted to 35,128 and 11,493 respectively, compared with 34,698 and 12,189 at 31 December 2011. The Bank staff in Greece (11,230 employees) decreased by 7.9%, while the respective percentages of men and women in the workforce were 53.5% and 46.5%. With regard to their educational background, 37.1% are secondary school graduates, 36.0% university graduates, and 16.8% holders of postgraduate or doctorate degrees.

To rationalise payroll costs at Group level, a centralised recruiting process was established in domestic subsidiaries; needs have been optimally met by transferring staff within the Group; and existing special associates' contracts were reassessed. Furthermore, new electronic applications were used to enrich processes for recording HR-related financial data (such as monitoring strikes, teller allowances, participation in the NBG Staff Mutual Health Fund's summer camps), while the new SAP Payroll system, launched on 1 March 2013, entered its final development phase, achieving synergies and economies of scale.

In addition, to ensure uniformity of reporting format, the Bank collaborated with Ethnodata to complete the installation of the SAP HR application at Banca Romaneasca, NBG Cyprus Ltd, Stopanska Banka and the NBG branches in Egypt.

The Bank developed

- and launched a pilot job rotation program for new employees without working experience at the branch network, to promote a customer-centred culture, while the two-year induction and personal skills development program addressed to new employees (208 persons) is ongoing.
- an innovative human resources development system that focuses on succession planning, career and special skills management, as well as structuring personal development plans, launched on a pilot basis in three Divisions.

- and completed the review of the Group personnel Remuneration Policy, aimed at ensuring, inter alia, that NBG's targets and principles are met, along with the required transparency and effective risk management.
- and is deploying the "Job Description" application in both network branches and administration units, including:
  - a policy for the recruitment and selection of managerial staff in overseas subsidiaries;
  - a procedure for the selection of managerial staff to fill senior positions in Group units abroad.
- a performance management system to be launched on a pilot basis in Stopanska Banka, that will enable uniform supervision of all Group personnel and future expansion to the Bank staff. Staff assessment combines objectives, skills and work training, while this system is governed by transparency and objectivity.
- and launched a new Group HR Operating model for use by its subsidiaries Banca Romaneasca, Vojvodjanska and Stopanska Banka.

Likewise, following adjustments required to accommodate the special features of overseas subsidiaries, the following documents were introduced:

- Training Policy;
- HR Manual.

For yet another year, the Bank filled executive openings (56 branch manager positions) and 63 positions for specialized administration personnel, through in-house procedures, assessing 550 candidates, carrying out 755 interviews and 685 intellectual skills tests, personality profiles and written exams.

Training actions in 2012 included a total of 641 events, with 13,449 participants (6,719 in in-house training courses, 374 in seminars outside the Bank and 6,356 in e-learning and internet seminars etc.), representing 228,831 training man-hours and an investment of €3.1 million.

The key priorities of the in-house training programs in 2012 were:

- To address current urgent training needs, mainly focusing on issues such as:
  - SME portfolio;
  - Compliance and anti-fraud actions;
  - Development of management skills (Management I and II).

- To organize professional accreditation courses for 510 employees working in the sphere of provision of investment and insurance mediation services to acquire legally required professional certificates, in line with the MiFiD.

- To run special courses tailored to the needs of subsidiaries in Greece and abroad.

As regards distance-learning in 2012:

- A new web-based electronic platform, accessible from both NBG's intranet and the internet, was adopted and parameterized.

- New e-courses were launched, including "Introduction to CRM" at Bank level, and "Training on EGRC" by the Group Internal Audit-Inspection Division at Group level (Bank and subsidiaries).

As a result of the projects outlined above, costs were significantly reduced and large numbers of participants were trained in a short period of time.

In 2012, 6,353 employees participated in e-learning programs compared with 4,133 in 2011 (up by 53.7%). The successful outcome of the said actions enables further utilisation of the potential of the new e-training platform. Meeting the Group's training requirements through state-of-the-art methods and standards will play a decisive role in maximizing value in the Group.

Furthermore, the Bank continued to support the requests of Group employees regarding:

- obtaining international professional accreditation and attending foreign language courses, in line with the approved Policies;

- participating in specialized programs in cooperation with higher education institutions, such as INSEAD, the International Hellenic University and ALBA Graduate School.

2.8 CORPORATE SOCIAL RESPONSIBILITY

NBG fully recognizes the value of Corporate Social Responsibility as a prerequisite for the sustainable growth of the organization, and has been applying increasingly systematic management techniques in its approach to the concept of Social Responsibility, an issue that has long been high on the Bank's agenda.

Standing by its commitments, NBG continued in 2012—within the framework of its strategy—its wide ranging community actions, attaining the targets set to promote economic development, support actions designed to foster environmentally friendly growth, enhance the quality of its workforce and the services offered to its customers, and contribute to the community in which it conducts its business.

Key actions include:

- initiatives to facilitate financing of enterprises, professionals and households, as well as measures to provide support to vulnerable social groups, whereby the Bank has contributed to limiting the adverse impact of the financial crisis. Specifically, the Bank continued to support healthy SMEs by providing essential liquidity, as well as enterprises facing difficulties in servicing their financial obligations, by offering favourable terms regarding their debts.
- With a view to creating value for the Bank and its employees through the enhancement of knowledge, competences and behaviours, training sessions were carried out as well as other seminars (e.g., e-learning, internet).
- In the context of the implementation of the Bank's Environmental Policy and Environmental Management Program:
  - The project to revise NBG's policy regarding printing and dispatch of bank statements and correspondence to customers was continued, aiming at reducing operating costs, rationalising printing and saving paper.
  - Recycling programs were implemented (paper, batteries, electrical and electronic equipment, low voltage lamps and lighting equipment).
  - Employee participation in distance-learning programs increased by 51%.
- To reduce travel and commuting by the Bank's staff and customers, the Bank continues to develop its alternative networks integrated under the i-bank umbrella that provide round-the-clock services via five banking services networks: internet banking, phone banking, mobile banking, ATM and APS..
- Despite the extremely adverse economic climate, in 2012 the Bank implemented a far-reaching sponsorship program. The Bank supported a wide range of corporate, social and cultural responsibility initiatives, both directly as a bank and via its funding of the activities of the NBG Cultural Foundation (MIET) and its Historical Archives. The core lines of action were the following:

Community

Society

- Strengthening of actions to upgrade health services.
- Development of social solidarity programs.
- Supporting the work of bodies and organizations with distinguished track records in the alleviation of social problems.
- Supporting vulnerable social groups and individuals (the elderly, children, individuals with special needs).

Science - Research - Training

- Sponsorship for scholarship programs for bachelor and master's degrees in Greece and abroad.
- Support for upgrading of education provided, and for learning programs.
- Sponsorship for research programs, awards, and support for innovative ideas.
- Support for scientific work and promotion of research, predominately in the form of sponsoring scientific meetings (conferences, summer schools, seminars, workshops) covering the entire spectrum of sciences.
- Sponsorship for the publication of books and special editions.

Sports

- Continuation of the long-standing sponsorship for the National Gymnastics Association, as well as sponsorship for individual athletes as they prepared to participate in world championships and the Olympic Games in London.

Cultural Heritage

Culture - History - Arts

- Sponsoring the preservation and showcasing of the historical and cultural heritage.
- Sponsoring the preservation and restoration of monuments, and sponsoring of archaeological excavations.
- Sponsorship support for initiatives involving publications of cultural and historical interest.
- Supporting actions and events that involve music and the performing arts.

Miscellaneous

- Contribution by the Bank to the procurement for the Ministry of Finance of additional IT systems, infrastructure and services critical for the implementation of the Single Levy for Real Estate, and the Program for the digitization of the National Land Registry.

- Support for publications, conferences and other events dealing with investment and financial issues.

Environment

- Support for environmental training programs.
- Participation in the rehabilitation of ecosystems in regions of Greece devastated by fire.
- Contribution to actions designed to support biodiversity.
- Support for the work of bodies that are involved in environmental preservation and sustainable development actions.

The Bank, within the scope of its Environmental Policy, launched in 2012 the following green banking products, which contribute to sustainable growth:

- Loan for participation in the "Energy-Saving at Home" program, in collaboration with the National Fund for Entrepreneurship and Development (ETEAN SA).
- "Green Loan": a loan granted for financing the purchase and installation of energy-saving products.
- "Photovoltaic Home" loan for the installation of photovoltaic systems in homes.
- "Estia Green Home": a loan for the purchase, repair or construction of energy upgraded homes.
- DELOS "Green Energy" Mutual Fund.

Furthermore, the Bank participates in the JESSICA Program (Joint European Support for Sustainable Investment in City Areas) by managing the Urban Development Funds of Attica, Western Greece, the Ionian Islands and the Environment through an agreement with the European Investment Bank. The total assets under management for the Program amount to €83.3 million.

Finally, NBG contributed to the country's efforts to improve its environmental footprint by financing RES projects worth €245.5 million.

Relevant details and information are available in the 2012 CSR Report or on the NBG Group website (*www.nbg.gr*).

SECTION 3 INTERNATIONAL ACTIVITIES OF THE GROUP

3.1 THE GROUP'S INTERNATIONAL PRESENCE

In 2012, the macroeconomic picture in the SE European countries where the NBG Group operates was worse than in 2011, with growth slowing (even posting negative figures in some markets) and persistently strong inflationary pressures. Turkey posted positive growth, although slower than in 2011, with inflation, however, weakening. In Egypt there was a slight improvement in key fundamentals amidst the political uncertainty, while South Africa posted slower growth coupled with a slight increase in inflation.

In Turkey, against a backdrop of sustained growth in economic activity, total bank lending rose by 15%, while total deposits grew by circa 10%. The Group's Turkish subsidiary Finansbank, pursuing its growth path and consolidating its position as a preferred bank among customers, posted growth in these key areas.

In the Group's other international units, apart from Turkey, efforts to streamline expenses continued. Specifically, general expenses were reduced by 4%, while compression of staff expenses was even greater, down by 9%. Excluding Turkey, the Group's profits from international activities before provisions and tax amounted to €147 million, while provisions grew by 20%.

The significant increase in deposits, coupled with the downsizing of the loan portfolio, so as to optimize performance, contributed to the enhancement of self-funded business activity among the Group's SE European subsidiaries, with the loan-to-deposit ratio improving by a further 19 bps year on year to 113%, thereby freeing up funds for the parent bank.

International retail banking

In 2012, the retail banking segment responded well to the need to increase deposits, by enhancing efficiency of the branch networks, while new loans were granted on the basis of loan quality preservation, through a more effective credit policy.

In respect of retail deposits, the Group leveraged growth opportunities in SE European markets, while the mix of the customer base was enhanced. In 2012, retail deposits grew by 8% in the Group's subsidiaries outside Turkey, while market shares were sustained at the same levels. Personal Banking posted significant growth in customer numbers and cross-selling business, with effective targeting and strengthening of relationships with affluent customers.

With regard to retail lending, NBG Group focused its activities on strengthening relationships with payroll and private banking customers, improving service and upgrading product lines. The Group exploited new opportunities, particularly in consumer credit, having first effectively applied prudent lending criteria, combined with strong profit margins. Special emphasis was placed on selling bancassurance products. Similarly, in line with the Group's medium-term strategy, the SE Europe units repositioned their approach to small businesses by investing in enhanced procedures, policies, products and monitoring mechanisms.

International business banking

In our business banking activities, the systematic efforts to address the impact of the economic crisis continued, with special emphasis on debt restructuring and managing non-performing loans. It is an encouraging sign that in most of the Group's subsidiaries there was a significant slowdown in the growth of new NPLs, while at the same time provisioning coverage was increased so as to put the business portfolio on a stronger footing. Positive developments included both the growth of business deposits and the defence of the Group's market shares in most countries. The greater part of the business portfolio was reassessed in light of return vs. risk, and selective reduction of exposure to sectors and businesses that do not present an attractive profile under current conditions in individual markets.

DIAGRAM 3.1.1

LOANS AND DEPOSITS AT THE GROUP'S OVERSEAS UNITS (EXCEPT TURKEY)

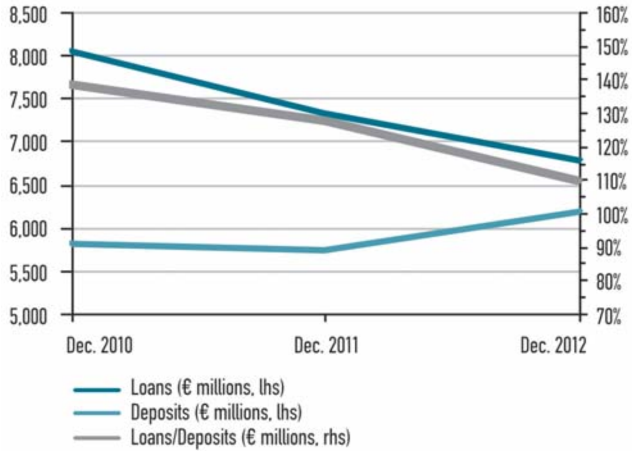
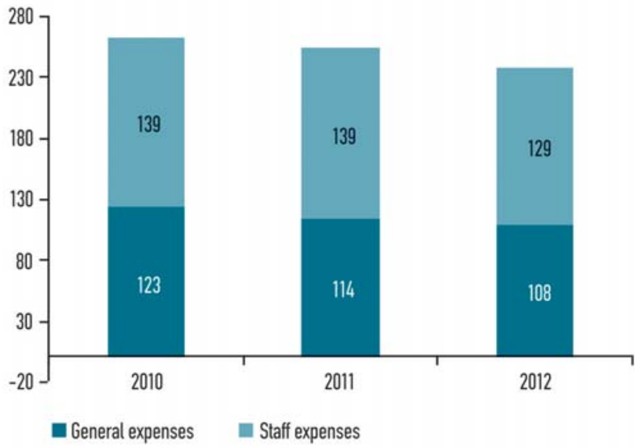


DIAGRAM 3.1.2

COSTS AT THE GROUP'S OVERSEAS UNITS (EXCEPT TURKEY, IN € MILLIONS)



3.2 FINANSBANK SA

For yet another year, Finansbank's performance remained strong, generating solid profits for the Group. Its assets stood at TL58.7 billion on a consolidated basis, up 16% year on year, maintaining its position as the fifth largest private sector bank in Turkey.

On 31.12.2012, the Bank's network comprised 581 branches (59 more than in 2011) and 2,092 ATMs (from 1,826 in 2011), while the number of employees in the Finansbank Group were 13,139, against 12,045 in 2011. Its efficiency (cost/income) ratio stood at the low level of 42%, while return on equity reached 20.4%.

In 2012, Finansbank's total loans reached TL42.5 billion, up 15.5% on 2011. Despite the credit expansion, its Capital Adequacy Ratio (CAR) on a BRSA consolidated basis stood at 19.2%, the highest ratio among its peers. Retail lending and lending to SMEs continue to be the key driver behind Finansbank's dynamic growth. Total retail lending in 2012 amounted to TL25.1 billion (up 24% on 2011), while business lending totalled TL17.4 billion, up 5% year on year.

As a result of the bank's strategy, deposit growth was also strong, up by an impressive 20.2% (including short-term bond issues) on the previous year. At the end of 2012, the bank's loan-to-deposit ratio improved to a recent low of 108.5%.

Despite uncertainties in the global financial system, but in view of investor confidence in a prosperous future, Finansbank launched a US$350 million Eurobond issue of five-year maturity during the last quarter of 2012, at a historic low cost. In addition, Finansbank achieved a 12-year credit securitization in December 2012, carrying out the longest-term borrowing of its history. Finally, by also securing a syndication loan of US$460 million, Finansbank increased the funding it receives from international markets to approximately US$1 billion.

Finansbank – Retail

Finansbank continued to lead the way in retail banking strengthening its market shares in most categories.

In 2012, total retail lending grew to TL25.1 billion, up 24% year on year, while market share at end 2012 stood at 8.7%. Housing loans outstanding amounted to TL6.8 billion. The trust and confidence of its customers were once again reflected in its market share in total deposits, which stood at 4.5%. Retail banking demand deposits, which are an important source of low cost funds, also posted a strong performance, growing by 55% during the year.

In line with the changing needs of its retail customers, Finansbank offered new specialized products to various segments such as public workers, nurses, teachers and pensioners. A number of new consumer credit application technologies, such as mobile banking and face recognition ID verification have also been made available.

In 2012, Finansbank concentrated its efforts on creating new gold-based investment products and TL bond issues for retail customers. With products such as "Gold Accumulation Account", "Gold Indexed Deposit Account" and "Gold Collection Day", the number of gold account customers grew 300%, boosting the volume of the Bank's gold reserves by 30%.

Finansbank's flagship credit card brand "CardFinans" ended the year with over 5 million cards, attaining a 9.5% market share and ranking it among the top 4 banks in Turkey. Credit card receivables rose by 34% to reach TL12.0 billion. In addition, Finansbank introduced the "Fix Card" in August 2012, which can be used both as a credit and a debit card, with no charges or annual fees and with paypass technology.

Probably the most significant retail product offered in 2012 was "Enpara.com", an Internet based deposit product aiming to capture young professionals.

Finansbank – Business

Overall, total corporate lending volumes for Finansbank reached TL17.4 billion by the end of 2012, marking an increase of 5% on a yearly basis.

In line with Finansbank's new strategy, SME loans increased 30% to reach TL7 billion. SME banking continued to break new ground by offering innovative services and products to the market. Also in 2012, a new Internet communication platform for SMEs was introduced.

Commercial Banking has expanded its presence in the current branch network to 273 service points, 535 Portfolio Managers and 12 regional offices, which enabled a more effective sales and customer management model. Furthermore, Finansbank's Corporate Banking activities, targeting large customers, are offered through 4 branches located in Istanbul and Ankara and representative offices in Bursa, Izmir, Antalya and Adana. In line with the continuing increase in imports during the year, Finansbank offered more diversified foreign trade products for the corporate segment.

3.3 UNITED BULGARIAN BANK (UBB)

In 2012, the main challenge for the Bulgarian banking sector stemmed from the stressful economic environment in both Bulgaria and the euro area in general, prompting material difficulties via deterioration in asset quality, and lack of opportunities for new business. In this adverse environment, UBB focused on two major priorities for 2012:

- effective and targeted work on problematic loans accompanied by more conservative provisioning policy.
- accumulation of additional liquidity from the local deposit market.

At the end of 2012, the total value of UBB's assets amounted to €3,327 million, down 5% year on year. The Bank's net loans amounted to €2,409 million vs. €2,587 million at the end of 2011. The decrease is mainly due to the retail segment, while the corporate segment maintained its level of the previous year. Following the general downturn of the Bulgarian banking sector, UBB maintained its position with a 9.9% market share in loans (13.4% for retail and 8.2% for corporate loans).

In 2012, deposits from clients amounted to €2,432 million, up 10% year on year. Despite a very competitive market, UBB achieved 11% annual growth in retail deposits and successful implementation of a number of promotional campaigns. For the same period, corporate deposits registered a 7% increase. As of December 2012, UBB maintained its key position in the deposits market with a 9.2% market share (10.2% for retail and 7.3% for corporate deposits).

UBB has significantly improved its loan-to-deposit ratio over the past few years (from 155% in 2009 to 97% at the end of 2012). Despite the high credit risk and difficult market conditions, the bank remained well capitalized, reporting a Capital Adequacy Ratio of 14% as at 31.12.2012, and maintaining more than adequate levels of liquidity.

During 2012, UBB operated 211 units countrywide. UBB optimized its card infrastructure, ending the year with an operating network of over 800 ATM and 10,645 POS terminals. The retail business continues to rely on alternative channels, including a call centre, internet banking and third-party partnerships. UBB has maintained its strong position in cards and card business with an 18% market share in debit cards and 20% in credit cards at the end of 2012. The total number of issued cards (debit and credit) was over 1 million which confirmed UBB's leading position in the Bulgarian card market.

During 2012, Interlease EAD sought to sustain the company's leading position within the leasing industry in the Bulgarian market, improve the asset quality of the leasing portfolio, ensure adequate funding for running its leasing operations, and reduce the operating expenses by systematically applying cost containment policy. Despite adverse market conditions, the company managed to maintain its leading position in the Bulgarian leasing market (15.4% market share).

3.4 STOPANSKA BANKA AD (SB)

Although 2012 was a year of stagnation in the country and the euro area, the banking sector in FYROM remained sound.

In 2012, SB continued to offer a variety of innovative services, and maintain its reputation as an excellent services provider to customers. In line with this strategy, SB has succeeded in delivering customer support and employee satisfaction. At the end of the year, the bank's total assets reached €1,242 million, and recorded attributable profit of €16.8 million, exceeding the previous year's level by 33.0%. In parallel, operational efficiency was strengthened, reflected by a cost/income ratio of 49%. With its impressive capital strength (CAR: 19.5%) Stopanska is the most solid and trustworthy financial partner in the country.

SB maintained its prudent approach to credit risk, including a diversified portfolio to both companies and households. The effective risk management model based on the best international experience and NBG practices, while also respecting local standards, was reflected in an NPL ratio that was 200 basis points lower than the overall banking sector. Furthermore, appropriate provisioning policy ensured provision coverage of 90%.

Attracting new deposits was one of the key strategic targets set and was successfully realized by the Bank during 2012. The confidence of households and businesses in the Bank resulted in 4% annual growth of the Bank's deposits base in a year of economic stagnation. Consequently, the loan-to-deposit ratio was below the sector average (79%).

Throughout its network of 64 branches, Stopanska offers a full range of banking services and innovative products to the largest client base in the country, with private banking services to VIP and affluent clients. As part of the continuous efforts to provide easier access to banking services, in 2012, the Bank pioneered the introduction of M-banking services for retail clients. In a technologically improving environment, the demand for more communication channels by clients was supplemented with this new channel—mobile application that enables clients to have 24/7 access to their accounts, as well as on various other banking services. The alternative channels umbrella (cash machines, e-banking, phone banking and M-banking services) complements Stopanska's cost controlling policies by providing competitive advantage to remain the market leader and pioneer in sophisticated banking services.

3.5 BANCA ROMANEASCA SA

In 2012, Banca Romaneasca (BROM) adopted a prudent approach due to the ongoing market uncertainty, brought about by an adverse economic environment on the back of inter alia the European sovereign debt crisis. At end December 2012, the bank's total assets stood at €2.0 billion, down by 14% against the previous year.

The Romanian banking system continued to suffer from the deterioration of asset quality during the year. In this environment, BROM took aggressive steps to defend the quality of its assets by lowering its unsecured exposure and refinancing loans.

In order to optimize cost of funds, BROM's treasury entered long-term repo agreements with well-recognized foreign institutions, for financing the retail FCY portfolio.

On the retail side, Banca Romaneasca aimed to maintain its customer base and reduce loan repayments by promoting card and overdraft products. New facilities added to card products, combined with advertising and cross-selling campaigns, helped boost both debit and credit cards. The overdraft facility launched at the end of the previous year gained momentum, as volumes skyrocketed (up 237% year on year) and new contracts advanced rapidly (up 392%).

Regarding the corporate side, BROM strengthened and enhanced its expertise in the renewable energy field. Despite macroeconomic challenges, the key strategic corporate relationships have been enlarged both at the large corporate as well as on the medium corporate level.

Amidst an adverse business environment and an extremely aggressive market, Banca Romaneasca succeeded through innovative products in increasing retail customer deposits by 8%. The main driver of the increase was the "Avans Net" deposit in FCY (up €35 million), the best selling product in 2012, which also contributed to an increase in the average maturity and reduction of early liquidation volumes. New retail products launched towards the end of 2012, such as internet banking deposits, pensioner deposits and the "Plus Valoare" package, are expected to sustain next year's business growth. New structured products such as "Afacerea Mea", aimed at small businesses, were launched in 2012 to boost both the asset and liability sides by attracting current accounts and granting VISA business cards.

At the end of the year, the bank's network totalled 134 branches and 153 ATMs, operating with increased efficiency in key areas across the country.

BROM ranks among the strongest banks in Romania in terms of capital adequacy, with the total CAD ratio exceeding 20.6% at the end of the year, against an average for the entire sector of 14.6%. In 2012, operating expenses showed a 9% year on year reduction, as the company actively enforced cost control measures. NIM stood at 223 bps.

3.6 VOJVODJANSKA BANKA AD

The ongoing euro area sovereign debt crisis, combined with a poor agricultural season, negatively affected the Serbian economy in 2012, as real GDP contracted by 2.0% year on year, following an expansion of 1.6% year on year in 2011.

In this recessionary phase of the economy, Vojvodjanska Banka stepped up its efforts in the following key areas:

- Strengthen liquidity.
- Cost containment by further rationalizing operations remained a priority aiming not to affect service delivery.
- Maintain risk profile in line with risk strategy.
- Universal product offering in Serbian market and expansion of customer base.

Vojvodjanska's key priority remained the continuation of sustainable liquidity in local currency (RSD) and euro terms. Despite strong headwinds, it succeeded in both remaining self-funded and augmenting its portfolio. At the end of 2012, the Bank's loans totalled €708 million, up by 4% year on year. Customer deposits totalled €672 million, up by 12% annually. Net interest margin reached 307 bps and the net loan-to-deposit ratio stood at 92%.

Throughout the year, Vojvodjanska continued the restructuring of its network. On 31.12.2012 its network consisted of 117 branches, 139 ATMs and 2,000 POS terminals, employing 1,770 people. Also, the bank continued to refurbish older branches (10 branches renovated) and enhance its technological backbone to better serve the Group's business model.

The above efforts were accompanied by parallel containment of operating expenses by 18% for the fourth consecutive year, mainly in the area of staff and administrative costs.

Vojvodjanska's CAR stood at 17.1%, significantly above the Serbian central bank's regulatory threshold of 12% , and exceeding the market average. The bank remained committed to effective capital management, so as to comply with all regulatory thresholds, even under stressed scenarios.

By the end of the year, Vojvodjanska's custodian services achieved the highest scores among Serbian market providers, both in cross border and domestic categories, according to the ''Agent Banks in Emerging Markets'' annual survey of Global Custodian magazine.

3.7 BANKA NBG ALBANIA SH.A

Albania has an economy that is highly vulnerable to developments in the euro area sovereign debt crisis, and recorded a sharp economic slowdown in 2012 leading to the weakest credit expansion of the past 11 years, while bank asset quality deteriorated materially. Within this adverse environment, 2012 was a milestone year for NBG in Albania, since its local branch network was converted into an independent subsidiary bank, 'Banka NBG Albania SH.A', with a network of 27 branches. NBG Albania remained well capitalized (CAR 13.5%), maintaining high liquidity. By sustaining a strong deposit base and despite the negative impact of the Greek debt crisis, the loan-to-deposit ratio improved further to 91%.

For the fourth consecutive year, NBG Albania remained profitable with net profits before provisions and taxes of €2.8 million, while profits after tax stood at €0.6 million. In view of enhancing its competiveness, SAP models were fully implemented in 2012, while other projects such as the "Business Continuity Plan" are in the process of finalization.

3.8 NATIONAL BANK OF GREECE (CYPRUS) LTD

In 2012, the Cypriot economy faced a significant economic downturn, with activity indicators deteriorating, while its sovereign debt rating was successively downgraded by international credit rating agencies. Adverse developments in key sectors of the economy, such as land development and tourism, prompted a deterioration in the asset quality of the banking sector.

In this challenging framework, NBG Cyprus Ltd. reacted promptly to new challenges and adapted its activities and strategy in the new harsh environment, aiming mainly at the following:

a) Maintaining sufficient liquidity to attract new deposits from local and international markets;
b) Focusing on risk-free and high yield mediation business;
c) Safeguarding the quality of loan portfolios through restructuring loans for companies most affected by the crisis;
d) Applying more conservative credit risk management and policy provisioning;
e) Further reducing operating expenses and minimizing capital expenditure.

In the past year, both the fortification of the internal institutional framework regarding management and supervision of general banking risks and the improving workflow in operations, by establishing related safeguards (at headquarters and at branch network) were completed. A key task was the integration of a new IT infrastructure of the bank, with the installation of state-of-the-art Globus T24 banking software and SAP BW applications.

As far as key fundamentals of NBG Cyprus are concerned, the gross loan portfolio amounted to €937 million, up 4% on 2011, while the deposit customer base stood at €867 million, up 9% on the previous year.

3.9 NBG BANK MALTA LTD

In 2012, NBG Bank Malta managed to enhance its liquidity position and become a net liquidity provider to the Group. Moreover, NBG Malta, in combination with expanding its corporate wholesale business, significantly increased its retail base, generating strong fundamentals for its operations. As a result, total assets amounted to €1,150 million, with total deposits reaching €392 million.

3.10 SOUTH AFRICAN BANK OF ATHENS

2012 was an important year for The South African Bank of Athens (SABA) in several respects. The revised business banking strategy was fully implemented and this allowed the Bank to move towards delivering on its stated goals. Despite the fact that 2012 was perhaps the most challenging year for the banking sector, SABA managed to reverse its previous loss-making position and deliver a full-year profit. The bank was challenged by its exposure to the euro area crisis and by the increasingly tough economic conditions both globally and in South Africa, however it was able to deliver on a number of key objectives including:

- A return to profitability, ending the year at €0.1 million;
- Solid asset growth, reaching €181 million;
- An increased liquidity position locally, reducing reliance on NBG Group funding and tripling its cash holdings;
- Signing of a market leading sponsored banking deal with the largest mobile operator in Africa (MTN);
- Finalising a unique outsourced cash handling relationship with ABSA, creating access to a national footprint of over 700 branches for SABA customers;

•Initiating a project to implement a new core banking, treasury and finance system.

3.11 INTERNATIONAL BRANCHES (EGYPT, the UK)

In addition to its subsidiary banks, NBG continued in 2012 to support its international branches and branch networks.

In Egypt, despite turbulent conditions that affected economic growth for a second consecutive year, the NBG branch network continued to demonstrate solid performance:

- Deposit growth increased considerably;
- Asset quality remained robust;
- Controlled expenses, remaining broadly flat.

All the above, along with the effect of the weakening Egyptian currency, led to a largely improved bottom line.

NBG's London branch has been operating for over 100 years. For yet another year, in 2012, it focused on offering Trade and Commodity Finance services, chiefly to corporate customers, such as shipping companies, etc.

Last, NBG continued to develop computer applications and banking and finance products in its international branches with a view to improving the services provided and enhancing their competitiveness to the level of its other subsidiaries and, of course, the parent bank in Greece.

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 services.

Ethniki Insurance conducts its business in Greece through 13 branches, 168 sales offices, 2,900 insurance agents and 1,761 partner insurance agencies. Its products are also marketed via NBG's extensive branch network, while in 2012 Ethniki Insurance launched a direct sales distribution network. Outside Greece, Ethniki Insurance is also active in Romania via Societate Commerciala Asigurari Garanta SA, in Bulgaria via UBB-ALICO Life Insurance Co, UBB-Chartis Insurance Co and UBB Insurance Broker AD, and in Cyprus via Ethniki Insurance Cyprus and Ethniki General Insurance (Cyprus).

As part of the Group's strategy to enhance synergies, special emphasis is placed on designing and developing bancassurance products, which are being marketed through the Bank's extensive branch network. Bancassurance products provide: (a) insurance on properties purchased with mortgage loans, (b) life insurance and payment protection for mortgage and consumer borrowers, (c) investment insurance products paid for by a lump sum or periodic payments, such as "Pension Plus" and "Providing", (d) other life insurance products for NBG customers, and (e) vehicle insurance since 2012.

In an extremely difficult year for the Greek economy, Ethniki Insurance maintained its positive core profitability in 2012, with profits before tax and impairment for financial assets and property reaching €114 million from €112 million in 2011. This result was achieved mainly by closely monitoring the loss ratios in the life and car insurance sectors, exiting the loss-making credit sector, developing new profitable products, enhancing alternative sales networks and effectively reducing operating expenses through synergies with NBG.

In 2012, the key loss ratios were maintained at the improved levels of 2011. In particular, the loss ratio for the car insurance sector stood at 51% from 49% the previous year, for the fire insurance sector at 20% from 21% in 2011, for other insurance sectors at 21%, down by 6 bps year on year, while for the health sector it stood at 73%, posting a marginal increase.

In addition, uncollected claims were significantly reduced with the implementation of more rigorous procedures, changing the credit policy, and the implementation of new collection procedures for life and car insurance premiums.

The positive performance outlined above was achieved despite the decline in premiums due to the deteriorating economic climate. Total life bancassurance production in 2012 decreased to €60 million from €90 million in 2011, as a result of the financial crisis, while insurance premiums for damages declined marginally year on year to €34 million in 2012 (2011: €37 million). Valid premium and policy levels for 2011 and 2012 are setout in the table below:

TABLE 4.1.1

PREMIUMS AND POLICIES

(€ millions)

	2012	2011	%
Life	314	369	14,8%
Car	180	297	-39,6%
Fire	76	95	-20,1%
Other General	48	53	-10,3%
Total	**617**	**814**	**-24,2%**

The company fully meets the regulatory capital requirements for 2012, while it has designed an action and management plan to address any capital needs or other challenges that may emerge from the implementation of the EU Solvency II Directive.

TABLE 4.1.2

KEY FINANCIAL DATA (€ millions)	**2012**	**2011**	**%**
Total assets	3.102	2.929	5,9%
Profit before tax and impairment*	110	114	-3,7%
Impairment**	-28	-61	-53,3%
Loss before tax and after impairment*	86	-328	-

*Financial assets and property

In 2013, Ethniki Insurance will endeavour to maintain its leading position in the market, while enhancing its financial position. Our actions will focus on: (a) strengthening sales, with the support of traditional networks and emphasis on alternative delivery channels, and (b) cooperating with NBG to further promote bancassurance products.

4.2 HOTEL BUSINESS

The NBG Group is also active in the hotel sector via its Astir Palace Vouliagmenis Hotel, which is managed by Starwood.

In 2012, Greece's unstable economic environment along with prolonged negative publicity continued to adversely affect tourism flows to Athens. As a consequence, arrivals at Athens International Airport dropped considerably to 12,944,041 from 14,446,971 in 2011 (down 10.4%) (Source: Athens International Airport). Accordingly, the average room occupancy in international luxury hotels in Attica stood at 50.6% (2011: 57.0%) in 2012, while the average daily room rate fell to €133.1 (2011: €146.4) (source: Attica Hotels Association).

In view of the above, the Astir Palace witnessed a reduction in room occupancy in 2012, which resulted in a contraction in turnover compared with 2011. In light of the current economic conditions, the Company is now operating THE WESTIN ATHENS on a seasonal basis and has implemented measures intended to further reduce operating costs. On 04.10.2012, a subsidiary named ASTIR MARINA VOULIAGMENI SA was established, which entered into an agreement regarding the long-term lease of Vouliagmeni Tourist Port (Marina). The lease commenced on 02.01.2013 for a 40-year term.

The Astir Group is expected to perform better in 2013, mainly as a result of the measures already implemented to rationalize operational costs and improve operating results.

In 2012, the Company invested €662 thousand (2011: €1.6 million) to improve its hotel premises and prepare design studies for the execution of the Aphrodite Hotel project and the construction of a new conference centre.

Turnover in 2012 amounted to €25.3 million vs. €28.7 million in 2011, down by 11.7%. Note that annual turnover concerns exclusively the operations of Astir Palace, in view of the fact that the lease of Vouliagmeni Tourist Port began in January 2013. Total days occupied in the ARION RESORT & SPA and THE WESTIN ATHENS amounted to 51,406 in 2012 vs. 58,430 in 2011, while occupancy income fell by 12%, reflecting the reduction in the average daily room rate by 0.16%. The Company's results before tax, interest, depreciation and property tax was a loss of €732 thousand vs. a loss of €640 thousand in 2011, while the respective figures for the Astir Group amounted to a loss of €831 thousand vs. a loss of €640 thousand in 2011. Astir Palace's net results after taxes were a loss of €8,955 thousand vs. a loss of €12,590 thousand in 2011, while the respective figures for the Group amounted to a loss of €9,158 thousand vs. a loss of €12,590 thousand in 2011.

Note that, in 2012, the Liquidity Ratio, the Debt-to-Equity Ratio and the Bank Debt to Equity Ratio for Astir Palace stood at 0.20 (2011: 0.40), 0.25 (2011: 0.23) and 0.19 (2011: 0.15), respectively, while for the Astir Group these ratios were 0.26, 0.32 and 0.25, respectively. The change in the ratios is chiefly due to an increase in short-term bank borrowing and a reduction in equity.

4.3 REAL ESTATE

In 2012, the Group was active in the real estate sector via NBG, as well as via its subsidiary NBG PANGAEA Real Estate Investment Company, within the framework of the Group's strategy to implement a single real estate strategy across the Group. NBG's real estate affiliate Ethniki Kefalaiou SA operates in the same sector, as well as in the sector of liquidating and realizing assets.

NBG PANGAEA Real Estate Investment Company was set up in 2010 with a view to becoming an investment vehicle of particular interest for investors seeking fixed income from dividends. Depending on market conditions prevailing from time to time, this specialised investment vehicle seeks to seize investment opportunities in the real estate sector in the wider region where the Group is active and, moreover, maximise the return on the Bank's substantial property portfolio.

The Greek economic crisis has had a significant impact on the real estate market. In 2012, supply and demand were substantially lower than in the pre-2010 period, with a concomitant impact on sale prices, rent values and real estate returns.

Despite the adverse conditions that prevailed and the downbeat mood in the market, the management of the Bank's real estate holdings in 2012 generated revenue of €4.5 million, which derives from real estate sales and above all from property leases and interest on property sold on credit. In addition, in 2012 payments for property leased from third parties were reduced by circa 20%.

At 31.12.2012, the company's real estate portfolio comprised 242 commercial properties (mainly bank branches and office buildings) with a market value of €771.76 million, at highly visible commercial locations, most of which are leased to NBG.

Ethniki Kefalaiou SA has been appointed by the Greek State as administrator for the liquidation of the former Olympic Airways group of companies, and in 2012 was active in this field. Specifically, 16 public auctions were held—11 under an open bidding process—which resulted in notable bids and satisfactory prices. Moreover, the closing and write-off procedures for the majority of Olympic Airways' overseas agencies were completed. The liquidation of real property assets is in progress and focuses on the sale of assets of high value in the area of Elliniko (the former Athens airport area), given that the five public tenders already carried out did not generate satisfactory results. In addition, in the sphere of liquidation of property assets the Company: (a) conducted five public calls for tenders for the sale of the remaining real properties of Thraki S.A. and the complex in Alexandroupoli was awarded with the assenting opinion of 51% of the creditors; (b) prepared a supplementary ranking list of creditors so as to distribute to beneficiaries the proceeds deriving from the liquidation of the Porto Karras company.

4.4 COMPUTING SERVICES

Ethnodata provides IT and technical support services to the Bank and to other Group companies in Greece and abroad. The company operated in line with the rules and guidelines of the centralized IT management framework.

Ethnodata has 500 employees. The company's head office was moved to state-of-the-art facilities in the Gerakas building, thus facilitating cooperation between the Bank's IT units and Ethnodata.

In 2012, Ethnodata expedited key development and integration projects, including:

- A web portal for payments of public utility bills and other organizations (Simple Pay), as well as an online platform for payments through accounts via the Bank's internet banking service (i-bank SimplePay);
- The expansion of the Bank's i-bank Mobile Banking application to include indices and prices of shares of the Athens and Cyprus Stock Exchange and trading services for smart phones of all types (mobile banking - trading);
- Expansion of the system for the management of consumer loan requests;
- The development of online management systems for the technical evaluation of collateral, retail banking receivables, business credit lines, custodian services, funds, etc., as well as for tasks aiming at process reorganization and back-up for treasury operations, by adopting a new system architecture;

- The installation of Anti-Money Laundering applications in the Group's subsidiaries in Romania and Serbia and "Know Your Customer" processes in the Group's subsidiary in FYROM, as well as the expansion of the installation programme for the system for monitoring factoring business (Bulgaria, Romania and Greece).

In the context of providing integrated SAP solutions to meet back-office needs in key tasks of the Bank and its subsidiaries in Greece and abroad, Ethnodata continued to offer new SAP applications, such as real property management, performance management, supplies management etc.

Last, in the context of installing and supporting the Temenos-T24 banking application system, which is a strategic priority for the Group's international subsidiaries, extensive operational upgrades for the installed applications were carried out to address new regulatory and business requirements.

SECTION 5 RISK MANAGEMENT AND CORPORATE GOVERNANCE

5.1 GROUP RISK MANAGEMENT

The NBG Group applies best risk management practices in line with the guidelines and supervisory requirements set out by the Basel Committee for Banking Supervision, the European Committee of Banking Supervisors, the Bank of Greece and the Capital Market Commission, together with the decisions of the relevant bodies overseeing the Group's companies.

The Group's risk management framework is supervised by the Board's Risk Management Committee (RMC), which oversees all the Group's risk management functions. All Group risk management units report to the Group Risk Control & Architecture Division and the Group Market & Operational Risk Management Division, headed by the Chief Risk Officer who reports to the RMC.

The Group's ALCO formulates the Bank's strategy and policy in matters of structure and management of assets and liabilities, taking into consideration current conditions in the markets and the risk limits set by the Bank.

The Regulatory Compliance Unit is responsible for all matters relating to regulatory compliance, including current Greek and European legislation and supervisory regulations. It reports to the Board via the Audit Committee.

The risk management framework is complemented by the Internal Control–Audit Unit, which acts as an independent control body that ensures the effectiveness of the risk management framework and the control environment, and reports via the Board's Audit Committee to the Board of Directors of the Bank.

Market risk

To manage market risk effectively, the Bank estimates on a daily basis "Value at Risk" (VaR) both for the aggregate and for individual risks (interest rate, equity, and foreign exchange risks) entailed in its trading and available-for-sale (AFS) portfolio. To do this, the Bank applies variance–covariance methodology using a one-day holding period and a 99% confidence interval.

Outside the Bank, at Group level, the monitoring of market risk focuses primarily on the trading and AFS portfolio of Finansbank. Accordingly, Finansbank calculates VaR on a daily basis both for the aggregate and the individual risks (interest rate, equity, and foreign exchange risks) entailed in its portfolio. The VaR estimates refer to a one-day holding period and a 99% confidence interval.

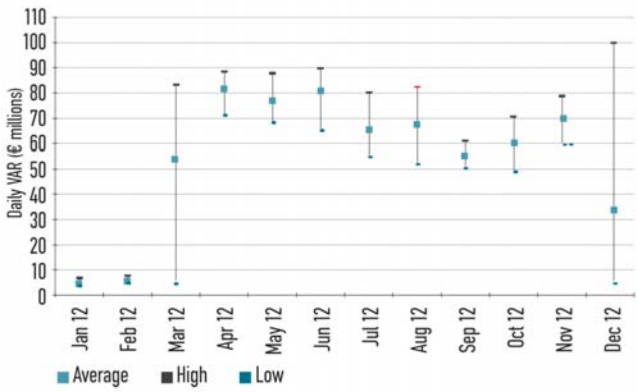
Since the end of 2009, NBG has been making VaR estimates on a daily basis. These estimates include the Bank's portfolios and the corresponding portfolios of Finansbank. The VaR estimates concern the overall market risk in the loan books as well as the various individual risks (i.e. interest rate, equity and forex risk). The market risk assumed by other subsidiary banks of the Group is relatively low in comparison with the risk contained in the portfolios of NBG and Finansbank.

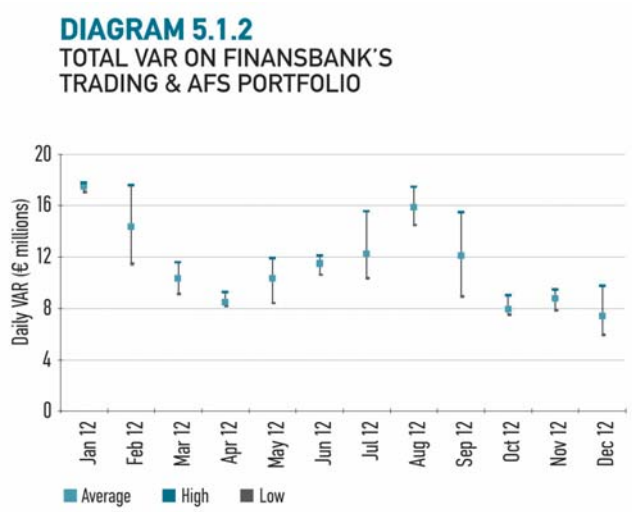
In 2012, the total VaR estimate for the Bank's portfolio ranged between €4.6 million and €100.1 million, while the average for the year was €55.4 million (DIAGRAM 5.1.1). The increase in VaR since the end of Q1.2012 derives mainly from interest rate risk and reflects the inclusion of the new Greek Government bonds (GGBs) under the PSI in the Bank's AFS portfolio.

The VaR on NBG's interest rate risk in 2012 ranged between €4 million and €98.2 million, while the yearly average was €53.8 million. During the first three quarters, there was a significant increase both in total VaR and in the Bank's interest rate risk VaR. This increase reflected the inclusion of the new GGBs under the PSI in the Bank's AFS portfolio, while the old GGBs were written to the loans and claims held to maturity portfolios.

Moreover, in early December 2012—in the period

DIAGRAM 5.1.1
TOTAL VAR ON NBG's TRADING & AFS PORTFOLIO





between the announcement of the repurchase program by the Hellenic Republic and the date it took place—the yields of the new GGBs decreased significantly, which led to an increase in their market prices and, accordingly, even higher VaR estimates. However, after the completion of the buyback program in December 2012, NBG's sovereign debt securities portfolio was drastically reduced, thus bringing interest rate and total VaR down to lower levels.

The equity risk entailed in the Bank's portfolio fluctuated between €1.3 million and €3.8 million, while the average for 2012 stood at €2.2 million. Last, exchange rate risk ranged between €0.6 million and €5.7 million during the year, with the average at €2.1 million.

Correspondingly, in 2012 the VaR on Finansbank's Trading & AFS portfolio ranged between €5.9 million and €17.8 million, at an average of €11.4 million (DIAGRAM 5.1.2).

The most significant risk in the Finansbank portfolio derives from fluctuations in interest rates. Finansbank's interest rate VaR in 2012 ranged between €6.2 million and €18.3 million, while the average for the year was €11.3 million. During the course of the year, the yield on Turkish government-issued debt securities gradually decreased, together with their volatility, thereby bringing VaR down to lower levels than at the end of the previous year.

For 2012, equity risk inherent in the portfolio of the subsidiary ranged between €0.1 million and €0.7 million, while the average for the year amounted to €0.3 million. Last, Finansbank's foreign exchange risk in the year ranged between €0.1 million and €1.8 million, with the average at €0.7 million.

At Group level (NBG and Finansbank), the VaR on the trading and AFS portfolio ranged between €11 million and €110.9 million, while the average over the year was €61.6 million. The interest rate VaR ranged between €10.3 million and €109 million, with the average at €59.8 million. The equity risk VaR ranged between €1.4 million and €4 million, with the average at €2.3 million, and the FX VaR ranged between €0.6 million and €6.6 million, with the average for the year at €2.3 million.

To control and manage the Bank's risk, we have set specific VaR limits, which cover both individual risks (interest rate risk, equity risk, FX risk) and total market risk. The approved limits concern NBG's aggregate trading and AFS portfolio. A similar framework of VaR limits is in place for Finansbank's portfolio.

To verify the reliability of its internal model for measuring market risk, the Bank conducts back-testing on the items in its trading portfolio, which involves a comparison of the VaR estimated by the model with the corresponding change in value of the portfolio on which the estimate was based for the period in question. In 2012, out of a total of 252 working days, the number of times the estimated VaR was exceeded was just 1. It should be noted that a daily back-testing program is carried out also by Finansbank, which in 2012 recorded 2 VaR overshoots in its portfolio.

The daily VaR estimates refer to "normal" market conditions. However, supplementary analysis is necessary for capturing the potential loss that may be incurred by the Bank under extreme and unusual conditions in the financial markets. Accordingly, the Bank carries out stress testing on a weekly basis, calculating the profit/loss in the trading and AFS portfolio in the event of extreme movements in the markets. The scenarios deployed concern interest rate, equity and foreign exchange risk.

Stress tests are conducted by Finansbank on a monthly basis. Test scenarios include extreme fluctuations in interest rate and foreign exchange risk, and are applied to items in both the trading and the AFS portfolios. The scenarios are based on extreme fluctuations in underlying risk factors such have been observed in recent financial crises that have taken place in Turkey.

Credit risk

The NBG Group ensures that it implements the highest standards of credit risk management and control. Credit risk arises from an obligor's (or group of obligors) failure to meet the terms of any contract established with the Bank or one of its subsidiaries. Accordingly, in line with its Risk Management Strategy, the parent Bank sets the standards for formulating all its models for predicting, offsetting and managing the credit risk assumed by NBG subsidiaries in Greece and abroad, and determines the guidelines for developing the methodology for calculating the key risk parameters for each category of exposure in corporate and retail banking business.

The Bank uses different credit risk rating systems for its various portfolios. Credit risk rating systems are implemented to ensure reliable borrower rating and therefore optimum decision-making on credit policy-related matters. Furthermore, credit risk estimation models are deployed to generate statistical estimates of expected loss (EL) by calculation of risk parameters, i.e. probability of default (PD), loss given default (LGD) and exposure at default (EAD).

DIAGRAM 5.1.3
BREAKDOWN OF BUSINESS BORROWERS BY MODEL

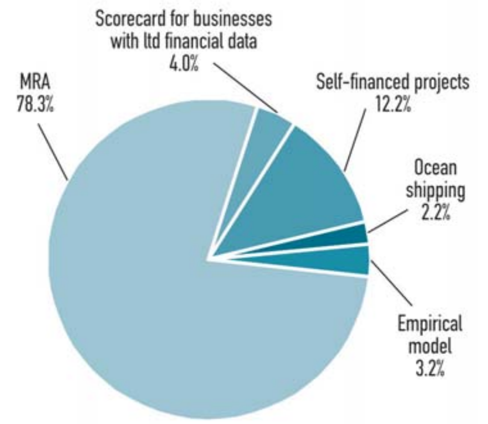


TABLE 5.1.1
RANKING ON NBG SCALE

Obligor rank	Average PD (%)	S&P rating equivalent
1	0.01	AAA
2	0.03	AA+
3	0.05	AA
4	0.07	AA-
5	0.10	A+
6	0.17	A
7	0.26	A-
8	0.41	BBB+
9	0.58	BBB
10	0.82	BBB-
11	1.30	BB+
12	2.30	BB
13	3.73	BB-
14	5.41	B+
15	7.65	B
16	12.00	B-
17	16.00	CCC
18	20.00	CC
19	25.00	C
20 - 22	100.00	D (Default)

A. NBG

Business portfolio

NBG has developed a ratings system for its business portfolio which, following accreditation by the Bank of Greece, is used to quantify risk parameters and facilitate the application of the Internal Ratings-Based Approach (IRBA) for calculating capital requirements against credit risk.

The rules for rating business borrowers (obligors) are set out in detail in the Credit Policy for the business portfolio. Briefly, the PD ratings scale contains 22 grades, 19 of which correspond to borrowers who have not been in default and 3 to borrowers who are or have been in default. Different exposures against the same borrower are rated in the same grade, regardless of the differences between the various forms of credit (that is, as regards the collateral provided). The procedure is carried out on at least a yearly basis, and whenever new information or financial data on the borrower comes to the Bank's notice.

The Bank uses four validated models for rating business obligors, which, since October 2010, have been applied via the Risk Analyst (RA) internet platform and are backed by the ratings of international rating agencies such as Moody's Investors and Standard & Poor's (S&P):

1. All businesses with full financial data are rated using Moody's Risk Advisor (MRA).
2. Borrowers that comprise special cases (such as newly established firms without full financial data, consortiums of constructors, insurance companies, associations) are rated using an Expert Judgment Model.
3. Credits for project finance and object finance are rated using two simplified slotting criteria models.
4. For firms that belong in the business loan portfolio but which keep B-class account books, a Scorecard for businesses with limited financial data is used.

Using data at 31/12/2012, DIAGRAM 5.1.3 sets out the total exposures against businesses, as per the said ratings.

DIAGRAM 5.1.4 presents the business lending of the Bank for the 19 grades of the internal rating scale, including lending to SMEs and exposures to credit institutions.

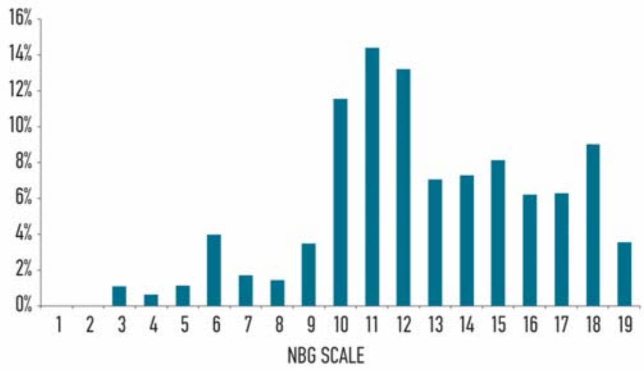
The diagram indicates that 52.5% of the exposures are rated 12 or higher, which is equivalent (in PD terms) to

S&P's BB rating. Regarding exposures to business customers, 52.7% of the total is rated 12 or higher (DIAGRAM 5.1.5). Note also the dispersion of business clients across the various categories, with no concentration over 30% in any single rating category.

Ongoing measures to improve portfolio quality have led to the introduction of credit limits per borrower (obligor limits), in line with the customer's credit ratings.

Relative to the previous year, the Bank's business portfolio across the various sectors of economic activity continues to be well dispersed and to not present significant concentration in any one industry, thus serving as a buffer against some of the shocks emanating from the international environment. The relatively higher concentration in the Transport, Warehousing & Telecom market (14.3%) is explained by the fact that this category includes lending to shipping, while the Wholesale Trade market (14.9%) includes a large number of companies working in differing activities that go to make up the sector (DIAGRAM 5.1.6). Last, note that within the framework of Basel Pillar II the Bank carried out a project for measuring industry concentration risk. The results of this project showed that there is satisfactory dispersion of risk across industries.

DIAGRAM 5.1.4
BREAKDOWN OF AGGREGATE BUSINESS CUSTOMER BALANCES AT 31.12.2012



Retail banking

Management of credit risk in the retail portfolio begins with the approval procedure, which is fully centralized. Every request for financing is assessed using special application scorecards. These statistical models follow well-established international methodologies and are based on historical data held by the Bank, while their predictive power is monitored systematically.

Thereafter, throughout their duration, the behaviour of all retail exposures is monitored on a regular basis and at a central level, reports are prepared on the quality of the loan books for review by management and the credit divisions concerned, and measures are proposed for dealing with credit risk in cases where this is deemed necessary. The tools used for monitoring and managing the retail banking portfolio are default ratios (for 30 to 180 days past due), vintage analysis, and default rates by product or portfolio. These regular analyses are essential for calculating Expected Loss (EL), which comprises the basis for making forecasts for all the retail portfolios.

The various portfolios, their quality and characteristics, are discussed below.

DIAGRAM 5.1.5
BREAKDOWN OF BUSINESS CUSTOMER BALANCES AT 31.12.2012

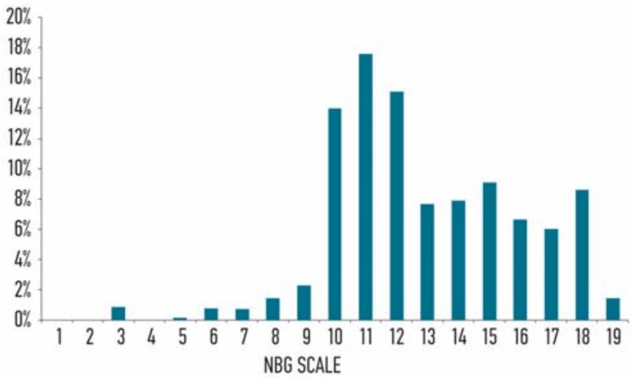
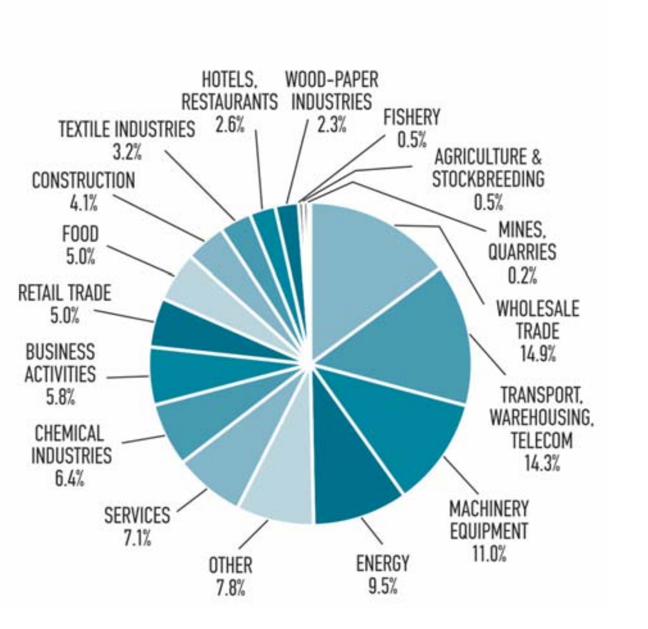


DIAGRAM 5.1.6
BREAKDOWN OF BUSINESS EXPOSURES BY SECTOR



Mortgage lending

The mortgage lending portfolio represents the largest share of NBG's loans and advances to customers (total exposure: €18.7 billion at 31.12.2012). Accordingly, this lending category is subject to close monitoring and high-level analysis on an ongoing basis. While the Bank has redoubled efforts to collect debt in arrears, applies strict criteria in the loan approval process, and has stepped up debt restructuring arrangements for borrowers facing difficulties in repaying their dues, the impact of the adverse economic climate is clearly reflected in the rate of housing loan delinquencies in 2012.

Since the start of 2008 the Bank has applied the IRBA for estimating capital requirements for credit risk in respect of mortgages. Accordingly, all housing loans are ranked in groups on the basis of data regarding the borrower, the credit, and potential default (PD) status.

All mortgage loans (the only exception being those secured under the unconditional guarantee of the Greek State) are classified on a monthly basis in groups with similar risk features for estimating risk parameters. The estimation models for both PD and LGD (loss given default) are based on historical internal data of the Bank recorded from 1990 onwards. The estimates are therefore consistent with the long experience of the Bank in the sphere of mortgage lending, but simultaneously take into account both the Greek legal framework and the practices of the Bank in respect of liquidation of mortgaged properties over the past five years.

In classifying housing loans that are not in default (i.e. less than 180 days past due) in groups with the same PD, the Bank applies the following procedure:

1. Initially, it is ascertained whether the Greek Government has unreservedly guaranteed the payment of principal and interest (special borrower categories, loans granted after natural disasters etc.). Loans falling under this category are handled separately.
2. Classification date is compared with the date on which loans were granted. For loans of less than 14 months' life, step 3 applies. For all other loans, step 4 applies.
3. Behavioural scorecards are applied to loans of up to 13 months' life and a score is extracted. Behavioural scorecards use features linked to the credit (loan maturity, type of product), the borrower (application score) and default status (current amount due, loan delinquencies within the past 12 months). Next, step 5 applies.

4. Behavioural scorecards are applied to loans of over 13 months' life and a score is extracted. Behavioural scorecards use features linked to the credit (loan amount, type of product), and default status (months in arrears, loan delinquencies within the past 12 months).
5. Depending on the score calculated from each scorecard, loans are classed in ten risk pools and are assigned the PD rating for their group.

In estimating PD, the Bank uses 5-year observations regarding all housing loans. A breakdown of total mortgages in December 2012 is presented in DIAGRAM 5.1.7.

It can be seen that, despite the severe crisis that has affected the Greek economy as a whole, nearly a third (33.6%) of borrowers is rated in the risk group displaying 0.38% PD.

For the estimation of LGD a full model was developed in 2010 in replacement of the static measurement that simply classed housing loans in two groups: subsidized and non-subsidized. The new model is mainly based on loan duration, product type, borrower behaviour (e.g. if the loan history contains any payments in arrears) and maturity ratios. The methodology used to develop the model enables the Bank to use a 15-year debt-collection horizon, as the analysis of the most recent recovery data proves that, even in the middle of deep recession, loan accounts in default before 2001 (i.e. over 10 years) continue to receive credit (positive) cash flows, significantly increasing recoverability ratios. Another reason for maintaining, if not even further extending, the 15-year recoverability period, is that Greek financial institutions are being encouraged by the authorities to extend the repayment horizon on housing loans, so as to provide comfort to borrowers.

This model has been recently ratified and graded and is currently in the process of being approved by the Supervisory Authority. The model incorporates:

1. the most recent data on default and cash flows for accounts in default (through to December 2011). Accordingly, it is possible to make a good calculation of downturn LGD.
2. expenditure accounts and cash flows related to refinancing/restructuring arrangements of older loans function by linking new and pre-existing accounts, treating all the cash flows in a uniform manner.

DIAGRAM 5.1.7
MORTGAGES: NUMBER & OUTSTANDINGS

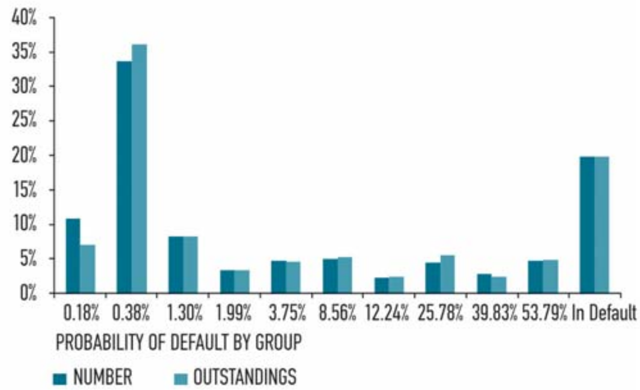


DIAGRAM 5.1.8
HOUSING LOAN RECOVERY RATES

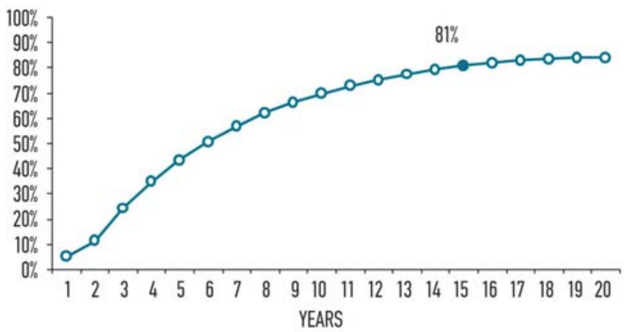
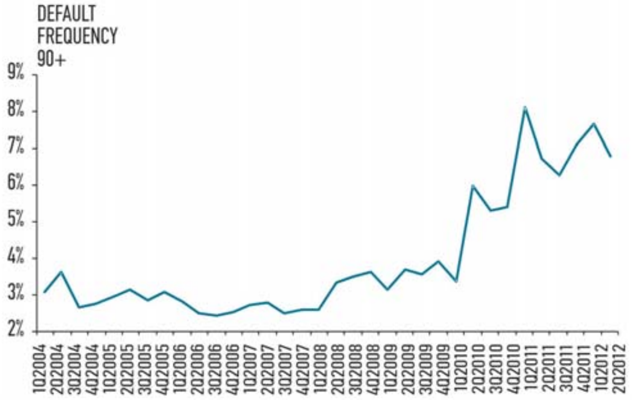


DIAGRAM 5.1.9
FIXED-TERM CONSUMER LOANS VINTAGE ANALYSIS – 6 MONTH LIFE



Consumer credit

During 2012, consumer credit presented a further deterioration in quality due to the ongoing economic slowdown and the decline in the rate of consumer loans granted relative to previous years. Nevertheless, even closer monitoring of the portfolio and the launch of loan products designed to reschedule outstanding debts succeeded in reducing the rate at which customers defaulted on loan payments within the first six months (DIAGRAM 5.1.9).

Delinquencies in credit card repayments have also increased. Nevertheless, there was a significant improvement in the frequency of default on recently granted credit cards of 6 months' life, mainly because of the aforesaid enhanced control and monitoring mechanisms, the much stricter approval criteria applied from early 2009 onwards, and the offering of debt rescheduling products (DIAGRAM 5.1.10).

Due to the ongoing recession, the rate of recovery of +90 dpd consumer debt has declined over time (DIAGRAM 5.1.11).

DIAGRAM 5.1.10
CREDIT CARDS: VINTAGE ANALYSIS – 6 MONTH LIFE

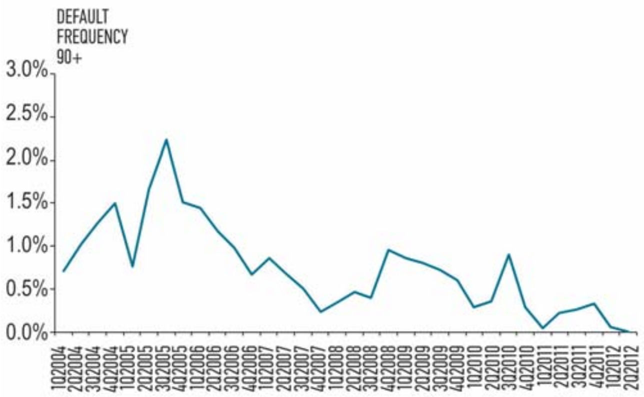
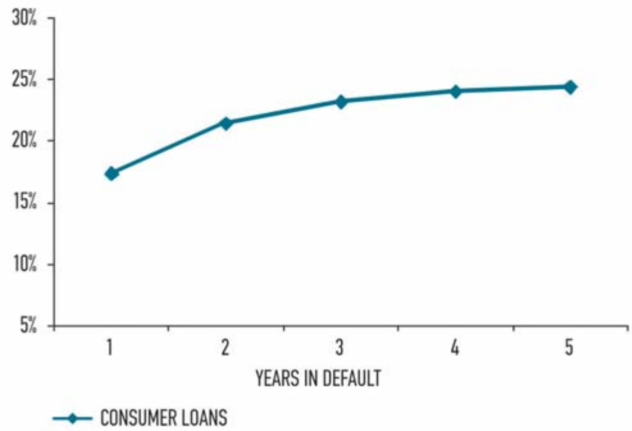


DIAGRAM 5.1.11
CONSUMER LOANS: RECOVERY RATES



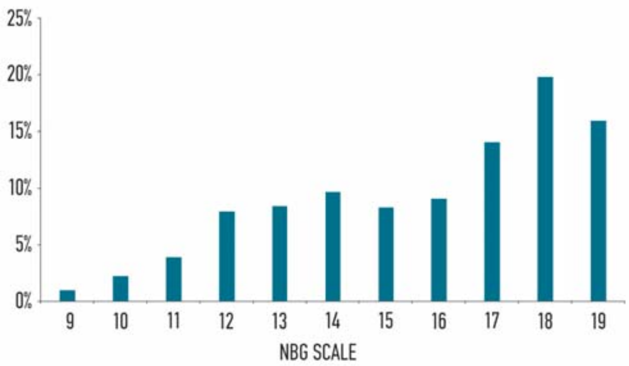
SMEs

Credit to SMEs posted a decline in 2012 while delinquencies increased, reflecting the adverse economic climate.

As DIAGRAM 5.1.12 shows, 41.2% of aggregate exposures are rated equal to or higher than 15 which, in PD terms, corresponds to B on Standard & Poor's rating scale. This is considered satisfactory, given that the portfolio is comprised of businesses with turnover below €2.5 million (sole proprietorships, limited and unlimited partnerships keeping category B account books).

Assessment of all credit applications for the purposes of both the initial credit review and subsequent renewals of credit limits is based on the SME rating model. This model was revised, with the addition of an independent unit that reviews the customer's behaviour in respect of all his accounts and generates a "behavioural score" which, since the end of 2010, has been used by the relevant credit unit during the credit approval process.

DIAGRAM 5.1.12
BREAKDOWN OF LENDING TO SMEs 31.12.2012



B. NBG SUBSIDIARIES

The standards for risks undertaken by the Group's subsidiaries and the guidelines for calculating the key risk parameters in business and retail banking are set centrally by the Bank, which also reviews regularly and approves, when necessary, the models (for evaluating loan applications or behavioural parameters) developed by the relevant units of the subsidiaries in question.

Corporate portfolio

Specifically, for the Group's largest subsidiary, Finansbank, DIAGRAM 5.1.13 presents the distribution of obligors by rating model.

In assigning credit scores to its corporate borrowers Finansbank uses the Moody's Risk Analyst model, which was recently graded in view of the planned inclusion of the corporate loan book in the Internal Ratings-Based Approach for the calculation of capital requirements (Basel II), as well as the Small Business Credit Scoring model.

89.3% of lending and 72.2% of obligors (according to data at 31 December 2012) is rated using Moody's Risk Analyst and, as shown in the diagram, continues to display good dispersion of clientele across the various scales without high concentration in any one single category.

DIAGRAM 5.1.13
BREAKDOWN OF FINANSBANK'S BUSINESS BORROWERS BY RATING MODEL

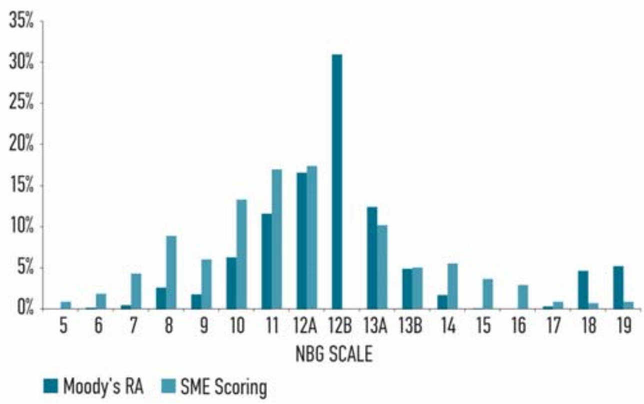
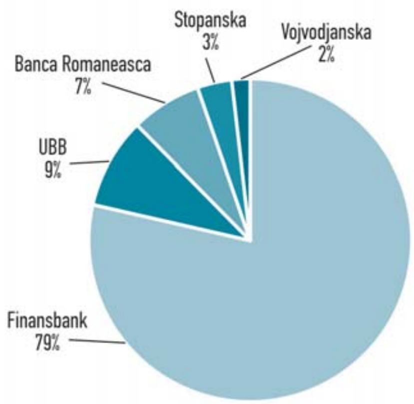


DIAGRAM 5.1.14
BREAKDOWN OF RETAIL BANKING BALANCES



Retail banking

The largest part of the retail banking balance is held by Finansbank (79%), followed by United Bulgarian Bank (9%), and Banca Romaneasca (7%) (DIAGRAM 5.1.14).

In 2012, Finansbank increased significantly its share in retail lending. Total outstanding loans rose year on year by 23%. In 2012, the +90 dpd ratio for credit cards continues to appear stable, while the ratio for mortgage credit declined, reflecting, on the one hand, the measures implemented in the loan approval and loan recovery processes and, on the other, the improvement in the Turkish economy. Lastly, there was a marginal increase in the default rate of consumer loans.

UBB presented the highest +90 dpd ratio of all the subsidiaries, deteriorating throughout the course of 2012. This was due in part to the substantial decline in lending balances (-6%) resulting from the ongoing slowdown of the Bulgarian economy, and in part to the strict approval criteria deployed by the Bank in the context of its tighter credit policy.

Banca Romaneasca's default ratio also moved upwards during 2012, reflecting the adverse economic climate in Romania. Loan defaults were on a rising trend at Stopanska and at Vojvodjanska (the latter reported a high delinquency rate, although its total share of the lending balances of the Group's subsidiaries is the smallest).

Counterparty risk

The Group faces counterparty risk from the OTC transactions and repo agreements in which it engages, as well as its interbank placements. Its commercial transactions also entail counterparty risk.

Counterparty risk is the risk that a counterparty will fail to meet his contractual obligations, prior to final settlement of cash flows. To monitor and manage this risk effectively, the Group has established appropriate counterparty authorization limits, which take as their basis the maximum acceptable limits for risk assumption and the business needs of each subsidiary, as well as the Group as a whole.

A. NBG

NBG's interbank market transactions with financial institutions entail counterparty risk. To minimise this risk, the Bank has established and assigned counterparty risk limits for financial institutions primarily on the basis of their credit ratings. The credit ratings are provided by Moody's and Standard & Poor's. According to the Bank's policy, in the event of different ratings, the lowest rating shall be taken into consideration.

The maximum acceptable limit per counterparty for interbank dealings was set at 70% of the obligor limits determined in NBG's Business Portfolio Credit Policy. The risk limits are expressed in "risk units", which are converted into nominal values on the basis of specific risk weights for each product category. Interbank limits are attributed to Athens and London Treasuries, according to units' business requirements, range of transactions, and types of products in which they engage.

The international financial institutions authorized to carry out interbank market transactions and, in particular, interbank placements with NBG are banks which, for the most part, are rated AAA to BBB- by S&P. As regards Greek banks, due to their credit rating being downgraded by international agencies, new obligor limits have been established, so as to cover NBG's business requirements.

In its interbank placements NBG follows a conservative approach. Accordingly, it allows only O/N or T/N transactions with Greek banks and three months maximum for transactions with international banks. As at 31 December 2012, NBG's interbank placements were, for the most part, intra-Group.

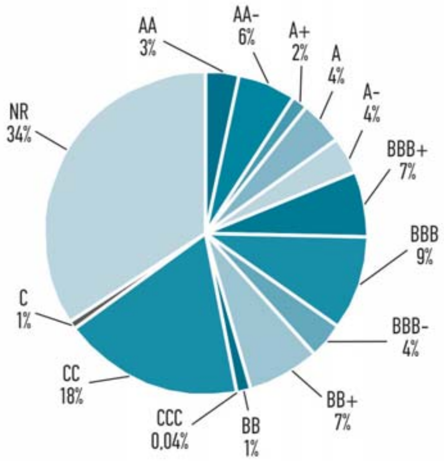
In addition, in the context of the Bank's endeavours to manage and reduce counterparty risk it has put into effect various agreements (Credit Support Annexes - CSAs) with virtually all its counterparties. These contracts set out the terms for reciprocal provision of collateral (cash or securities) on a daily basis, in line with the current value of each product. The level of risk per counterparty depends on the net market value of the transactions involved.

NBG is also active in international trade. For trade that entails counterparty risk for the Bank, NBG has set limits that cover both the funded and unfunded transactions carried out by its relevant units.

B. FINANSBANK

At Group level, the subsidiary with the highest level of exposure to counterparty risk is Finansbank. The risk undertaken by Finansbank in its interbank dealings derives mainly from its placements in financial institutions, OTC derivative products, and repos and reverse repos.

DIAGRAM 5.1.15
BREAKDOWN OF CORPORATE BONDS BY CREDIT RATING (31.12.2012)



To effectively manage this risk, Finansbank has set up a framework of counterparty limits. These limits are expressed both in nominal amounts and in risk units.

In its interbank placements Finansbank sets a maximum of one week on the duration of its transactions, with the exception of transactions with subsidiary banks of the Group, which can be up to three months' duration.

In addition, to reduce counterparty risk Finansbank has signed agreements (Credit Support Annexes—CSAs) with its key counterparties, exchanging the collateral required on a daily basis.

For trade that entails counterparty risk for the bank, it has set similar limits as those set by NBG, to cover funded and unfunded domestic and international trade.

C. OTHER GROUP BANKS

The counterparty risk undertaken by United Bulgarian Bank, Banca Romaneasca and Vojvodjanska Banka is relatively low and derives mainly from their transactions in the interbank market. These transactions involve interbank placements and currency trades and, in some cases, repo dealings.

To manage this risk, the banks in question have set corresponding frameworks of counterparty limits expressed in nominal values and in risk units. Their conversion is carried out in line with specific weights that are the same for all subsidiaries.

Apart from the limits set for transactions with local and Greek banks, the counterparty risk limits in the interbank market concern mainly high-rated financial institutions based in low or very low risk countries.

The maximum duration of the interbank placements of the said banks was three months.

The said subsidiaries undertake only a small level of counterparty risk as part of their commercial transactions, with corresponding separate limits.

Corporate bonds

The Bank holds a global and Greek corporate bond portfolio. To manage the corresponding risk, limits for the purchase and holding of such bonds have been set in line with the following parameters:

- credit rating
- corporation – issuer
- industry and issue
- origin of issuer

The Bank's placements in corporate bonds that are rated by international rating agencies (Standard & Poor's, Moody's) amounted to 65.8% of its aggregate corporate bond portfolio, with 18.8% rated A or higher (DIAGRAM 5.1.15), standing almost at the same level as the previous year (18.3%).

Lastly, 18.5% of NBG's aggregate corporate bond portfolio corresponds to Greek issues and 81.5% to international.

Country risk

Country risk involves various risks that may be generated at country level as a result of political or economic problems, whether in the form of sovereign default risk or in the form of convertibility risk (i.e. the risk that a local currency cannot be freely exchanged/delivered for another freely exchangeable "hard" currency) and transfer risk (i.e. the risk that it may not be possible to send a currency out of the country), which represent cross-border risk. Accordingly, country risk includes every kind of cross-border financing in a country, whether the financing concerns central government, financial institutions, businesses or individuals.

The on- and off-balance sheet items that are relevant to country risk are as follows:

- holdings of government debt securities (sovereign risk);
- interbank transactions/placements, and equivalent risks from interbank derivative transactions (cross-border risk);
- loans to businesses or financial institutions, holdings of corporate bonds, and financing of large projects (cross-border risk);
- funded and unfunded commercial transactions (cross-border risk), and
- shareholdings in subsidiary banks based abroad.

The Group's exposure to country risk is monitored on a daily basis, in line with the framework outlined above, and is concentrated primarily in the countries where the Group has a business presence, i.e. SE Europe, Turkey, Egypt, South Africa and Malta. At 31 December 2012, the NBG's exposure to these markets amounted to 9% of the total assets of the Group (DIAGRAM 5.1.16, TABLE 5.1.2).

DIAGRAM 5.1.16
COUNTRY RISK IN EMERGING MARKETS (31.12.2012)

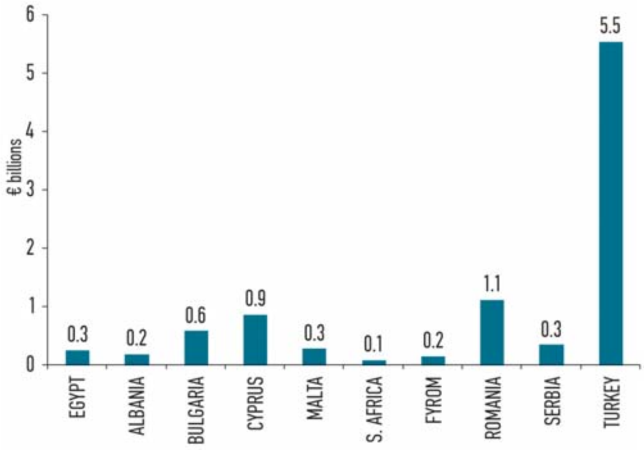
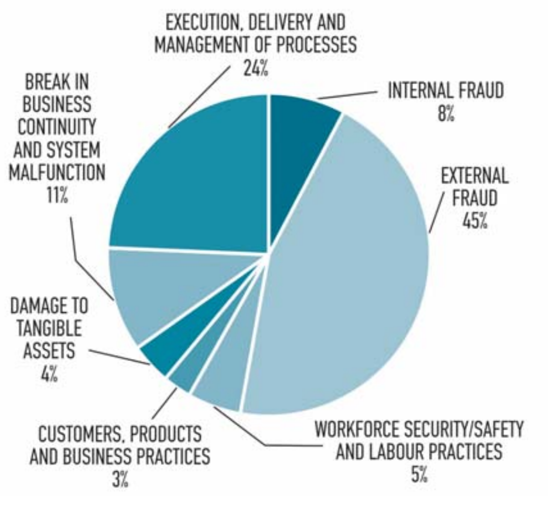


TABLE 5.1.2
CREDIT RATING FOR EMERGING MARKETS

COUNTRY	MOODY'S	S&P	COUNTRY RISK AS % OF TOTAL GROUP ASSETS 31.12.2012
EGYPT	B2B-0,24%		
ALBANIA	B1	B+	0.18%
BULGARIA	Baa2	BBB	0.56%
CYPRUS	B3	CCC+	0.82%
MALTA	A3	A-	0.27%
SOUTH AFRICA	Baa1	BBB	0.08%
FYROM		BB	0.15%
ROMANIA	Baa3	BB+	1.07%
SERBIA		BB-	0.33%
TURKEY	Ba1	BB	5.29%
TOTAL			**9.00%**

DIAGRAM 5.1.17
BREAKDOWN OF GROSS LOSS FROM OPERATIONAL RISK EVENTS IN 2012: GROUP



Operational risk

Operational risk is the risk that loss will be incurred as a result of inadequacy or failure of internal procedures and systems, either because of human factors or external events. In line with the Basel II definition employed by the Bank, operational risk includes legal risk and regulatory compliance risk.

NBG, fully aware of the significance of operational risk, has focused on developing and deploying a comprehensive operational risk management framework so as to meet not only the qualitative and quantitative criteria for implementation of the Standardized Approach, but also, over a long-term horizon, to adopt the Advanced Measurement Approach for calculating associated capital requirements.

In endeavouring to enhance its operational risk management, since 2010 NBG has developed and deployed the OpVar software application, initially at NBG (including its international branch network), Finansbank, Ethniki Leasing, and Ethniki Factors. In the following year, the use of the new software application was expanded to the remaining Group companies (Banca Romaneasca SA, UBB, Interlease EAD SOFIA, Stopanska Banka AD, Vojvodjanska Banka AD, NBG Leasing Belgrade, NBG Cyprus, National Securities, and NBG Asset Management). In 2012, the use of the OpVAr software application was expanded to three more companies (NBG Leasing IFN SA, UBB Insurance Broker AD, UBB Factoring).

In 2012, the annual implementation cycle of the Operational Risk Management Framework was deployed by the Bank via the OpVar software application for the second consecutive year. The key constituents of this framework are outlined below:

- to identify, assess and monitor operational risks;
- to define effective risk mitigation action plans;
- to identify and monitor NBG's Key Risk Indicators;
- to collect loss-making event data.

Note that in 2012, work meetings took place for the third consecutive year dedicated to the analysis of various scenarios. Scenario analysis is carried out by expert analysts who set out systematic procedures for recording a series of risk-weighted assessments for the frequency at which operational losses with serious impact occur.

With regard to the collection of data on loss-making events, particular emphasis was placed in 2012 on enriching the loss events database by comparing it with data from SAP to ensure that all such events are recorded in this database. A breakdown of loss-making events by regulatory category is presented in DIAGRAM 5.1.17.

NBG uses the Standardized Approach for calculating capital requirements for operational risk at Group level. In 2012, regulatory capital requirements for operational risk amounted to €415 million.

Likewise, the Bank has developed since 2011 an internal model for the quantification of its operational risk, aiming at the calculation of regulatory capital going forward both for the Bank and for Finansbank, in line with the assumptions of the Advanced Measurement Approach (AMA). The AMA was used for calculating internal capital for operational risk (as per Basel Pillar II) with a view to ensuring capital adequacy and compliance of the Bank with supervisory requirements.

5.2 REGULATORY COMPLIANCE

Over the past years, peaking in 2012, the Greek banking sector has been severely impacted by its lack of access to international markets, the outflow of deposits, the deterioration of asset quality due to recessionary conditions, and the sovereign debt restructuring with private sector involvement (PSI). These factors have put banking operations under severe pressure, demonstrating the need for a strong and effective regulatory compliance function.

Against this backdrop, and in view of the Group's cross-border activities, Group Regulatory Compliance (GRC) continued its advisory actions across the entire range of the Group's activities. In 2012, it focused on facilitating timely adaptation to new legal and regulatory provisions, preventing and averting risks related to potential breach of the existing regulatory framework, as well as establishing an effective environment for monitoring regulatory compliance issues.

In seeking to efficiently manage complaints and further enhance customer relations, the Customer Service Department was incorporated into the GRC organizational structure, as set out in the accompanying table.

In 2012, GRC's primary objective was to ensure continuous compliance of the Bank and the Group with the current legislative and regulatory framework governing consumer protection, transparency of transactions, provision of investment products and services, capital and money market operations, corporate governance, prevention and management of conflicts of interests, prevention and detection of money laundering, protection of data privacy, internal control systems and other issues.

Specifically, with a view to preventing money laundering and the financing of terrorism (ML/FT)—given that such criminal acts are contrary to the core values and principles governing the Group's business activity—priority was placed on adopting, reviewing and implementing policies, procedures and tests that ensure the maximum level of compliance with the current regulatory framework (Bank of Greece Governor's Act 2652/29.02.2012) and prevent the use of the Group's services for ML/FT purposes.

Fully aware of the potential negative impact to the Group's image and good name of any involvement of the Bank or its subsidiaries in cases of bribery, and with a view to further enhancing existing corporate governance procedures and undertaking the commitment to comply with sound ethical principles, financial integrity and credibility, the Bank introduced a Group Anti-Bribery Policy.

Likewise, a Group Data Management Policy was adopted, for the determination of the principles and rules governing the processing of personal data that the Bank and its subsidiaries collect in the context of business or other banking relationship.

Issues regarding consumer protection were an area of special interest, reflecting the Bank's heightened customer focus, particularly during the current adverse economic climate. In this context, GRC participated actively in the design and launch of new Bank products, but also in the approval process for the advertising and promotion of these products among the public.

GRC continued to run training seminars both in the classroom and via its e-learning platform, in cooperation with the HR Development unit. Emphasis was placed on AML/CFT issues, on regulatory compliance issues in general, and on accreditation of personnel who provide investment services within the institutional framework of the Capital Market. Within 2012, a total of 3,481 staff (from Management, the branch network and other Group companies) participated in these seminars.

In seeking to establish an effective environment for monitoring regulatory compliance issues, distance audits at branches continued, focusing on compliance with AML provisions, due implementation of legislation regarding investment services (MiFID) and banknotes of doubtful genuineness.

Furthermore, in order to deal in a timely manner with failures identified by the reviews carried out in the Group by central supervisory authorities or external auditors, GRC systematically monitors, via the EGRC application, the implementation of the corrective measures stated in audit reports.

GRC updates the Audit Committee of the Board of the Bank on a quarterly basis on compliance issues, focusing on compliance risks revealed by the reviews of supervisory authorities, internal audits carried out in the Group subsidiaries and branches in Greece and abroad and compliance audits, as well as on the success of the corrective measures implemented. In 2012, the supervisory authorities did not impose any significant fines on the Group, but only as regards a few isolated incidents for non-material shortcomings that were found.

In seeking to ensure the efficiency of controls that enable compliance with the Group's regulatory framework and policies, a Regulatory Compliance & Reputation Risk Committee was set up.

The implementation of an effective RC framework at Group level has played a key role in strengthening the credibility of the Group among shareholders, customers, investors, and supervisory and other independent authorities.

GROUP REGULATORY COMPLIANCE DIVISION	
GROUP COMPLIANCE GOVERNANCE UNIT	Development of compliance policies at Group level & management of all compliance issues (except AML/CFT)
GROUP COMPLIANCE MONITORING UNIT	Monitoring and review of the Group's compliance with the regulatory and legal framework each time applicable (except AML/CFT)
GROUP AML/CFT COMPLIANCE GOVERNANCE UNIT	Development of AML/CFT policies & monitoring and review of compliance, at Group level, with the regulatory and legal framework each time applicable
GROUP AML/CFT MONITORING SYSTEM'S REPORT MANAGEMENT UNIT	Management of Suspicious Transaction Reports and other similar investigations by Supervisory Authorities & management of AML/CFT Transactions Monitoring System (Mantas) at Group level
SUPERVISORY AUTHORITIES' & CUSTOMERS' INVESTIGATION REQUESTS UNIT	Investigating the existence of customer assets kept with the Bank, following lawful request by customer, Supervisory or Judicial Authority, safeguarding State interests and attaching assets in the hands of the Bank
CUSTOMER SERVICE UNIT	Management, single & uniform handling of customer complaints & process of data collected through complaints, with a view to optimizing the services provided by the Bank

5.3 INTERNAL AUDIT

The Internal Audit function is exercised by an independent unit whose main goal is to monitor the implementation of the Group's policies, regulations and processes and to provide objective views on the effectiveness of the System of Internal Controls. The Internal Audit-Inspection Division conducts controls at Bank and Group level and at the same time operates as the central coordinating unit that provides guidance, assists and supervises all the Internal Control Units of subsidiaries to ensure that all required controls are conducted, mainly covering high risk areas. As of 2010, the Division directly conducts internal controls in respect of the activities of four domestic subsidiaries.

Internal Audit adds value to the Group by: a) contributing to ongoing and systematic assessment of both management of risks undertaken and internal audit processes implemented, b) proposing measures that further enhance the quality and effectiveness of controls, and c) monitoring the implementation of corrective actions.

Because of the financial crisis, over the past three years, the Internal Audit's control and advisory activities have been adjusted so as to enable the Unit to contribute, within its jurisdiction, to the attainment of the Group's strategic goal to confront effectively the fallout from the crisis. During 2012, Internal Audit:

- updated its Charter, following relevant approval of the Audit Committee, further enhancing its functionality and independence;
- set up a separate department charged with assessing the quality of the Group's Internal Control Units;
- upgraded the Paisley-Thomson Reuters EGRC software, used since 2009 to automate the management of control works carried out by the Group's Internal Control Units in aggregate;
- continued to enrich the scenarios of the special anti-fraud (ASIST) application designed to avert and detect possible cases of fraud, as for the second consecutive year losses due to fraud followed a downward trend thanks to early detection and the deployment of appropriate measures;
- renewed its audit staff by appointing 12 new qualified officers from the Bank's existing personnel, while during 2013 another 8 officers should be appointed;
- continued to deepen the forging of synergies with the external auditor on various auditing matters, achieving economies of scale.

Besides conducting a considerable number of unscheduled audits that needed to be performed on an exceptional basis, almost all scheduled audits were duly carried out. The audit program of the subsidiaries' Internal Control Units was equally satisfactorily carried out. Finally, the Unit continued to play an advisory role in various committees and in the design of procedures and products.

5.4 CORPORATE GOVERNANCE

The Bank's corporate governance framework is aligned with the requirements of Greek legislation, the decrees of the Hellenic Capital Market Commission ("HCMC") and the Bank's Articles of Association and regulations. The Bank, being listed on the New York Stock Exchange ("NYSE"), is also subject to the US legal and regulatory framework (Sarbanes Oxley Act), the US Securities & Exchange Commission ("SEC") rules and NYSE regulations.

In February 2006, the Bank's Board of Directors adopted a framework that sets out the Bank's corporate governance structure and policy. This framework was based on best international practices and fosters continuity, consistency and efficiency in the modus operandi of the Board and the governance of the Bank and the Group. The Corporate Governance Code, which was adopted by the Bank's Board in March 2011, derives from the provisions of the corporate governance framework and defines:

- The purpose, key duties and responsibilities of the Board;
- The structure and modus operandi of the Board and the Board Committees;
- The process for the performance evaluation of the Board;
- The required qualifications and independence criteria of the Directors;
- Directors' orientation and continuing education of newly appointed Board members;
- The Directors' election process;
- The Directors' rights and obligations;
- Potential conflict of interest situations;
- The approval and disclosure of Director's compensation;
- Relations with the Bank's Shareholders.

The Bank, remaining abreast of international developments in corporate governance issues, continuously updates its corporate governance framework and consistently applies the principles and rules dictated by the Corporate Governance Code, focusing on the long-term safeguarding of the interests of its depositors and customers, shareholders and investors, employees and other stakeholders.

The Corporate Governance Code is available on the Bank's website: www.nbg.gr (section: The Group / Corporate Governance / Regulations & Principles).

The corporate governance practices and the modus operandi of the General Meeting, the Board of Directors and the Board Committees are described in the Group's Annual Financial Report for 2012, which is available on the Bank's website www.nbg.gr (section: The Group/Investor Relations/Annual and Interim Financial Statements/Financial Statements of the Group and the Bank for the period ended 31.12.2012).

SUMMARY FINANCIAL STATEMENTS

Independent Auditor's Report

To the Shareholders of "NATIONAL BANK OF GREECE SA"

Report on the Stand-Alone and Consolidated Financial Statements

We have audited the accompanying stand-alone and consolidated financial statements of "NATIONAL BANK OF GREECE SA" (the "Bank") and its subsidiaries (the "Group"), which comprise the stand-alone and consolidated statement of financial position as at December 31, 2012, and the stand-alone 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 Stand-Alone and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these stand-alone 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 stand-alone 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 stand-alone 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 whether the stand-alone 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 stand-alone and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the stand-alone 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 stand-alone 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 stand-alone 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 stand-alone and consolidated financial statements present fairly, in all material respects, the financial position of the Bank and the Group as of December 31, 2012, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as these were adopted by the European Union.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the disclosures made in note 2.2 to the stand alone and consolidated financial statements, which refer to the planned actions in progress to restore the capital adequacy of the Bank and the Group and the existing uncertainties that could adversely affect the going concern assumption until the completion of the recapitalisation process.

Report on Other Legal and Regulatory Requirements

a) The Directors' Report includes a Corporate Governance Statement which provides the information required according to the provisions of paragraph 3d of Article 43a and paragraph 3f of article 107 of Codified Law 2190/1920.

b) We have agreed and confirmed the content and consistency of the Directors' Report to the accompanying stand-alone and consolidated financial statements according to the provisions of the articles 43a, 108 and 37 of the Codified Law 2190/1920.

Athens, 28 March 2013

The Certified Public Accountant
Emmanuel A. Pelidis
Reg. No. SOEL: 12021

Deloitte.

Hadjipavlou Sofianos & Cambanis SA
3a Fragoklissias & Granikou Str.
15125 Maroussi
Reg. No. SOEL: E. 120

National Bank of Greece S.A

FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM 1 JANUARY 2012 TO 31 DECEMBER 2012
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 thousand 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:	27 March 2013
Certified Public Accountant - Auditor:	Manos Pelidis (RN SOEL 12021)
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:	28 March 2013
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

	GROUP		BANK	
ASSETS	**31.12.2012**	**31.12.2011**	**31.12.2012**	**31.12.2011**
Cash and balances with central banks	4.499.849	4.082.153	1.212.519	1.566.583
Due from banks (net)	4.318.193	4.635.846	4.195.414	8.026.009
Financial assets at fair value through profit or loss	5.429.325	2.682.655	5.005.813	2.457.257
Derivative financial instruments	3.693.023	3.610.701	3.380.454	2.785.262
Loans and advances to customers (net)	69.135.388	71.496.221	46.999.623	52.891.237
Available for sale investment securities	5.215.610	4.509.230	1.045.610	1.157.474
Held to maturity investment securities	355.944	1.023.666	1.030.356	1.322.230
Loans and receivables investment securities	2.743.812	5.155.545	2.463.671	4.684.066
Investment property	280.388	274.470	-	-
Investments in subsidiaries	-	-	8.906.875	8.460.927
Equity method investments	158.649	42.484	6.716	5.803
Goodwill, software & other intangible assets	2.137.732	2.136.821	133.911	128.953
Property & equipment	1.968.722	2.022.676	330.819	353.093
Deferred tax assets	1.297.936	1.309.609	1.085.038	1.000.326
Insurance related assets and receivables	635.912	700.638	-	-
Current income tax advance	371.419	242.359	339.996	242.359
Other assets	2.556.871	2.806.859	1.802.667	2.087.915
Total assets	**104.798.773**	**106.731.933**	**77.939.482**	**87.169.494**
LIABILITIES				
Due to banks	33.972.333	34.108.238	33.287.156	33.870.863
Derivative financial instruments	4.770.211	4.331.404	4.373.082	3.802.429
Due to customers	58.721.940	59.543.640	40.908.040	44.025.167
Debt securities in issue	2.385.354	1.727.864	600.066	1.059.297
Other borrowed funds	1.386.149	1.712.074	205.152	984.671
Insurance related reserves and liabilities	2.460.132	2.685.450	-	-
Deferred tax liabilities	84.099	62.674	-	-
Retirement benefit obligations	229.846	275.936	192.797	208.891
Current income tax liabilities	47.815	52.040	-	-
Other liabilities	2.628.457	2.485.630	2.167.783	4.283.692
Total liabilities	**106.686.336**	**106.984.950**	**81.734.076**	**88.235.010**
SHAREHOLDERS' EQUITY				
Share capital	6.137.952	6.137.952	6.137.952	6.137.952
Share premium account	3.326.063	3.326.063	3.324.623	3.324.623
Less: treasury shares	(23)	(110)	-	-
Reserves and retained earnings	(11.593.487)	(10.187.022)	(13.257.169)	(10.528.091)
Equity attributable to NBG shareholders	**(2.129.495)**	**(723.117)**	**(3.794.594)**	**(1.065.516)**
Non-controlling interests	70.139	83.641	-	-
Preferred securities	171.793	386.459	-	-
Total equity	**(1.887.563)**	**(253.017)**	**(3.794.594)**	**(1.065.516)**
Total equity and liabilities	**104.798.773**	**106.731.933**	**77.939.482**	**87.169.494**

Statement of Changes in Equity

	GROUP		BANK	
	From 01.01 to			
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Balance at beginning of period	**(253.017)**	**10.905.353**	**(1.065.516)**	**8.780.120**
Changes during the period:				
Total comprehensive expense, net of tax	(1.516.707)	(11.532.648)	(2.727.558)	(10.834.438)
Share capital increase	-	991.200	-	991.200
Dividends declared	(2.738)	(16.588)	-	-
(Purchases) / disposals of treasury shares	87	4.791	-	-
Other changes	(115.188)	(605.125)	(1.520)	(2.398)
Balance at end of period	**(1.887.563)**	**(253.017)**	**(3.794.594)**	**(1.065.516)**

Statement of Comprehensive Income

	GROUP		BANK	
	From 01.01 to			
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Interest and similar income	6.230.352	6.586.518	3.079.607	3.765.458
Interest expense and similar charges	(2.865.208)	(2.743.710)	(1.411.607)	(1.435.677)
Net interest income	**3.365.144**	**3.842.808**	**1.668.000**	**2.329.781**
Fee and commission income	776.333	706.628	231.457	235.781
Fee and commission expense	(281.489)	(212.779)	(264.683)	(191.654)
Net fee and commission income / (expense)	**494.844**	**493.849**	**(33.226)**	**44.127**
Earned premia net of reinsurance	695.400	789.157	-	-
Net claims incurred	(564.225)	(642.438)	-	-
Earned premia net of claims and commissions	**131.175**	**146.719**	**-**	**-**
Net trading income / (loss) and results from investment securities	(430.943)	(27.719)	(687.243)	(33.073)
Net other income / (expense)	(32.912)	(83.697)	(108.004)	(33.932)
Total income	**3.527.308**	**4.371.960**	**839.527**	**2.306.903**
Personnel expenses	(1.392.879)	(1.616.424)	(802.341)	(1.036.593)
General, administrative and other operating expenses	(733.102)	(721.430)	(319.213)	(345.573)
Deprec. & amortis. on properties, equipment, software & other intang. assets(209.234)	(202.869)	(91.826)	(90.427)	
Amortis. & write offs of intang. assets recognised on business combinations	(21.919)	(23.362)	-	-
Finance charge on put options of non-controlling interests	(5.341)	(6.892)	(5.341)	(6.892
Credit provisions and other impairment charges	(2.966.372)	(3.439.026)	(2.482.779)	(3.407.844)
Impairment of Greek government bonds	(186.628)	(11.783.256)	(162.691)	(10.555.139)
Share of profit / (loss) of associates	2.230	1.179	-	-
Loss before tax	**(1.985.937)**	**(13.420.120)**	**(3.024.664)**	**(13.135.565)**
Tax benefit / (expense)	(157.724)	1.095.236	89.039	990.817
Loss for the period, net of tax (A)	**(2.143.661)**	**(12.324.884)**	**(2.935.625)**	**(12.144.748)**
Attributable to:				
Non-controlling interests	(4.166)	19.148	-	-
NBG equity shareholders	**(2.139.495)**	**(12.344.032)**	**(2.935.625)**	**(12.144.748)**
Other comprehensive income/(expense), net of tax (B)	626.954	792.236	208.067	1.310.310
Total comprehensive expense, net of tax (A+B)	**(1.516.707)**	**(11.532.648)**	**(2.727.558)**	**(10.834.438)**
Attributable to:				
Non-controlling interests	(3.401)	20.145	-	-
NBG equity shareholders	**(1.513.306)**	**(11.552.793)**	**(2.727.558)**	**(10.834.438)**
Losses per share (Euro) - Basic and Diluted:	**€(2,1221)**	**€(12,9283)**	**€(3,0704)**	**€(12,7032)**

Statement of Cash Flows

	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Net cash flows from / (used in)				
Operating activities	(2.764.872)	(2.254.258)	(1.981.051)	(1.474.866)
Investing activities	2.469.115	1.713.620	(595.319)	871.269
Financing activities	182.566	(1.378.183)	(825.940)	(1.155.876)
Net increase / (decrease) in cash and cash equivalents in the period	(113.191)	(1.918.821)	(3.402.310)	(1.759.473)
Effect of foreign exchange rate changes on cash and cash equivalents	9.233	(125.877)	(10.078)	545
Total cash inflows / (outflows) for the period	**(103.958)**	**(2.044.698)**	**(3.412.388)**	**(1.758.928)**
Cash and cash equivalents at beginning of period	4.270.746	6.315.444	6.990.406	8.749.334
Conversion of branch to subsidiary			(54.045)	
Cash and cash equivalents at end of period	**4.166.788**	**4.270.746**	**3.523.973**	**6.990.406**

The Board of Directors

Georgios P. Zanias	Non-Executive Member - Chairman of the BoD
Alexandros G. Tourkolias	Executive Member - Chief Executive Officer
Petros N. Christodoulou	Executive Member - Deputy Chief Executive Officer
Ioannis C. Giannidis	Non-Executive Member
Stavros A. Koukos	Non-Executive Member
Efthymios C. Katsikas	Non-Executive Member
H.E. the Metropolitan of Ioannina Theoklitos	Independent Non-Executive Member
Stefanos C. Vavalidis	Independent Non-Executive Member
Alexandra T. Papalexopoulou - Benopoulou	Independent Non-Executive Member
Petros K. Sabatacakis	Independent Non-Executive Member
Maria A. Fragista	Independent Non-Executive Member
Spyridon J. Theodoropoulos	Independent Non-Executive Member
Alexandros N. Makridis	Greek State representative
Charalampos A. Makkas	Hellenic Financial Stability Fund representative

Notes

1) At 31.12.2012 the total equity of the Group and the Bank were negative mainly due to impairment losses recorded in 2011 and 2012, in several classes of assets like Greek government bonds and other loans in Greece as a result of the crisis in the Greek economy. The management after taking the recapitalization plan for Greek banks into account concluded that the Group and the Bank can continue to operate for the foreseeable future and it is appropriate to continue to adopt the going concern basis in preparing their financial statements. Under the recapitalization plan and the reinforcement of the viability of Greek banks, the Hellenic Financial Stability Fund (HFSF) contributed, on 28.5.2012, the nominal amount of €7.430,0 million as an advance payment for the Bank's future share capital increase. On 20.12.2012, the Bank of Greece through its letter to the Bank, copied Decision 52/23/26.10.2012 of the Credit And Insurance Committee in which it is mentioned that the capital required by the Bank, amounted to €9.756,0 million. Taking into consideration the €7.430,0 million of EFSF bonds already received as noted above, the remaining capital requirement amounted to €2.326,0 million. On 21 .12.2012, the HFSF contributed European Financial Stability Facility (EFSF) bonds, with nominal value of €2.326,0 million, as an additional advance for the participation in the Bank's future share capital increase. Furthermore, the HFSF is committed to subscribe for any amount of unsubscribed share capital and / or the convertible bonds and this commitment is valid up to 30.4.2013. At 31.12.2012, taking into consideration the above advances of €9.756,0 million by the HFSF, the Group's capital adequacy ratio amounted to 9,0%. For additional information on the above see notes 2.2 & 4.7 of the annual financial statements as of 31.12.2012.

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 2011 financial statements. Details are included in Note 2 of the annual financial statements as of 31.12.2012.

3) The Bank has been audited by the tax authorities up to and including the year 2008. The financial years 2009 and 2010 are currently being audited by the tax authorities whereas the financial year 2011 was audited and the financial year 2012 is audited by the certified public accountant of the Bank. The unaudited tax years of the subsidiary companies of the Group fully consolidated and associated are reflected in Notes 46 and 24 of the annual financial statements as of 31.12.2012.

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 impact on the financial position or operations of the Group. As of 31.12.2012, the provisions recognized by the Group and the Bank, amounted to: a) for cases under litigation €79,8 million and €55,3 million respectively, b) for unaudited tax years €9,8 million and €7,8 million respectively and c) for other risks €23,8 million and €2,3 million respectively.

5) The number of Group and Bank employees as of 31.12.2012 was 35.078 and 11.493 respectively (31.12.2011: 34.698 and 12.189 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 31.12.2012, amounted to €8,0 million, €47,1 million, €10,7 million, €6,5 million and €17,8 million respectively. The corresponding balances and transactions with subsidiaries, associated companies and joint ventures of the Bank as of 31.12.2012 were €3.992,3 million, €3.410,4 million, €175,9 million, €273,8 million and €2.977,0 million. Loans, deposits 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 31.12.2012, to €20,3 million, €7,3 million and €16,8 million respectively and for the Bank alone the corresponding amounts amounted to €19,7 million, €2,9 million and €7,7 million. The total receivables of the Group and the Bank from the employee benefits related funds as of 31.12.2012, amounted to €501,3 million. The total payables of the Group and the Bank to the employee benefits related funds as of 31.12.2012, amounted to €111,5 million and €40,0 million respectively. During 2012 under the recapitalization plan, HFSF contributed €9.756,0 million EFSF bonds to the Bank, whereas the Bank in December 2012 made a one-off payment to the HFSF of €115,6 million, in accordance with an amendment of Law 3864/2008.

7) Acquisitions, disposals & other capital transactions:

   a) On 15.3.2012, the Bank acquired 10,2% of Banca Romaneasca from European Bank for Reconstruction and Development (EBRD) through put and call arrangements as provided for in the 2005 shareholders agreement, between the Bank and EBRD. The total consideration paid amounted to €26,1 million.

   (b) On 1.7.2012, the foreign branch of NBG in Albania, became a subsidiary under the name Banka NBG Albania Sh.a. in which the Bank participates with 100%.

   (c) On 27.9.2012, the Bank fully subscribed the share capital increase of Ethniki Hellenic General Insurance S.A. for the amount of €500,0 million.

   (d) On 4.10.2012, ASTIR Palace Vouliagmenis S.A. established ASTIR Marina Vouliagmenis S.A., a wholly owned subsidiary. The capital contributed amounted to €5,0 million.

   (e) On 19.10.2012, NBG Leasing IFN increased its share capital by RON 66.978 thousand. After this capital increase Banca Romaneasca possess 93,57% of the share capital of the company.

   (f) On 29.10.2012, our subsidiary Interlease E.A.D., Sofia, acquired through foreclosure proceedings the 100% of the share capital of "Hotel Perun – Bansco" EOOD. The fair value of the company was estimated to BGN 12.025 thousand.

   (g) On 16.11.2012, Finansbank disposed of its 100% subsidiary Finans Tuketici Finansmani A.S. for TL4,3 million.

   (h) During 2012, Finansbank acquired 32,86% of Finans Investment Trust for the amount of TL5,8 million.

   (i) During 2012, Finansbank acquired 4,61% of Finans Leasing for the amount of TL21,6 million. (j) On 9.11.2012, the disposal of 51,0% of shares of Finans Pension was finalized, a subsidiary of Finansbank, to Cigna Nederland Gamma B.V. for a consideration of TL202,9 million. Finansbank retained the remaining 49,0% and it was agreed to operate Finans Pension through a formation of a 51,0% / 49,0% Joint Venture. Details for the above transactions are included in Note 45 of the annual financial statements as of 31.12.2012.

8) Included in Notes 24 & 46 of the annual financial statements as of 31.12.2012, 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. As of 31.12.2012 the following changes occurred in the Groups' structure:

   (a) Fully consolidated: As of 1.7.2012, the foreign branch of NBG in Albania became a subsidiary under the name Banka NBG Albania Sh.a. in which the Bank participates with 100%. From 4.10.2012 ASTIR Marina Vouliagmenis S.A., a wholly owned subsidiary is included in the Group. From 29.10.2012 our 100% subsidiary "Hotel Perun – Bansco" EOOD is included in the Group. Finans Tuketici Finansmani A.S. (Finans Consumer Finance) is no longer included in the financial statements since it has been disposed of. Moreover Finans Emeklilik ve Hayat A.S. (Finans Pension) from 9.11.2012, is consolidated under the equity method in the annual financial statements due to the disposal of 51,0%.

   (b) There are no entities exempted from the annual financial statements as of 31.12.2012.

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

9) "Other comprehensive income for the period, net of tax" of the Group, in the current period ended 31.12.2012, is comprised of €522,5 million relating to the movement of available for sale investments reserve, €106,0 million relating to currency translation differences and €(1,6) million relating to net cash flow hedge. The corresponding amounts for the Bank (except net cash flow hedge amount which is NIL) are €207,5 million and €0,6 million.

10) As of 31.12.2012, the Group held 10.763 rights on treasury shares with acquisition cost of €23 thousand approximately, while the Bank did not hold any treasury shares.

Athens, 27 March 2013

THE CHAIRMAN	THE CHIEF EXECUTIVE OFFICER	THE DEPUTY CHIEF EXECUTIVE OFFICER	THE DEPUTY CHIEF FINANCIAL OFFICER
GEORGIOS P. ZANIAS	ALEXANDROS G. TOURKOLIAS	PETROS N. CHRISTODOULOU	PANAGIOTIS P. CHATZIANTONIOU

AUDIT COMMITTEE REPORT TO SHAREHOLDERS

The Audit Committee of NBG is composed of the following six members:

Petros Sabatacakis	Economist, Banker, Advisor on issues related to the US Securities & Exchange Commission *Chairman*
Alexandra Papalexopoulou-Benopoulou	Economist, Member of the Board of Titan Cement SA *Vice Chairman*
Stefanos Vavalidis	Former member of the Board of the EBRD *Member*
Charalambos Makkas	Representative of the HFSF *Member*
Alexandros Makridis	Economist, Representative of the Hellenic Republic *Member*
Marily Frangista	Managing Director of Franco Compania Naviera SA *Member*

In 2012, the Committee was assisted in its work by Ioannis Christodoulidis and Konstantinos Kotsilinis.

In 2012, the Committee convened eleven times.

The Committee is responsible for supervising the Group Internal Audit Division, monitoring its work and evaluating the Division's annual report on the system of internal controls, which is submitted to the Board for approval and thereafter filed with the Bank of Greece. It also presented to the Board summaries of the quarterly reports prepared by the Group Internal Audit Division. In 2012, the Committee also approved the amendment of the regulation of the Group Internal Audit Division and monitored the progress of earlier significant recommendations made by it (follow-up).

The Committee monitored the work of the Group Regulatory Compliance Division, collaborated on a regular basis with relevant officers, evaluated the Division's annual reports, and submitted the said reports to the Bank's Board for approval for filing with the Bank of Greece. It also approved a set of new policies prepared by the Internal Audit Division.

The Committee reviewed all related parameters and submitted to the Board of the Bank its recommendation for the appointment of the auditing firm for 2012, which will then be submitted to the AGM. During the year, the Audit Committee and its advisors held regular meetings with the certified auditors of the Bank so as to be duly updated on the preparation and progress of its audit schedule, and on the handling of significant accounting and auditing issues.

The Committee also met regularly with the Bank's Financial Division to ensure that the procedures for drawing up the annual report of the Bank and the Group are adequate and effective.

The preparation of the financial statements according to International Financial Reporting Standards (IFRS) presupposes that Management applies estimates and assumptions which influence both the balance of assets and liabilities as well as the income and expenses recorded in the financial statements of the Bank and the Group. The Management considers that the estimates and assumptions applied in the preparation of the consolidated financial statements adequately reflect the facts and conditions prevailing as at 31 December 2012.

The most important cases where the Group applies estimates and assumptions in the implementation of accounting principles are the following:

- Fair value of financial instruments;
- Recognition and measurement of intangible assets acquired through business combinations;
- Control of goodwill impairment in the consolidated financial statements, and in investments in subsidiaries, associates and joint ventures in the stand-alone financial statements;
- Provisions for loan losses and claims against customers;
- Insurance-related reserves;
- Net periodic benefit cost;
- Impairment of investment securities;
- Consolidation of SPEs (Special Purpose Entities);
- Income taxes.

The escalation of the economic crisis in Greece, the completion of the PSI, the final sale of Greek Government bonds and the persistent deterioration in the loan book of the Bank generated unprecedented challenges in measuring the financials of the Bank and the Group. Consequently, the Bank and the Group recorded significant losses in 2012.

The accounting principles and policies implemented in the preparation of the interim and 2012 financial statements comply with IFRS as adopted by the European Union. However, in view of the critical economic conditions and the uncertainty in Greece, estimates regarding investments, loans and, in general, the Group's reporting to the Hellenic Republic may undergo modification and the actual results in the future may differ from those reported and affect the management's assessment of the going concern.

As every year, the US Securities & Exchange Commission (SEC) reviewed the 2011 financial statements of the Bank, both those prepared according to US GAAP and those prepared in accordance with IFRS (submitted to it for information purposes) and expressed a number of comments thereon. In 2012, following the recommendation of the SEC the Bank reissued the financial statements prepared in accordance with US GAAP for the years 2008, 2009 and 2010. In the context of its duties, the Audit Committee monitors the relevant correspondence between the Bank and the SEC with regard to specific issues still outstanding.

Furthermore, the Bank's Financial Division, its internal and external auditors, and the Group Internal Audit Division assured the Audit Committee that their controls did not reveal any other significant issue that could materially affect the 2012 financial statements.

Throughout the year, the Committee monitored the implementation of procedures for receiving confidential complaints submitted by staff or third parties regarding accounting and auditing issues.

The relevant meetings of the internal and external auditors with the Committee took place without the presence of Board members.

The Committee held meetings with various General Managers of the Bank on matters relating to its work, placing particular emphasis on financial and regulatory compliance and on risk management functions. The Chairman of the Committee, Petros Sabatacakis, is also a member of the Board Risk Management Committee.

Throughout the year, the Committee devoted considerable time to communicating with the chairmen of the audit committees of the Group's subsidiary banks and larger affiliated companies so as to foster a stronger Group spirit and common approach to auditing issues.

The Committee submitted quarterly progress reports to the Board of Directors regarding its work, as well as its remarks and recommendations on the immediate handling of various issues. Furthermore, in early 2012, it presented its annual report on its activities for 2011 and the schedule of its tasks for 2012. In early 2013, it presented its annual report on its activities for 2012 and the schedule of its tasks for 2013.

The Committee's collaboration with the Chairman of the Board, Management and officers of the Bank and the Group, and the certified auditors was entirely satisfactory and problem free. The Bank's Management provided the Committee with all the information and data it requested, as well as the means to ensure that it could carry out its work effectively.

The Chairman of the Audit Committee

Petros Sabatacakis

INVITATION TO THE BANK'S ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON THURSDAY, 27 JUNE 2013, AT 12:00 HOURS

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 3 June 2013, the Shareholders of National Bank of Greece S.A., a banking corporation having its registered office at 86 Eolou St., Athens, Greece, are invited to the Bank's AGM to be held at 12:00 hours on Thursday, 27 June 2013 at 93 Eolou St. (Megaro Mela), Athens.

AGENDA

1. Submission for approval of the Board of Directors' and the Auditors' Reports on the Annual Financial Statements for the financial year 2012 (1.1.2012 – 31.12.2012).
2. Submission for approval of the Annual Financial Statements of the Bank for the financial year 2012 (1.1.2012 – 31.12.2012).
3. Discharge of the members of the Board of Directors and the Auditors of the Bank from any liability for indemnity regarding the Annual Financial Statements and management for the year 2012 (1.1.2012 – 31.12.2012).
4. Approval of the remuneration of the Board of Directors of the Bank for the financial year 2012 (pursuant to Article 24.2 of the Companies Act). Determination of the remuneration of the Chairman of the Board, the CEO, the Deputy CEO and non-executive Directors through to the AGM of 2014. Approval, for the financial year 2012, 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, and determination of their remuneration through to the AGM of 2014.
5. 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 the Companies Act and Article 30.1 of the Bank's Articles of Association).
6. Election of members to the Audit Committee.
7. Election of regular and substitute Certified Auditors for the purposes of the audit of the Financial Statements of the Bank and the Consolidated Financial Statements of the Group for the year 2013, and determination of their remuneration.
8. Various announcements and approvals.

In the event that the General Meeting does not achieve quorum, the Shareholders are hereby invited to attend a Repeat General Meeting on Friday, 12 July 2013, at 12:00, at the same address.

Note that, in accordance with article 29 of the Companies Act, as amended, new invitations for the said Repeat Meeting will not be published.

In accordance with articles 26.2b and 28a of the Companies Act, as amended and supplemented by, respectively, articles 3 and 5 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 [formerly the Central Securities Depository] managed by Hellenic Exchanges S.A. ("HELEX"), in which the shares of the Bank are recorded, is entitled to participate in the General Meeting, according to the specific provisions outlined hereinbelow. Each common share is entitled to one vote. Preference shares in the Bank under Law 3723/2008 entitle the representative of their holder (the Hellenic Republic) to attend the Meeting, as per article 1 of the said Law. Proof of shareholder status should be provided by presenting to the Bank relevant certification from HELEX at the latest by the third day prior to the Meeting. 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. Alternatively, proof of shareholder status can be provided through direct electronic link-up of the Bank with the records of the Dematerialized Securities System.

Shareholder status must exist on 22 June 2013 (Record Date), i.e. at the start of the 5th day prior to the date of the General Meeting of 27 June 2013, and the relevant written certification or the electronic verification of shareholder status must have been received by the Bank by 24 June 2013 at the latest, i.e. on the 3rd day prior to the date of the General Meeting. Only those who have shareholder status on the said Record Date are considered to be entitled to participate and vote in the General Meeting. Shareholders who do not comply with the provisions of article 28a of the Companies Act 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 General Meeting.

PROCEDURE FOR VOTING BY PROXY

The shareholder may participate in the General Meeting 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 General Meeting, 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 General Meeting 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 the Bank, or of a controlling shareholder or an entity controlled by such shareholder;

(iv) is a spouse or close relative (1st 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 General Meeting.

The Bank shall make available the form to be used for appointing a proxy holder on its website (www.nbg.gr). The said form, filled in and signed by the shareholder, must be filed with the Bank's Shareholder Sub-division (ground floor, 93 Eolou St., Athens) or the Head Branch or any branch of the Bank's network, or sent by fax to +30 2103343404, 2103343406 and 2103343410 at least 3 days prior to the date of the General Meeting. Shareholders should confirm that the appointment-of-proxy form has been successfully received by the Bank by calling +30 2103343415, 2103343419, 2103343421, 2103343417 or 2103343411.

The Articles of the Bank do not provide for participation in the General Meeting by electronic means without the Shareholder attending the Meeting in person at the place where it is held. Similarly, the Articles do not provide for participation in voting by distance voting.

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 12 June 2013, 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 General Meeting and on 14 June 2013, i.e. 13 days prior to the General Meeting, 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 the Companies Act.

(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 the Companies Act, make available to shareholders by 21 June 2013 at the latest, i.e. at least 6 days prior to the General Meeting, any draft resolutions on the items included in the initial or revised agenda, provided that the said request is communicated to the Board by 20 June 2013, i.e. at least 7 days prior to the General Meeting.

(c) If any shareholder so requests, and provided that the said request is filed with the Bank by 22 June 2013, i.e. at least 5 full days before the General Meeting, the Board of Directors is obliged to provide the General Meeting 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 22 June 2013, i.e. at least 5 full days prior to the General Meeting, the Board of Directors is obliged to provide the General Meeting 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.

In the event that the General Meeting of Shareholders held on 27 June 2013 does not achieve quorum, Shareholders are hereby invited to attend a Repeat Meeting at 12:00 hours on Friday, 12 July 2013 at Eolou 93 (Megaro Mela), Athens.

For shareholders to be entitled to participate in the said Repeat Meeting, shareholder status must exist on 8 July 2013 (Record Date), i.e. at the start of the 4th day prior to the date of the Repeat Meeting of 12 July 2013, and the relevant written certification or the electronic verification of shareholder status must have been received by the Bank by 9 July 2013 at the latest, i.e. on the 3rd day prior to the date of the Repeat Meeting.

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 Repeat Meeting.

With regard to the procedure whereby Shareholders exercise their voting rights and minority rights at the Repeat Meeting, should such Meeting take place, all the respective provisions set out hereinabove shall, mutatis mutandis, apply.

AVAILABLE DOCUMENTS AND INFORMATION

The information required under article 27.3 of the Companies Act, including the invitation to the General Meeting, the 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 at www.nbg.gr. Hard copies of the full text of the draft resolutions and any documents specified under article 27.3(c) and (d) of the Companies Act can be obtained from the Bank's Shareholder Sub-division (ground floor of the Megaro Mela, 93 Eolou Str., Athens).

Athens, 3 June 2013
By order of the Board of Directors
The Chairman

Georgios P. Zanias

CONTACT INFORMATION

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Mobile and international calls	+30 210 4806100		
NBG OMBUSDSMAN:			
8:00-16:00 Monday-Friday	210 9007500	210 9007505	sinigoros@nbg.gr
SHAREHOLDER SERVICES:			
BoD Secretariat and Shareholder Services	210 3343411-2	210 3343818	www.nbg.gr
Domestic shareholders	210 3343417	210 3343406	
	210 3343416	210 3343443	
Overseas shareholders	210 3343421	210 3343410	
Overseas stock-exchange relations	210 3343424		
SPECIAL BANKING SERVICES:			
Investor Relations	210 3342310	210 3341670	ir@nbg.gr
Treasury Division	210 3328803	210 3328850	www.nbg.gr
Dealing Room	210 3328813-7	210 3328820	
International Division	210 3328611	210 3328630	
	210 3328239	210 3328630	
Relations with Financial Institutions	210 3328206	210 3328215	
Private Banking	210 3664100	210 3664140	
Business Credit Division	210 5181231	210 5181230	
Small Business Loans Division	210 7727639	210 7727659	
Corporate Finance Division	210 5180214	210 5180220	
Structured & International Finance Division	210 5181007	210 5180245	
Mortgage Lending Division	210 3695201	210 3695220	
Consumer Credit Division	210 9306201	210 9306233	
Card Issuing & Acquiring Division	210 9503801	210 9522057	
Shipping Finance Division	210 4144101	210 4144120	
Shipping Branch	210 4144001	210 4144005	
INVESTMENT BANKING SERVICES:			
Investment Banking Division	210 3349600	210 3349688	www.nbg.gr
Project Finance Division	210 5181381	210 5181400	
STOCK BROKING SERVICES:			
National Securities Investment Services SA	210 7720000	210 7720001	www.nationalsec.gr
Customer services (landline calls)	801 11 77000		
Customer services (mobile calls)	210 7720100		
CUSTODIAN SERVICES:			
Domestic and Overseas Customers	210 9477901	210 9477910	www.nbg.gr
PRIVATE EQUITY SERVICES:			
NBG Private Equity Ltd (London)	004420 7661 5678	004420 7661 5667	www.nbgipe.com

	Telephone	Fax	Website
LEASING SERVICES:			
Ethniki Leasing SA	210 5158060-3	210 5158079	www.ethnolease.gr
FACTORING SERVICES:			
Ethniki Factors	210 5181088	210 5181090	www.nbgfactors.gr
MUTUAL FUNDS			
Ethniki Asset Management SA	210 9007400	210 9007499	www.nbgam.gr
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Ethniki Hellenic General Insurance Co. SA	210 9099000	210 9099111	www.ethniki-asfalistiki.g
Suggestions and complaints service	210 9099777		
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NBG Pangaea REIC	210 3340011	210 3340160	
Ethniki Kefalaiou SA	210 3340850	210 3217905	www.ethnikikefaleou.gr
PEAGAE General Warehouses SA	210 5500180	210 5500181	
EKTENEPOL Urban Planning SA	210 3240231	210 3340240	
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Ethnodata SA	2103578700	210 35788715	www.ethnodata.gr

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Nicosia	(00357) 22840185		
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Banka NBG Albania Sh.A		(0035542) 280000	280002
BULGARIA			
United Bulgarian Bank AD (UBB), Sofia	(003592) 8112800	9880822	www.ubb.bg
Interlease EAD, Sofia	(003592) 9718282	9718172	www.interlease.bg
CYPRUS			
National Bank of Greece (Cyprus) LTD	(00357) 22840000	22840010	www.nbg.com.cy
MALTA			
NBG (Malta) Ltd	(00356) 21318969	2132 0991	www.nbg.com.mt
UNITED KINGDOM			
NBGI Private Equity Ltd	(0044207) 6615678	6615667	www.nbgipe.com
SOUTH AFRICA			
The South African Bank of Athens Ltd	(002711) 8332117	8381001	www.bankofathens.co.za
FYROM			
Stopanska Banka AD Skopje	(003892) 3295295	3114503	www.stb.com.mk
ROMANIA			
Banca Romaneasca SA	(004021) 3059000	3059191	www.banca-romaneasca.ro
Garanta SA	(004021) 3079971	3079970	www.garanta.ro
NBG Leasing IFN SA	(004021) 4091000	4091009	www.eurialleasing.ro
SERBIA			
Vojvodjanska Banka AD Novisad	(0038121) 4886600	6624859	www.voban.co.rs
NBG Leasing DOO Beograd	(0038111) 2287982	2287984	www.nbgleasing.rs
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Finansbank SA	(0090212) 3185000	3185850	www.finansbank.com.tr
Finans Leasing AS	(0090212) 3491111	3506000	www.finansleasing.com.tr
Finans Portfolio Management AS	(0090212) 3367171	2822254	www.finansportfoy.com
Finans Invest	(0090212) 2821700	2822250	www.finansonline.com
Finans Factoring AS	(0090212) 3713800	3713898	www.finansfaktoring.com.tr
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