

Conference Call Note

Financial Results 9M 2013

Valuation & Research Specialists (VRS)
Equity Research Team
info@valueinvest.gr

Company Profile

Founded in 1841, National Bank of Greece S.A. (NBG) offers retail and corporate banking services. The Bank accepts deposits and offers loans, lease financing, mortgages, and investing and insurance services to industrial, commercial, and consumer clients. National Bank of Greece operates domestically and overseas. NBG stock is listed on the Athens Exchange, Greece, and internationally.

Com. Stock Price (29/11/2013)	
	€ 4.58
# of Com. Shares (,000)	2,396,786
Market Cap (in € mn)	10,977.28
A.D. Volume (p)	5,258,037
Beta Co-efficient	1.82
Statistical Data	
Max 52 week	9.22 €
Min 52 week	2.04 €
1-M Rtn	10.90%
6-M Rtn	7.01%
12-M Rtn	-48.54%

Source: VRS Calculations, Athens Exchange.

Stock Price Performance (1 year, in €)



Note: Share price performance based on share price closes on Athens Exchange.

NBG (NATIONAL BANK OF GREECE S.A.)

[Bloomberg Ticker: ETE:GA, Reuters Ticker: NBGr.AT]

Business Sector: Banks

Major Highlights from the 9M 2013 Results Presented on November 27th, 2013, by Petros Christodoulou, Deputy CEO, and Paula Hadjisotiriou, Group CFO.

- With the release of the 9M 2013 results, NBG management highlighted the following key priority actions taking place within the Group: (1) Operating cost cutting which cumulatively reached 27% since FY 2009; (2) Capital enhancements via recent and prospective sale transactions (Pangaea, Astir Palace Vouliagmenis Hotel, minority stake in Finansbank, etc.). These are expected to elevate core tier I ratio above 10%; (3) Unfolding of NBG's trouble asset strategy through the creation of an internal mechanism (bad bank).
- From a broader regulatory point of view, management pointed out that several hurdles have to be crossed by NBG in the near future such as: (a) The second Black Rock loan portfolio review (expected in the following weeks); (b) The various phases of ECB's (European Central Bank's) comprehensive assessment; (c) The formation of an institutional framework to address troubled assets.
- The management appeared confident that no additional capital needs will emerge from the Black Rock review, whereas with regard to ECB's assessment gave no clear indication.
- Greece: NPLs are expected to peak in 2014 (most likely during second half), however their formation pace is in decelerating. NBG is improving its liquidity position in Greece and cost cutting is successfully implemented.
- Turkey: Finansbank's branch network expansion came not in the most convenient time as central bank tightened its monetary policy. NIM is expected widen back up in a 9-10 month time given the apparent gap between monetary policy actions and market reaction. There is shift from the current business of retail loans to SMEs. Overall NBG operations in Turkey are anticipated strongly profitable from the management.
- SE Europe: Macro and market conditions are broadly improving and expectations are more encouraging than in the case of Greece. NPLs creation has softened most notably.

VRS View

NBG is in defensive strategy with no clear capacity for short term growth, especially in Greece. It is further deleveraging its capital structure pursuing sale of assets and cost containment. However, if Greek economy confirms the beginning of an upward cycle in 2014, more notable improvements in NBG Group's financial performance will be unfolding. In the meantime as capital enhancement and cost cutting remain key priorities, NBG's valuation will remain precarious. Furthermore, NBG stock appears to be far from contracting the significant long term gap in its relative performance against the Athens General Index (last 5-year period).

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NBG Group, Highlights of 9M 2013 Results (EUR million)

	Q3 2013	9M2013	9M2012	%
Profit & Loss				
Group Net Profit	-81	262	-2,455	-
Greece	-168	-163	-2,800	-94%
Turkey	80	412	400	3%
SE Europe	10	17	-38	-
Core Revenues				
Group	905	2,825	3,033	-7%
Greece	413	1,214	1,493	-19%
Turkey	392	1,322	1,238	7%
SE Europe	83	244	249	-2%
Operating Expenses				
Group	563	1,716	1,699	1%
Greece	296	910	978	-7%
Turkey	202	615	522	18%
SE Europe	54	161	166	-3%
Balance Sheet				
Total Assets	110,963	110,963	103,101	8%
Loans	70,781	70,781	70,618	0%
Deposits	65,038	65,038	55,709	17%
Ratios				
Core Tier I (pro-forma)	9.40%	9.40%	-	<u>Absolute Difference</u> -
Loans : Deposits	97%	97%	115%	-18%
Net Interest Margin (bps)	325	344	380	-36

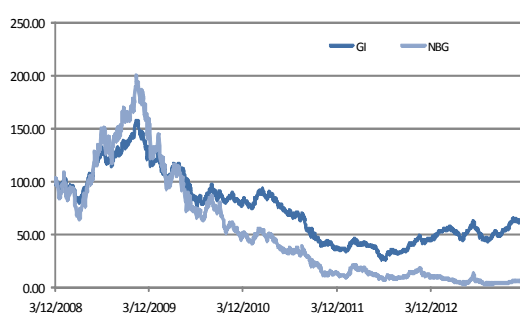
Source: NBG, Consolidated IFRS Notes.

Note: SE Europe includes the Group's operations in Bulgaria, Romania, Serbia, Albania and FYROM.

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Stock Versus General Index (Last 5 Years)



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NBG Group, Analytical Financial Statements (EUR million)

Profit & Loss Account	9M2013	9M2012	Ch. %	Q3 2013	Q2 2013	Ch. %
NII	2,381	2,565	-7%	772	837	-8%
Net Fees	394	369	7%	115	144	-20%
Insurance Income	50	99	-49%	18	18	0%
Core Revenues	2,825	3,033	-7%	905	999	-9%
Trading & Other Income	19	-658	-	-5	31	-
Income	2,844	2,375	20%	900	1,030	-13%
Operating Expenses	-1,716	-1,699	1%	-563	-590	-5%
Pre-Provision Earnings	1,128	676	67%	337	440	-23%
Loan Provision Charges	-1,239	-1,872	-34%	-386	-425	-9%
Other Impairments	517	-761	-168%	78	163	-52%
Cash PBT	406	-1,957	-	29	178	-84%
Taxes	-68	-14	386%	-16	-45	-64%
Minorities and Non-Cash Charges	-19	-17	12%	-5	-7	-29%
Attrib. PAT before One-Offs	319	-1,988	-	8	126	-94%
DTA	208	-	-	-	208	-100%
Other One-Offs	-265	-466	-43%	-89	-17	424%
Attributable PAT	262	-2,454	-	-81	317	-

Balance Sheet	9M2013	9M2012	y-o-y %	6M2013	q-o-q %
Cash & Reserves	5,214	4,646	12%	4,988	5%
Interbank Placements	2,619	3,744	-30%	3,063	-14%
Securities	26,423	17,932	47%	26,916	-2%
Loans (Gross)	70,781	70,618	0%	69,808	1%
Provisions	-7,935	-6,737	18%	-7,657	4%
Goodwill & Intangibles	1,825	2,190	-17%	2,026	-10%
Tangible Assets	1,803	2,005	-10%	1,780	1%
Other Assets	10,233	8,703	18%	9,510	8%
Total Assets	110,963	103,101	8%	110,434	0%
Interbank & Securities Repos	26,766	36,247	-26%	29,439	-9%
Due to Customers	65,038	55,709	17%	60,824	7%
Debt Securities	3,568	3,375	6%	3,658	-2%
Other Liabilities	8,642	10,399	-17%	8,914	-3%
Hybrids	80	173	-54%	82	-2%
Minorities	55	68	-19%	28	96%
Equity	6,814	-2,871	-	7,489	-9%
Total Liabilities & Equity	110,963	103,100	8%	110,434	0%

Source: NBG, Consolidated IFRS Notes.

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Covered Company	Bloomberg	Reuters	Stock Price	Date	Disclosure
NBG S.A.	ETE:GA	NBGr.AT	€ 4.58	November 29, 2013	--

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VRS Equity Research Contributors

Nicholas Georgiadis, ngeorgiadis@valueinvest.gr
Christophoros Makrias, cmakrias@valueinvest.gr
Georgios A. Savvakis, gsavvakis@valueinvest.gr
Maria Papadopoulou, mpapadopoulou@valueinvest.gr
Constantina Bourelia, cbourelia@valueinvest.gr
Michail Rizos, mrizos@valueinvest.gr

Investment Research & Analysis Journal

Dr. Efstratios Livanis
Assistant Editor

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