Press release

2005 full-year results

100% growth in net profit

28.6% return on equity

\Our disciplined focus on achieving the targets set out in our business plan for 2005 resulted in the freeing-up of value to our shareholders, as the NBG Group posted record profitability.

Strong revenue growth, improved operating efficiency and enhanced return on equity are the main drivers of our three-year business plan.

We succeeded in all three of these areas, as Group income grew by 20%, the cost/income ratio declined by 11.5 percentage points, and return on equity climbed to 28.6%. With this performance we have covered the greater part of our three year business plan targets.

The market recognizes our efforts, shows confidence on us and supports our stock price. This has led to a significant rise in our market capitalization close to €15 billion, placing us much higher in the rankings of European banks and enabling us to continue to maintain our independent course.

I would like to stress the fact that our strong performance has been accompanied by substantial improvements in the Group's Corporate Governance, with higher internal controls, strict compliance to all regulatory requirements, and best practice risk management procedures and methods. All these factors create a robust base on which to sustainably grow our business in the years ahead.

The proposed dividend of €1.00 per share amounts to an increase of 71% on last year in line with the 67% increase in pre-tax operating profit.

I am grateful to all the staff of the Group for their efforts, without which these outstanding results could not have been achieved. In recognition of their contribution we propose a €40 million distribution of profit to the Group's employees, a 50% increase on the previous year. This corresponds to 5.5% of the Group's net profit for the year.

I am certain that all of us will work just as hard in 2006 to meet our commitments to our shareholders.

Athens, February 2006

Takis Arapoglou
Chairman and CEO

Chairman and CEO

(€ millions)	**31.12.05**	**31.12.04**	**±%**
Earnings per share	€2.08	€0.83	+151%
Net profit (after tax & minority interests)	727.4	364.4[1]	+100%
Core profit	719.6	430.9	+67%
Operating expenses [1]	1 350.8	1 366.3	-1.1%
Pre-tax profits from SE Europe	85.2	50.9	+68%
Return on average equity	28.6%	12.3%	+1630 bps
Cost / income [1]	54.2%	65.7%	-1,150 bps

[1] *adjusted. for the cost of the voluntary retirement programme*

Group net profit after tax and minority interests grew to €727.4 million in 2005, up 100% vis-à-vis the 2004 results adjusted for the voluntary retirement programme. This performance is a landmark in the history of the Group, and has propelled the return on average equity for 2005 to a record 28.6%, sixteen percentage points higher than the previous year. This outstanding performance places the NBG Group at the forefront of Greek and European banks in terms of profitability.

These top-class results reflect dynamic growth across all sources of income as well as the Group's ongoing restructuring efforts that have helped contain operating expenses.

(€ millions)	**31.12.05**	**31.12.04**	**±%**
Total core income	2 297	1 971	+16.5%
Net interest income	1 596	1 334	+19.6%
Net interest margin	3.16%	2.76%	+40 bps

All the Group's income sources posted robust growth, pushing up core revenues by 17%, well beyond the target level set in the Business Plan 2005-2007.

The key lever behind core income growth is interest income. Group net interest income in 2005 topped €1.6 billion, up 19.6% y-o-y. The upward trend in interest income was particularly marked in Q4:2005, when it grew by no less than €430 million, or 5.6% q-o-q.

This development was due exclusively to the continued improvement in the Group's asset mix and the robust growth posted by the loan book, particularly in retail lending in Greece and SE Europe, as competition generates a trend for further decline in margins across all forms of retail lending. The improved asset mix has led to a steady increase in net interest margin, up 40 basis points, to 3.16 %, the highest level of recent years.

Commission income *(€ millions)*	**31.12.05**	**31.12.04**	**±%**
Retail loans	105.9	87.7	+20.8%
Corporate loans	76.1	65.6	+16.0%
Intermediation & deposits	137.3	142.3	-3.5%
Investment banking	66.5	50.2	+32.5%
Fund management	39.3	42.1	-6.8%
Total commission income	**425.1**	**387.9**	**+9.6%**

Net commission income grew by 9.6%, despite the adverse impact on intermediation commissions caused by the strike action in June.

Retail commissions in particular grew by 20.8%, reflecting the surge in retail lending. Likewise, investment banking commissions grew by 32.5%, reflecting strong capital market performance.

One of NBG's key strategic goals is to strengthen its position in the mutual funds market, particularly high value-added funds. 2005 was a landmark year in this respect. NBG succeeded in totally rebalancing its funds under management, shifting the emphasis from money market funds to bond, balanced and equity funds. Over €3 billion was reinvested in high value-added mutual funds, thus enhancing the Group's market share in these mutual fund categories by an impressive 10 percentage points, with the result that by the end of the year, the Group's market share stood at 21.4%.

The positive impact of the restructuring of the Group's mutual fund portfolio is evident in the Q4:2005 results, where respective commissions presented growth of 75% q-o-q.

The Group's insurance business posted substantial growth of 13% in 2005 to over €100 million. This reflects restructuring in the Group's insurance operations, principally at Ethniki Insurance, with more aggressive marketing of insurance products towards the large customer base of NBG through the latter's extensive branch network. Effective exploitation of Group synergies and promotion of new products via the networks of both the Bank and Ethniki Insurance are expected to generate strong results in the years ahead.

18% growth in loans, spearheaded by mortgages

Group loans *(€ millions)*	**31.12.05**	**±y-o-y%**
Retail	18 635	+26.0%
Corporate	11 979	+8.3%
Total	30 614	+18.4%
% Retail / Loans	60.9%	+366 bps
% net NPLs	1.08%	-5 bps

At 31 December 2005, total Group lending stood at €30.6 billion, up 18.4% y-o-y. Retail loans are providing the driving force behind this growth. To illustrate, at 31 December, retail loans outstanding amounted to €18.6 billion, up 26% y-o-y, as a result of which retail loans now represent over 61% of the total loan book.

Mortgages posted spectacular growth of 31%, leading mortgages outstanding at the end of 2005 to over €11.8 billion, or 38.6% of total Group lending. Mortgage disbursements topped a record €3.5 billion in 2005, up 34% y-o-y. In the second half of the year, the Bank implemented a far-reaching sales programme aimed at tapping the surge in demand for housing loans. Thus, in 2005, NBG's market share of new mortgages rose sharply to 26%. The sustained strong demand for mortgage packages in the first month of 2006 suggests that growth will continue in the year ahead.

At 31 December 2005, consumer loans outstanding stood at €3.2 billion, up 23.7%. The revolving credit facility product was a key component in this performance, as it posted annual growth of 35% and contributed decisively to commissions generated by consumer credit, which grew by 80% y-o-y. Moreover, credit cards outstanding grew by 6.3% to €1.5 billion.

This growth in credit card and consumer lending is especially encouraging in view of the credit discipline that the Group has been applying as a strategic policy in this loan segment. The level of discipline is reflected by the high level of rejections, ranging from 39% to 47%, depending on the type of loan.

Loans to small businesses with turnover below €2.5 million also posted satisfactory growth of around 20%, with loans outstanding totalling €2 billion at 31 December 2005. The Bank is also making strong progress in its efforts to broaden lending to medium-sized businesses (with annual turnover of €2.5 to €50 million), as loans in this segment grew to over €3.2 billion, up 13%.

Non-performing loans declined to 4.7% of the aggregate loan book, compared with 5.3% at the end of 2004. After provisions for bad and doubtful debt, net non-performing loans today account for just 1.1% of the total loan book. The healthy growth in lending in recent years has been made possible by the application of state-of-the-art controls and credit risk management throughout the Group.

Sustained containment of operating costs

Operating expenses *(€ millions)*	**31.12.05**	**31.12.04**	**±%**
Staff costs[1]	861.9	860.7	+0.1%
Administrative expenses	374.3	380.4	-1.6%
Total operating expenses[1]	1 350.8	1 366.3	-1.1%
Cost / income[1]	54.2%	65.7%	1150bps

[1] *Adjusted for the cost of the voluntary retirement programme*

Even while business across all its activities has posted robust growth, the Group's restructuring programme and the resulting decline in operating costs are a key feature of its performance in 2005, marking it out from the rest of the Greek banking sector.

Operating expenses in 2005 declined by 1.1%. This reflects the continued reduction in administrative expenses by 1.6% and the containment of staff costs due to the voluntary retirement programme pursued in 2004, the impact of which was gradually offset by wage increases during the year. This substantial reduction in operating costs has been achieved during a period of intensive organic growth for the Group in Southeast Europe, where related expenses grew by around 13% in 2005.

The significant growth in income coupled with the containment of operating expenses led to a further improvement in the efficiency ratio, which stood at 54.2%, down 11.5 percentage points relative to 2004.

Rapid growth in SE Europe, with expanding market share and outstanding profitability

SE Europe *(€ millions)*	**31.12.05**	**31.12.04**	**±%**
Loans	2 058.5	1 302.3	+58.1%
Total income	233.0	185.6	+25.6%
Profit before tax	85.2	50.9	+67.6%

The NBG Group holds a commanding position in the banking market of Southeast Europe. Its total number of branches in the region rose by 47 in 2005 to 257. The total number of employees now stands at 4,425 while the number of customers is now over 2.5 million. National Bank believes in the growth prospects of the region and is therefore planning further expansion there. Indeed, the Bank intends to open a further 105 new branches during 2006.

Lending in Southeast Europe continued to grow at an impressive rate to over €2 billion at the end of the year, up 58%, with retail lending posting spectacular 90% growth.

The steady growth in lending, particularly retail, in Southeast Europe led to marked growth in interest income (up 40.7%) and commissions (up 22.9%) in 2005. Profit before tax in SE Europe soared to €85.2 million, accounting for 9% of total Group profitability.

A key role in the SE Europe story was played by the surge in business in Bulgaria and Romania via the local subsidiaries United Bulgarian Bank (UBB) and Banca Romaneasca (BR). UBB posted profit growth of 40%, expanding its loan book by 37% to over €1 billion, comfortably outstripping average banking sector results in Bulgaria. Leveraging the strong position of UBB, National Bank recently announced the launch of life and general insurance companies in Bulgaria, in collaboration with Ethniki Insurance and the American International Group (AIG). BR posted a strong improvement in earnings, more than doubling its loan book and also improving its market share in retail and business lending.

Growing deposit base sustains liquidity at high levels

Deposits *(€ billions)*	**31.12.05**	**31.12.04**	**±%**
Savings & sight	32.0	29.3	+9.1%
Total deposits	43.4	39.3	+10.3%
Liquidity ratio	70.6%	65.8%	

Savings and sight deposits grew by 9.1% in 2005 to over €32 billion. This development is particularly encouraging in view of the significance of these types of deposit within an environment of rising interest rates. National Bank's large market share of these deposits gives it a strong competitive advantage since this enables it to inject finance into its growth trajectory and invest in the Group in Greece and the wider region.

Time deposits posted very substantial growth of over 40% in 2005, chiefly due to the reduction in desirability of other similar placements such as repos and money market mutual funds. Overall, Group deposits grew by 10% to over €43 billion.

Despite the substantial increase in lending, the rapid growth in deposits during 2005 meant that the liquidity (i.e. loans-to-deposits) ratio remained low, at 70%.

Strengthening the capital base

Capital adequacy ratios	**31.12.05**	**1.1.05**
Core Tier-I CAD ratio	8.9%	8.0%
Total Tier-I CAD ratio	12.3%	11.0%
Total CAD ratio	15.2%	13.5%

The Group's capital base strengthened yet further in 2005. The total capital adequacy ratio topped 15.2% at the end of the year, while the Group's core Tier-I capital adequacy ratio stood at 12.3%. The capital base should be further strengthened with the finalisation of the sale of Atlantic Bank of New York and National Bank of Greece (Canada) in early 2006.

The strengthening of the Group's capital base from internal capital generation and the restructuring of its geographical presence gives the Group a competitive edge for growth in both Greece and Southeast Europe.

71% dividend growth

Given these positive results, NBG's management will propose to the AGM a dividend of €1 per share, compared with a dividend (adjusted) of €0.58 per share for 2004. Based on the closing price of the share in 2005, this dividend represents a yield of around 2.8%.

Distribution of profit to staff up by 50%, i.e. 12% of net pay

In recognition of the key role played by the staff of NBG in achieving these results and wishing to reward performance, NBG's management will propose to the AGM a distribution of profit to Bank staff amounting to €32 million. This represents an increase of 50% compared with the €21.5 million finally distributed in 2004, and corresponds to 12.3% of total annual net pay to Bank staff (compared with 8.1% in 2004).

Subject to this proposal's approval by the AGM, management will recommend that 70% of this amount be distributed on a priority basis to the staff of the NBG network and product units. The remaining 30% will be distributed to the Group's administrative and back-office units. The amount distributed to each employee will not be less than half net monthly pay.

A further amount of €8 million will be distributed by the Group's subsidiary companies in Greece and abroad to their staff, thereby raising total distribution of profits to Group staff to €40 million, or 5.5% of Group net profit.

Last, the Bank's management will activate the Stock Options Programme for the staff of the Bank and its subsidiaries in line with the AGM's approval of the previous year. The Programme allows management to distribute up to two million shares to Group officers and staff on a strictly meritocratic basis. The Programme aims at establishing a long-term link between officers' pay and the Group's performance and delivery of value to our shareholders. For this reason the exercise of the stock option rights will for the most part be set for future financial years, i.e. 2007 onwards .

Group income statement

€ millions	31.12.05	31.12.04	±%	4Q.05	3Q.05	±%
Net interest income	1 595.8	1 333.8	19.6%	430.4	407.6	5.6%
Net commission income	425.1	387.9	9.6%	119.6	106.3	12.5%
Net premiums from insurance contracts	100.4	89.1	12.7%	26.2	28.7	-8.9%
Income from dividends	13.8	17.2	-19.8%	4.0	1.5	158.0%
Income from private equity	64.3	12.4	418.8%	40.0	8.8	353.4%
Other income	97.4	130.7	-25.5%	23.8	36.7	-35.1%
Operating income	**2 296.6**	**1 971.0**	**16.5%**	**643.9**	**589.8**	**9.2%**
Earnings from financial transactions	195.2	107.6	81.4%	54.7	79.8	-31.5%
Total income	**2 491.8**	**2 078.7**	**19.9%**	**698.6**	**669.5**	**4.3%**
Staff costs	(861.9)	(860.7)	0.1%	(250.4)	(211.3)	18.5%
Administrative expenses	(374.3)	(380.4)	-1.6%	(115.1)	(90.3)	27.4%
Depreciation	(114.6)	(125.2)	-8.5%	(29.1)	(28.2)	3.4%
Total operating expenses	**(1 350.8)**	**(1 366.3)**	**-1.1%**	**(394.6)**	**(329.8)**	**19.6%**
Impairment losses on loans & advances	(226.3)	(173.8)	30.2%	(64.6)	(61.9)	4.4%
Operating profit	**719.6**	**430.9**	**67.0%**	**184.6**	**198.0**	**-6.8%**
Share of profit of associates	43.7	25.2	73.7%	22.5	9.8	129.5%
Cost of voluntary retirement programme	(15.4)	(135.3)		(15.4)		
Profit before tax & minority interests	**943.1**	**428.4**	**120.1%**	**246.5**	**287.7**	**-14.3%**
Tax	(221.2)	(165.4)	33.7%	(65.5)	(78.7)	-16.8%
Net profit of subsidiaries for sale	29.0	29.4	-1.1%	5.7	8.1	-29.5%
Minority interests	(23.6)	(12.8)	84.7%	8.7	(15.2)	-157.6%
Net profit	**727.3**	**279.6**	**160.2%**	**195.4**	**201.9**	**-3.2%**

Consolidated Balance Sheet

€ millions

ASSETS	31.12.05	31.12.04	±%
Cash and balances with central banks	2 431.3	1 145.0	112.3 %
Due from banks (net)	4 085.2	8 587.4	-52.4%
Loans and advances to customers (net)	29 528.2	26 052.8	13.3 %
Financial assets	16 987.2	14 148.9	20.1 %
Property, equipment and intangible assets	2 078.1	2 156.1	-3.6 %
Other assets	2 584.4	2 397.2	7.8 %
Assets classified as held for sale	2 732.2	-	-
Total Assets	**60 426.6**	**54 487.4**	**10.9 %**
Liabilities			
Due to customers	43 350.1	40 865.2	6.1 %
Due to banks	5 363.5	6 413.7	-16.4 %
Other borrowed funds	957.0	748.6	27.8 %
Other liabilities	4 180.3	2 969.6	40.8%
Liabilities classified as held for sale	2 259.2	-	-
Total liabilities	**56 110.2**	**50 997.2**	**10.0 %**
Minority interest and Hybrid	1 192.6	1 134.4	5.1%
Shareholders' Equity	3 123.8	2 355.7	32.6%
Total Equity and Liabilities	**60 426.6**	**54 487.4**	**10.9 %**

Group loans

€ millions	31.12.05	31.12.04 *	±%
Mortgages	11 820	9 028	30.9%
Consumer	3 238	2 619	23.7%
Credit cards	1 536	1 445	6.3%
Small businesses	2 041	1 695	20.4%
Retail	**18 635**	**14 787**	**26.0%**
Corporate	11 979	11 059	8.3%
Total loans & advances to customers	**30 614**	**25 846**	**18.4%**
Less: Allowance for impairment on loans & advances to customers	1 086	1 060	2.4%
Loans & advances to customers (net)	**29 528**	**24 786**	**19.1%**

** excluding discontinued operations*

Group deposits

(€ millions)	31.12.05	31.12.04 *	±%
Savings	25 916	24 565	5.5%
Sight	6 108	4 780	27.8%
Core deposits	**32 024**	**29 345**	**9.1%**
Time	10 704	7 539	42.0%
Total deposits	**42 729**	**36 884**	**15.9%**
Repos	247	2 162	-88.6%
Other due to customers	374	253	47.8%
Total due to customers	**43 350**	**39 298**	**10.3%**

** excluding discontinued operations*