



NATIONAL BANK OF GREECE S.A.

Press Release

2023 EU-wide stress test

National Bank of Greece S.A. announces the successful completion of the 2023 EU-wide stress testing exercise, led by the European Banking Authority (EBA) and conducted in cooperation with the European Central Bank (ECB) and the national supervising authorities. The exercise was conducted under the common methodological rules set out by EBA, and macroeconomic and market scenarios defined by the European Systemic Risk Board (ESRB). NBG participated in the 2023 EU-wide stress test as part of the EBA sample of euro-area's largest banks.

Within the above context, the stress test was based on a static balance sheet approach, thus factoring in NBG Group's financial and capital position of 31.12.2022 as a starting point and conducting a 3-year horizon stress simulation (for the period 2023-25), under a Baseline and an Adverse scenario. The latter incorporated a stringent set of adverse financial and economic assumptions, simulating a severe economic impact in Greece and across the EU, entailing substantial real GDP contraction, persistently high inflation and other associated financial shocks. Notably, under the Adverse scenario, Greece is assumed to experience a cumulative real GDP decline over the three-year period of -5.5% and cumulative inflation of 16.9% (HICP).

Under the commonly applied methodology in the Adverse scenario, National Bank of Greece's fully loaded (FL) CET 1 ratio incurred a maximum depletion of 2.71pps, reaching its lowest level of 13.1% in the first year of the projections (2023). This outcome positions NBG as a top performer in the domestic banking space with peers in the Greek banking sector reporting a maximum depletion of 3.50pps on average excluding NBG. By the same indicator, NBG ranks 11th among the 70 EU-wide participating banks, and 5th considering the FL CET1 depletion by the end of 2025.

Considering the full 3-yr horizon of the Stress Test:

- Under the Adverse scenario, NBG's FL CET 1 ratio settled at 14.5% at the end of 2025, indicating a depletion of 1.36pps compared with the starting point of the exercise.
- The Baseline scenario resulted in a capital accretion of 5.76pps over the 3-year horizon, with the FL CET 1 ratio reaching the level of 21.6% in 2025.

The result of the 2023 EU-wide stress test demonstrates NBG Group's resilience to shocks and ability to maintain solid capital levels, even in conditions of severe economic stress. Comparing the performance to previous stress test exercises, NBG has achieved notable progress over the past years in strengthening its balance sheet, despite globally challenging economic conditions. Specifically, the 2023 stress test outcome reflects the successful NPE deleveraging Strategy, the build-up of adequate capital buffers as well as a favorable liquidity position.

Furthermore, it is noted that National Bank of Greece S.A. Group FL CET1 ratio on 31 March 2023 stood at 16.5% (pro-forma for the profits of the period), 0.7pps higher relative to the starting point of the 2023 EU-side stress test.

Athens, 28 July 2023