



NBG Securities

NBG SECURITIES SA
GECR 999301000
CONDENSED INTERIM FINANCIAL REPORT FOR PERIOD 01.01.2014-30.06.2014

CONDENSED INTERIM FINANCIAL REPORT, JUNE 30, 2014

ATHENS
AUGUST 28, 2014

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TRANSLATION REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

To the Board of Directors of Public Limited Company “NBG Securities SA” ...

Introduction

We have reviewed the accompanying condensed statement of financial position of Public Limited Company “NBG Securities SA” (the Company) as of June 30, 2014 and the relevant condensed comprehensive income, changes in equity and cash flow statements for the six month period ended on this date, as well as the selected explanatory notes, which together comprise the condensed interim financial information. The Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards, as such have been adopted by the European Union and applicable to Interim Financial Reporting (International Accounting Standard “IAS” 34). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that accompanying condensed interim financial information is not been prepared, in all material respects, in compliance with IAS 34.

Athens, August 29, 2014
The Certified Public Accountant

Despoina Xenaki
Reg. No. SOEL: 14161

Deloitte.

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Reg. No. SOEL: E120

Condensed interim comprehensive income statement			
		<i>Amounts in Euro</i>	
	NOTE	01.01-30.06.2014	01.01-30.06.2013
Net income from fees/commissions	3	9.514.159	9.431.004
Income from dividends		30.909	206.724
Financial transactions profits (loss)	4	1.761.034	2.038.500
Other operating income		181.268	113.678
Income from operating activities		11.487.370	11.789.906
Cost for the provision of services	5	(7.885.655)	(7.181.315)
Administrative expenses	6	(1.149.033)	(1.417.124)
Selling expenses		(112.310)	(51.293)
Other operating expenses		(22.331)	(159.355)
Expenses from operating activities		(9.169.329)	(8.809.087)
Interest Income		635.136	458.165
Minus interest expenses		(150.070)	(184.700)
Net result from interest income/expenses		485.066	273.465
Net profits before taxes		2.803.107	3.254.284
Income tax		(1.148.818)	114.991
Profits for the period		1.654.289	3.369.275
Other comprehensive income after taxes			
Sums which will not be posteriorly reclassified in profit and loss			
Change in the net liability for defined benefit plans		-	(39.426)
Total comprehensive income		1.654.289	3.329.849

The attached notes (pp. 9-15) comprise an integral part of the condensed interim financial statements.



Condensed interim financial position statement		<i>Amounts in Euro</i>	
	Note	<u>30.06.2014</u>	<u>31.12.2013</u>
<u>ASSETS</u>			
<u>Non-current Assets</u>			
Intangible assets		112.125	84.960
Tangible fixed assets		297.932	205.262
Investment portfolio and participations in related corporations		79.418	79.418
Deferred tax assets		524.476	104.762
Other long-term assets	9	7.655.369	7.592.170
		8.669.320	8.066.572
<u>Current Assets</u>			
Receivables from customers, stockholders/stock exchange		68.336.132	39.086.360
Financial assets at fair value through profit and loss		15.734.155	28.649.422
Other assets	12	52.313.804	53.577.717
Cash and cash equivalents	13	42.499.242	27.991.411
		178.883.333	149.304.910
TOTAL ASSETS		187.552.653	157.371.482
<u>EQUITY AND LIABILITIES</u>			
<u>Equity</u>			
Share capital		11.674.101	11.674.101
Reserves		52.838.160	52.721.655
Retained earnings		13.695.101	12.157.307
		78.207.362	76.553.073
<u>Long-term liabilities</u>			
Post service benefit liabilities		516.883	493.301
Other provisions		801.665	693.912
		1.318.548	1.187.213
<u>Short-term liabilities</u>			
Due to customers, stockbrokers / stock exchange	14	70.795.111	44.904.909
Financial liabilities at fair value through profit and loss	15	1.328.154	51.024
Current tax liabilities	16	1.568.532	-
Other liabilities	17	34.334.946	34.675.263
		108.026.743	79.631.196
TOTAL EQUITY AND LIABILITIES		187.552.653	157.371.482

The attached notes (pp. 9-15) comprise an integral part of the condensed interim financial statements.

Condensed interim changes in equity statement					<i>Amounts in Euro</i>	
	SHARE CAPITAL	RESERVES		RETAINED	TOTAL	
		Defined benefit plans	Other reserves	EARNINGS		
Balance at beginning of period 01.01.2013	11.674.101	525.683	46.185.729	11.720.068	70.105.581	
Profit for the period	-		-	3.369.275	3.369.275	
Other comprehensive income/(expenses)	-	(39.426)	-	-	(39.426)	
Total comprehensive income/(expenses) for period	-	(39.426)	-	3.369.275	3.329.849	
Other changes	-		(13.446)	13.446	-	
Balance as of 30.06.2013	11.674.101	486.257	46.172.283	15.102.789	73.435.430	
Changes 01.07-31.12.2013	-	(2.813)	6.065.938	(2.945.482)	3.117.643	
Balance as of 31.12.2013	11.674.101	483.444	52.238.221	12.157.307	76.553.073	
Balance at beginning of period 01.01.2014	11.674.101	483.444	52.238.221	12.157.307	76.553.073	
Profit for the period	-	-	-	1.654.289	1.654.289	
Other comprehensive income/(expenses)	-	-	-	-	-	
Total comprehensive income/(expenses) for period	-	-	-	1.654.289	1.654.289	
Other changes		-	116.495	(116.495)	-	
Balance as of 30.06.2014	11.674.101	483.444	52.354.716	13.695.101	78.207.362	

The attached notes (pp. 9-15) comprise an integral part of the condensed interim financial statements.



Condensed interim cash flow statement	<i>Amounts in Euro</i>	
	<u>1.1.-30.06.2014</u>	<u>1.1.-30.06.2013</u>
Cash flows from operating activities		
Profits for the period	<u>1.654.289</u>	<u>3.369.275</u>
Non-cash items and other adjustments included in net profit or loss for the period	<u>(216.033)</u>	<u>263.717</u>
Amortization/impairment on tangible assets	48.686	220.361
Amortization/impairment on intangible assets	23.670	36.341
Provisions	131.335	124.246
Deferred income tax – expense / (income)	(419.714)	(114.991)
Net (gain)/loss on sale of tangible assets	(10)	(2.240)
Net (increase)/decrease in operating assets:	12.033.541	(10.477.408)
Securities for trading purposes	14.192.397	6.919.348
Loans and advances to customers/Due to customers (net amount)	(3.359.570)	7.383.611
Other assets	1.200.714	(24.780.367)
Net (increase)/decrease of operating liabilities:	1.228.215	1.997.870
Other liabilities	1.228.215	1.997.870
Net cash from/(used in) operating activities	14.700.012	(4.846.546)
Cash flows from investing activities		
Acquisition of intangible assets	(50.835)	(23.005)
Acquisition of tangible assets	(141.356)	(25.258)
Sale of tangible assets	10	-
Net cash flows from investment activities	(192.181)	(48.263)
Cash flows from financing activities		
Repayment of bond loans and other loan liabilities	-	18.639
Net cash flows from financing activities	-	18.639
Net increase/(decrease) in cash and cash equivalents	14.507.831	(4.876.170)
Cash and cash equivalents at beginning of period	27.991.411	28.737.470
Cash and cash equivalents at end of period	42.499.242	23.861.300

The attached notes (pp. 9-15) comprise an integral part of the condensed interim financial statements.



Athens, August 28, 2014

The Chairman of the BoD and
Chief Executive Officer

The General Manager and
Member of the BoD

The Director of
Financial Services

Panos
I. Goutakis
I.D. no.: AK121294

Spyros
S. Kapsokavadis
I.D. no.: AZ013038

Efthimios
V. Voidis
I.D. no.: AZ 604759
E.C.G. A class license no. 14475

The attached notes (pp. 9-15) comprise an integral part of the condensed interim financial statements.



Notes on the condensed interim financial report

1. General Information on the Company

NBG Securities S.A. (hereinafter the “Company”) was founded in 1988. The Company has its registered seat in Athens, on Michalakopoulou St. 91 (GECR: 999301000), tel.: 210 7720000, www.nationalsec.gr. The Company provides securities trading and investment services and is active in Greece and abroad, with branches in London and Nicosia and Bucharest.

All of the Company’s share capital belongs to National Bank of Greece S.A. and the Company’s Financial Statements are included in the Consolidated Financial Statements of NBG Group.

The composition of the Board of Directors is as follows:

Panos Goutakis	Chairman to the BoD and CEO
Eleni Tzakou – Lambropoulou	Vice Chairwoman
Spyridon Kapsokavadis	Member
Thomas Giolmas	Member
Dimitris Dimopoulos	Member
Panagiotis Dasmanoglou	Member
Pavlos Mylonas	Member
Leonidas Fragiadakis	Member
Supervisory Authority	Hellenic Capital Market Commission - Ministry of Development
Tax Identification Number (TIN)	094239819
General Electronic Commercial Registry Number (GECR)	999301000
Legal Adviser	Kotzampasi Eva

It is noted that the term of the members of the above Board of Directors, who were elected by the General Meeting of 26.06.2014 ends of 30.6.2017. The present Financial Statements have been approved by the Board of Directors of the Company on 28.08.2014.



2. General accounting policies of the Company

2.1 Basis of presentation

The condensed interim financial report by the Company for the six month fiscal period ended on 30.06.2014 (the "interim financial report") has been drawn up in compliance with International Accounting Standard IAS 34 "Interim Financial Statements" and includes selected explanatory notes and not all of the notes provided for the annual reports. Consequently, the interim financial report must be assessed in connection to the annual financial statements of the Company for the fiscal year ended on 31.12.2013, which have been drawn up in compliance with International Financial Reporting Standards (IFRS). Where necessary, the comparative data for the previous period have been recast in order to be consistent with possible changes to the presentation in the current period. The interim financial report has been prepared in accordance with the historic cost principle, with the exception of financial assets and liabilities at fair value through profit and loss and all derivative contracts, which are valued at their fair value.

The accounting policies applied in the present condensed interim financial statements are the same to those described in the annual financial statements of the Company for the fiscal year ended on 31.12.2013. New IFRS, interpretations and amendments of the standards effective since 01.01.2014 had no significant effect on the present interim financial report.

Following from the above, at the preparation of the condensed interim financial report, the significant estimates and admissions carried out by the Management were the same to those adopted at the preparation of the annual financial statements of the Company for the fiscal year ended on 31.12.2013.

3. Net fees and commission income

Net income from fees/commissions is analyzed as follows:

	<u>1.1-30.06.2014</u>	<u>1.1-30.06.2013</u>
Commissions from share transactions	6,375,833	5,577,732
Commissions from Bonds/MFs	234,450	1,939,217
Commissions from derivatives transactions	631,471	521,451
Other income (Consultation services, Custodianship)	2,272,405	1,392,604
TOTAL NET INCOME FROM FEES/COMMISSIONS	<u>9,514,159</u>	<u>9,431,004</u>

4. Net trading income/loss

Financial transactions results are analyzed as follows:

	<u>1.1-30.06.2014</u>	<u>1.1-30.06.2013</u>
Profits from shares	3,564,468	4,318,778
(Losses) from derivatives	(1,822,159)	(2,277,365)
Profits/(losses) from other securities	18,725	(2,913)
Total Financial Transactions results (profits/(losses))	<u>1,761,034</u>	<u>2,038,500</u>

5. Cost for of services

The cost for the provision of services is analyzed as follows:

	<u>1.1-30.06.2014</u>	<u>1.1-30.06.2013</u>
Personnel salaries	3,691,930	3,149,873
Subscriptions	1,526,996	1,190,542
Buildings – means of transportation rent	309,751	285,252
Amortizations	72,356	256,702
Other taxes rates – pro rata	269,304	210,590
Third party fees	1,451,049	1,475,178
Telecommunications	124,714	127,511
Insurance rates	116,444	130,192
Other expenses	323,111	355,475
Total cost for the provision of services	<u>7,885,655</u>	<u>7,181,315</u>



6. Administrative expenses

Administrative expenses are analyzed as follows:

	1.1-30.06.2014	1.1-30.06.2013
Personnel salaries	930,926	1,070,843
Other expenses	218,107	346,281
Total administrative expenses	1,149,033	1,417,124

7. Income Tax

The income tax rate applicable for the Company for 2014 and 2013 amounts to 26%. Tax authorities have not audited the books of the Company for fiscal years 2009 and 2010 and, hence, tax liabilities for these fiscal years have not been rendered final. Consequently and as a result of such audits, it is possible for additional fines and taxes to be imposed, the sums of which cannot be presently determined with accuracy. However, it is estimated that they shall not have a significant effect on the financial position of the Company. Fiscal years 2011, 2012 and 2013 have been audited by Chartered Auditors Accountants, Deloitte Hadjipavlou Sofianos & Cabanis SA, pursuant to article 82 of Law 2238/1994. The relevant tax compliance certificates for 2011, 2012 and 2013, which bore no remarks, were issued on 16.07.2012, 26.09.2013 and 09.07.2014 respectively. Fiscal year 2011 is considered final and fiscal years 2012 and 2013 shall be considered final following the lapse of an eighteen month period from the issuance of the tax compliance certificate, during which the tax authorities may come back, in compliance with article 6 of POL.1159/22.7.2011. Deferred tax receivables recognized in the interim financial position statement are recoverable.

Taxes recognized in the condensed comprehensive income statement are analyzed as follows:

	1.1 - 30.06.2014	1.1 - 30.06.2013
Income Tax	1.568.532	-
Deferred Tax	(419.714)	(114.991)
Total Income Tax	1.148.818	(114.991)

8. Personnel Benefits

Personnel benefits are analyzed as follows:

	1.1-30.06.2014	1.1-30.06.2013
Salaries, day wages and allowances	3,818,873	3,301,632
Social Security contributions	623,474	604,340
Other benefits and personnel expenses	187,702	156,281
Compensation for the layoff of salaried personnel due to exit	-	139,050
Expenses relating to the defined benefit plan to employees	23,582	19,413
Total Personnel Benefits	4,220,716	4,220,716

9. Other long-term assets

Other long-term assets are analyzed as follows:

	30.06.2014	31.12.2013
Participations in the Guarantee Fund	2,016,078	1,967,755
Auxiliary Clearing Fund for ASE – Cypriot Stock Exchange	3,903,011	3,988,960
Other long-term assets	1,736,280	1,635,455
Total Long-term Assets	7,655,369	7,592,170



The Company, on 30.06.2014, besides the aforementioned participation in the Guarantee Fund for Securing Investment Services, to cover for potential liabilities had deposited in an escrow term account the sum of €1,516,078 (2013: €1,467,755), which is included in other long-term receivables. These sums, pursuant to the provisions of Law 2533/1997 article 74 par. 4, in case of the interruption of the operation of the Company, shall be refunded to the Company from the Guarantee Fund, less the compensations paid or speculated to be paid.

The Company, on 30.06.2014, besides the aforementioned participation in the Clearing Fund for Securing Investment Services, to cover for potential liabilities had deposited, as guarantee, in a bank account the sum of €16,750,000 which is included in other assets, as well as letters of guarantee amounting to €5,000,000 which appear in memo accounts. The Settlement Fund is activated in case a clearing member defaults, pursuant to the provisions in article 79 of Law 3606/2007.

The fair values of the receivables above, are identical to their carrying values.

10. Due from customers, stockbrokers – stock exchange

Amounts due from customers, stockbrokers and the exchange are analyzed as follows:

	<u>30.06.2014</u>	<u>31.12.2013</u>
Due from customers	48.617.909	16.686.549
Due from MARGIN customers	16.833.543	14.128.966
Due from ATHEX Clear and foreign stockbrokers	2.988.857	8.375.022
Provisions for bad debts	(104.177)	(104.177)
Total due from customers, stockbrokers – stock exchange	<u>68.336.132</u>	<u>39.086.360</u>

On 30.06.2014 receivables from ATHEX Clear and foreign stockbrokers are increased compared to their balance on 31.12.2013 due to the increased volume of transactions on Athens Stock Exchange.

The fair values of the receivables above, are identical to their carrying values.

11. Financial assets at fair value through profit and loss

The trading portfolio is analyzed as follows:

	<u>30.06.2014</u>	<u>31.12.2013</u>
Shares listed in Athens Stock Exchange	15.139.986	27.581.363
Foreign shares	17.452	844.695
Mutual funds	505.976	216.276
Derivative financial instruments	70.741	7.088
Total financial assets at fair value through profit and loss	<u>15.734.155</u>	<u>28.649.422</u>

The calculation of the fair value of financial assets is based on “Level 1” data, namely stock market prices for identical financial instruments in an active market. The positions of the Company in Listed Shares and Mutual Funds at the Athens Stock Exchange are effectively counterbalanced using derivative financial instruments.



12. Other assets

Other assets are analyzed as follows:

	30.06.2014	31.12.2013
Time deposits of customer funds	32,724,518	32,390,830
Reserved deposits with ADECH for derivatives margin account	1,227,491	830
Due from the State	1,206,105	1,473,638
Other receivables	17,155,690	19,712,419
Total other assets	52,313,804	53,577,717

The value of other assets approximates their fair value.

Other receivables on 30.06.2014 include a sum of € 16.750.000 (2013: € 19.400.000) which regards a deposit to the ASE Clearing Auxiliary Fund bank account, as guarantee.

13. Cash and cash equivalents

Cash and cash equivalents are analyzed as follows:

	30.06.2014	31.12.2013
Cash	6.817	11.892
Sight deposits	42.401.674	27.932.324
Time deposits	90.752	47.195
Total cash and cash equivalents	42.499.243	27.991.411

The "sight deposits" account on 30.06.2014 includes deposits on behalf of customers amounting to €21.804.310 (2013: €22,123,306). The aforementioned amounts are deposited with domestic systemic banks and credit institutions of the highest credit standing.

14. Due to customers, stockbrokers – stock exchange

The liabilities above are analyzed as follows:

	30.06.2014	31.12.2013
Due to customers	31.083.926	44.215.496
Due to ASE and CSD (Clearing) and foreign brokers	39.711.185	689.413
Total due to customers, stockbrokers – stock exchange	70.795.111	44.904.909

The balance above includes sum of €9,279,616 (2013: €22,092,190) which regards transactions not cleared by Company customers as well as cleared transactions by its customers amounting to €21,804,310 (2013: €22,123,306).

15. Financial liabilities at fair value through profit and loss

The liabilities above are analyzed as follows:

	30.06.2014	31.12.2013
Shares listed in ASE (short selling)	1.302.269	24.823
Derivative financial instruments	25.885	26.201
Total financial liabilities at fair value through profit and loss	1.328.154	51.024

The calculation of fair value for financial assets is based on "Level 1" data, namely stock exchange prices in an active market for identical financial instruments.

16. Current Tax Liabilities

Based on Company estimates, the income tax corresponding to the taxable profits for the period ended on 30.06.2014 amounts to the sum of €961.333. In addition a sum of €607.199 regards tax corresponding to reserves, based on article 72 in Law 4172/2013.

17. Other Liabilities

Other liabilities are analyzed as follows:

	30.06.2014	31.12.2013
Liabilities from customer placements in time deposits	32.724.518	32.390.830
Insurance Organizations	144.776	285.033
Accrued fiscal year expenses	869.247	649.236
Payable personnel salaries	44.322	70.447
Tax on personnel salaries	260.791	263.490
Other taxes	55.341	655.619
Various creditors	44.573	92.305
Suppliers	191.378	268.303
Other Liabilities Total	34.334.946	34.675.263

18. Related party transactions

The Company is part of the NBG Group of companies and, in the context of its usual activities, renders its services to NBG and the other companies in the Group.

The terms of such collaboration are not essentially different from the terms usually applicable in the context of the performance of Company activities with non-related parties.

Company transactions with related parties, for the fiscal period from 01.01.2014 until 30.06.2014 and the corresponding period 01.01.2013 until 30.06.2013, as well as assets and liabilities balances on 30.06.2014 and 31.12.2013, respectively, are as follows:

Receivables	30.06.2014	31.12.2013
Parent Company	67.212.642	51.159.765
Other NBG Group Companies	910.280	843.476
Liabilities	30.06.2014	31.12.2013
Parent Company	70.622	113.654
Other NBG Group Companies	12.063	3.396
INCOME	01.01-30.06.2014	01.01-30.06.2013
Parent Company	676.175	590.872
Other NBG Group Companies	31.792	23.098
EXPENSES	01.01-30.06.2014	01.01-30.06.2013
Parent Company	1.261.136	1.242.737
Other NBG Group Companies	200.802	235.404
Executive management salaries	121.342	232.797

Included in the aforementioned executive management salaries are the salaries of the Deputy CEO and the General Manager, member of the Board of Directors.



19. Contingent liabilities and commitments

- **Legal issues**

There are certain Company claims from customers for which there are pending judicial actions, which have been tried in the first instance in favor of the Company and it is anticipated for the appeals lodged in their context to have a positive final conclusion. Besides the aforementioned cases, there are actions by counterparties against the Company and before the Multi-Member and Single-Member Courts of First Instance, for the total sum of approximately €196,000, which they request to be paid to them (counterparties) in full.

- **Capital Commitments**

On 30.06.2013 the Company had granted letters of credit to third parties, amounting to €5,002,151.

-

- **Asset Commitments**

The assets committed are analyzed as follows:

	30.06.2014	31.12.2013
Shares	8.368.948	24.610.324
Mutual Funds	-	59.347
Auxiliary Fund	16.750.000	19.400.000
Deposits	1.516.078	1.467.755
Total other commitments	26.635.026	45.537.426

The aforementioned securities amounting to the sum of € 8,368,948 (2013: € 24,669,671) are pledged for Athens Exchange Clearing House SA (AthexClear), while the escrow deposit of the sum of €1,516,078 regards the coverage of potential liabilities to the Athens Stock Exchange Members' Guarantee Fund.

20. Events after the reference period

There are no events after the preparation of the Financial Statements, which regard the Company and for which a relevant reference is necessitated, pursuant to International Financial Reporting Standards (IFRS).