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National Bank of Greece S.A.

National Bank of Greece S.A. announces a comprehensive capital strengthening plan of approximately Euro 2.8 billion.

Announcement Highlights

Athens, 7 September 2010

A meeting of the Board of Directors of National Bank of Greece S.A. ("NBG") has been convened for 10 September 2010 to approve a proposed capital raising plan (the "Capital Plan") to further strengthen NBG's capital base and enhance its strategic options.

The proposed Capital Plan comprises:

- A fully underwritten Euro 1.8 billion equity capital raising expected to be completed by the end of October 2010 by way of:
 - a pre-emptive equity rights offering in cash, to raise proceeds of Euro 631 million (the "Equity Rights Offering") by issuing 121.4 million new ordinary shares at a subscription price of Euro 5.20 per share and a subscription ratio of one new ordinary share for every five existing ordinary shares; and
 - an offering of convertible equity notes (the "Convertible Equity Notes") by way of pre-emption rights to existing ordinary shareholders of up to Euro 1,184 million by issuing 227.6 million of notes convertible into 227.6 million new ordinary shares of NBG at the ratio of 3 Convertible Equity Notes for every 8 existing ordinary shares (the "Convertible Equity Notes Offering", and together with the Equity Rights Offering, the "Combined Equity Capital Raising"). The conversion price of the Convertible Equity Notes will be the same as the subscription price of the Equity Rights Offering (Euro 5.20 per share).

Both rights offerings will occur at the same time. The Board of Directors of NBG has the necessary authorisations to approve both the Equity Rights Offering and the Convertible Equity Notes Rights Offering.

- A public offering of a minority stake in the share capital of NBG's Turkish subsidiary, Finansbank (the "Finansbank Offering"), that may comprise both primary and secondary shares. NBG will retain a majority equity stake in Finansbank of at least 75 per cent. We intend to complete the Finansbank Offering as soon as practicable, subject to market conditions and obtaining all necessary regulatory and other approvals.

Successful completion of both components of the Capital Plan is expected to raise approximately Euro 2.8 billion of additional Core Tier 1 capital representing an increase of Core Tier 1 capital ratio of approximately 380 basis points. The net proceeds to be realised from the Finansbank Offering will ultimately depend on a number of factors including prevailing market conditions, offer size and structure. Assuming successful completion of the Capital Plan, our Core Tier 1 capital ratio would have been 13.4% as at 30 June 2010, including the impact from the Euro 450 million Tier 2 capital issuance, which was completed in August, and which constituted the first step towards completion of our Capital Plan.

Mr. Vasilios Rapanos, Chairman of the Board of Directors of NBG, said:

"The proposed Capital Plan announced today is testimony to the improving sentiment towards NBG and Greece and should be an important milestone in the country's adjustment process".



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Mr. Apostolos Tamvakakis, Chief Executive Officer of NBG, added:

“Through this landmark proposed Capital Plan, NBG is proactively fortifying its balance sheet as a prudent response to the macro-economic realities in our core market and enhances our strategic options. Our Capital Plan is a conservative and proactive approach to risk and capital management.”

Announcement Details

1. Rationale for Capital Plan

NBG's first half 2010 results confirmed the bank's resilient financial performance and strength in spite of significant macro-economic challenges. NBG's resilience was also confirmed by the successful results of the CEBS stress-test in July 2010.

The proposed Capital Plan aims to achieve the following three objectives:

- Enhancing NBG's capital to:
 - Create an additional, sizeable capital buffer to face the macro-economic situation in Greece in the short-to-medium term;
 - Position NBG to apply for approval from the relevant authorities for the repayment of Euro 350 million of preference shares issued under the Greek government liquidity support plan;
 - Provide comfort to NBG's funding counterparties and strengthen the confidence of its existing deposit base; and
 - Exceed current and anticipated regulatory capital requirements by a significant margin and address investors' heightened expectations.
- Strengthening NBG's regional leadership to:
 - Enhance the growth profile of NBG's Turkish and South East Europe businesses ensuring the Group is best positioned to benefit from the economic recovery in the region; and
 - Take advantage of value enhancing growth opportunities that could arise when the outlook improves.
- Supporting Finansbank through its offering to:
 - Grow its balance sheet and expand its franchise in the attractive Turkish banking market; and
 - Improve its independent access to the capital markets.

2. Capital Plan Financial impact

As at 30 June 2010, and adjusting for the Euro 450 million Tier 2 capital issuance in August 2010, our Core Tier 1 capital ratio and Tier 1 capital ratio would have amounted to 9.6% and 10.7%, respectively. The issuance of the Euro 450 million Tier 2 capital was a first step in improving NBG's capital base.

Adjusting for the proposed Euro 1.8 billion Combined Equity Capital Raising, our Core Tier 1 capital ratio and Tier 1 capital ratio as at 30 June 2010 would have been approximately 12.0% and 13.2%, respectively.

The impact of the total Capital Plan of approximately Euro 2.8 billion would be the equivalent of a Core Tier 1 capital ratio of 13.4% and a Tier 1 capital ratio of 14.6% as of 30 June 2010. If the Capital Plan is completed successfully, NBG intends to apply to the relevant authorities for approval for the repayment of the Euro 350 million of preference shares issued under the Greek government liquidity



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support plan. Such repayment would reduce the post Capital Plan Tier 1 as at 30 June ratio by 50 basis points.

3. Principal Terms of the Combined Equity Capital Raising by Way of Rights

Within the current authorisations previously given to the Board of Directors of NBG by the General Meeting of shareholders, it is proposed that the Euro 1.8 billion Combined Equity Capital Raising will be achieved by way of a pre-emptive issuance of:

- 121.4 million new ordinary shares corresponding to Euro 631 million; and
- 227.6 million Convertible Equity Notes corresponding to Euro 1,184 million.

Shareholders of record will receive rights to subscribe for ordinary shares and Convertible Equity Notes, with the rights entitlement determined as described in paragraphs 3.1 and 3.2 below. The rights will in both cases allow shareholders to acquire new ordinary shares at the same subscription price.

The proposed subscription price of Euro 5.20 per new ordinary share and Euro 5.20 per Convertible Equity Note (the "Issue Price") and its corresponding conversion price represents a discount of ca. 40 per cent to the theoretical ex-rights price (TERP) based on the volume weighted average price of Euro 10.71 for the existing ordinary shares on 7th September 2010, the last business day prior to this announcement.

3.1. Equity Rights Offering

Subject to the fulfilment of, amongst others, the conditions described below, NBG is proposing to offer up to 121.4 new ordinary shares by way of rights to existing shareholders at the Issue Price per New Ordinary Share. The proposed Equity Rights Offering will be on the basis of 1 right for every 5 existing ordinary shares held on the relevant record date. Each right would entitle the holder to subscribe to 1 new ordinary share at the Issue Price (Euro 5.20 per new ordinary share). Fractions of New Ordinary Shares would not be allotted to any shareholders, but would be aggregated and sold in the market ultimately for the benefit of the NBG in accordance with applicable rules.

Any New Shares that are not subscribed for in the Rights Offering may be subscribed for by those entitled to participate in the Rights Offering at the Subscription Price (Oversubscription Right). In the event that there are insufficient New Shares to satisfy all Oversubscriptions, those investors will receive New Shares pro rata with the number of additional New Shares for which they have oversubscribed.

3.2. Convertible Equity Notes Offering

NBG is proposing to offer up to 227.6 million Convertible Equity Notes, by way of rights to existing shareholders, also at the Issue Price (Euro 5.20 per Convertible Equity Note). The proposed Convertible Equity Notes Offering will be on the basis of 3 rights to Convertible Equity Notes for every 8 existing ordinary shares held on the relevant record date. The Convertible Equity Notes will mature on the seventh calendar day following the relevant issue date. Each right pursuant to the Convertible Equity Notes Offering will entitle the holder to subscribe to one Convertible Equity Note, and noteholders may convert one Convertible Equity Note into one NBG new ordinary share at any time up to maturity. For any Convertible Equity Notes which have not been converted by the last business day prior to maturity, NBG intends to exercise an option to repurchase such Convertible Equity Notes, at the Issue Price of Euro 5.20 per Convertible Equity Note from holders thereof. The underwriters will agree to purchase any remaining Convertible Equity Notes from NBG and to convert them into new ordinary shares.



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3.3. Underwriting

The Combined Equity Capital Raising will be fully underwritten by a syndicate of banks including Credit Suisse, Deutsche Bank, Goldman Sachs International, Morgan Stanley and TT Hellenic Postbank, which are serving as Joint Bookrunners of the Equity Rights Offering and the Convertible Notes Offering, subject to customary conditions.

3.4. Required Approvals and Terms and Conditions

The Combined Equity Capital Raising is subject to, amongst others, approval by the Board of Directors of NBG, and of the prospectus that NBG is currently preparing in accordance with Greek Law 3401/2005 (the "Prospectus") by the Hellenic Capital Markets Commission. The Board of Directors meeting is convened for 10 September 2010. Following such approval by the Board of Directors of NBG, the draft Prospectus will be submitted for approval to the Hellenic Capital Markets Commission.

The terms and conditions relating to the Combined Equity Capital Raising will be set out in the Prospectus.

Timetable and details on subscription to the rights will be made available on NBG's website (<http://www.NBG.gr>) and the ATHEX website (<http://www.athex.gr>) after the Prospectus has been approved and published in accordance with the law.

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APPENDIX:

Trading Outlook

Key trends in our performance since 30 June, 2010 have not changed significantly compared with those in the first half of 2010. Specifically, regarding the Group's loan book, domestic loans and loans from our South East Europe operations remained broadly flat since June 30, 2010. In our Turkish operations, strong loan growth continued reflecting the continued improvement in that country's economy. Funding from customer deposits continued to decline, and the rate of deposit outflow was similar with the first half of 2010, principally reflecting developments in the domestic market, although NBG continues to gain market share.

The overall trend in asset quality has also remained broadly similar to that in the first half, with improvements in our Turkish operations, while domestic and South East Europe are performing broadly in line with the trend in the first half of 2010. Based on the asset quality developments in the first two months of the third quarter, the cost of risk is at a level comparable to the first half of 2010.

Regarding the balance sheet of the Group, other than changes described above for loans, deposits and provisions, NBG increased its use of ECB wholesale funding by approximately Euro 1 billion since end June 2010.

Despite the higher deposit rates paid in the domestic market, net interest margin declined only marginally compared to the first half of 2010. Trading results in the first two months of the third quarter have improved compared with the first half of 2010, but they remain sensitive to the changes in the secondary market for Greek government bonds. Overall cost developments are in line with the first half of 2010 trend.



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This release is not an offer of securities for sale in the United States. The securities discussed in this release have not been registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. There will be no public offering of the securities in the United States.

European Economic Area

No offer or invitation to acquire securities of National Bank of Greece S.A. is being made by or in connection with this release. Any such offer will be made solely by means of the Prospectus once it has been approved by the Hellenic Capital Market Commission and published in accordance with Greek law in connection with the public offer in Greece, or outside Greece in reliance upon any exemption set forth in the Prospectus Directive or other applicable law, rule or regulation.

U.K.

This communication is directed in the United Kingdom solely at persons who (i) have professional experience in matters relating to investments and who fall within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or (ii) are high net worth entities and other persons to whom such communication may otherwise lawfully be made falling within Article 49(2)(A) to (D) (all such persons together being referred to as "Relevant Persons"). This communication must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Persons distributing this communication must satisfy themselves that it is lawful to do so.

Greece

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Forward-Looking Statements

This release contains certain forward-looking statements. These forward-looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Due to these uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this announcement. National Bank of Greece S.A. disclaims any obligation to update any forward-looking statements contained herein, except as required pursuant to applicable law.

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