

**Reply/Provision of clarifying information in reply to the Request of Shareholder Mr. Drougas for granting of information under article 39 para. 4 of Law 2190/1920**

- 1. Please indicate (by submitting the relevant documents) specific requests submitted by the Board or the responsible members of this, to the Bank or to any other entity (national or EU, including the European Central Bank) for granting additional liquidity through the mechanism called "Emergency Liquidity Assistance" ("Emergency Liquidity Assistance"- "ELA"), a mechanism not included – as you know – in the context of the single exercise within the Eurosystem of monetary policy (Non monetary policy instrument).**

In the context of securing the necessary liquidity, except of the process of direct refinancing through the European Central Bank (ECB), the National Bank of Greece (NBG) has concluded from the year 2011 a loan framework agreement with the Bank of Greece (BoG) to ensure access to Emergency Liquidity Assistance (ELA). The mechanism, which operates under the authority of the ECB, provides an additional possibility for liquidity as a last resort, against collateral which is not eligible in the open market, through the main or longer-term refinancing operations of the ECB. The framework agreement as amended in 2015 applies, is indefinite and specializes specifically in terms of the basic conditions of funding through individual "Loan Agreements", which cover the relevant transactions which may be carried out with daily frequency and with a maximum duration of one week.

The maximum funding limit and all this increases, were always approved by the Governor of the Bank of Greece, at the request of the legal representative of the Bank. More specifically, within the above specified procedures and limits the Bank's Treasury Division determines, on a daily basis and at the close of business, the Bank's immediate liquidity needs, in order to achieve the balance of account entries (610000) maintained by the Bank at the Bank of Greece. The amount and duration are the Bank's financial request which is specialized via email to the Bank of Greece, which in accordance with the "framework agreement" is binding as to the willingness of the Bank, until each "loan agreement".

As mentioned above, within 2015, there were submitted approximately 150 funding requests on behalf of the Bank to the Bank of Greece for liquidity from the above Emergency Liquidity Assistance mechanism. The amounts of the above requests and relevant agreements cannot be provided analytically, in view of the Bank's mail privacy with the banking supervisory authority, taking into account the recommendations and ECB opinion (CON 2010/6), the provisions of Regulation No 596/2014, as well as the characteristics of the specific information.

- 2. Please let us know if the Board exercised as provided in Greek and in EU law remedies and/or means against decisions of national and EU authorities (BoG and/or ECB) rejecting (explicitly or implicitly) Bank's requests to provide additional liquidity (submitted in accordance with the preceding under 1. above question).**

**Please provide to the General Assembly all the related documentation (including rejection decisions of competent national and/or EU authorities).**

There has been no issue of rejecting Bank's financing request submitted to the Bank of Greece for liquidity since the above Emergency Liquidity Assistance mechanism (ELA). Therefore, there is no question of appeal against a decision of the Bank of Greece.

**3. Please let us know if you exercised statutory remedies provided in terms of the unfavorable to National Bank of Greece SA decision of the European Central Bank (ECB 2015/6 of 10/2/2015) regarding the appropriateness of tradable securities or guaranteed by the Hellenic Republic. In this regard, please let us know the exact financial costs incurred by the Bank from the application of the above adverse decision of the European Central Bank (Please provide us with the same elements as set out above for the relevant decision of the European Central Bank issued in July of the year 2015 with regard to the weighting of the amount of collateral offered by the Bank for the ' cover ' the supplied Emergency Liquidity Assistance – ELA).**

With the decision of the European Central Bank of 10.2.2015 about the appropriateness of tradable securities or guaranteed by the Hellenic Republic (decision ECB/2015/6) it was judged that in marketable debt instruments issued or fully guaranteed by the Greek Government, the minimum requirements of the Eurosystem will apply as regards the rating limits, as defined in the rules of the Eurosystem credit assessment in relation to certain marketable assets section 6.3.2 of annex I Guideline ECB/2009/14. According to the detailed reasoning of the decision, it appears that the minimum limits of Eurosystem credit rating does not apply in respect of marketable debt instruments issued or guaranteed fully by central Government of a Member State of the Eurozone that applies a European Union or International Monetary Fund programme, unless the Governing Council decides that the Member State concerned ceases to comply with the terms of financial support and/or macro-economic programme. It should be noted that in 2014, based on article 1, paragraph 3 of Guideline ECB/2014/31, it was judged that the Hellenic Republic is considered a euro area Member State which complies with the program of the European Union/International Monetary Fund. However, on 10.2.2015 the Governing Council of the ECB on the basis of available information found that it cannot be assumed that the assessment of the programme of the European Union/International Monetary Fund will be completed successfully for the Hellenic Republic. It so judged that the Hellenic Republic ceases to be deemed compliant with the terms of the program, and as a result decided to re-enter the (i.e. cease to meet the conditions of a temporary suspension of) minimum Eurosystem credit rating in relation to those securities.

Based on the above detailed reasoning of the ECB decision, which is based on a cautious assessment of the position of the Hellenic Republic in respect of compliance with the terms of the programme of the European Union/International Monetary Fund, depending on the economic developments, there has been no question of exercising legal remedies against the ECB by the Bank.

Furthermore, in July 2015 the decision of the European Central Bank for continuing to provide liquidity in banks via Emergency Liquidity Mechanism (ELA) was published and, to that effect, adjusted weighted limits for collateral from the banks for liquidity provided were determined. Since the National Bank has always had sufficient eligible collateral for taking extraordinary liquidity through ELA, the relevant decision of the ECB did not negatively affect the ability of the Bank to raise liquidity.

**4. Please let us know if the company's board of directors agreed with the determination of capital requirements under the "basic" and "adverse" scenario of comprehensive assessment, which was conducted by the single supervisory mechanism (SSM) of the European Central Bank announced on 31-10-2015. In what specific actions did it proceed to that end and – if it did not agree (partially or wholly) with the final designated by the aforementioned organisation of the ECB "adverse" or/and "base" scenario-to which legal actions it proceeded, as it had the right according to EU and Greek law, for challenging and/or review of such capital requirements in accordance with the provisions to that effect in the EU and Greek law. Please provide to the General Meeting all relevant documents.**

The Bank did not dispute the findings of the European Central Bank/Single Supervisory Mechanism on the determination of the capital needs of the Bank. Hence there is no issue of relevant legal actions.

**5. Please inform us specifically if the Member of the Board of Directors of the Bank, which represents according to the Law (art. 10 par. 3 Law 3864/2010) the shareholder of the Bank, a legal entity under the name of "Hellenic Financial Stability Fund" (HFSF), exercised – in relation to the decision to convene the GM for an increase in the share capital by elimination of the pre-emptive subscription rights – the veto right that is prescribed in art. 10 para. 3 (b) (iii) of Law 3958/2010 “concerning corporate actions referred to in paragraph 3 of Article 7a and that decision which may greatly affect the Fund's participation in the share capital of the credit institution ". Similarly, please do inform us if the abovementioned representative of the "HFSF" requested, as had the right according to art. 10 par. 3 (c) of Law 3864/2010, the postponing for 3 working days of the meeting of the Board of the Bank to which the issue was introduced to decide on the increase of the share capital by elimination of the of the pre-emptive subscription rights all existing shareholders, in order to obtain further guidance from the Executive Committee of the HFSF.**

**Please provide to the GM all relevant documentation.**

**6. Please inform us specifically if the Member of the Board of Directors of the Bank, which represents according to Law (art. 1 para. 3 of Law 3723/2008) the Greek Government, exercised in relation to the same resolution for convening a GM – the prescribed by art. 1 par. 3 (g.n) of Law 3723/2008 veto right in regard to "taking strategic decisions or decisions that materially alter the legal or financial situation of the Bank and for the approval of which the GM of the shareholder's decision is required"?**

**Please provide to the GS all relevant documentation.**

Answer to both Questions 5 & 6

Neither the Board Member representing the Financial Stability Fund, nor the representative of the Greek Government on the Board of the Bank exercised the referred in the relevant legislation (art. 10 par. 3 (b) of Law 3891/2010 and the article 1 par. 3 of Law 3723/2008, respectively) and also referred in the relevant questions of the Shareholders Request, rights.

**7. Please provide the reasons that imposed in view of the Board the universal abolition of the preemption right for all existing shareholders (HFSF, public sector and private individuals).**

**Has the Board examined the possibility of adopting milder means, to take full advantage according to the law, of the individual exercise capabilities and economic utilization of the**

**preemption right, which has separate property value and is part of the "estate" of the shareholders?**

**For what reason were the multiple existing milder alternatives rejected;**

**Please submit to the General Assembly all of the above documents**

With regard to the second item on the daily agenda of the Extraordinary General Assembly of the shareholders of the National Bank of date November 17, 2015, the Bank's Board had compiled a special report to the General Assembly (hereinafter referred to as "the Report") according to the requirements of (and) article 13 para. 10 law 2190/1920, which entailed a special section and reference concerning the reasons for the proposed abolition of the right of pre-emption of shareholders.

It should be noted that in fact the Board certainly examined the selection/rule of capital increase without abolishing the preemption right, as well as any other alternatives in general. However, the motion for deviation from the above rule and recommendation to abolish the preferential right was based on assessments already recorded in detail in the Report, which was published on the website of the Bank according to the provisions of the law and in the Regulation of the Stock Exchange, in order to fully inform the shareholders and investors, on this issue also, which concerns the question of the application of shareholder information, the report reported, inter alia, the following:

“B. reasons for abolition of the preemption right of common and preferred shares increase in cash and increase in benefits in kind

This abolition is deemed appropriate for the following reasons:

-the proposed abolition of the right of preference of existing shareholders in the share capital increase is part of the Bank's broader planning for greater participation of private capital in the Bank's share capital and the reduction of State aid. In particular it is estimated that the proposed abolition in conjunction with the allocation of new shares - at the discretion of the Board - to investors who will participate in the international public bid and offer in Greece will broaden the participation of private capital in the share capital increase. The above broadening of the shareholder base of the Bank is estimated to have a positive effect on the dispersion and the marketability of shares of the Bank.

-Furthermore, because of the requirements of the current legislation on State aid for the participation of the Hellenic financial stability Fund which is the main shareholder of the Bank in the present increase of the share capital, through the exercise of preferred rights, but also the desire to raise capital from the private sector to meet this capital increase, it becomes necessary to find new private investors who will be able to participate in this increase by providing substantial funds. These investors are "qualified investors" within the meaning of law 3401/2005 as in force and participate through book offering process during which the Bank has a choice of final investors, with the approval of the shareholders at the extraordinary general assembly following the book offering proceedings, in accordance with the provisions of law 2190/1920 governing the abolition of the right of preference.

-The acceleration of the relevant procedures due to the abolition of the preemption right of existing shareholders will allow the Bank to complete the process of raising Capital without delay within the time limit set by the European Central Bank (11 December 2015).

-The timely and successful completion of all stages of the capital increase ((to the start of trading of the new shares), not only before the expiry of the utmost deadline set by the supervisory authority (11/12/2015), but even earlier, in time the concentration of the largest possible amount of funds seems possible, especially from foreign institutional investors and experts, before the usual annual process of "closing" investment positions in financial instruments (late November) and avoiding the possible global investment uncertainties and any unforeseen adverse developments in the geographic market where the NBG Group operates, militate in favor of accelerating the process of capital increase, which involves the abolition of the pre-emption right of existing shareholders.

-The above optimal success of the capital increase constitutes direct, of existential need, priority of the Bank, in view of the necessary minimum coverage of the above funds from the private sector, in order to avoid taking surveillance measures of banking consolidation. The Board considers that is better served through the completion of the fundraising whilst removing the right of preference of existing shareholders (on time the procedure at least 2-4 weeks ahead and formalities), taking into account and for the sake of completeness, that the realization of the shortest duration of public offer of newly issued shares in Greece, provides the ability to meet demand even from existing shareholders domestically who wish to acquire a primary (rather than via the Stock Exchange) new shares of Bank.

-In the wording of this proposal of the Board for the abolition of the right of preference in the context of the Share Capital Increase, the corresponding practice (remove d.p.) of the four (4) systemic banks during last year's extraction of private capital has been taken into account, which is estimated to have worked up as to the investment interest of foreign institutional investors by reducing the necessary time commitment of funds from the completion of the process of the bookbuilding until the launch trading of the shares allocated to them ..."

Based on the above, we believe that it is clear that the Report as a whole, as well as its upper part, in particular, were sufficiently informative as to the proposal of the Board of Directors and the reasons under which it was delivered to the unique jurisdiction, for the abolition of the pre-emption right, the bank instrument, i.e. the General Assembly of shareholders. From this Report emerge clearly the basic reasons why the Board regarded the realization of such increase of capital of the Bank by the abolition of the rights (and by disposing of all new shares to institutional and other qualified investors abroad with the process of international book offering and with the public offer in Greece that followed the aforementioned offer abroad) during the specified references of the Report as the choice, between the considered, which should qualify.

The above opinion of the Board was confirmed and is essentially confirmed by the actual development/progress of the increase in conditions that were existential for the Bank, as the fact is that, even after the decision of the General Assembly to abolish the preemption of existing shareholders, and the immediate disposal of all newly issued shares to those expert and non-expert investors without exceptions and without prior process of privileged offer to shareholders, finally, although manifested in demand from investors in general and reached the coverage of part of the increase within short time scales of International Book offering and public supply in Greece, but again it was not possible to fully cover the increase, nor to its total amount, or part of its part allocated through the public offer.

Furthermore, it is mentioned that during this Extraordinary General Assembly a decision was taken (see fifth topic of the agenda) on issuing a (private) convertible bond loan by issuing

unprotected bonds, convertible in common nominal shares of the Bank with voting rights, which (bonds) could increase the supervisory capital of bank. However in view of the lack of investment interest neither that the decision could be used.

**8. Please make available to us the document which shows that the Single Supervisory Mechanism (SSM) has set a "deadline date for coverage of the capital shortfall" on 12.11.2015, as expressly stated in p. 11 of the document dated 6-11-2015 of the bank which is entitled "Draft Decisions / Comments of the Board on the General Meeting agenda items." What is the exact content / wording of the document which suggests the position of that date as "cut-off" (as stated in the aforementioned document of the bank dated 11.06.2015);**

**Please submit the above document to the General Meeting.**

The European Central Bank by its decision dated October 30, 2015 and with reference number ECB / SSM / 2015-5UMCZOEYKCVFAW8ZLO05 / 11, and following the publication of the results of the Comprehensive Assessment carried out by the Single Supervisory Mechanism, requested from the Bank, among others, to cover capital needs amounting to € 4.602 mil. (amount which was later amended finally to 4.482 million. euros) by December 11, 2015.

Extract (first page) of addressed to the Chief Executive Officer decision of ESB / SSM (ESB / SSM), which expressly refers to this period, is available to shareholders in the Secretariat of the General Meeting. The remaining text of the decision cannot be made available to shareholders for significant due cause, as it contains information of highly competitive nature regarding NBG and privacy issues of the Bank's correspondence with the Supervisory Authority.

**9. Please inform us whether the Board has examined and studied exactly how much time will be saved during the implementation of the share capital increase through the universal abolition of the pre-emption right for the existing shareholders (in order for the rapid completion of the recapitalization of the Bank, referred to in the relevant Board Report to be achieved), taking into account that the law allows the Board to shorten / reduce the deadline for exercising the pre-emption right in o 15 days. In that regard, please inform us whether the Board had preventively submitted to the competent authorities a potential audience request of the capital increase process set in motion in 2015 increase operation, given the fact that the capital requirements of the Bank according to SSM, were notified to the Bank just in 31/10/2015 (if so, please inform us of the answer of the competent authorities on this request of the Bank).**

**Please submit to the General Meeting all the relevant to the abovementioned documents.**

Following the already cited above Board Report to the meeting of shareholders of November 17, 2015 concerning the second issue of the agenda, as well as the information provided by said GM on the weighting carried out by the Boar , it should be noted that even by eliminating the pre-emption right of the then existing shareholders, the said complex increase, implemented also by public offering in Greece lasting just three (3 ) days (30.11-2.12.2015 ), was finally completed on December 9, 2015, i.e. barely two days before the final deadline set by the Bank by the ECB. Thus, it appears that even the minimum deadline of the company law , of fifteen (15 ) days for the exercise of pre-emption rights , would significantly lead to a significant excession of the prescribed to the bank by the supervisory authority deadline , and would in any case and cause further risks and uncertainties (see also the relevant references in the Report ) .

As regards the part of the shareholder's question concerning any submission of a request by the Bank for an extension of said deadline, it is noted that the Bank did not submit a relevant request. In addition to the risks referred to in the Report, it is also worth noting that if the Bank did not successfully complete the share capital increase by the end of the year at the latest, the no. 2014/59 /EU Directive, establishing a framework for the recovery and resolution of credit institutions and investment firms would by 1.1.2016 come into effect, pursuant to which, it is stipulated that if the amount of the recapitalization of any credit institution is not covered by other previous private sector measures, even the of a category of bank depositors, in order for a lawful State aid for the recapitalization to be received.

**10. According to those referred to in the company's press release dated 19.11.2015, the board set the price of the new shares at EUR 0.02 per share (or EUR 0.30 after the coalescence of existing shares at a ratio 1 new share for 15 old shares), set value according to which the banking company "National Bank of Greece SA", was "assessed" by the "new" shareholders (valuation, approved finally also by the company's Board itself) against amounting to just 105 million euros.**

**Given that the total equity of the Bank attributable to shareholders amounted on 30.9.2015 in a multiple amount of 6.544 mil. Euro (ie the above set value is lower by approximately 98.9% compared to the carrying amount):**

**a) Please quote us the reasons why the company's Board under the book building process, did not set a minimum price of the new shares, in particular were in reasonable correlation to tangible book value.**

**b) Given that, as referred to the above mentioned company's press release dated 19.11.2015, the supra, substantially divergent as above from the tangible book value, issue price was "based on the book building process results', please tell us if the BoD examined existing alternatives to prevent significant impairment as part of this corporate transaction, the investment value of the company and the annihilation, in essence, of the allocated funds of the existing shareholders (allocated either primary, through participation in earlier increases of Share Capital, either secondarily, through regulated investment institutions of the Greek Capital Market, principally through the Athens Stock Exchange).**

**Please submit to the GM all of the above Documents.**

The Extraordinary General Meeting of Shareholders of November 17, 2015 stated that the price of the new shares resulting from the capital increase (second issue of the agenda) will not be less than the nominal value of the Bank's common stock, ie 0.30 per share (after the implementation of corporate reverse split decisions). The Assembly decided the price of the new shares to be determined, taking into account the price resulting from the completion of the tender in the Book of the International Offer, in accordance with the specific provisions of Article 7 of Law. 3864/2010. The determination of the minimum price of the newly issued shares disposal in the above mentioned increase of capital share of particularly high amount, by the General Assembly certainly was based on data of that timing. Unlike the historical balance sheet data of 30/09/2015 referred the questioner shareholder noted that in November-December 2015 had announced the results of the simulation exercise (stress test) and the Bank had identified specific needs of large capital (regulatory capital deficit ), as mentioned above.

In this context, the determined price of the new shares essentially dictated, reflected and responded to plausible financial market conditions, as demonstrated by the procedures of the Tender Book and of the Public Offer. Specifically, actuated as a minimum by the General Assembly issue price was € 0.30 and the price which emerged from the Tender Book, that there has been no sufficient investment interest for acquisition of Bank offered shares in a private placement to a higher value. Although the international share offer was aimed at gathering of Euro 1,600 million., Finally received and accepted offers at the lowest price € 0.30 of € 457.4 million.

In those circumstances, the Board of Directors of the Bank at its meeting of 19/11/2015 recommended to Board of HFSF to set an issue price of new shares equal to € 0.30, as it is based and the report of the General Coordinator / co-organizers of the Book of the International Offer.

Additionally, it is noted that even with that finally designated subscription price (€ 0.30) is the fact that it covered the whole of the Decision, the Extraordinary General Meeting increase the Bank's share capital (Euro 4.482 million.). Similarly, regarding the performed public offering of newly issued shares in Greece (30.11.2015-2.12.2015) are not completely covered or the part of the increase that was finally decided to be placed by public offering. Finally, it is particularly important that the final price of the new shares is not determined unilaterally by the Bank, but according to the specific provisions of Article 7 of Law. 3864/2010. In the law, as the exercise price defined as the price, as resulting from the process of book building, provided that the Financial Stability accepts this, then award and opinion making independent financial advisor on the agreement of the bookbuilding process with international best practice in specific circumstances. The law even expressly provides that the issue price may be lower than the price of previous coverage of shares of the Fund or the current market price.

According to forecasts of the law, the HFSF General Council at its meeting of 19.11.2015 accepted the arrangements made by the Tender Book of the exercise price (€ 0,30), and after a report of the independent financial adviser to the HFSF and after consulting representatives with representatives of the General Coordinator / co-organizers of the Tender Book, the independent financial advisor HFSF and Bank executives, as subsequently determined by the Board of Directors the final issue price of the Bank.

Accordingly, it is clear that any adverse effects of the board of directors of the Bank on the definition of the issue price, first you did not find a basis in law, and said specific provision, the other could jeopardize the failure coverage even of those mobilized from private investors partial the amount of the increase (€ 1,474 million.), hurting the effort necessary for the funding of and, indeed, (could) risk the possibility of imposing adverse consolidation measures by the Supervisory Authority, if not achieved nor the minimum private fundraising goal set by the Single Supervisory Mechanism in order to cover the capital loss of the Bank according to the basic scenario (Euro 1.456 million).

**11. Please inform us particularly and specifically about which existing – before the increase – shareholders (natural and/or legal persons) finally participated in the eventually performed by private placement capital increase mentioned above.**

**Please provide to the General Meeting all relevant documents.**

In the said share capital increase of the Bank performed by virtue of the particulars of decisions of 17 November 2015 of the Bank's shareholders, any interested investor could

participate, either through the process of the international book-building, if they had the characteristics of a special investor, or through the public offering that followed in Greece. So there is no issue of special treatment of someone or some of the then existing shareholders in taking up new shares.

**12. Please provide to the GM a copy of the Relationship Framework Agreement which has been signed by the Bank with the HFSF in line with the relevant provisions of Law 3864/2010 (including amendments thereof in 2015).**

The Relationship Framework Agreement is uploaded — and therefore available to the public — on the Hellenic Financial Stability Fund's website [http://www.hfsf.gr/files/rfa/RFA\\_HFSF\\_revised.pdf](http://www.hfsf.gr/files/rfa/RFA_HFSF_revised.pdf). However copies of this document have been printed and are at the disposal of shareholders in the Secretariat of the General Meeting.

Documents available to shareholders in the Secretariat of the General Meeting:

(1) Quote (first page) of 30 October 2015 decision of ECB/SSM/2015-5UMCZOEYKCVFAW8ZLO05/11 (associated with the 8th question).

(2) the Relationship Framework Agreement between HFSF and NBG (2015) (associated with the 12th question).