Annex 2

Communication elements

(To be used in individual publications by banks and supervisors, as the case may be.)

National Bank of Greece S.A. (“NBG”) participated in the 2011 EU-Wide Stress Testing Exercise of European Banks coordinated by the European Banking Authority (EBA) in cooperation with the Bank of Greece, the ECB, the European Commission and the European Systemic Risk Board (ESRB).

NBG fully acknowledges and accepts the outcomes of the EU-wide stress tests announced today by the EBA.

The stress test was carried out on a sample of 91 banks representing more than 65% of total banking assets in the EU. The exercise aims at assessing the overall resilience of EU banks to particularly adverse scenarios and their ability, under extreme assumptions, to absorb further shocks.

The assumptions and methodology were constructed to assess banks’ capital positions against a 5% Core Tier 1 (CT1) benchmark, while their purpose is to restore market confidence in the participating banks. The adverse case scenarios were designed by the ECB and cover the two-year time horizon 2011-2012. The test was carried out on the basis of balance sheet data at December 2010. It does not take into account general provision made by banks, certain events that have already occurred, and future business strategies and management actions, and should not be construed as a forecast of NBG profits.

Under the adverse shock scenario, NBG’s CT1 ratio would decline to 7.7% in 2012 compared with 11.9% at end-2010. This outcome incorporates only measures that have been announced and fully acknowledged as at 30 April 2011, as well as mandatory restructuring plans agreed with the European Commission prior to 30 April 2011. This outcome does not take into consideration collective provisions or future remedial actions planned by NBG.

The stress test shows that NBG’s CT1 ratio is well above the 5% limit set by the EBA, even if we ignore the government capital injection of €350 million received by the Bank. In this case, NBG’s CT1 ratio would stand at 7.2%.

A closer look at the test results for NBG

The output of the stress test as well as the weaknesses identified (which are being published) will be taken on board so as to enhance the resilience of the banking system. The results of the test indicate that:

NBG meets the minimum capital requirements set as the benchmark for the purposes of the test. NBG will continue to ensure that it maintains the required capital levels, while in addition it has taken, or intends to take, business actions (outlined below) that aim at fortifying its capital position further by €1.4 billion. As a result of these actions, the CT1 ratio will increase by 2 percentage points to 9.7%.

The business actions that will generate this increase include the following:

- Utilisation of collective provisions totalling €304 million, accumulated at end-2010 (increase of +0.3% in CT1).

- Acquisition of a 49.90% minority stake in investment portfolio firm CPT. The acquisition was completed on 30 June 2011 and adds €210 million to the Bank's shareholder equity, thereby increasing the CT1 ratio by +0.3%.

- Sale of a minority shareholding of up to 20% in our Turkish affiliate Finansbank, which should add €1.0 billion to our shareholder equity, thereby increasing the CT1 ratio by +1.4%.

As regards the key assumptions and outcomes of the test:

- The test results take into account significant impairment losses on retail and corporate lending, as well as on sovereign exposures and exposures to financial institutions. Sovereign exposures include direct exposure to sovereign debt instruments and loans as well as indirect exposure to government guarantees that have been provided for loans to third parties.

- Regarding loans, impairment losses under the stress test for the two-year period 2011-2012 were €4,310 million, corresponding to 5.7% of the said exposures. As a result, cumulative impairment losses at end-2012 amount to the quite high level of 10.5% of such exposures. This level corresponds to an NPL ratio of 18.5% for the Group, underscoring the strictness of the assumptions applied in the test.

- In the case of exposures to sovereigns and banks, impairment losses amounted to €3,835 million, €3,361 million of which concern Greece. In the case of NBG's exposures to the Hellenic Republic, the cumulative probability of default (PD) for the two-year period 2011-2012 was 36.15%, corresponding to the PD inferred from the average credit rating assigned by the major rating agencies. For the purposes of the stress test, Greece was assigned the lowest rating of CCC (S&P/Fitch) or Caa1-c (Moody's). Loss in the event of default (Loss Given Default – LGD) under this PD was set at 40%.

- NBG's aggregate direct and indirect exposure to Greek sovereign debt at end-2010 stood at €23.3 billion, and includes: 1) Greek government bonds worth €12.7 billion, 2) loans to the Greek government worth €5.9 billion, and 3) Greek government guarantees for loans to third parties (subsidized mortgage loans, public sector companies, small businesses and professionals) worth €4.7billion.

Note that by the end of May 2011, the level of government guaranteed loans had declined to €3.9 billion. The overwhelming majority of the public sector company loans are serviced normally. It is important to note that the options under discussion for the elongation of the Greek sovereign debt do not include loans to the Greek state (see (2) above) nor Greek Government guarantees towards third parties (see (3) above).

To sum up, the results of this exercise prior to the above mentioned actions, imply a “safety buffer” – after the impact of the severe conditions set by the stress test – totalling €1,950 million on CT1, as against the 5% limit set for the test. If we take into account mitigating actions, which have either been implemented or are in the course of implementation, the safety buffer increases substantially to €3,400 million.