NATIONAL BANK OF GREECE

NBG may file a registration statement (including a prospectus) with the SEC for the rights offering referred to in this report. Before you invest, you should read the prospectus in that registration statement and other documents that NBG has filed with the SEC for more complete information about NBG and the rights offering. You may get these documents for free by visiting EDGAR on the SEC web site at www.sec.gov

REPORT

TO THE GENERAL MEETING OF SHAREHOLDERS

OF NATIONAL BANK OF GREECE S.A.

ON THE SHARE CAPITAL INCREASE OF

NATIONAL BANK OF GREECE S.A. FOR THE ACQUISITION OF FINANSBANK A.S.

INTRODUCTION

At its meeting of 3 April 2006, the board decided to propose to NBG's General Meeting of Shareholders an increase by up to €3 billion in the Bank's share capital through payment in cash and with pre-emptive rights. The funds raised will be used to finance part of the acquisition of a majority interest in the Turkish banking corporation Finansbank A.S. The board considers the merger to be in the interests of NBG and its shareholders, given that:

- Turkey, with a population of over 70 million and GDP of €367 billion, is the largest growing economy in Southeast Europe.
- In recent years, the Turkish economy has entered a phase of stability and growth with the implementation of reforms proposed by the IMF.
- Macroeconomic stability and prospects of entry into the EU favour the growth of the banking sector and the penetration of international banking capital into the country.
- Finansbank presents a particularly interesting story, due to its substantial market share, sound organisational structure, top quality management and anticipated synergies.

1. REPORT ON THE USE OF PROCEEDS FROM THE PREVIOUS RIGHTS ISSUE

The last increase in the share capital of NBG took place pursuant to approval by the Repeat General Meeting of shareholders on 6 April 1999. The total funds raised amounted to Greek Drachma (Dr)170,694,776,000 (€500,938,447.5) through the rights issue of 14,843,024 new shares with a par value of Dr1,450 (€4.26) each, at a price of Dr11,500 (€33.75) each. As a result, NBG's share capital increased by Dr21,522,384,800 or €63,161,804.26. According to the audited chart below, these funds were used in the fiscal years 1999 and 2000 as follows:

		Prospectus estimates	Actual amounts used
		(Dr millions)	
(a)	Expansion of NBG's business – maintenance of capital adequacy ratio	50,000	56,095
(b)	Expansion abroad	11,000	12,136
(c)	Capital expenditure on technology & equipment	31,000	31,750
(d)	Participation in rights issues of affiliates	30,000	50,186
(e)	Facilitate investments in Greece and abroad	48,695	82,199
	Total	170,695	232,366

2. INVESTMENT PLAN

A key pillar of NBG's strategy is to become a strong regional force in Southeast Europe and the East Mediterranean. Further expansion of activities in SE Europe and the East Mediterranean are key objectives of NBG due to the substantial growth prospects, as well as the geographical proximity to Greece, of the countries concerned.

Key components of this strategy are:

- To maintain NBG's leading position in the wider region of SE Europe with a view to sustaining high business growth, and
- To optimise the allocation of funds invested so as to achieve higher returns for shareholders.

Turkey forms an integral part of NBG's strategic interest areas. Since 2000, NBG has been running a representative office in Istanbul to examine potential investment targets in Turkey. In early 2006, it was announced that the principal shareholder of Finansbank intended to sell a majority interest in the bank via its financial advisor Morgan Stanley.

Finansbank holds a strong position in the Turkish market. With substantial competitive advantages in retail and SME banking, high ROEs, and a highly regarded management

team, Finansbank represents a strong partner for NBG in the Turkish market. In the board's opinion, the controlling interest in Finansbank is being acquired on attractive financial terms:

- Expected to be EPS accretive after closing,
- An acquired 2005 P/E mulitple of 17.8x, which compares with the equivalent 2005 P/E multiple for NBG of 18.0x, and
- Material future synergies should arise chiefly as a result of the improvement in the capital structure of Finansbank.

The acquisition of Finansbank by NBG will instantly create a very substantial banking group among the dynamic economies of SE Europe (active in seven countries in the region outside Greece) comprised of:

- Banking activities in Greece, Turkey, Albania, Romania, Bulgaria, Serbia & Montenegro, FYROM, and Cyprus.
- Total assets of €65.8 billion, customer loans of €35.9 billion and customer deposits of €47.2 billion, as at 31 December 2005.
- Over 10 million customers, serviced through a combined network of 1,060 branches.

In the short term, NBG expects substantial synergies to arise from the acquisition of Finansbank. It is expected that the main sources of these synergies will be as follows:

- The wholesale funding advantages for Finansbank, as part of an overall more strongly rated group. Finansbank's long-term credit ratings are Baa3 by Moody's and BB- by Fitch, compared with NBG's long-term credit ratings of A2 by Moody's, A- by Fitch and BBB+ by Standard & Poor's.
- Reduction of overall interest cost through funding of Finansbank's high loan growth with NBG's euro-denominated deposit surplus. As at 31 December 2005, NBG had a loans-to-deposits ratio of 68.1% versus a corresponding ratio of 133.6% at Finansbank.
- Improvement in the Group's capital structure, with Finansbank benefiting from the economic risk capital diversification benefits of belonging to a well-rated and diversified international banking group.
- Shared best practice between the two banks, with NBG's recognised strengths in mortgages, insurance and asset management, and Finansbank's strengths in credit cards and SME banking.
- Optimisation of the SE Europe cost base in areas such as back office processing and IT.

Destination of funds raised through the share capital increase

NBG intends to use the new funds mainly for the purpose of financing its investment programme in the region of its strategic interest. On 3 April 2006, NBG agreed to acquire from FIBA Holding and its affiliates a 46.0% interest in the Ordinary Shares of Finansbank and 100.0% (100 shares) of the Founder Shares for a total consideration of US$2,774 million (€2,291 million) (the "Finansbank Consideration"), of which US$2,323 million (€1,918 million) relates to the Ordinary Shares and US$451 million (€372 million) relates to the Founder Shares. Under the agreement, the following Finansbank subsidiaries (the "Non-Turkish Business") are excluded from the acquisition: Finans International Holding (which includes Finans Suisse, Finans Holland, Finans Russia, Finans Leasing Romania), and Finans Romania. Finansbank's holdings in these companies shall be transferred to FIBA Holding prior to completion of the transaction. The book value of these holdings amounts to $277 million (approximately €229 million), while the fair price has been estimated by an independent international accounting firm to be US$580 million (€483 million).

Turkish legislation requires any person acquiring more than 25% of the share capital of a company listed on the Istanbul Stock Exchange to launch a Mandatory Offer to all the shareholders of the company for the purchase of their shares. NBG, on receiving the necessary approvals from regulatory authorities and following initial acquisition of 100% of the Founder Shares and 46.0% of the Ordinary Shares of Finansbank, intends to launch a Mandatory Offer (the "Mandatory Offer") for the remaining 44.3% of Finansbank's Ordinary Shares, which are not controlled by FIBA Holding. If all shareholders of Finansbank, with the exception of FIBA Holding, offer their shares, NBG will acquire 90.3% of the total Ordinary Shares of Finansbank. In any case, FIBA Holding has agreed to sell to NBG sufficient Ordinary Shares such that NBG will achieve a 50.01% ownership position (and corresponding voting rights) in Finansbank upon completion of the Mandatory Offer. Given the price per share for 46%, and assuming that the Mandatory Offer will be at the same price per share (in accordance with Turkish legislation), the maximum total price should be in the region of €4,160 million. This amount (a) requires substantial available funds, and (b) creates goodwill resulting in a significant reduction in the capital adequacy ratio of NBG.

Furthermore, NBG is expected to incur pre-tax fees and costs associated with the transaction and the subsequent rights offering of around €75 million.

The agreed price to be paid to FIBA Holding for the purchase of Finansbank will be paid in July 2006 and the Mandatory Offer will take place at the end of the third quarter of 2006, while the minority shareholders of Finansbank will receive payment during the fourth quarter of 2006.

NBG intends to use the funds raised from the proposed rights issue for the purpose of financing these transactions.

3. FINANSBANK

Finansbank, established in 1987, has been listed on the Istanbul Stock Exchange since 1990. It is the eighth largest bank in Turkey and the fifth private bank, in terms of assets.

Business activity

Finansbank's business strategy and activity so far has focused on effectively exploiting the rapidly growing Turkish economy.

The key features of its strategy are as follows:

- Development of a sales culture at all levels across the organisation, based on continuous training and performance-linked remuneration for each employee.
- Customer segmentation and product alignment through an extensive network of 209 branches, 411 ATMs, phone and electronic banking and an equally extensive network of business associates.
- Use of advanced I.T. systems for effective collection and processing of customer data with a view to maximising cross-selling potential.
- Focusing on SME business, a particularly profitable segment of the Turkish market, while also maintaining a presence in commercial and corporate banking, especially as project finance manager.

Organisation structure

Finansbank's organisation structure is centred on the groups of products it offers:

- Retail banking (consumer and mortgage loans)
- Credit cards
- SME Banking
- Commercial Banking
- Corporate Banking
- Private Banking

These units are supplemented by the following subsidiaries: Finans Invest (investment banking), Finans Leasing and Finans Asset Management (Mutual fund management).

Share capital composition and ownership structure

Finansbank has issued 9.5 billion ordinary shares and 100 Founder Shares, of which the latter have no voting rights.

The owners of Founder shares are entitled to a special 10% dividend on net profit after tax following payment of the 'first dividend' (i.e. 5% on the company's share capital) to shareholders. Finansbank had chosen not to distribute dividends to shareholders so far, whereas it paid each year the special dividend to the holders of Founder Shares.

Finansbank's ordinary shares are listed on the Istanbul Stock Exchange (closing price as at 31 March 2006: New Turkish Lira (YTL) 7.70/10 per tradable share (each tradable share represents 10 ordinary shares), market capitalisation YTL 6.7 million). The Group's ordinary share ownership structure as at 3 November 2005 is set out in the Table below:

Shareholder	No of shares (mil.)	Shareholding percentage
Fiba Holding A.Ş	3,154	33.2
Fina Holding A.Ş	1,426	15.0
Girişim Faktoring A.Ş	399	4.2
Fiba Factoring Hizmetleri A.Ş	311	3.3
Fiba/ Fina Groups Total	5,290	55.7
Other shareholders	4,210	44.3
TOTAL	**9,500**	**100**

Furthermore, Finansbank's 100 Founder Shares are fully owned by the Fiba Group.

Financial data in accordance with IFRS audited financial statements

Consolidated Balance Sheet (€ millions)	**2005**	**2004**	**2003**
Assets			
Cash and balances with central banks	1,468	1,303	1,060
Financial assets	1,757	1,063	1,052
Loans and advances to customers	7,007	5,043	4,049
Tangible assets	199	199	188
Other assets	98	92	87
Total Assets	**10,528**	**7,701**	**6,436**
Liabilities			
Due to customers and banks	6,136	5,396	4,816
Market borrowings (including subordinated debt)	3,049	1,216	785
Other liabilities	328	369	273
Total Liabilities	**9,514**	**6,980**	**5,874**
Shareholders' Equity	964	663	508
Minority Interest	51	58	53
Total Equity and Liabilities	**10,528**	**7,701**	**6,436**

Consolidated income statement (€ millions)	**2005**	**2004**	**2003**
Net interest income	588	418	350
Net commission income	225	170	87
Other income	198	118	181
Total income	**1,012**	**707**	**617**
Impairment losses on loans & advances	(65)	(29)	(28)
Operating expenses	(518)	(406)	(315)
Operating profit	**429**	**272**	**274**
Share of profit of associates	2	0	0
Profit before tax & minority interests	**431**	**272**	**274**
Tax	(115)	(62)	(65)
Inflationary accounting	(16)	(19)	(18)
Minority interests	(9)	(8)	(8)
Profit for distribution	**290**	**184**	**184**

Balance Sheet of companies to be acquired (€ millions)	**2005**	**2004**
Assets		
Cash and balances with central banks	930	764
Financial assets	1,241	470
Loans and advances to customers	5,159	3,448
Property, equipment and intangible assets	154	133
Other assets	292	273
Total Assets	**7,776**	**5,087**
Liabilities		
Due to customers and banks	3,981	3,088
Market borrowings (including subordinated debt)	2,498	1,08
Other liabilities	285	235
Total Liabilities	**6,765**	**4,403**
Shareholders' Equity	964	663
Minority Interest	47	21
Total Equity and Liabilities	**7,776**	**5,087**

Income statement of companies to be acquired (€ millions)	**2005**	**2004**
Net interest income	481	347
Net commission income	138	101
Other income	167	57
Total income	**786**	**504**
Impairment losses on loans & advances	-84	-19
Operating expenses	-348	-257
Operating profit	**354**	**227**
Share of profit of associates	1.9	0.0
Profit before tax & minority interests	**355**	**227**
Tax	-101	-47
Inflationary accounting	-24	-51
Minority interests	-9	-2
Profit for distribution	**222**	**128**

4. VALUATION OF FINANSBANK, EXCLUDING THE NON-TURKISH BUSINESS

Valuation Methodology

The value of Finansbank, excluding the Non-Turkish Business was estimated on the basis of the following principal valuation methodologies:

Discounted Cash Flow Analysis

Comparable Publicly-Traded Company Analysis

Comparable Transaction (Acquisition) Analysis

Sell-Side Analysts' Forecasts and Price Targets

Based on these valuation methodologies, the board believes that the valuation range for Finansbank, excluding the Non-Turkish Business, as of the date hereof, is US$5,000 million to $6,000 million.

The valuation range is based on a relevant report, dated 3 April 2006, by Credit Suisse, which includes Credit Suisse's opinion as to the fairness to NBG, from a financial point of view of the Finansbank Consideration and the appropriateness of the valuation methodologies employed. Credit Suisse's report, which is set forth in Annex A, is subject to a number of important assumptions and limitations, including an assumption that all financial forecasts and projections relevant to the valuation methodologies employed were prepared on bases reflecting the best currently available estimates and judgments of the management of Finansbank as to the future financial performance of Finansbank, excluding the Non-Turkish Business.

5. MAJOR SHAREHOLDERS

No shareholder of NBG has, either directly or indirectly, a shareholding of over 5% in NBG.

6. SELLING PRICE

The board proposes a share capital increase of NBG, with preemptive rights, up to the amount of €3,000,000,000. The securities to be offered shall be new, ordinary shares for subscription by NBG's shareholders, whose subscription rights shall be freely traded on the ATHEX. The board also proposes that the issue price shall not be higher than the stock market price as at the coupon cut-off date.

Athens, 3 April, 2006

FOR THE BOARD OF DIRECTORS