



DIVISION OF  
TRADING AND MARKETS

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

November 13, 2015

Barbara Stettner  
Allen & Overy LLP  
1101 New York Avenue, NW  
Washington, DC 20005

**Re: National Bank of Greece S.A.**  
**File No. TP 16-2**

Dear Ms. Stettner:

In your letter dated November 13, 2015, as supplemented by conversations with the staff of the Division of Trading and Markets (the "Division"), you request on behalf of the National Bank of Greece S.A. ("NBG"), a bank organized under the laws of the Hellenic Republic ("Greece"), a limited exemption from Rule 102 of Regulation M under the Securities Exchange Act of 1934, as amended ("Exchange Act"), in connection with a distribution of ordinary shares of NBG ("NBG Shares") in the form of a proposed private and offshore placement, as well as a public offering in Greece (the "Offering"). You represent that the Offering is an essential element of the recapitalization of NBG subject to the oversight of the Single Supervisory Mechanism, the supervisory arm of the European Central Bank.

You seek a limited exemption to permit NBG and certain NBG affiliates to conduct specified transactions in NBG Shares during the Offering. Specifically, you request that (i) NBG Securities be permitted to continue to engage in the market-making activities described in your letter; (ii) NBG Securities be permitted to continue to engage in the derivatives hedging activities described in your letter; (iii) NBG Asset Management and NBG Asset Management Luxembourg S.A. (collectively, "Asset Managers") be permitted to continue to engage in the investment management activities as described in your letter; and (iv) NBG Securities be permitted to continue to engage in the unsolicited brokerage activities as described in your letter.

We have attached a copy of your letter to avoid reciting the facts set forth therein. Unless otherwise noted, each defined term in our response has the same meaning as defined in your letter.

*Response:*

Based on the facts and representations presented in your letter, the Securities and Exchange Commission (the "Commission") finds that it is necessary or appropriate in the public interest, and is consistent with the protection of investors, to grant, and hereby

grants, a limited exemption from Rule 102 of Regulation M solely with respect to the transactions by NBG Securities and the Asset Managers (collectively, the "Subsidiaries") described in your letter. In your letter, among other things, you make the following representations:

- NBG is a foreign private issuer as defined in Rule 3b-4(c) of the Exchange Act;
- During 2014, the average daily trading volume ("ADTV") of NBG Shares on the Athens Stock Exchange ("ATHEX") was approximately €22.6 million (or approximately \$24.86 million at the exchange rate on December 31, 2014) in value, and in the nine months ended September 30, 2015, was €15.4 million (or approximately \$17.21 million at the exchange rate on that date) in value;
- NBG's market capitalization as of September 30, 2015, was approximately €1.36 billion (or approximately \$1.52 billion at the exchange rate on that date), the second largest of any Greek bank and one of the largest of any Greek company, representing 2.0% of the ASE General Index and 3.9% of the FTSE Athens large cap index;
- During 2014, the ADTV of American Depository Receipts representing NBG Shares ("NBG ADRs") on the NYSE was approximately \$15.1 million in value, and in the nine months ended September 30, 2015, was approximately \$17.4 million in value;
- The principal trading market for NBG Shares is Greece;
- NBG expects to raise approximately €1.6 billion in the Offering;
- NBG maintains and enforces written information barrier policies and procedures to prevent price-sensitive information from passing between any area in which market-making, derivatives hedging, asset management (including any investment oversight committee), or brokerage activities are conducted, and any other area of NBG in which price-sensitive information relating to NBG Shares, including information relating to the Offering, would be available;
- NBG Securities conducts its market-making activities outside the United States, and during 2014 and in the nine months ended September 30, 2015, NBG Securities' market-making activities accounted for approximately 0.6% and 3.1%, respectively, of the ADTV in NBG Shares on the ATHEX;
- NBG Securities conducts its derivative hedging activities outside the United States, and during 2014 and in the nine months ended September 30, 2015, the

derivative hedging activities of NBG Securities accounted for approximately 2.5% and 1.5%, respectively, of the ADTV in NBG Shares on the ATHEX;

- The Asset Managers conduct their investment management activities outside the United States;
- NBG Securities conducts its unsolicited brokerage activities in NBG Shares outside the United States, and the unsolicited brokerage activities of NBG Securities accounted for approximately 11.1% and 14.5% of the ADTV in NBG Shares on the ATHEX during the year ended December 31, 2014, and the nine months ended September 30, 2015, respectively;<sup>1</sup>
- In the aggregate, NBG's market activities represented 14.8% and 20% of the ADTV in NBG Shares on the ATHEX during 2014 and in the nine months ended September 30, 2015, making NBG one of the largest participants in the market for NBG shares on the ATHEX and an important market maker in such shares;
- The withdrawal of the Subsidiaries as one of the most important market participants and one of the market makers in NBG Shares in the primary market for those shares, which are among the most actively traded in Greece, during the Regulation M restricted period ("Restricted Period") would have harmful effects in the home market for NBG Shares including a significant imbalance of buy and sell orders, which could cause greater volatility and reduced liquidity;
- In view of the important position of NBG Securities in maintaining the accounts in which NBG Shares are held and executing trades in NBG Shares on the ATHEX, NBG believes significant market disruption could occur if NBG Securities could no longer execute trades in NBG Shares as requested by clients; and
- Each of the Subsidiaries has confirmed that the activities for which it is requesting relief will be conducted in the ordinary course of business and not for the purpose of facilitating the Offering, in accordance with applicable European Union, Greek, and other local laws.

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<sup>1</sup> Historically, NBG Securities has conducted an insignificant amount of unsolicited brokerage activity involving the buying and selling of NBG ADRs on the NYSE. During the Restricted Period, NBG personnel will be instructed not to engage in unsolicited brokerage activity involving NBG ADRs.

The exemption is subject to the following conditions:

1. All of the transactions referenced in your letter shall be effected in the ordinary course of business and not for the purpose of facilitating the Offering;
2. NBG and each of the Subsidiaries will provide to the Division, upon request, a time-sequenced schedule of all such transactions made during the Restricted Period. Such schedule will include:
  - (a) size, broker (if any), time of execution, and price of the transactions;
  - (b) the exchange, quotation system, or other facility through which the transactions occurred; and
  - (c) whether the transactions were made for a customer account or a proprietary account;
3. Upon request of the Division (or its successor), NBG and each of the Subsidiaries will transmit the information requested in item 2 (above) to the Division at its offices in Washington, DC, within 30 days of its request;
4. NBG and each of the Subsidiaries shall retain all documents and other information required to be maintained pursuant to this exemption for at least two years following the completion of the Offering;
5. Representatives of NBG and each of the Subsidiaries shall be made available (in person at the offices of the Commission in Washington, DC, or by telephone) to respond to inquiries of the Division relating to their records; and
6. Except as otherwise exempted by this letter, NBG and each of the Subsidiaries will comply with Regulation M.

The foregoing exemption from Rule 102 of Regulation M is based solely on your representations and the facts presented to the staff and is strictly limited to the application of this rule to the proposed transactions. Such transactions should be discontinued, pending presentation of the facts for our consideration, in the event that any material change occurs with respect to any of those facts or representations.

Barbara Stettner  
November 13, 2015  
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In addition, your attention is directed to the anti-fraud and anti-manipulation provisions of the Exchange Act, including Sections 9(a) and 10(b), and Rule 10b-5 thereunder. Responsibility for compliance with these and any other applicable provisions of the federal securities laws must rest with the participants in the various transactions. We express no view with respect to any other questions that the proposed transactions may raise.

For the Commission,  
by the Division of Trading and Markets,  
pursuant to delegated authority,<sup>2</sup>



Josephine J. Tao  
Assistant Director

Attachment

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<sup>2</sup> 17 CFR 200.30-3(a)(6).



Josephine J. Tao  
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November 13, 2015

**Re: National Bank of Greece S.A. – Request for Exemptive Relief from Rule 102 of Regulation M**

Dear Ms. Tao:

We are writing as counsel to the National Bank of Greece S.A. (**NBG**), a bank organized under the laws of the Hellenic Republic (**Greece**), about the application of Regulation M under the Securities Exchange Act of 1934, as amended (**Exchange Act**), to transactions by its subsidiaries in the ordinary shares of NBG (**NBG Shares**) during the distribution of newly issued NBG Shares (**New Shares**) to be made by NBG in connection with a proposed placement in the form of (i) a private placement in the United States, (ii) an offshore non-public placement (primarily in the European Economic Area) and (iii) a public offering in Greece (the **Offering**). The Offering is an essential element of the recapitalization of NBG (the **Recapitalization**) subject to the oversight of the Single Supervisory Mechanism (**SSM**), the supervisory arm of the European Central Bank.

We refer to our letter of May 7, 2014 (the **Original Request Letter**), in which NBG sought an exemption to permit its subsidiaries to continue, in the ordinary course of business, to engage in the market-making, derivatives hedging, asset management, and unsolicited brokerage activities in connection with an offering of newly issued NBG Shares to U.S. persons, and in the United States to persons, that were qualified institutional buyers as defined in Rule 144A under the Securities Act in transactions exempt from Section 5 of the Securities Act pursuant to Section 4(a)(2) of the Securities Act. The requested relief was granted (the **Original Relief**) and the transaction was completed on May 20, 2014. As described below, the Offering would be a substantially similar transaction to the offering described in the Original Request Letter that was completed on May 20, 2014. A copy of each of the Original Request Letter and the Original Relief is attached as Annex A hereto. NBG reiterates the facts and representations contained in the Original Request Letter and confirms that, since the date of the Original Request Letter, except as disclosed herein there has been no material change in the matters described therein other than the details of the Offering described below under Section 3 (*The Offering*).

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In this request letter, on behalf of NBG, we ask the members of the staff (the **Staff**) of the Securities and Exchange Commission (the **SEC**) to grant its subsidiaries exemptive relief from Rule 102 of Regulation M to permit them to continue, in the ordinary course of business, in accordance with applicable Greek anti-market abuse and other laws, and not for the purpose of facilitating the Offering, to engage in the market-making, derivatives hedging, asset management, and unsolicited brokerage activities described in Section 2 of this letter outside the United States during the Offering.

In Sections 1 and 2, we provide an overview of the market for NBG Shares and the market activity with respect to which NBG is seeking relief. In Sections 3 and 4, we describe the Offering, which consists of (i) a U.S. private placement to qualified institutional buyers, and(ii) an offering to institutional and other eligible investors in the European Union in transactions that do not constitute an offer to the public in any member state of the European Economic Area, and (iii) a public offering in Greece, and the application of Regulation M to the market activity described in Section 2. In Section 5, we describe the Greek regulatory market and the anti-market abuse and other laws under which the activities with respect to which NBG is seeking relief hereunder would have to comply. Finally, in Section 6, we provide that the availability of the exemption NBG is requesting would be conditioned on certain disclosure and record-keeping undertakings.

This letter describes, and sets forth data with respect to, the trading activities of NBG's affiliates for the year ended December 31, 2014, and the nine months ended September 30, 2015.

The descriptions of factual matters in this letter, including the market for NBG Shares and the business and market activities of (i) NBG Securities S.A. (**NBG Securities**) and (ii) NBG Asset Management Mutual Funds S.A. (**NBG Asset Management**) and NBG Asset Management Luxembourg S.A. (**NBG Asset Management Luxembourg**) and, together with NBG Asset Management, the **Asset Managers**), as well as the descriptions of certain matters under Greek law and the laws of other jurisdictions outside the United States included in this letter, have been provided to us by NBG.

## 1. **The Market for NBG Shares**

The principal trading market for NBG Shares is on the Athens Exchange (the **ATHEX**). The NBG Shares are also listed on the New York Stock Exchange (the **NYSE**) (in the form of American Depositary Receipts (**ADRs**)). Each ADR represents one NBG Common Share and is evidenced by an American Depositary Receipt issued by The Bank of New York Mellon, as depositary (the **Depositary**). NBG is a foreign private issuer as defined in Rule 3b-4(c) under the U.S. Securities Exchange Act of 1934, as amended.

At September 30, 2015, there were 3,533,149,631 NBG Shares outstanding; 57.2% of NBG Shares were held of record (subject to voting restrictions) by the Hellenic Financial Stability Fund (**HFSF**), 34.3% were held by legal entities and individuals outside Greece, 7.6% were held by Greek private investors, 0.7% were held by Greek pension funds and 0.2% were held by other Greek public sector-related legal entities and the Church of Greece. Based on information from the shareholder registry relating to the registered holdings of the Depositary, 13.7% of outstanding NBG Shares were in the form of ADRs as of September 30, 2015.

NBG's market capitalization at September 30, 2015, was approximately €1.36 billion (\$1.52 billion),<sup>1</sup> the second largest of any Greek bank and one of the largest of any Greek company, representing 2% of

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<sup>1</sup> Throughout this letter, euros have been translated to dollars at the rate of, as applicable, €1.00 = \$1.10, the last noon buying rate in New York City published by the Federal Reserve Bank of New York on December 31, 2014,

the ASE General Index and 3.9% of the FTSE Athens large cap index. The average daily trading volume in NBG Shares on the ATHEX in 2014 and in the nine months ended September 30, 2015, was approximately €22.6 million (\$24.86 million) and €15.4 million (\$17.21 million), respectively. The average daily trading volume of the ADRs on the NYSE during 2014 and in the nine months ended September 30, 2015, was approximately \$15.1 million and \$17.4 million, respectively.

Members of the ATHEX engage in transactions through the Automated Exchange Trading System (**OASIS**), an electronic trading system, on behalf of their customers or on their own behalf.

In 2014 and nine months ended September 30, 2015, the aggregate turnover on the ATHEX, for both equity and debt securities, was in excess of €31,509 million (\$34,660 million) and €13,475 million (\$15,061 million), respectively, and as of December 31, 2014, and September 30, 2015, the overall market capitalization of equity securities listed on the ATHEX was approximately €52,916 million (\$58,208 million) and €37,292 million (\$41,681 million), respectively.

## 2. **The Market Activities for Which Relief is Sought**

NBG is a global, integrated financial services firm operating principally in Greece, Turkey, Bulgaria, Romania, Former Yugoslavian Republic of Macedonia, Serbia and certain other developing countries. NBG, together with its subsidiaries, is engaged in retail banking, asset management, private banking, investment banking and private equity. The principal executive offices of NBG are located in Athens, Greece. NBG is regulated and licensed by the Bank of Greece in Greece. As of September 30, 2015, NBG was one of the largest banking groups in Greece in terms of customer deposits. For the year ended December 31, 2014, NBG had consolidated profit attributed to NBG equity shareholders of €66 million (\$73 million). As at December 31, 2014, NBG had total consolidated assets of €115,464 million (\$127,010 million) and total equity of €10,466 million (\$11,513 million).<sup>2</sup>

NBG Securities and the Asset Managers are subsidiaries of NBG; the principal executive offices of NBG Securities and NBG Asset Management are located in Athens and the principal executive offices of NBG Asset Management Luxembourg are located in Luxembourg. The market activities of NBG Securities and NBG Asset Management for which NBG is seeking relief will occur primarily on the ATHEX and will be managed principally by representatives in Athens who are subject to appropriate information barriers, as further discussed below. The market activities of NBG Asset Management Luxembourg for which NBG is seeking relief will occur primarily in Luxembourg and will be managed principally by representatives in Athens and Luxembourg who are subject to appropriate information barriers, as further discussed below. NBG Securities and the Asset Managers have confirmed that the activities described below, for which NBG is requesting relief, are permitted under and would be conducted in accordance with applicable European Union, Greek and other local laws, in the ordinary course of business and not for the purpose of facilitating the Offering.

**Market-Making Activities.** NBG engages in market-making activities with respect to NBG Shares through its broker-dealer subsidiary, NBG Securities.

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or €1.00 = \$1.1177, the last noon buying rate in New York City published by the Federal Reserve Bank of New York on September 30, 2015.

<sup>2</sup> Financial data is presented on the basis of the NBG Group financial statements prepared in accordance with the International Financial Reporting Standards as endorsed by the European Union.



NBG Securities makes bids and offers for NBG Shares through OASIS and purchases and sells NBG Shares through OASIS. NBG Securities effects these transactions for its own account in order to provide liquidity to the market. NBG Securities conducts no market-making activities outside of Greece.

As is described above, OASIS is an order-matching system, not an inter-dealer market with formal, officially designated market makers. NBG Securities engages in its market-making activities by placing bids and offers on OASIS. However, NBG Securities is not required to and does not maintain independently established bid and ask prices. In connection with block trades, if an adequate counterparty order is not available on OASIS at the time that the bid or offer is placed, the broker through which the order was placed, or NBG Securities itself, may solicit counterparty orders. NBG Securities is not required to make a market in the NBG Shares. Accordingly, NBG Securities does not act as a “market maker” as that term is understood in the U.S. securities markets.

NBG believes that NBG Securities is one of six market makers for NBG Shares on the ATHEX and, during 2014 and the nine months ended September 30, 2015, NBG Securities’ market-making activities accounted for approximately 0.6% and 3.1% respectively of the average daily trading volume in NBG Shares on the ATHEX. In response to market conditions, and subject to its risk management policies, NBG Securities occasionally maintains open long or short positions in NBG Shares or in related derivatives.

During the Regulation M restricted period for the Offering (the **Restricted Period**),<sup>3</sup> NBG Securities intends to continue its market-making activities in the ordinary course of business.

**Derivatives Hedging Activities.** NBG Securities also engages in derivatives activities with customers by entering into derivatives on NBG Shares or baskets or aggregate market indices that include NBG Shares (collectively, **NBG Share Derivatives**). In connection with NBG Share Derivatives, NBG Securities enters into with, or sells to or buys from, customers in unsolicited transactions. NBG Securities solicits and effects trades in NBG Shares for its own accounts and for the accounts of its customers for the purpose of hedging positions (or adjusting or liquidating existing hedging positions) belonging to it and its customers that are established in connection with these derivatives activities. NBG Securities engages in such trades with customers in response to customer demand and for the purpose of hedging customer responsive trades. NBG Securities’ hedging transactions are effected through OASIS and effected on the Athens Derivatives Exchange (**ADEX**), which constitutes one of the two regulated markets of the ATHEX. These hedging transactions are effected through OASIS, and during the year ended December 31, 2014 and the nine months ended September 30, 2015, represented approximately 2.5% and 1.5%, respectively, of the average daily trading volume in NBG Shares on the ATHEX.

Due to the uncertainty associated with the expected Recapitalization, ATHEX determined on October 8, 2015 to remove futures and options on stocks of listed Greek systemic banks that are subject to recapitalization under the SSM (including NBG) from the instruments eligible for trading. The ATHEX suspension of futures and options of NBG shares is expected to continue until the completion of the Recapitalization, which currently expected to be in mid-December 2015. Consequently, NBG cannot currently, and will not be able to, during the Restricted Period, trade in futures and options on NBG shares.

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<sup>3</sup> The Regulation M restricted period relating to the Offering is discussed in Section 4 of this letter.

NBG Securities expects to hold NBG Share Derivatives as part of its portfolios of unsolicited trading derivatives at the time the Restricted Period commences and would expect to continue to hedge these derivatives (through the purchase and sale of NBG Shares) during the Restricted Period. All such NBG Share Derivatives will have been entered into in the ordinary course of business and not in contemplation of the Offering. NBG Securities may continue to hedge additional NBG Share Derivatives acquired or entered into to hedge unsolicited trading activities during the Restricted Period.

**Trading in NBG Shares by the Asset Managers.** The Asset Managers manage assets of certain mutual funds and investor portfolios (such funds and investor portfolios, collectively, the **Managed Funds**). As part of their investment management activities, the Asset Managers buy and sell NBG Shares outside the United States for the Managed Funds' accounts. Under Greek and Luxembourg law, the Asset Managers have a fiduciary duty to manage the Managed Funds in a manner that is in the best interests of the investors of those funds. The Asset Managers are required by law to take into account the interests of the funds' beneficiaries in making investment decisions. The Asset Managers are prohibited by law from taking into account any factors other than the interests of the funds' beneficiaries in making investment decisions. Accordingly, the Asset Managers would be prohibited by law from following a directive by NBG to cease trading NBG Shares during the Restricted Period, unless the Asset Managers believed that cessation of such trading was in the best interests of the Managed Funds' beneficiaries.<sup>4</sup> Similarly, the Asset Managers would be prohibited by law from following an NBG directive to bid for or purchase NBG Shares unless the Asset Managers independently concluded that such bids or purchases were in the best interests of the Managed Funds' beneficiaries.

**Unsolicited Brokerage Activities.** NBG Securities engages in full-service brokerage activities in Greece for its customers through ordinary customer facilitation and related services. These services involve discussions with customers regarding investment strategies, including with respect to NBG Shares, buying and selling NBG Shares in Greece (and, historically, ADRs, in an insignificant amount, on the NYSE, although NBG Securities' personnel will be instructed not to engage in such ADR activity during the Restricted Period) as principal to facilitate its market-making activities and as agent in connection with such customers' unsolicited orders.<sup>5</sup> Although the buy or sell orders received by NBG Securities from their customers are unsolicited, NBG Securities may solicit the other side of these transactions. The unsolicited brokerage activities of NBG Securities represented approximately 11.1% and 14.5% of the average daily trading volume in NBG Shares on the ATHEX during the year ended December 31, 2014, and the nine months ended September 30, 2015, respectively.

Although NBG Securities may, from time to time, provide advice to its customers regarding an investment in NBG Shares, none of NBG Securities, NBG, or any other subsidiary of NBG publishes research reports concerning NBG. NBG Securities' personnel will be instructed not to make any

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<sup>4</sup> Some of the pension funds managed by the Asset Managers have an "investment oversight committee" charged with overseeing the investments made by the Asset Managers. In certain cases, representatives and/or employees of NBG or its affiliates may be members of those investment oversight committees. However, unless the client has given specific instructions, those committees (and their members) would be unable to require the pension fund Asset Manager to stop or start trading NBG Shares during the restricted period if the Asset Manager did not believe it was in the best interests of the fund's owners to do so. The representatives and/or employees of NBG who participate on the investment oversight committees are, like the Asset Managers themselves, isolated by information barriers from the areas of NBG where price-sensitive information relating to NBG Shares and where information relating to the Offering would be discussed.

<sup>5</sup> In addition, although the buy or sell orders received by NBG Securities from its customers are unsolicited, NBG Securities may solicit the other sides of these transactions.

investment recommendations to their customers with respect to NBG Shares or ADRs during the Restricted Period.

NBG Securities is required by Greek law, as well as, in some cases, by the terms of their contracts with such customers, to facilitate the trading activity of customers as described above.<sup>6</sup> It would place a substantial burden on these customers to require them to transfer their NBG Shares to a securities account with another bank, or to have NBG Securities place orders with another bank, in order to make trades with respect to the NBG Shares during the Restricted Period. Moreover, NBG Securities might lose a significant number of these customers if it were prevented from providing them with customary facilitation services during this time period.

**Significance to Market.** As noted above, during 2014 and the nine months ended September 30, 2015, NBG Securities' market-making activities accounted for 0.6% and 3.1%, respectively, of the average daily trading volume in NBG Shares on the ATHEX, while the derivatives hedging activities of NBG Securities—being the purchase or sale of NBG Shares for the purposes of closing open positions that may arise from derivatives market-making—and the unsolicited brokerage activities of NBG Securities represented approximately 2.5% and 11.1% respectively, of the average daily trading volume in NBG Shares on the ATHEX in 2014 and approximately 1.5% and 14.5%, respectively, of such average trading volume in the nine months ended September 30, 2015. NBG Securities is one of the largest participants in the market for NBG Shares on the ATHEX and an important market maker in such shares.

On an aggregate basis, the activities of NBG Securities and NBG Asset Management represented (including market-making, derivatives hedging and unsolicited brokerage activities) approximately 14.8% and 20% of the average daily trading volume in NBG Shares on the ATHEX in 2014 and the nine months ended September 30, 2015, respectively.

**Information Barriers.** NBG has established written information barriers procedures to prevent price-sensitive information from passing between any area in which market-making, derivatives hedging, asset management (including any investment oversight committee) or brokerage activities of NBG Securities and the Asset Managers are conducted and any other area of NBG in which price-sensitive information relating to NBG Shares, including information relating to the Offering, would be available. Accordingly, during restricted periods prior to announcements of earnings results or other material developments that have not yet become public, NBG Securities and the Asset Managers are generally able to continue their respective market activities. NBG will continue to maintain these information barriers procedures during the Restricted Period. Furthermore, NBG Securities and the Asset Managers will continue to conduct their market activities free of direction from senior management of NBG, including management with responsibility for the Offering.

### 3. The Offering

The Offering is intended to cover a portion of the NBG capital shortfall identified by the SSM through the Asset Quality Review and stress tests for critical Greek banks completed on October 31, 2015 (the **2015 Comprehensive Assessment**). The SSM determined that NBG was suffering from a capital shortfall of €1,576 billion under the baseline scenario (with a target Core Tier 1 ratio of 9.5%) and €4,602 billion under the adverse scenario (with a target Core Tier 1 ratio of 8%). NBG presented its capital plan to the SSM on November 6, 2015.

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<sup>6</sup> NBG Securities is not required, however, to buy or sell NBG Shares as principal for the benefit of their clients.

As part of the Recapitalization, NBG expects that its capital will be bolstered to satisfy regulatory requirements set forth by the SSM through the Offering (including the Greek public offering) and a voluntary exchange (the **Voluntary Exchange**) by certain junior and senior creditors into equity. The Voluntary Exchange was effected by an offshore exchange offer extended by NBG for several series of its outstanding debt and capital securities that expired on November 11, 2015. In the event that NBG's capital following the Offering and the Voluntary Exchange does not satisfy applicable regulatory requirements, state aid in the form of equity and contingent convertible capital instruments will be sought from the HFSF, to cover any remaining shortfall. Under European law, the receipt of such state aid from the HFSF must be accompanied by an involuntary bail-in of any outstanding junior liabilities and senior obligations not mandatorily preferred by law.

The New Shares that will be offered, issued and sold in the Offering will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), and will only be offered and sold (i) outside of the United States in offshore transactions to non-U.S. persons in reliance on Regulation S under the Securities Act (**Regulation S**), (ii) to U.S. persons, and in the United States to persons, that are qualified institutional buyers as defined in Rule 144A under the Securities Act in transactions exempt from Section 5 of the Securities Act pursuant to Section 4(a)(2) of the Securities Act and (iii) through a public offering in Greece. Offers of New Shares (i) will not be made as offers to the public in any member state (**Member State**) of the European Economic Area (the **EEA**) other than Greece and (ii) outside Greece, will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the EEA, from the requirement to produce a prospectus for offers of ordinary shares. In Greece, the public offering will be made in compliance with the Prospectus Directive pursuant to a prospectus approved by the Hellenic Capital Markets Commission

The underwriters for the international private placement opened the order book for the New Shares on Thursday, November 12, 2015, with a view to building the order book and fixing the pricing and allocation on or about November 17, 2015. Subsequently, on November 30, 2015, a syndicate comprising Greek underwriters will open the order book for the New Shares in the Greek public offering at the price fixed in the international private placement, and the order book will close on December 2, 2015. The New Shares are expected to settle on or about December 8, 2015, after completion of the steps described below. It is our view that the related Restricted Period would be deemed to commence on or about November 16, 2015, the day prior to determination of the offering price, and end on or about November 17, 2015, upon confirmation of allocations and signing of the underwriting agreement with the underwriting syndicate relating to the international private placement.

Following confirmation of allocations of orders in the order book on or about November 17, 2015, the shareholders of NBG will be asked to approve the Offering, in the context of its broader recapitalization by a share capital increase by means of the issuance of the New Shares at an Extraordinary General Meeting to be held on or about November 17, 2015. In this meeting, the HFSF and the other shareholders of NBG will decide on the actual size of the Offering, and the maximum aggregate number of new NBG Shares to be issued in the share capital increase and the offer price per NBG Share.

The Board of Directors of NBG is expected to resolve on or about December 3, 2015,<sup>7</sup> on the allocation of New Shares and the certification of payment of the proposed capital increase of approximately €1.6 billion.

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<sup>7</sup> As the actual size of the Offering, the number of new NBG Shares to be issued and the offer price per NBG Share is expected to be approved by NBG's Extraordinary Shareholders General Meeting on or about November 17, 2015, the information herein could change. In light of the complexity and interdependency of the various

On or about December 3, 2015, following the receipt of payment for the New Shares, the Board of Directors of NBG is expected to certify the completion of the share capital increase.

The settlement of the New Shares is currently expected to occur on or about December 8, 2015.<sup>8</sup> The New Shares will be submitted for listing on the ATHEX, with the first day of trading expected to be on or about December 9, 2015.

#### **4. Application of Regulation M**

In connection with the Offering, NBG will offer and sell NBG Shares to some qualified institutional buyers that reside in the United States, and may therefore be considered to be engaged in a distribution in the United States for purposes of Regulation M. Pursuant to Rule 100 under Regulation M, the Restricted Period will commence one business day prior to the determination of the offering price and will end upon completion of the Offering. Thus, the Restricted Period is likely to last approximately two days.<sup>9</sup>

As NBG Securities and the Asset Managers from time to time purchase NBG Shares for their own accounts and the accounts of others, and recommend and exercise investment discretion with respect to the purchase of NBG Shares, NBG Securities and the Asset Managers are likely to be deemed to be “affiliated purchasers” of NBG, as defined in Rule 100 of Regulation M. As such, their market activities will be subject to Rule 102 throughout the Restricted Period.

Under Rule 102, NBG Securities and the Asset Managers would not be permitted to bid for or purchase, or attempt to induce any person to bid for or purchase, NBG Shares during the Restricted Period, except to the extent that one of the specified exceptions under the rule is available. There are no exceptions available under Rule 102 that would permit NBG Securities and the Asset Managers to engage in the market-making, derivatives hedging and asset management described in Section 2 of this letter. In addition, there are no exceptions available under Rule 102 that would permit NBG Securities and the Asset Managers to engage in the unsolicited brokerage activities described in Section 2 of this letter. Therefore, without the requested exemptive relief, NBG Securities and the Asset Managers would not be permitted to engage in their respective activities during the Restricted Period, which is likely to last an aggregate of approximately two days.

NBG believes that the withdrawal of one of the most important market participants and one of the market makers in NBG Shares in the primary market for those shares, which are among the most actively traded in Greece, for the Restricted Period would have harmful effects in the home market, not only for the specific security and associated derivatives but for the liquidity and pricing of the local derivative indexes as well since NBG Securities are an important constituent. These effects could include a significant imbalance of buy and sell orders, and thus result in greater volatility and reduced liquidity.

If NBG Securities and the Asset Managers are precluded from effecting hedging transactions in NBG Shares relating to NBG Share Derivatives on behalf of their customers, and on behalf of NBG Securities

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elements of the Recapitalization, including the interest and engagement of the European authorities in the process, the timing and size of the Offering and related elements of the Recapitalization are subject to change.

<sup>8</sup> The actual dates of events in the Offering described herein could change.

<sup>9</sup> On current timetable, price of New Shares is fixed November 17, 2015 and the first day of trading of New Shares is December 9, 2015.

in the case of NBG Share Derivatives held by NBG Securities in order to accommodate customer requests, the application of Regulation M could have serious adverse effects on their ability to meet their clients' demands for NBG Share Derivatives. Given that these hedging transactions are entered into in connection with NBG Share Derivatives that were entered into by or at the requests of their customers, these business units would have to cease providing such derivatives services to their customers if they were prohibited from effecting these hedging transactions.

Separately, if NBG Securities and the Asset Managers are precluded from effecting hedging transactions in NBG Shares as constituent of a basket or local index held in their trading portfolios prior to the commencement of the Restricted Period and entered into in the ordinary course of business and not in contemplation of the Offering, these units may be forced to unwind these derivatives or to incur losses as a result of their inability to properly hedge these transactions.

Absent an exemption, NBG Securities may also be unable to execute brokerage orders submitted by its customers in the normal course, thereby forcing its customers to take their orders elsewhere. In view of the important position of NBG Securities in maintaining the accounts in which NBG Shares are held and executing trades in NBG Shares on the ATHEX, NBG believes significant market disruption could occur if NBG Securities could no longer execute trades in NBG Shares requested by clients.

Given the importance of NBG Shares to the overall Greek securities market, to prohibit the Asset Managers from trading NBG Shares during the Restricted Period could have a significant adverse effect on their ability to manage their investments on behalf of their clients. Furthermore, it might be a violation of their fiduciary duties to the beneficiaries of the Managed Funds for the Asset Managers to refrain from, or engage in, trading NBG Shares as a result of investment instructions received from NBG unless such action was in the best interests of such beneficiaries.

The NBG Shares would easily qualify as actively traded securities that are exempt under Rule 101(c)(1), with an average daily trading volume in 2014 and the nine months ended September 30, 2015, of approximately €22.6 million (\$24.86 million) and €15.4 million (\$17.21 million) respectively, and a public float value significantly in excess of \$150million. Regulation M normally would not interfere with market-making and other market activities in actively traded securities, such as the NBG Shares. Because NBG Securities and the Asset Managers are affiliated purchasers of the issuer, they may not rely on the actively traded securities exception to do what market makers and brokers for large U.S. issuers are normally allowed to do during distributions by those issuers.

Finally, NBG believes that the risk of market manipulation by NBG Securities and the Asset Managers is further limited by the information barriers (as discussed above), procedures and fiduciary duties described above, the fact that the market activities that are the subject of this request for exemptive relief are the ordinary course market activities of NBG Securities and the Asset Managers rather than activities commenced or managed in contemplation of the Offering, and the fact that Greek laws prohibit market manipulation (as further discussed below).

For these reasons, NBG asks the Staff to provide an exemption from Regulation M that would allow NBG Securities and the Asset Managers to continue to engage in the ordinary course market activities described above during the Restricted Period, as permitted under market practice and applicable law in their home jurisdictions.



## **5. The Greek Regulatory Market**

Greece has established an independent regulatory authority, the Hellenic Capital Market Commission (**HCMC**), to supervise the securities markets. Under Greek law, the HCMC is the competent authority for the supervision of, among other things, trading practices, tender offers, insider trading and disclosure. In particular, Sections B and C of Greek Law 3340/2005 prohibit insider trading and market manipulation. The HCMC oversees price formation, execution and the settlement of transactions to ensure that insider trading, price manipulation and other breaches of relevant provisions may be detected. The HCMC has a division that is responsible for market supervision, monitoring compliance, investigating violations and imposing disciplinary measures. The HCMC also takes measures to ensure that information necessary to maintain a transparent market is made public. This applies, in particular, to the prices and volumes of securities traded on and off the ATHEX.

Greek law provides remedies for abusing confidential information that is likely to influence the prices of securities. Market manipulation and dissemination of false rumors to affect the prices of listed securities to realize a gain are prohibited. The breach of professional secrecy (explicitly provided for in article 371 of the Greek Criminal Code), insider trading and price manipulation in Greece are criminal offenses. In particular, article 30 of Greek Law 3340/2005 establishes criminal liability for employment of any machination with the intent to alter prices that would otherwise result from a free market for, among other things, securities.

Under Greek law, NBG and its subsidiaries may purchase NBG Shares, provided that the purchase of NBG Shares is generally authorized at a meeting of shareholders of NBG, and NBG creates reserves equal to the acquisition price of any NBG Shares that are actually purchased. In addition, the total number of NBG Shares held by NBG and its subsidiaries may not exceed 10% of the total capital stock of NBG. In addition, NBG provides to the Bank of Greece monthly accounting statements in which, among others, the number of treasury shares are included. Due to its participation in the Greek liquidity support plan set out in Greek law 3723/2008, NBG is currently not permitted to purchase any of its own equity securities.

Pursuant to Greek regulations relating to conduct in the securities markets, NBG Securities must keep records of orders received from any third party regarding NBG Shares and any other security as well the execution of such order. NBG Securities must also keep records relating to transactions in which they are acting as principals. The information contained in such records must include identification of the client, the number, type and price of securities bought or sold, and the market on which the transaction is effected. These records must be made available to the HCMC upon request. In addition, NBG Securities and the Asset Managers must also maintain records relating to the transactions in which they engage, including the number, type and price of securities bought or sold.

The activities with respect to which NBG is seeking relief hereunder would be conducted in the ordinary course of business and in accordance with the foregoing and all other applicable European Union and Greek anti-market abuse and other laws.

## **6. Relief Requested**

As discussed above, NBG is seeking exemptive relief from the application of Rule 102 of Regulation M to permit NBG Securities and the Asset Managers to continue during the Restricted Period to engage in the market-making, derivatives hedging, asset management and unsolicited brokerage activities described in Section 2 of this letter. These activities would be conducted in the ordinary course of

business and, subject to the requested relief being granted, in accordance with all applicable law, all as described in this letter.

As a condition to the relief being requested, NBG would undertake to include disclosure in the international offering circular that will be distributed in the United States in connection with the Offering. The disclosure would be substantially similar to the following:

During the distribution of NBG shares in the Offering, certain of NBG's subsidiaries have engaged, and intend to continue to engage throughout the proxy solicitation and the election periods, in various dealing and brokerage activities involving NBG shares outside the United States. Among other things, NBG Securities intends to make a market in NBG shares by purchasing and selling NBG shares for its own account in Greece on the ATHEX, in order to provide liquidity to the market. NBG Securities is not obligated to make a market in NBG shares, and any such market-making activity may be discontinued. NBG Securities also intends to engage during the distribution of NBG shares in the Offering in trades in NBG shares for its own account and the accounts of its customers for the purpose of hedging their positions established in connection with the trading of certain derivatives relating to NBG shares, as well as to effect unsolicited brokerage transactions in NBG shares with its customers. These activities may occur on the ATHEX and in the over-the-counter market in Greece or elsewhere outside the United States. Further, certain of NBG's asset management subsidiaries may buy and sell NBG shares outside the United States as part of their ordinary investment management activities on behalf of their customers. The foregoing activities could have the effect of preventing or retarding a decline in the market price of the NBG shares.

As described above, under Greek law, companies listed on the ATHEX, such as NBG, as well as the subsidiaries of listed companies, are required to disclose any direct or indirect acquisition of their treasury stock, or of shares of the parent company in the case of subsidiaries, that would result in such companies holding an interest in the listed company that is higher than, equal to or lower than 5% or 10% of the outstanding capital stock of such listed company.

As a further condition to the relief being requested, NBG will undertake to keep records (the **Records**) of the date and time when any NBG Shares are purchased or sold, the market in which the purchase or sale is effected, the amount of NBG Shares purchased or sold, and the price of the purchase or sale, for each purchase or sale of NBG Shares that NBG Securities and the Asset Managers make during the Restricted Period (this information with respect to NBG Securities and the Asset Managers will not include any client-specific data, the disclosure of which is restricted under local law). NBG will maintain the Records for a period of two years following the completion of the Offering. Upon the written request of the Director of the Division of Trading and Markets of the SEC, NBG will make a copy of the relevant Records available at the SEC's offices in Washington, D.C.

In connection with the relief requested by NBG in this letter, please note that substantially similar exemptive relief from Rule 102 of Regulation M was granted by the Staff, with respect to market-making, derivatives hedging and unsolicited brokerage activities, to (1) Royal Bank of Canada, under your exemptive letter of April 21, 2015,<sup>10</sup> (2) ING Groep N.V., under your exemptive letter of April 21, 2015,<sup>11</sup> (3) Banco Santander, S.A., under your exemptive letters of January 6, 2015, September 18, 2014

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<sup>10</sup> Royal Bank of Canada, SEC Exemptive Relief Letter, File No. TP 15-09 (Apr. 21, 2015).

<sup>11</sup> ING Groep N.V., SEC Exemptive Relief Letter, File No. TP 15-11 (Apr. 7, 2015).

and November 7, 2008,<sup>12</sup> (4) Banco Bilbao Vizcaya Argentaria, S.A., under your exemptive letters of November 17, 2014, October 28, 2010 and June 25, 2007,<sup>13</sup> (5) UBS AG, under your exemptive letters of October 7, 2014 and May 16, 2008,<sup>14</sup> (6) Deutsche Bank Aktiengesellschaft, under your exemptive letters dated June 4, 2014 and September 16, 2010,<sup>15</sup> (7) Barclays PLC, under your exemptive letters of May 14, 2014, November 7, 2013 and July 31, 2013,<sup>16</sup> (8) Lloyds Banking Group plc, under your exemptive letters of March 25, 2014, March 6, 2014 and September 16, 2013,<sup>17</sup> (9) Bank of Ireland, under your exemptive letters of June 7, 2011 and April 22, 2010,<sup>18</sup> (10) Bank of Montreal, under your exemptive letter dated April 8, 2011,<sup>19</sup> (11) Sumitomo Mitsui Financial Group, Inc., under your exemptive letter dated February 7, 2011,<sup>20</sup> and (12) Allianz AG, under your exemptive letter of April 10, 2003.<sup>21</sup>

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<sup>12</sup> Banco Santander, S.A., SEC Exemptive Relief Letter, File No. TP 15-07 (Jan. 6, 2015), Banco Santander, S.A., SEC Exemptive Relief Letter, File No. TP 14-15 (Sept. 18, 2014) and Banco Santander, S.A., SEC Exemptive Relief Letter, File No. TP 09-16 (Nov. 7, 2008). Similar relief was also provided to Banco Santander, S.A. in the SEC's exemptive relief letters dated December 22, 2008, and August 18, 2008.

<sup>13</sup> Banco Bilbao Vizcaya Argentaria, S.A., SEC Exemptive Relief Letter, File No. TP 15-05 (Nov. 17, 2014), Banco Bilbao Vizcaya Argentaria, S.A., SEC Exemptive Relief Letter, File No. TP 07-69 (June 25, 2007) and Banco Bilbao Vizcaya Argentaria, S.A., SEC Exemptive Relief Letter, File No. TP 10-69 (Oct. 28, 2010).

<sup>14</sup> UBS AG, SEC Exemptive Relief Letter, File No. TP 15-01 (Oct. 7, 2014) and UBS AG, SEC Exemptive Relief Letter, File No. TP 08-52 (May 16, 2008).

<sup>15</sup> Deutsche Bank Aktiengesellschaft, SEC Exemptive Relief Letter, File No. TP 4-11 (June 4, 2014) and Deutsche Bank Aktiengesellschaft, SEC Exemptive Relief Letter, File No. TP 10-67 (Sept. 16, 2010).

<sup>16</sup> Barclays PLC, SEC Exemptive Relief Letter, File No. TP 14-09 (May 14, 2014), Barclays PLC, SEC Exemptive Relief Letter, File No. TP 13-10 (Jul. 31, 2013) and Barclays PLC, SEC Exemptive Relief Letter, TP 14-04 (Nov. 7, 2013).

<sup>17</sup> Lloyds Banking Group plc, SEC Exemptive Relief Letter, File No. TP 13-12 (Sept. 16, 2013), Lloyds Banking Group plc, SEC Exemptive Relief Letter, File No. TP 14-06 (Mar. 6, 2014) and Lloyds Banking Group plc, SEC Exemptive Relief Letter, File No. TP 14-07 (Mar. 25, 2014).

<sup>18</sup> The Governor and Company of the Bank of Ireland, SEC Exemptive Relief Letter, File No. TP 11-13 (June 7, 2011) and The Governor and Company of the Bank of Ireland, SEC Exemptive Relief Letter, File No. TP 10-24 (Apr. 22, 2010).

<sup>19</sup> Bank of Montreal, SEC Exemptive Relief Letter, File No. TP 11-09 (Apr. 8, 2011).

<sup>20</sup> Sumitomo Mitsui Financial Group, Inc., SEC Exemptive Relief Letter, File No. TP 11-04 (Feb. 7, 2011).

<sup>21</sup> Allianz AG, SEC Exemptive Relief Letter, File No. TP 03-57 (Apr. 10, 2003).

\* \* \*

If you have any questions about this request, please do not hesitate to contact me at (202) 683-3850. We appreciate your assistance in this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "B.A. Stettner". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Barbara A. Stettner  
Partner, Allen & Overy LLP

cc: Yannis Kyriakopoulos, NBG

**ANNEX A**  
**ORIGINAL REQUEST LETTER AND ORIGINAL RELIEF**



DIVISION OF  
TRADING AND MARKETS

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

May 7, 2014

Barbara Stettner  
Allen & Overy LLP  
1221 Avenue of the Americas  
New York, NY 10020

**Re: National Bank of Greece S.A.**  
**File No. TP 14-08**

Dear Ms. Stettner:

In your letter dated May 7, 2014, as supplemented by conversations with the staff, you request on behalf of the National Bank of Greece S.A. (“NBG”), a bank organized under the laws of the Hellenic Republic (“Greece”), a limited exemption from Rule 102 of Regulation M under the Securities Exchange Act of 1934 (“Exchange Act”) in connection with a distribution of ordinary shares of NBG (“NBG Shares”) in the form of a proposed private and offshore placement (the “Offering”).

You seek a limited exemption to permit NBG and certain NBG affiliates to conduct specified transactions in NBG Shares during the Offering. Specifically, you request that: (i) NBG Securities be permitted to continue to engage in the market-making activities described in your letter; (ii) NBG Securities be permitted to continue to engage in the derivatives hedging activities described in your letter; (iii) NBG Asset Management and NBG Asset Management Luxembourg S.A. (collectively “Asset Managers”) be permitted to continue to engage in the investment management activities as described in your letter; and (iv) NBG Securities be permitted to continue to engage in the unsolicited brokerage activities as described in your letter.

We have attached a copy of your letter to avoid reciting the facts set forth therein. Unless otherwise noted, each defined term in our response has the same meaning as defined in your letter.

*Response:*

Based on the facts and representations in your letter, the Securities and Exchange Commission (the “Commission”) finds that it is necessary or appropriate in the public interest, and is consistent with the protection of investors, to grant, and hereby grants, a limited exemption from Rule 102 of Regulation M solely with respect to the transactions by NBG Securities and the Asset Managers (collectively, the “Subsidiaries”) described in your letter. In your letter, among other things, you make the following representations:

- NBG is a foreign private issuer as defined in Rule 3b-4(c) of the Exchange Act.



- During 2013, the average daily trading volume (“ADTV”) of NBG Shares on the Athens Stock Exchange (“ATHEX”) was approximately €8.8 million (or approximately \$12.1 million at the exchange rate on December 31, 2013) in value, and in the three months ended March 31, 2014, was €6.6 million (or approximately \$9.1 million at the exchange rate on that date) in value;
- NBG’s market capitalization as of March 31, 2014, was approximately €9.4 billion (or approximately \$13 billion at the exchange rate on that date), the second largest of any Greek bank and one of the largest of any Greek company, representing 4.0% of the ASE General Index and 32.8% of the ASE Banking Index;
- During 2013, the ADTV of NBG Shares on the NYSE was approximately \$15.9 million in value, and in the three months ended March 31, 2014 was approximately \$16.3 million in value;
- The principal trading market for NBG Shares is Greece;
- NBG expects to raise approximately €2.5 billion in the Offering, which represents approximately 27% of NBG’s issued share capital;
- NBG maintains and enforces written information barrier policies and procedures to prevent price-sensitive information from passing between any area in which market-making, derivatives hedging, asset management (including any investment oversight committee), or brokerage activities are conducted and any other area of NBG in which price-sensitive information relating to NBG Shares, including information relating to the Offering, would be available;
- NBG Securities conducts its market making activities outside the United States, and during 2013 and in the three months ended March 31, 2014, NBG Securities’ market making activities accounted for approximately 1% of the ADTV in NBG Shares on the ATHEX;
- NBG Securities conducts its derivative hedging activities outside the United States and, during 2013 and in the three months ended March 31, 2014, the derivative hedging activities of NBG Securities accounted for approximately 2% and 3%, respectively, of the ADTV in NBG Shares on the ATHEX;
- The Asset Managers conduct their investment management activities outside the United States;
- NBG Securities conducts its unsolicited brokerage activities in NBG Shares outside the United States and the unsolicited brokerage activities of NBG Securities accounted for approximately 12% of the ADTV in NBG Shares on the

ATHEX during the year ended December 31, 2013, and the three months ended March 31, 2014;<sup>1</sup>

- In the aggregate, NBG's market activities represented 17% of the ADTV in NBG Shares on the ATHEX during 2013 and in the three months ended March 31, 2014, making NBG one of the largest participants in the market for NBG shares on the ATHEX and an important market maker in such shares;
- The withdrawal of the Subsidiaries as one of the most important market participants and one of the market makers in NBG Shares in the primary market for those shares, which are among the most actively traded in Greece, during the restricted period would have harmful effects in the home market for NBG Shares including a significant imbalance of buy and sell orders, which could cause greater volatility and reduced liquidity;
- In view of the important position of NBG Securities in maintaining the accounts in which NBG Shares are held and executing trades in NBG Shares on the ATHEX, NBG believes significant market disruption could occur if NBG Securities could no longer execute trades in NBG Shares as requested by clients; and
- Each of the Subsidiaries have confirmed that the activities for which it is requesting relief will be conducted in the ordinary course of business and not for the purpose of facilitating the Offering, in accordance with applicable European Union, Greek, and other local laws.

The exemption is subject to the following conditions:

1. All of the transactions referenced in your letter shall be effected in the ordinary course of business and not for the purpose of facilitating the Offering;
2. NBG and each of the Subsidiaries will provide to the Commission's Division of Trading and Markets ("Division"), upon request, a time-sequenced schedule of all such transactions made during the Restricted Period. Such schedule will include:
  - (a) size, broker (if any), time of execution, and price of the transactions;
  - (b) the exchange, quotation system, or other facility through which the transactions occurred; and
  - (c) whether the transactions were made for a customer account of a proprietary account;

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<sup>1</sup> Historically, NBG Securities conducts an insignificant amount of unsolicited brokerage activity involving the buying and selling of American Depositary Receipts representing NBG (NBG ADRs) on the NYSE. During the restricted period, NBG personnel will be instructed not to engage in unsolicited brokerage activity involving NBG ADRs.

3. Upon request of the Division (or its successor), NBG and each of the Subsidiaries will transmit the information requested in item 2 (above) to the Division at its offices in Washington, DC, within 30 days of its request;
4. NBG and each of the Subsidiaries shall retain all documents and other information required to be maintained pursuant to this exemption for at least two years following the completion of the Offering;
5. Representatives of NBG and each of the Subsidiaries shall be made available (in person at the offices of the Commission in Washington, DC, or by telephone) to respond to inquiries of the Division relating to their records; and
6. Except as otherwise exempted by this letter, NBG and each of the Subsidiaries will comply with Regulation M.

The foregoing exemption from Rule 102 of Regulation M is based solely on your representations and the facts presented to the staff and is strictly limited to the application of this rule to the proposed transactions. Such transactions should be discontinued, pending presentation of the facts for our consideration, in the event that any material change occurs with respect to any of those facts or representations.

In addition, your attention is directed to the anti-fraud and anti-manipulation provisions of the Exchange Act, including Sections 9(a) and 10(b), and Rule 10b-5 thereunder. Responsibility for compliance with these and any other applicable provisions of the federal securities laws must rest with the participants in the various transactions. The Division expresses no view with respect to any other questions that the proposed transactions may raise.

For the Commission,  
by the Division of Trading and Markets,  
pursuant to delegated authority,<sup>2</sup>



Josephine J. Tao  
Assistant Director

Attachment

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<sup>2</sup> 17 CFR 200.30-3(a)(6).

**Allen & Overy LLP**

1101 New York Avenue, NW  
Washington, DC 20005

Josephine J. Tao  
Division of Trading and Markets  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

Tel 212 610 6300  
Fax 212 610 6399

Our ref 0033661-0000333 NY:19355559.14

May 7, 2014

**Re: National Bank of Greece S.A. – Request for Exemptive Relief from Rule 102 of Regulation M**

Dear Ms. Tao:

We are writing as counsel to the National Bank of Greece S.A. (**NBG**), a bank organized under the laws of the Hellenic Republic (**Greece**), about the application of Regulation M under the Securities Exchange Act of 1934, as amended (**Exchange Act**), to transactions by its subsidiaries in the ordinary shares of NBG (**NBG Shares**) during the distribution of newly issued NBG Shares (**New Shares**) to be made by NBG in connection with a proposed placement in the form of a private placement in the United States and an offshore non-public placement (primarily in the European Economic Area) (the **Offering**). Specifically, on behalf of NBG, we ask the members of the staff (the **Staff**) of the Securities and Exchange Commission (the **SEC**) to grant its subsidiaries exemptive relief from Rule 102 of Regulation M to permit them to continue, in the ordinary course of business, in accordance with applicable Greek anti-market abuse and other laws, and not for the purpose of facilitating the Offering, to engage in the market-making, derivatives hedging, asset management, and unsolicited brokerage activities described in Section 2 of this letter outside the United States during the Offering.

In Sections 1 and 2, we provide an overview of the market for NBG Shares and the market activity with respect to which NBG is seeking relief. In Sections 3 and 4, we describe the Offering, which consists of a U.S. private placement to qualified institutional buyers and an offering to institutional and other eligible investors in the European Union in transactions that do not constitute an offer to the public in any member state of the European Economic Area, and the application of Regulation M to the market activity described in Section 2. In Section 5, we describe the Greek regulatory market and the anti-market abuse and other laws under which the activities with respect to which NBG is seeking relief hereunder would have to comply. Finally, in Section 6, we provide that the availability of the exemption NBG is requesting would be conditioned on certain disclosure and record-keeping undertakings.

Allen & Overy LLP is a limited liability partnership registered in England and Wales with registered number OC306763. It is authorized and regulated by the Solicitors Regulation Authority of England and Wales. Allen & Overy LLP is a multi-jurisdictional law firm with lawyers admitted to practise in a variety of jurisdictions. A list of the members of Allen & Overy LLP and their professional qualifications is open to inspection at its registered office, One Bishops Square, London, E1 6AD and at the above address. The term partner is used to refer to a member of Allen & Overy LLP or an employee or consultant with equivalent standing and qualifications.

Allen & Overy LLP or an affiliated undertaking has an office in each of: Abu Dhabi, Amsterdam, Antwerp, Athens, Bangkok, Beijing, Belfast, Bratislava, Brussels, Bucharest (associated office), Budapest, Casablanca, Doha, Dubai, Düsseldorf, Frankfurt, Hamburg, Hanoi, Ho Chi Minh City, Hong Kong, Istanbul, Jakarta (associated office), London, Luxembourg, Madrid, Mannheim, Milan, Moscow, Munich, New York, Paris, Perth, Prague, Riyadh (associated office), Rome, São Paulo, Shanghai, Singapore, Sydney, Tokyo, Warsaw, Washington, D.C. and Yangon.

This letter describes, and sets forth data with respect to, the trading activities of NBG's affiliates for the year ended December 31, 2013, and the three months ended March 31, 2014.

The descriptions of factual matters in this letter, including the market for NBG Shares and the business and market activities of (i) NBG Securities S.A. (**NBG Securities**) and (ii) NBG Asset Management Mutual Funds S.A. (**NBG Asset Management**) and NBG Asset Management Luxembourg S.A. (**NBG Asset Management Luxembourg** and, together with NBG Asset Management, the **Asset Managers**), as well as the descriptions of certain matters under Greek law and the laws of other jurisdictions outside the United States included in this letter, have been provided to us by NBG.

## 1. The Market for NBG Shares

The principal trading market for NBG Shares is on the Athens Exchange (the **ATHEX**). The NBG Shares are also listed on the New York Stock Exchange (the **NYSE**) (in the form of American Depositary Receipts (**ADRs**)). Each ADR represents one NBG Common Share and is evidenced by an American Depositary Receipt issued by The Bank of New York Mellon, as depositary (the **Depositary**). NBG is a foreign private issuer as defined in Rule 3b-4(c) under the U.S. Securities Exchange Act of 1934, as amended.

At March 31, 2014, there were 2,396,785,994 NBG Shares outstanding; 84.4% of NBG Shares were held of record (subject to voting restrictions) by the Hellenic Financial Stability Fund (**HFSF**), 9.1% were held by legal entities and individuals outside Greece, 5.2% were held by Greek private investors, 1.0% were held by Greek pension funds and 0.3% were held by other Greek public sector-related legal entities and the Church of Greece. Based on information from the shareholder registry relating to the registered holdings of the Depositary, 2.9% of outstanding NBG Shares were in the form of ADRs as of March 31, 2014.

NBG's market capitalization at March 31, 2014, was approximately €9.4 billion (\$13.0 billion),<sup>1</sup> the second largest of any Greek bank and one of the largest of any Greek company, representing 4.0% of the ASE General Index and 32.8% of the ASE Banking Index. The average daily trading volume in NBG Shares on the ATHEX in 2013 and in the three months ended March 31, 2014, was approximately €8.8 million (\$12.1 million) and €6.6 million (\$9.1 million), respectively. The average daily trading volume of the ADRs on the NYSE during 2013 and in the three months ended March 31, 2014, was approximately \$15.9 million and \$16.3 million, respectively.

Members of the ATHEX engage in transactions through the Automated Exchange Trading System (**OASIS**), an electronic trading system, on behalf of their customers or on their own behalf.

In 2013 and in the three months ended March 31, 2014, the aggregate turnover on the ATHEX, for both equity and debt securities, was in excess of €42,618 million (\$58,715 million) and €12,895 million (\$17,768 million), respectively, and as of December 31, 2013, and March 31, 2014, the overall market capitalization of equity securities listed on the ATHEX was approximately €66,515 million (\$91,638 million) and €75,067 million (\$103,435 million), respectively.

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<sup>1</sup> Throughout this letter, euros have been translated to dollars at the rate of, as applicable, €1.00 = \$1.3777, the last noon buying rate in New York City published by the Federal Reserve Bank of New York on December 31, 2013, or €1.00 = \$1.3779, the last noon buying rate in New York City published by the Federal Reserve Bank of New York on March 31, 2014.

## 2. The Market Activities for Which Relief is Sought

NBG is a global, integrated financial services firm operating principally in Greece, Turkey, Bulgaria, Romania, Former Yugoslavian Republic of Macedonia, Serbia and certain other developing countries. NBG, together with its subsidiaries, is engaged in retail banking, asset management, private banking, investment banking and private equity. The principal executive offices of NBG are located in Athens, Greece. NBG is regulated and licensed by the Bank of Greece in Greece. As of December 31, 2013, NBG was one of the largest banking groups in Greece in terms of customer deposits. For the year ended December 31, 2013, NBG had consolidated profit attributed to NBG equity shareholders of €807 million (\$1,112 million). As at December 31, 2013, NBG had total consolidated assets of €110,930 million (\$152,850 million) and total equity of €7,874 million (\$10,850 million).<sup>2</sup>

NBG Securities and the Asset Managers are subsidiaries of NBG; the principal executive offices of NBG Securities and NBG Asset Management are located in Athens and the principal executive offices of NBG Asset Management Luxembourg are located in Luxembourg. The market activities of NBG Securities and NBG Asset Management for which NBG is seeking relief will occur primarily on the ATHEX and will be managed principally by representatives in Athens who are subject to appropriate information barriers, as further discussed below. The market activities of NBG Asset Management Luxembourg for which NBG is seeking relief will occur primarily in Luxembourg and will be managed principally by representatives in Athens and Luxembourg who are subject to appropriate information barriers, as further discussed below. NBG Securities and the Asset Managers have confirmed that the activities described below, for which NBG is requesting relief, are permitted under and would be conducted in accordance with applicable European Union, Greek and other local laws, in the ordinary course of business and not for the purpose of facilitating the Offering.

**Market-Making Activities.** NBG engages in market-making activities with respect to NBG Shares through its broker-dealer subsidiary, NBG Securities.

NBG Securities makes bids and offers for NBG Shares through OASIS and purchases and sells NBG Shares through OASIS. NBG Securities effects these transactions for its own account in order to provide liquidity to the market. NBG Securities conducts no market-making activities outside of Greece.

As is described above, OASIS is an order-matching system, not an inter-dealer market with formal, officially designated market makers. NBG Securities engages in its market-making activities by placing bids and offers on OASIS. However, NBG Securities is not required to and does not maintain independently established bid and ask prices. In connection with block trades, if an adequate counterparty order is not available on OASIS at the time that the bid or offer is placed, the broker through which the order was placed, or NBG Securities itself, may solicit counterparty orders. NBG Securities is not required to make a market in the NBG Shares. Accordingly, NBG Securities does not act as a “market maker” as that term is understood in the U.S. securities markets.

NBG believes that NBG Securities is one of six market makers for NBG Shares on the ATHEX and, during 2013 and the three months ended March 31, 2014, NBG Securities’ market-making activities accounted for approximately 1% of the average daily trading volume in NBG Shares on the ATHEX. In

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<sup>2</sup> Financial data is presented on the basis of the NBG Group financial statements prepared in accordance with the International Financial Reporting Standards as endorsed by the European Union.



response to market conditions, and subject to its risk management policies, NBG Securities occasionally maintains open positions in NBG Shares or in related derivatives.

During the Regulation M restricted period for the Offering (the **Restricted Period**),<sup>3</sup> NBG Securities intends to continue its market-making activities in the ordinary course of business.

**Derivatives Hedging Activities.** NBG Securities also engages in derivatives activities with customers by entering into derivatives on NBG Shares or baskets or indices, including NBG Shares (collectively, **NBG Share Derivatives**). In connection with NBG Share Derivatives, NBG Securities enters into with, or sells to or buys from, customers in unsolicited transactions. NBG Securities solicits and effects trades in NBG Shares for its own accounts and for the accounts of its customers for the purpose of hedging positions (or adjusting or liquidating existing hedging positions) belonging to it and its customers that are established in connection with these derivatives activities. NBG Securities does not engage in proprietary trading of NBG Share Derivatives; rather, NBG Securities engages in trading with customers in response to customer demand and in hedging those trades. NBG Securities' hedging transactions are effected through OASIS and effected on the Athens Derivatives Exchange (**ADEX**), which constitutes one of the two regulated markets of the ATHEX. These hedging transactions are effected through OASIS, and during the year ended December 31, 2013 and the three months ended March 31, 2014, represented approximately 2% and 3%, respectively, of the average daily trading volume in NBG Shares on the ATHEX.

NBG Securities expects to hold NBG Share Derivatives as part of its portfolios of unsolicited trading derivatives at the time the Restricted Period commences and would expect to continue to hedge these derivatives (through the purchase and sale of NBG Shares) during the Restricted Period. All such NBG Share Derivatives will have been entered into in the ordinary course of business and not in contemplation of the Offering. NBG Securities may continue to hedge additional NBG Share Derivatives acquired or entered into to hedge unsolicited trading activities during the Restricted Period.

**Trading in NBG Shares by the Asset Managers.** The Asset Managers manage assets of certain mutual funds and investor portfolios (such funds and investor portfolios, collectively, the **Managed Funds**). As part of their investment management activities, the Asset Managers buy and sell NBG Shares outside the United States for the Managed Funds' accounts. Under Greek and Luxembourg law, the Asset Managers have a fiduciary duty to manage the Managed Funds in a manner that is in the best interests of the investors of those funds. The Asset Managers are required by law to take into account the interests of the funds' beneficiaries in making investment decisions. The Asset Managers are prohibited by law from taking into account any factors other than the interests of the funds' beneficiaries in making investment decisions. Accordingly, the Asset Managers would be prohibited by law from following a directive by NBG to cease trading NBG Shares during the Restricted Period, unless the Asset Managers believed that cessation of such trading was in the best interests of the Managed Funds' beneficiaries.<sup>4</sup> Similarly, the Asset Managers would be prohibited by law from following an NBG

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<sup>3</sup> The Regulation M restricted period relating to the Offering is discussed in Section 4 of this letter.

<sup>4</sup> Some of the pension funds managed by the Asset Managers have an "investment oversight committee" charged with overseeing the investments made by the Asset Managers. In certain cases, representatives and/or employees of NBG or its affiliates may be members of those investment oversight committees. However, unless the client has given specific instructions, those committees (and their members) would be unable to require the pension fund Asset Manager to stop or start trading NBG Shares during the restricted period if the Asset Manager did not believe it was in the best interests of the fund's owners to do so. The representatives and/or employees of NBG who participate on the investment oversight committees are, like the Asset Managers themselves, isolated by

directive to bid for or purchase NBG Shares unless the Asset Managers independently concluded that such bids or purchases were in the best interests of the Managed Funds' beneficiaries.

**Unsolicited Brokerage Activities.** NBG Securities engages in full-service brokerage activities in Greece for its customers through ordinary customer facilitation and related services. These services involve discussions with customers regarding investment strategies, including with respect to NBG Shares, buying and selling NBG Shares in Greece (and, historically, ADRs, in an insignificant amount, on the NYSE, although NBG Securities' personnel will be instructed not to engage in such activity during the Restricted Period) as principal to facilitate its market-making activities and as agent in connection with such customers' unsolicited orders.<sup>5</sup> Although the buy or sell orders received by NBG Securities from their customers are unsolicited, NBG Securities may solicit the other side of these transactions. The unsolicited brokerage activities of NBG Securities represented approximately 12% of the average daily trading volume in NBG Shares on the ATHEX during the year ended December 31, 2013, and the three months ended March 31, 2014.

Although NBG Securities may, from time to time, provide advice to its customers regarding an investment in NBG Shares, none of NBG Securities, NBG, or any other subsidiary of NBG publishes research reports concerning NBG. NBG Securities' personnel will be instructed not to make any investment recommendations to their customers with respect to NBG Shares or ADRs during the Restricted Period.

NBG Securities is required by Greek law, as well as, in some cases, by the terms of their contracts with such customers, to facilitate the trading activity of customers as described above.<sup>6</sup> It would place a substantial burden on these customers to require them to transfer their NBG Shares to a securities account with another bank, or to have NBG Securities place orders with another bank, in order to make trades with respect to the NBG Shares during the Restricted Period. Moreover, NBG Securities might lose a significant number of these customers if it were prevented from providing them with customary facilitation services during this time period.

**Significance to Market.** As noted above, during 2013 and the three months ended March 31, 2014, NBG Securities' market-making activities accounted for 1% of the average daily trading volume in NBG Shares on the ATHEX, while the derivatives hedging activities of NBG Securities—being the purchase or sale of NBG Shares for the purposes of closing open positions that may arise from derivatives market-making—and the unsolicited brokerage activities of NBG Securities represented approximately 2% and 12%, respectively, of the average daily trading volume in NBG Shares on the ATHEX in 2013 and approximately 3% and 12%, respectively, of such average trading volume in the three months ended March 31, 2014. NBG Securities is one of the largest participants in the market for NBG Shares on the ATHEX and an important market maker in such shares.

On an aggregate basis, the activities of NBG Securities and NBG Asset Management represented approximately 17% of the average daily trading volume in NBG Shares on the ATHEX in 2013 and the three months ended March 31, 2014.

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information barriers from the areas of NBG where price-sensitive information relating to NBG Shares and where information relating to the Offering would be discussed.

<sup>5</sup> In addition, although the buy or sell orders received by NBG Securities from its customers are unsolicited, NBG Securities may solicit the other sides of these transactions.

<sup>6</sup> NBG Securities is not required, however, to buy or sell NBG Shares as principal for the benefit of their clients.

**Information Barriers.** NBG has established written information barriers procedures to prevent price-sensitive information from passing between any area in which market-making, derivatives hedging, asset management (including any investment oversight committee) or brokerage activities of NBG Securities and the Asset Managers are conducted and any other area of NBG in which price-sensitive information relating to NBG Shares, including information relating to the Offering, would be available. Accordingly, during restricted periods prior to announcements of earnings results or other material developments that have not yet become public, NBG Securities and the Asset Managers are generally able to continue their respective market activities. NBG will continue to maintain these information barriers procedures during the Restricted Period. Furthermore, NBG Securities and the Asset Managers will continue to conduct their market activities free of direction from senior management of NBG, including management with responsibility for the Offering.

### 3. The Offering

NBG is making the Offering to cover a portion of the capital shortfall identified by the Bank of Greece as a result of the Bank of Greece stress tests for Greek banks (the **2014 Stress Tests**). The Bank of Greece determined that NBG was suffering from a capital shortfall of €2.2 billion under the baseline scenario (with a target Core Tier 1 ratio of 8%) and €2.5 billion under the adverse scenario (with a target Core Tier 1 ratio of 5.5%). NBG presented its capital plan to the Bank of Greece on April 10, 2014, and this plan was approved by the Bank of Greece on April 11, 2014. Under the capital plan, NBG intends to meet the capital shortfall determined by the Bank of Greece by implementing certain actions set out in the capital plan approved by the Bank of Greece and by raising new capital through the Offering.

The New Shares that will be offered, issued and sold in the Offering will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), and will only be offered and sold (i) outside of the United States in offshore transactions to non-U.S. persons in reliance on Regulation S under the Securities Act (**Regulation S**) and (ii) to U.S. persons, and in the United States to persons, that are qualified institutional buyers as defined in Rule 144A under the Securities Act in transactions exempt from Section 5 of the Securities Act pursuant to Section 4(a)(2) of the Securities Act. Offers of New Shares (i) will not be made as offers to the public in any member state (**Member State**) of the European Economic Area (the **EEA**) and (ii) will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the EEA, from the requirement to produce a prospectus for offers of ordinary shares.

The underwriters opened the order book for the New Shares on Tuesday, May 6, 2014, with a view to building the order book and fixing the pricing and allocation on or about Thursday, May 8, 2014. The New Shares are expected to settle on or about May 20, 2014, after completion of the steps described below. It is our view that the related Restricted Period would be deemed to commence on or about May 7, 2014, the day prior to determination of the offering price, and end on or about May 8, 2014, upon confirmation of allocations and signing of the underwriting agreement with the underwriting syndicate.

Following confirmation of allocations of orders in the order book on or about May 8, 2014, the shareholders of NBG will be asked to approve the share capital increase by means of the issuance of the New Shares at an Extraordinary General Meeting to be held on or about May 10 2014. In this meeting, the HFSF and the other shareholders of NBG will decide on the actual size of the Offering, the number of new NBG Shares to be issued and the offer price per NBG Share.

The Board of Directors of NBG is expected to resolve on or about May 12, 2014,<sup>7</sup> on the allocation of New Shares and the certification of payment of the proposed capital increase of approximately €2.5 billion, which represents approximately 27% of NBG's issued share capital.

On or about May 12, 2014, following the receipt of payment for the New Shares, the Board of Directors of NBG is expected to certify the completion of the share capital increase.

The settlement of the New Shares is currently expected to occur on or about May 20, 2014.<sup>8</sup> The New Shares will be submitted for listing on the ATHEX, with the first day of trading expected to be on or about May 20, 2014.

#### **4. Application of Regulation M**

In connection with the Offering, NBG will offer and sell NBG Shares to some qualified institutional buyers that reside in the United States, and may therefore be considered to be engaged in a distribution in the United States for purposes of Regulation M. Pursuant to Rule 100 under Regulation M, the Restricted Period will commence one business day prior to the determination of the offering price and will end upon completion of the Offering. Thus, the Restricted Period is likely to last approximately two days.

As NBG Securities and the Asset Managers from time to time purchase NBG Shares for their own accounts and the accounts of others, and recommend and exercise investment discretion with respect to the purchase of NBG Shares, NBG Securities and the Asset Managers are likely to be deemed to be "affiliated purchasers" of NBG, as defined in Rule 100 of Regulation M. As such, their market activities will be subject to Rule 102 throughout the Restricted Period.

Under Rule 102, NBG Securities and the Asset Managers would not be permitted to bid for or purchase, or attempt to induce any person to bid for or purchase, NBG Shares during the Restricted Period, except to the extent that one of the specified exceptions under the rule is available. There are no exceptions available under Rule 102 that would permit NBG Securities and the Asset Managers to engage in the market-making, derivatives hedging and asset management described in Section 2 of this letter. In addition, there are no exceptions available under Rule 102 that would permit NBG Securities and the Asset Managers to engage in the unsolicited brokerage activities described in Section 2 of this letter. Therefore, without the requested exemptive relief, NBG Securities and the Asset Managers would not be permitted to engage in their respective activities during the Restricted Period, which is likely to last an aggregate of approximately two days.

NBG believes that the withdrawal of one of the most important market participants and one of the market makers in NBG Shares in the primary market for those shares, which are among the most actively traded in Greece, for the Restricted Period would have harmful effects in the home market. These effects could include a significant imbalance of buy and sell orders, and thus result in greater volatility and reduced liquidity.

If NBG Securities and the Asset Managers are precluded from effecting hedging transactions in NBG Shares relating to NBG Share Derivatives on behalf of their customers, and on behalf of NBG Securities

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<sup>7</sup> As the actual size of the Offering, the number of new NBG Shares to be issued and the offer price per NBG Share is expected to be approved by NBG's Extraordinary Shareholders General Meeting on or about May 10, 2014, the information herein could change.

<sup>8</sup> The actual dates of events in the Offering described herein could change.

in the case of NBG Share Derivatives held by NBG Securities in order to accommodate customer requests, the application of Regulation M could have serious adverse effects on their ability to meet their clients' demands for NBG Share Derivatives. Given that these hedging transactions are entered into in connection with NBG Share Derivatives that were entered into by or at the requests of their customers, these business units would have to cease providing such derivatives services to their customers if they were prohibited from effecting these hedging transactions.

Separately, if NBG Securities and the Asset Managers are precluded from effecting hedging transactions in NBG Shares relating to NBG Share Derivatives held in their trading portfolios prior to the commencement of the Restricted Period and entered into in the ordinary course of business and not in contemplation of the Offering, these units may be forced to unwind these derivatives or to incur losses as a result of their inability to properly hedge these transactions.

Absent an exemption, NBG Securities may also be unable to execute brokerage orders submitted by its customers in the normal course, thereby forcing its customers to take their orders elsewhere. In view of the important position of NBG Securities in maintaining the accounts in which NBG Shares are held and executing trades in NBG Shares on the ATHEX, NBG believes significant market disruption could occur if NBG Securities could no longer execute trades in NBG Shares requested by clients.

Given the importance of NBG Shares to the overall Greek securities market, to prohibit the Asset Managers from trading NBG Shares during the Restricted Period could have a significant adverse effect on their ability to manage their investments on behalf of their clients. Furthermore, it might be a violation of their fiduciary duties to the beneficiaries of the Managed Funds for the Asset Managers to refrain from, or engage in, trading NBG Shares as a result of investment instructions received from NBG unless such action was in the best interests of such beneficiaries.

The NBG Shares would easily qualify as actively traded securities that are exempt under Rule 101(c)(1), with an average daily trading volume in 2013 and the three months ended March 31, 2014, of approximately €8.8 million (\$12.1 million) and €6.6 million (\$9.1 million), respectively, and a public float value significantly in excess of \$150 million. Regulation M normally would not interfere with market-making and other market activities in actively traded securities, such as the NBG Shares. Because NBG Securities and the Asset Managers are affiliated purchasers of the issuer, they may not rely on the actively traded securities exception to do what market makers and brokers for large U.S. issuers are normally allowed to do during distributions by those issuers.

Finally, NBG believes that the risk of market manipulation by NBG Securities and the Asset Managers is further limited by the information barriers (as discussed above), procedures and fiduciary duties described above, the fact that the market activities that are the subject of this request for exemptive relief are the ordinary course market activities of NBG Securities and the Asset Managers rather than activities commenced or managed in contemplation of the Offering, and the fact that Greek laws prohibit market manipulation (as further discussed below).

For these reasons, NBG asks the Staff to provide an exemption from Regulation M that would allow NBG Securities and the Asset Managers to continue to engage in the ordinary course market activities described above during the Restricted Period, as permitted under market practice and applicable law in their home jurisdictions.

## **5. The Greek Regulatory Market**

Greece has established an independent regulatory authority, the Hellenic Capital Market Commission (HCMC), to supervise the securities markets. Under Greek law, the HCMC is the competent authority for the supervision of, among other things, trading practices, tender offers, insider trading and disclosure. In particular, Sections B and C of Greek Law 3340/2005 prohibit insider trading and market manipulation. The HCMC oversees price formation, execution and the settlement of transactions to ensure that insider trading, price manipulation and other breaches of relevant provisions may be detected. The HCMC has a division that is responsible for market supervision, monitoring compliance, investigating violations and imposing disciplinary measures. The HCMC also takes measures to ensure that information necessary to maintain a transparent market is made public. This applies, in particular, to the prices and volumes of securities traded on and off the ATHEX.

Greek law provides remedies for abusing confidential information that is likely to influence the prices of securities. Market manipulation and dissemination of false rumors to affect the prices of listed securities to realize a gain are prohibited. The breach of professional secrecy (explicitly provided for in article 371 of the Greek Criminal Code), insider trading and price manipulation in Greece are criminal offenses. In particular, article 30 of Greek Law 3340/2005 establishes criminal liability for employment of any machination with the intent to alter prices that would otherwise result from a free market for, among other things, securities.

Under Greek law, NBG and its subsidiaries may purchase NBG Shares, provided that the purchase of NBG Shares is generally authorized at a meeting of shareholders of NBG, and NBG creates reserves equal to the acquisition price of any NBG Shares that are actually purchased. In addition, the total number of NBG Shares held by NBG and its subsidiaries may not exceed 10% of the total capital stock of NBG. In addition, NBG provides to the Bank of Greece monthly accounting statements in which, among others, the number of treasury shares are included. Due to its participation in the Greek liquidity support plan, NBG is currently not permitted to purchase any of its own equity securities.

Pursuant to Greek regulations relating to conduct in the securities markets, NBG Securities must keep records of orders received from any third party regarding NBG Shares and any other security as well the execution of such order. NBG Securities must also keep records relating to transactions in which they are acting as principals. The information contained in such records must include identification of the client, the number, type and price of securities bought or sold, and the market on which the transaction is effected. These records must be made available to the HCMC upon request. In addition, NBG Securities and the Asset Managers must also maintain records relating to the transactions in which they engage, including the number, type and price of securities bought or sold.

The activities with respect to which NBG is seeking relief hereunder would be conducted in the ordinary course of business and in accordance with the foregoing and all other applicable European Union and Greek anti-market abuse and other laws.

## **6. Relief Requested**

As discussed above, NBG is seeking exemptive relief from the application of Rule 102 of Regulation M to permit NBG Securities and the Asset Managers to continue during the Restricted Period to engage in the market-making, derivatives hedging, asset management and unsolicited brokerage activities described in Section 2 of this letter. These activities would be conducted in the ordinary course of business and, subject to the requested relief being granted, in accordance with all applicable law, all as described in this letter.

As a condition to the relief being requested, NBG would undertake to include disclosure in the international offering circular that will be distributed in the United States in connection with the Offering. The disclosure would be substantially similar to the following:

During the distribution of NBG shares in the Offering, certain of NBG's subsidiaries have engaged, and intend to continue to engage throughout the proxy solicitation and the election periods, in various dealing and brokerage activities involving NBG shares outside the United States. Among other things, NBG Securities intends to make a market in NBG shares by purchasing and selling NBG shares for its own account in Greece on the ATHEX, in order to provide liquidity to the market. NBG Securities is not obligated to make a market in NBG shares, and any such market-making activity may be discontinued. NBG Securities also intends to engage during the distribution of NBG shares in the Offering in trades in NBG shares for its own account and the accounts of its customers for the purpose of hedging their positions established in connection with the trading of certain derivatives relating to NBG shares, as well as to effect unsolicited brokerage transactions in NBG shares with its customers. These activities may occur on the ATHEX and in the over-the-counter market in Greece or elsewhere outside the United States. Further, certain of NBG's asset management subsidiaries may buy and sell NBG shares outside the United States as part of their ordinary investment management activities on behalf of their customers. The foregoing activities could have the effect of preventing or retarding a decline in the market price of the NBG shares.

As described above, under Greek law, companies listed on the ATHEX, such as NBG, as well as the subsidiaries of listed companies, are required to disclose any direct or indirect acquisition of their treasury stock, or of shares of the parent company in the case of subsidiaries, that would result in such companies holding an interest in the listed company that is higher than, equal to or lower than 5% or 10% of the outstanding capital stock of such listed company.

As a further condition to the relief being requested, NBG will undertake to keep records (the **Records**) of the date and time when any NBG Shares are purchased or sold, the market in which the purchase or sale is effected, the amount of NBG Shares purchased or sold, and the price of the purchase or sale, for each purchase or sale of NBG Shares that NBG Securities and the Asset Managers make during the Restricted Period (this information with respect to NBG Securities and the Asset Managers will not include any client-specific data, the disclosure of which is restricted under local law). NBG will maintain the Records for a period of two years following the completion of the Offering. Upon the written request of the Director of the Division of Trading and Markets of the SEC, NBG will make a copy of the relevant Records available at the SEC's offices in Washington, D.C.

In connection with the relief requested by NBG in this letter, please note that substantially similar exemptive relief from Rule 102 of Regulation M was granted by the Staff, with respect to market-making, derivatives hedging and unsolicited brokerage activities, to (1) Lloyds Banking Group plc, under your exemptive letters of March 25, 2014, March 6, 2014 and September 16, 2013,<sup>9</sup> (2) Barclays PLC, under your exemptive letters of November 7, 2013 and July 31, 2013,<sup>10</sup> (3) Bank of Ireland, under

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<sup>9</sup> See Lloyds Banking Group plc, SEC Exemptive Relief Letter, File No. TP 13-12 (Sept. 16, 2013), Lloyds Banking Group plc, SEC Exemptive Relief Letter, File No. TP 14-06 (Mar. 6, 2014) and Lloyds Banking Group plc, SEC Exemptive Relief Letter, File No. TP 14-07 (Mar. 25, 2014).

<sup>10</sup> Barclays PLC, SEC Exemptive Relief Letter, File No. TP 13-10 (Jul. 31, 2013) and Barclays PLC, SEC Exemptive Relief Letter, TP 14-04 (Nov. 7, 2013).

your exemptive letters of June 7, 2011 and April 22, 2010,<sup>11</sup> (4) Bank of Montreal, under your exemptive letter dated April 8, 2011,<sup>12</sup> (5) Sumitomo Mitsui Financial Group, Inc., under your exemptive letter dated February 7, 2011,<sup>13</sup> (6) Banco Bilbao Vizcaya Argentaria, S.A., under your exemptive letters of October 28, 2010 and June 25, 2007,<sup>14</sup> (7) Deutsche Bank Aktiengesellschaft, under your exemptive letter dated September 16, 2010,<sup>15</sup> (8) Banco Santander, S.A., under your exemptive letter of November 7, 2008,<sup>16</sup> (9) UBS AG, under your exemptive letter of May 16, 2008,<sup>17</sup> and (10) Allianz AG, under your exemptive letter of April 10, 2003.<sup>18</sup>

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<sup>11</sup> The Governor and Company of the Bank of Ireland, SEC Exemptive Relief Letter, File No. TP 11-13 (June 7, 2011) and The Governor and Company of the Bank of Ireland, SEC Exemptive Relief Letter, File No. TP 10-24 (Apr. 22, 2010).

<sup>12</sup> Bank of Montreal, SEC Exemptive Relief Letter, File No. TP 11-09 (Apr. 8, 2011).

<sup>13</sup> Sumitomo Mitsui Financial Group, Inc., SEC Exemptive Relief Letter, File No. TP 11-04 (Feb. 7, 2011).

<sup>14</sup> Banco Bilbao Vizcaya Argentaria, S.A., SEC Exemptive Relief Letter, File No. TP 07-69 (June 25, 2007) and Banco Bilbao Vizcaya Argentaria, S.A., SEC Exemptive Relief Letter, File No. TP 10-69 (Oct. 28, 2010).

<sup>15</sup> Deutsche Bank Aktiengesellschaft, SEC Exemptive Relief Letter, File No. TP 10-67 (Sept. 16, 2010).

<sup>16</sup> Banco Santander, S.A., SEC Exemptive Relief Letter, File No. TP 09-16 (Nov. 7, 2008). Similar relief was also provided to Banco Santander, S.A. in the SEC's exemptive relief letters dated December 22, 2008, and August 18, 2008.

<sup>17</sup> UBS AG, SEC Exemptive Relief Letter, File No. TP 08-52 (May 16, 2008).

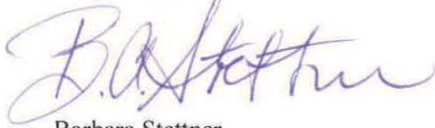
<sup>18</sup> Allianz AG, SEC Exemptive Relief Letter, File No. TP 03-57 (Apr. 10, 2003).



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If you have any questions about this request, please do not hesitate to contact me at (202) 683-3850. We appreciate your assistance in this matter.

Very truly yours,

A handwritten signature in blue ink, appearing to read "B. Stettner". The signature is fluid and cursive, with the first name "Barbara" and last name "Stettner" clearly visible.

Barbara Stettner  
Partner, Allen & Overy LLP

cc: Paula Hadjisotiriou, NBG