

This explanatory report of the Board of Directors, addressed to the Ordinary General Meeting of shareholders of the Company, contains detailed information regarding the items of paragraph 1 of article 11a of Law 3371/2005.

#### I. Structure of the Company's share capital

The company's share capital amounts to four hundred thirty six million five hundred seventy six thousand three hundred ninety nine euros and fifth three cents (€436,576,399.53), divided into fifty five million three hundred thirty two thousand eight hundred seventy seven (55,332,877) common registered shares with voting rights, of a par value of seven euros and eighty nine cents (7.89 €) each.

The Company's shares are listed for trading at the Securities Market of the Stock Exchange of Athens (under 'Large Cap' classification).

Each share confers all rights provided by the law and its articles, and in specific:

- the right to receive dividends from the profits of the Company as they derive on an annual basis or upon liquidation. 35% of the net profits, upon deduction of the largest of the ordinary reserve or 6% of the paid-up share capital, is distributed to the shareholders out of the profits of each fiscal year as a first dividend, while the declaration of additional dividends is resolved by the General Meeting. Every shareholder listed in the register of shareholders kept by the Company as at the date of declaration, is entitled to receive dividends. The dividend of each share is paid to the shareholder within two (2) months from the date of the Ordinary General Meeting that approved the annual financial statements. The manner and place of payment is published at the Daily Official List, as well as at the webpage of the Stock Exchange. The claim regarding the collection of the dividends is prescribed and the respective amount is transferred to the State upon 5 years from the end of the year on which said dividends were declared by the General Meeting,
- the right to withdraw the contribution during the liquidation or, respectively, to amortize the capital pertaining to the share, if resolved by the General Meeting,
- a first refusal right at each share capital increase of the Company involving payment in cash and the issuance of new shares,
- the right to obtain a copy of the financial statements and the reports of the auditors and the Board of Directors of the Company,
- the right to participate at the General Meeting, wherein each share confers the right to one vote.
- The General Meeting of shareholders of the Company retains all its rights throughout the liquidation procedure (pursuant to para. 4 of article 33 of its Articles).

The shareholders are liable only up to the registered capital of the share.

#### II. Restrictions on the transfer of the Company's shares

The transfer of the Company's shares is effected in accordance with the Law and there are no restrictions on their transfer pursuant to the Company's articles, considering that they are intangible shares listed at the Stock Exchange of Athens.

#### III. Significant direct or indirect participations in the sense of presidential decree 51/1992

On 31.12.2006, Marfin Popular Bank Public Co Ltd. held 95.30% of the total number of shares of the Company, as a result of the public offer addressed to the Company's shareholders.

#### IV. Shares conferring special control rights

According to article 19 of the Company's Articles, each of the following Messrs. (a) Theodoros Kaloudis son of Antonios and (b) Athanassios Panagoulas son of Theodoros, acting severally, provided that each of them owns shares of the Company representing at least five per cent (5%) of the entire share capital, is authorized to appoint one (1) member in the Company's Board of Directors pursuant to paras 3, 4 and 5 of article 18 of codified law 2190/1920. Messrs. Theodoros Kaloudis and Athanassios Panagoulas may even appoint themselves. In case that any of the above shareholders exercises this right, the General Meeting shall limit its respective power to the election of the remaining members of the Board. According to the Company's statement, the aforementioned article has survived from the articles of incorporation of COMM GROUP in its capacity as absorbing company. It is noted that, on 31.12.2006, the aforementioned Messrs. Theodoros Kaloudis and Athanassios Panagoulas did not hold any shares in the Company.

#### V. Restrictions on voting rights

No restrictions on the voting rights deriving from the Company's shares are provided in its Articles.

#### VI. Shareholders' agreements in the Company

The Company is not aware of any agreements between its shareholders which might result in restrictions on the transfer of the Company's shares or on the exercise of the voting rights conferred by its shares.

#### VII. Rules of appointment and replacement of Board members and amendment of Articles

The rules provided in the Company's articles regarding the appointment and replacement of its Board members as well as the amendment of its Articles do not deviate from those provided for in codified law 2190/1920. See also the provisions under IV above.

#### VIII. Competency of the Board to issue new shares or purchase owned shares

A) According to the provisions of article 13 para. 1 (b) and (c) of codified law 2190/1920 and article 5 para. 2 of the Articles of Incorporation, within the first five years from the issuance of the relevant decision of the General Meeting, which is subject to the publication requirements of article 7b of codified law 2190/1920, the Board of Directors of the Company is entitled to increase the share capital of the Company through the issuance of new shares, by virtue of a decision adopted by a majority of at least four fifths (4/5) of the total number of its members. In such case, the share capital may be increased only up to the amount of the capital which is paid-up on the date of adoption of the decision by the General Meeting. The aforementioned power of the Board of Directors may be renewed by the General Meeting for a period which cannot exceed five years for each renewal, and it shall enter into effect upon the expiration of each five-year period.

B) According to the provisions of article 13 para. 9 of codified law 2190/1920, by virtue of a decision of the General Meeting a stock option plan may be implemented in favor of members of the Board and the personnel of the Company and its affiliates, in the form of the granting of a call option pursuant to the specific terms of such decision, a summary of which is subject to the publication requirements of article 7b of codified law 2190/1920. The decision of the General Meeting shall especially determine the maximum number of shares that may be issued, which according to the law cannot exceed 1/10 of the existing shares if the beneficiaries exercise their call option, as well as the price and the terms of distribution of the shares to the beneficiaries.

The Board of Directors shall adopt such decisions as to regulate any other relevant detail which is not otherwise determined by the General Meeting, it shall issue the call option certificates and, in December of each year, it shall issue shares to the beneficiaries who exercised their option, respectively increasing the share capital and confirming the payment of the relevant amount.

In light of the above provisions, at the Ordinary General Meeting of shareholders of the Company on 23.3.2005, which confirmed a similar decision of the 2nd Reiterative General Meeting of shareholders of 22.11.2004, supplementing and amending the same, it was resolved to implement a five-year stock option plan of the Company in favour of (executive and non-executive) members of Board of Directors of the Company and its affiliates, in the form of a call option on shares, by virtue of which a maximum number of 2,500,000 shares would be issued at the price of 8.27 euros per share. By virtue of a decision of the Board of Directors adopted on 14.9.2006, the terms of the above plan were adjusted, as same had been specialized by the decisions of the Board of Directors of 12.1.2005, 25.4.2005 and 15.12.2005, to the decisions of the Ordinary General Meeting of shareholders of the Company adopted on 22.5.2006 (during which it was resolved - among other things - to reduce the share capital of the Company through refunding the shareholders in cash, with a respective reduction of the par value of each share from 8.26 euros to 7.89 euros) and the price of distribution of the option was readjusted from 8.27 euros to 7.90 euros.

During the second period of exercise (1-15 December 2006), one million five hundred and eight thousand options were exercised (1,508,000), in respect of which a total amount of eleven million nine hundred thirteen thousand two hundred euros (11,913,200) was paid.

The Board of Directors of the Company, at its meeting of 1.12.2006, resolved on the increase of the Company's share capital through payment of the amount of eleven million eight hundred ninety eight thousand one hundred and twenty euros (11,898,120) in cash, with the issuance of one million five hundred and eight thousand (1,508,000) new registered shares of a par value of seven euros and eighty nine cents (€7.89) each, while the surplus of fifteen thousand eighty euros (€15,080) was credited to the account entitled 'Balance from the issuance of shares above par'. According to the provisions of article 13 para. 9 of codified law 2190/1920, the above increase does not constitute an amendment of the Articles. The payment of the above amount was confirmed by the decision of Company's Board of Directors dated 1.12.2006.

C) According to the provisions of paragraphs 5-13 of article 16 of codified law 2190/1920, companies listed at the Stock Exchange of Athens may acquire owned shares through the Stock Exchange of Athens upon decision of the General Meeting of their shareholders, up to 10% of the entirety of their shares, for the purpose of supporting their trading value, pursuant to the specific terms and procedures of the aforementioned paragraphs of article 16 of codified law 2190/1920. The Ordinary General Meeting of shareholders of the Company, using the above ability provided by the Law, resolved at its meeting of 13.4.2006 on the acquisition of owned shares of the Company through the Stock Exchange of Athens, pursuant to article 16 para. 5 of codified law 2190/1920, as in force, up to 10% of the total number of its shares, i.e. up to five million ninety nine thousand two hundred (5,099,200) shares within a period of one (1) year from the adoption of the resolution, also determining the minimum purchase price at sixteen (€16) euros per share and the maximum purchase price at fifty (€50) euros per share. For the purpose of implementing the above decision of the General Meeting, prior to the commencement of each partial period of transactions, the Board of Directors of the Company shall determine in a relevant decision the main terms of the transaction and especially the maximum number of owned shares to be purchased, the maximum and minimum price as well as the period within which the purchase of the shares will be effected. More specifically, at its meeting of 16.05.2006, the Board of Directors of the Company resolved that the Company intended to proceed to the purchase of up to five million ninety nine thousand two hundred (5,099,200) owned shares in the period from 29.5.2006 until 13.4.2007, at a maximum purchase price of fifty (50) euros and at a minimum purchase price of sixteen (16) euros per share.

IX. Important agreements which will enter into effect, will be amended or will expire in case of change of control following a public offer

There are no agreements which will come into effect, will be amended or will expire in case of change of control following a public offer.

X. Agreements with members of the Board or personnel of the Company

There are no agreements of the Company with members of its Board of Directors or its personnel, which provide for the payment of compensation especially in case of resignation or release without substantiated reason or in case of termination of their term or employment due to a public offer.

The accounting provision of the Company in respect of compensations due to termination of employment or term, also in light of the implementation of the provisions of Law 3371/2005, amounted on 31.12.2006 to fifteen thousand three hundred eighty one euros and sixty cents (15,381.60).