

## REPORT OF THE BOARD OF DIRECTORS

### ACCORDING TO ARTICLES 4.1., 4.2. OF THE ATHENS EXCHANGES REGULATION AND THE ARTICLE 9 OF LAW 3016/2002

*TO THE GENERAL ASSEMBLY OF SHAREHOLDERS OF GENERAL BANK Of GREECE  
(GENIKI Bank)*

*ON 28TH APRIL 2009*

The Board of Directors of GENIKI Bank S.A. during its meeting held on 26th of Mars 2009 decided to propose to the Annual General Assembly of Shareholders the following:

1. A decrease of the Share Capital by € 38.827.979,40 by off-setting the accumulated losses, against the reduction of the par value per share from €1,07 to €0,72 per share.
2. A Increase of Share Capital by €175.724.341,20 by payment in cash, by the issuing of 244.061.585 new shares, at a nominal value of €0,72 per share and by the procedures of the exercise of the pre-emptive right in favour of existing shareholders. There will be an issuing of 2,2 new shares for every (1) one old at the proposed price of €0,72 per each new share.

According to the existing regulations, the BoD composes and announces to the General Assembly of Shareholders a relative report which is included in its minutes and is composed of the following:

#### **A. Report on the use of the proceeds from the previous rights issue**

The last increase in the share capital of GENIKI Bank took place with the approval of the Annual General Meeting of Shareholders on 28<sup>th</sup> June 2007. The total amount of raised capital was €56.227.585,15 by payment in cash by issuing 52.549.145 new common ordinary shares of a nominal value of Euro 1,07 and proposed price euros 4, 00 for each new share, be an issuing of 9 new shares for every 10 old ones.

The total amount raised from the Capital Increase is Euros 210.196.580, 00. The expenses incurred by the bank in connexion with the Share Capital Increase were Euros 1.268.642, 86. The negotiation of the new shares in the Athens Stock Exchange started on 26.11.2007.

The use of raised capital and the realized investments up to 31.12.2007 are as follows (in thousand euros):

Á/Á	Use of Funds	Impementation Time	Total amount Coming from the Share capital Increase after issuance	Amounts used from 01.01.2007 to 31.12.2007	Total of amounts used	Non used amounts
-----	--------------	--------------------	--	--	-----------------------	------------------

			expenses			
1.	Business growth; improvement of the capital adequacy ratio	Direct	208.927.937,14	208.927.937,14	208.927.937,14	-
<b>TOTAL</b>			208.927.937,14	208.927.937,14	208.927.937,14	-

**Report on findings from carrying out agreed upon procedures on the management's**

**Report about the use of funds raised through the share capital increase**

**To the Board of Directors of General Bank of Greece S.A.**

Pursuant to the mandate received from the Board of Directors of “General Bank of Greece S.A.” (The Bank) we have carried out the agreed upon procedures listed below in the context of the provisions of the regulatory framework governing the Athens Stock Exchange and the legal framework governing the Capital Markets, relating to the Report of the management of the Bank on the use of funds raised through the paid-in share capital increase of the Bank paid-in (the Report). The management of the Bank is responsible for the preparation of the above Report. We have carried out this engagement according to the International Standard on Related Services (ISRS) 4400 governing engagements to perform agreed-upon procedures regarding financial information. Our responsibility is to carry out the agreed upon procedures enumerated below and report our findings deriving therefrom. The agreed upon procedures which we have carried out are as follows:

1. We evaluated the completeness of the above Report prepared by management and its consistency with the content of the corresponding Prospectus which was issued by the Bank for that purpose as well as the relevant resolutions and announcements made by the responsible persons and Boards of the Bank.
2. We compared the amount of the share capital increase appearing in the above Report to the corresponding amount stated in the minutes of the Annual General Assembly of the shareholders that took place on 28 June 2007 which approved the increase of the share capital as well as to the relevant amount stated in the Prospectus that the Bank issued on 19 October 2007.
3. We compared the total amount deposited in the bank deposit account no 0026 – 0998 – 18 – 0200050825 which the Bank holds with EFG Eurobank to which the amounts raised from the share capital increase have been initially deposited, to the corresponding amount transferred on 14 November 2007 from this deposit account to the deposit account held with (Central) Bank of Greece No. IBAN GR 12-0100-0420-0000-0000-0610017.

4. We received a listing with all the investors subscribed to participate in the above share capital increase, which (list) included the number of shares and relevant amounts subscribed and we compared the total amount of this list to the total amount deposited in the Bank deposit accounts mentioned in the preceding paragraph.
5. We reviewed the accounting entries relevant to the share capital increase under discussion and compared the relevant amounts to the corresponding amounts deposited in the bank deposit accounts said above and determined that in the books of account of the Bank an amount of Euros 56,227,585.15 was credited to the account “share capital” and an amount of Euros 153,968,994.85 was credited to the account “share premium”.
6. We compared the balances of the bank deposit accounts said in the above third paragraph to the corresponding amounts stated in the Minute No. 2720 of the meeting of the Board of Directors of the Bank through which the Board confirmed the payment in of the proceeds from the share capital increase.

7. We obtained and compared the capital adequacy ratio of the Bank prepared by its management and submitted to the (Central) Bank of Greece, for the periods ended on 30 September 2007 and 31 December 2007 i.e. before and after the share capital increase.
8. We discussed with the management of the Bank how this share capital increase has enhanced the operations of the Bank.
9. We compared the list of the expenses incurred by the Bank in connection with the share capital increase, which the Bank made available to us, to the relevant amount of 1,268,642.86 Euros stated in the Report. We tested on a sample basis the documentation supporting the amounts included in this list.

The findings that derived from the above agreed upon procedures were the following:

The content of the Report includes the minimum information provided for that purpose from the regulatory framework governing the Athens Stock Exchange as well as the legal framework governing the Capital Markets and is consistent with the content of the relevant Prospectus, as follows.

- The total amount raised from the capital increase and deposited in the bank deposit account No. 0026-0998-18-0200050825 held with EFG Eurobank, amounted to Euros 210,196,580.00 This amount was subsequently transferred to the deposit account No. IBAN GR 12-0100-0420-0000-0000-0610017 held with the (Central) Bank of Greece on 14 November 2007. The above amounts agree with the corresponding amount which is stated in the Report under discussion (before the deduction of the relevant expenses which are discussed below).
- The total amount of the list of the investors subscribed for their participation in the share capital increase, which (list) includes the numbers of shares and corresponding amounts subscribed, does agree with the amounts deposited in the bank deposit accounts said in the previous paragraph.
- The accounting entries made in the books of account of the Bank with respect to the share capital increase under discussion, do agree with the amounts deposited in the bank deposit accounts said above and the amounts credited to the accounts “share capital” and “share premium” on 14 November 2007 amounted to Euros 56,227,585.15 and Euros 153,968,994.85 respectively.
- The amount deposited in the above said bank deposit accounts agree with the amounts stated in the relevant Minute No 2720 of the meeting of the Board of Directors of the Bank held on 14 November 2007, which confirmed the payment in of the proceeds of the share capital increase.
- The ratio of capital adequacy of the Bank, deriving from the relevant tables submitted by the Bank to the (Central) Bank of Greece for the periods ended on 30 September 2007 and 31 December 2007 and in particular the capital

adequacy ratio (TIER I + TIER II) has been increased from 3.56% for 30 September 2007 to 11.64% for 31 December 2007.

- According to the management of the Bank the share capital increase under examination has enhanced the operations of the Bank because the funds raised have decreased the borrowing cost of the Bank, thus, improving its profitability. In addition, the improvement of the creditworthiness ratio of the Bank beyond the minimum established by the (Central) Bank of Greece, allows the Bank to increase its lending activity.
- The total expenses incurred in connection with the subject capital increase according to the list produced to us by management and amounting to 1,268,642.86 Euros do agree with the corresponding amount included in the Report prepared by management. In addition, the supporting documentation which we have checked on a test basis does agree with the corresponding amounts included in the above list.

Because the procedures performed above do not constitute an audit or a review according to International Standards on Auditing or the International Standards on Review Engagements we do not express an opinion and offer no further assurance other than the findings reported above. Had we performed additional procedures or had we carried out an audit or a review in accordance with International Standards on Auditing on International Standards on Review Engagements other matters might have come to our attention that would have been reported to you.

This report is addressed exclusively to the Board of Directors of the Bank in the context of their responsibilities to comply to the regulatory framework of the Athens Stock Exchange as well as to the legal framework of the Capital Markets. Therefore, this report should not be used for any other purpose and is restricted only to the accounts and items specified above and does not extend to the financial statements of the Bank as a whole for the year ended on 31 December 2007 on which we have issued a separate audit opinion dated 28 March 2008.

Athens, 28 March 2008  
The Certified Public Accountant

Michalis E. Karavas  
Reg. No. SOEL 13371

**Deloitte.**  
Hadjipavlou Sofianos & Cambanis S.A.  
Assurance & Advisory Services

#### **Â. Investment Plan**

The new funds coming from the Share Capital Increase will financially support the bank's equity capital and increase its capital adequacy ratio.

#### **C. Declaration of the major shareholders**

For the implementation of article 289 of the Athens Exchange Regulation, according to which, the shareholders who have a stake of at least 5% of the share capital and who at the same time participate in the management of the company, are obliged to

declare to the General Assembly their intentions regarding whether they shall continue to maintain their stake. At the meeting of the Board of Directors on 26 April 2009, SOCIETE GENERALE, with a stake of 52,33% in the share capital on the date of the BoD's meeting, declared that it will participate in the share capital increase maintaining at least the above stake until the completion of the share capital increase and for a period of 6 months after the commencement of trading of the new shares. In addition, SOCIETE GENERALE declared that it will cover the undistributed shares, if any. The Army Pension Fund, with a stake of 5,41% in the share capital, declared that it will define its intention after the necessary decision-taking and approval. It will announce its intentions at the General Assembly.

#### **D. Selling Price**

The Board proposes a share capital increase of GENIKI Bank with pre-emptive rights, up to the amount of €175.724.341,20 by issuing 244.061.585 shares at the proposed price of €0,72 per each new share. The securities to be issued will be new, ordinary, common shares for subscription by GENIKI's shareholders, whose subscription rights shall be freely traded on the ATHEX. The Board of Directors also proposes to the General Assembly that the subscription price of each new share may be higher than the closing price of each share at the ex- right date.