BOARD OF DIRECTORS' REPORT TO THE GENERAL MEETING OF SHAREHOLDERS OF 15 MAY 2008 ON THE AGENDA

Increase in the Bank's share capital up to €1.5 billion through the issue of redeemable preference shares pursuant to Article 17b of the Companies Act 2190/1920, and abolition of the preemptive right in favour of old shareholders, along with the relevant authorizations.

As regards this item on the Agenda, I wish to inform you that the Board of Directors has prepared an ad-hoc report for submission to the General Meeting of Shareholders on the said share capital increase, as provided for by the Companies Act and corporate governance legislation, as follows:

"To the Shareholders,
Ladies and Gentlemen,

The Bank, facing the challenges of the new era of intense competition in, and liberalization of, the banking and investment services market is adopting a new policy with regard to its capital structure so as to leverage the emerging business opportunities effectively.

Accordingly, in its meeting of 18 March 2008 the Bank's Board of Directors, taking advantage of the prospects offered by the new Article 17b of the Companies Act, decided to propose to the Bank's Annual General Meeting of Shareholders an increase in the Bank's share capital up to €1.5 billion ("the Proposed Increase", or "PI") through the issue of redeemable preference shares with no voting or cumulative dividend rights ("NVS").

This report has been prepared for the Bank's shareholders pursuant to Article 13, par. 10 of the Companies Act and to Law 3016/2002, as amended, in view of the proposed abolition, for the reasons explained below, of existing shareholders' preemptive rights to the NVS to be issued.

The main purpose of the Proposed Increase is to enhance the Bank's capital adequacy, as the funds to be raised as a result of the PI through the issue of NVS will be included in the Additional Items of the Bank's Tier I Capital. Accordingly, the PI should significantly strengthen the Bank's capital adequacy.

Furthermore, the PI will enable the Bank to pursue penetration of a new capital market; the Bank intends to make the NVS, for the most part, available through a public offering to US and/or other major overseas markets. More specifically, current financial conditions allow the Bank to broaden its shareholder and investor base by offering NVS to investors in the US and other international markets. NVS may be represented by American Depository Certificates (ADRs), which will be listed for trading on the New York Stock Exchange. Accordingly, the PI will also allow the Bank to strengthen its international profile, launching a new range of shares in one of the leading international money markets, and concurrently raising funds from a new category of investors.

As regards the key terms of the NVS, we should point out the following:

1. NVS Privileges

The NVS shall be issued with entitlement to a fixed dividend, the level of which will be determined by resolution of the Board of Directors. Furthermore, NVS holders shall be entitled to the said dividend on a preference basis, as the right thereto shall have priority over the right to a dividend on the Bank's common shares under all circumstances (including the right to a first dividend as per the Companies Act). In any case, however, the rights to NVS dividend are subject to the provisions of article No 44a par. 2 of the Companies Act.

The NVS to be issued shall not be entitled to cumulative dividend or be convertible to common shares. Moreover, they shall entail a preference right to a specific amount from the Bank's liquidation proceeds.

The said dividend and liquidation proceeds may be paid by the Bank in USD.

2. Redeemable shares

The NVS to be issued shall be redeemable by the Bank. Redemption shall be subject to the provisions and the limitations of the new article 17b of the Companies Act, and the Bank shall be entitled thereto after the lapse of five years from their issue; under extraordinary circumstances, however, such as in the event of a change in the taxation or supervisory framework, the Bank shall be entitled to redeem NVS even before the expiry of the five-year term. Under all circumstances, the exercise of the redemption right shall be subject to the prior consent of the Bank of Greece.

3. Voting rights

Although the NVS shall be issued without voting rights, they will carry a voting right under specific circumstances provided for by the Companies Act, such as decisions on abolition or restriction of NVS privileges, approval of mergers and certain types of share capital increase of the Bank. In the event that the holders of preference NVS are granted voting rights, their resolutions shall be adopted at a special meeting of shareholders of preference NVS. It is pointed out that decision-making by the said special meeting, where required, is necessary i.e. should such meeting not be held for any reason, such as lack of quorum, a new meeting should be held in order for a resolution to be adopted. Shareholders of preference NVS holding ADRs shall be represented by a large international bank to be appointed as a custodian and granted the appropriate authorizations.

At this point, the following are submitted to the Meeting, as required pursuant to Law No 3016/2002: "*the report on the utilization of the proceeds of the previous share capital increase, as well as the guidelines of the Bank's investment plan along with a provisional implementation schedule*"**:**

The Bank's last share capital increase was implemented by payment in cash, through the issue of 135,707,764 new common registered shares with pre-emptive rights in favour of existing shareholders, pursuant to the resolution of the GM held on 1 June 2006. € 3,000498,662.04 of funds were raised as a result of the increase, which was confirmed by the Board of Directors on 7 July 2006, and trading of the new shares on the Athens Exchange commenced on 11 July 2006.

A total of €15,388,713.22, corresponding to a non-allocated balance of former National Real Estate SA funds as at 3 December 2006, is added to the proceeds from the last share capital increase, pursuant to the Bank's Board of Directors resolution of 25 January 2007. According to the Table of Allocation of the proceeds, audited by Certified Auditors-Accountants, those funds were appropriated during the years 2006 and 2007 as follows:

Allocation of proceeds of the share capital increase through payment in cash, with preemptive right in favour of existing shareholders						
	Use of proceeds (€ millions)	*Total proceeds*	*Total capital allocated 31 Dec. 2006*	*Capital allocated 1 Jan. 2007-30 Jun. 2007*	*Total capital allocated 30 June 2007*	*Balance*
.	Acquisition of 46% of Finansbank's ordinary shares	1,855,822,467.44	1,849,598,446.86	6,224,020.58	1,855,822,467.44	0.00
.	Acquisition of 100% of Finansbank's founder shares	356,043,262.02	356,043,262.02	0.00	356,043,262.02	0.00
.	Acquisition of 4% plus 1 share of Finansbank's ordinary shares	*158,029,819.41*	0.00	158,029,819.41	158,029,819.41	0.00
.	Acquisition of Finansbank's minorities beyond 50%	562,941,750.19	0.00	562,941,750.19	562,941,750.19	0.00
.	Acquisition of other companies in the Balkans	—	0.00	0.00	—	0.00
.	Issue expenses	83,050,076.20	83,035,126.20	14,950.00	83,050,076.20	0.00
	Total	**3,015,887,375.26**	**2,288,676,835.08**	**727,210,540,18**	**3,015,887,375,26**	**0.00**

The proceeds of the proposed share capital increase shall be used for the organic growth of the Group's business and probably for financing acquisitions, should investment opportunities arise. The Group aims to further enhance its presence in East and Southeast Europe, both in those countries where it already conducts business and in countries presenting growth potential where it is not currently installed. At present the Bank is not in a position to say precisely what the distribution of the said proceeds or the timetable for their allocation will be. The proceeds will strengthen the capital adequacy of the Bank and its Group, which is a precondition for further business growth.

In any event, the Board invites shareholders, before voting on the second item on the agenda, to consider carefully the text of the proposed amendment to the Bank's Articles of Association regarding the PI, where the features of the NVS are set out in detail.

To conclude, the issue of NVS secures and serves the general corporate interest, since it strengthens the Bank's capital base and further broadens its international profile.

The Board, having given this matter careful consideration and judging that under the current global and domestic conditions in the capital markets and given the Bank's current capital structure the issue of NVS will be of benefit to the corporation, proposes that the Bank's General Meeting of Shareholders a) approve the abolition of the preemptive right on the existing shares (pursuant to Article 13, par. 10 of the Companies Act), in order that NVS be issued through public offering to retail investors in the U.S. and/or other overseas markets, and b) authorize the Board to determine the NVS offer price and preference right, and related matters.