

EGNATIA BANK S.A.**BOARD OF DIRECTORS REPORT**

(In accordance with article 289 of the Athens Exchange Regulation. The present is the corrected repetition of the previous such document and contains a few amendments and completions)

P. Faliro, 31 May 2006

Purpose

The present Report has been made out in accordance with the Article 289 of the Athens Exchange Regulation, given that the General Assembly of the Common Shareholders of 22.6.2006 as well as the General Assembly of the Preferred Shareholders of the same date are being called to decide in relation to both the capital increase of "Egnatia Bank S.A." which will be in the form of a cash injection and the issuance of a convertible bond issue. The present Report, which will be announced in the General Assemblies of the Common and Preferred Shareholders of 22.6.2006 is being forwarded to the Athens Exchange to be published on its site and will be equally published on the site of the Bank.

In particular :

a) Report on the usage of capital

a. As of the previous capital increase of the share capital of the Bank which occurred in the form of cash injection and, which was realized by Decision of the Extraordinary General Assemblies of the shareholders of common and preferred shares of 23.9.1999, GRD 30,054,258,300 (EUR 88,200,317.83) were tapped as a result of the issuance of 8,267,189 new common shares and 840,162 new preferred shares, of a par value of GRD 400 (EUR 1.17) and issue price of 3,300 (EUR 9.68) each. Accordingly, the share capital of the Bank was increased by GRD 3,642,940,400 or EUR10,690,947.62

The rights exercise period had been set between 17.11.1999 and 17.12.1999, the new shares were listed in the Athens Exchange on the 18.1.2000 and the Board of Directors of the Bank certified the cash injection amounts by its Decision of 21.12.1999. The above mentioned capital injection amounts (less expenses) were in total invested in the uses provided for in the related Prospectus of the Bank till 30.6.2003, in accordance with the Allocation Table which was certified by Certified Auditors-Accountants, as follows :

	<i>Plan in the Prospectus (*)</i>	<i>since 21.12.1999 till 30.6.2003</i>	<i>since 01.1.2003 till 30.6.2003</i>	<i>Temporari- ly invested funds as of 30.6.2003</i>	<i>Non invested funds as at 30.06.2003</i>
- Establishment of new subsidiaries (Leasing)	7.336,76	7.336,76	1.473,22	-----	-----
- Extension of the Branch Network	14.673,51	14.673,51	-----	-----	-----
- Expansion in Electronic Banking, software extension, relocation – staffing of branches	5.869,41	5.869,41	-----	-----	-----
- Credit expansion	60.161,41	60.161,41	-----	-----	-----
Total :	88.041,09	88.041,09	1.473,22	0,00	0,00

(*) The Plan in the Prospectus was showing like above, further to the Board of Directors' Decision of 30.1.2003 ratified by the General Assembly of the Shareholders of 26.6.2003, by which the use of non-invested funds was modified. Thus, the amount of EUR 1,473.22 ('000), which was earmarked for the establishment of a real estate subsidiary was brought to cover a part of the participation of the Bank in the share capital increase of its subsidiary Egnatia Leasing of a total amount of EUR 3,137.3 ('000).

b. The General Assemblies of the common and preferred shareholders of the Bank of the 28.6.2001 and the Board of Directors meetings of 3.10.2002, 19.11.2002 and of 22.11.2002 decided the issuance of a Subordinated Convertible Bond Issue listed in the Athens Exchange. In particular the Bank issued 2 separate series of registered bonds: 8,375,450 registered bonds convertible in common shares and 999,540 registered bonds convertible in preferred shares at an exercise price of EUR 3.20 each.

The total revenue from the issue amounted to EUR 29,999,968.-, was placed in accordance with the contents of the relevant Prospectus and the amount collected was certified by the decision of the Board of Directors' of the Bank of 21.10.2003.

Till 4.6.2006 a number of 7,989,050 bonds convertible in common shares and 921,590 bonds convertible in preferred shares have been converted in tantamount common and preferred shares respectively. As a result of these conversions the share capital of the Bank has been increased by EUR 10,425,448.80

b) Investment Plan

The intended increase in the share capital of the Bank is aimed at supporting the capital requirements that emanate from the Bazel II regulations, which are generated by the planned organic development of the Bank, among others, in the areas of network and consumer banking.

c) Undertaking of the basic shareholders

The following two shareholders, possessing directly or indirectly at least 5% of the Bank's capital share and simultaneously participating directly or through their representatives in its management, declare the following in relation to their intent as to maintenance or not of their participation share over anticipated time periods :

- a. MARFIN FINANCIAL GROUP S.A. HOLDINGS notified the Board of Directors of the Bank its intent to maintain, at least, its share participation in the share capital of the Bank, which it will be holding as of the General Assemblies date : 1) till the completion of its capital increase procedure and listing of the new shares, and, 2) over a time limit of 6 months after the commencement of trading on these new shares.
- b. The shareholder and Chairman of the Board of Directors of the Bank Mr. Basil Theocarakis notified the Board of Directors of the Bank that himself, the members of his family and the companies of their interest intend to maintain at least, its share participation in the share capital of the Bank, which they will be holding as of the General Assemblies date : 1) till the completion of its capital increase procedure and the listing of the new shares, and, 2) over a time limit of 6 months after the commencement of trading on these shares.

d) Issue Price

The Issue price of the shares can be higher than the market price as of the ex-date.