

SHARE CAPITAL INCREASE OF EFG EUROBANK ERGASIAS S.A. IN CASH

BOARD OF DIRECTOR'S REPORT TO THE GENERAL MEETING OF SHAREHOLDERS OF EFG EUROBANK ERGASIAS S.A. ACCORDING TO ARTICLE 9 OF LAW 3016/2002 AND ARTICLE 289 OF ASE REGULATION

TO THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF JULY 19, 2007

During its meeting of 25 June 2007, the Board of Directors of EFG Eurobank Ergasias S.A. (the "Bank") decided to propose to the General Meeting of Shareholders a share capital increase of approximately €1.2 billion in cash in favour of existing shareholders.

This report is prepared for the purposes of the aforementioned share capital increase according to article 9 of law 3016/2002 and article 289 of ASE regulation. The report will be announced at the General Meeting of shareholders of July 19, 2007, it will be sent to ASE for publication on ASE's website and will also be posted on the Bank's website.

More specifically, the Board of Directors would like to inform the Bank's shareholders on the following issues:

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

The Bank's last share capital increase in cash was completed following the approval of the General Meeting of Shareholders that took place on March 19, 1999. The total funds raised amounted to Greek Drachma (GRD) 112.0 bn (€28.6 mn) and according to the audited "Use of Proceeds" report, the funds were used within the fiscal year 1999 as follows:

- i. GRD 68.0 bn (€200.0 mn) for the repayment of the full amount of subordinated debt
- ii. GRD 3.7 bn (€10.8 mn) for the Bank's participation in the share capital increase of a subsidiary not listed on the ASE
- iii. GRD 9.1 bn (€26.7 mn) for the setup and equipment costs of new branches, for renovating older branches, as well as for upgrading the IT system of the Bank
- iv. GRD 18.6 bn (€54.7 mn) for the participation in the share capital increase of a company listed on the ASE
- v. GRD 16.5 bn (€48.5 mn) for providing subordinated debt to a subsidiary not listed on the ASE, out of which GRD 12.5 bn (€36.8 mn) were sourced from the Bank's share capital increase.

B. Investment plan

The funds raised will be used to finance targeted acquisitions outside Greece, and to support the accelerated expansion of the group's business, primarily abroad. The Eurobank EFG Group is aiming to further strengthen its presence in New Europe and the Eastern Mediterranean region in countries where it is already active, but also to enter into other countries of the region that demonstrate significant development prospects. The Board of Directors of the Bank believes that the proposed share capital increase will benefit the Bank and its shareholders, as it will accelerate the creation of a powerful pillar of growth in New Europe, commensurate to the one in Greece.

In accordance with article 289 of ASE Regulation, the Bank will meet its obligations, with regards to publication of information, which stem from the aforementioned article. Any investment, financed by the share capital increase, will be promptly announced to the public in compliance with the relevant regulatory framework.

C. Commitment by major shareholders

The **EFG Group**¹, Eurobank EFG's main shareholder with a current indirect participation of 41.2%, has announced its commitment to maintain, at minimum, the participation it will hold on the date of the General Meeting of Shareholders which will decide the share capital increase in cash, a) until the completion of the increase and the commencement of new shares trading, b) for a time period of 6 months after the commencement of new shares trading.

None of the remaining shareholders of the Bank holds, directly or indirectly, 5% or more of the Bank's share capital while simultaneously participating in the management of the Bank.

D. Issue price

The Board of Directors proposes that the issue price should not be higher than the share spot market price as at the ex-rights date.

Athens, 25 June 2007
THE BOARD OF DIRECTORS

¹ The ultimate parent company of EFG Group is EFG Bank European Financial Group (a financial institution based in Switzerland)