

Dresdner Bank A. G.  
Frankfurt / Main

Dear Sirs,

Credit facility from Dresdner Bank to the Bank of Greece  
of DM 50 million against 1,250,000 British gold sovereigns

I have pleasure in referring to the correspondence exchanged between your Managing Director Mr. Helmut Baensinger and our Governor Mr. Demetrios Galanis by virtue of which it was agreed that the Dresdner Bank A.G., Frankfurt/Main, would grant the above mentioned credit to the Bank of Greece, Athens.

The transaction would be carried out, on an overdraft basis, on the following lines:

1. The Dresdner Bank would make available to the Bank of Greece a credit up to DM 50 million (fifty million Deutsche Mark) against shipment by the latter to the former of British gold sovereigns (old and/or new mint) up to 1,250,000 (one million two hundred fifty thousand) pieces.
2. The Bank of Greece would duly notify the Dresdner Bank of each shipment of coins and the way it is effected i.e. number of flight, insurance arrangements etc. The Bank of Greece would be able to avail themselves of the overdraft facility in proportion to the equivalent of each consignment of gold sovereigns.
3. The Dresdner Bank will open a special account in Deutsche Mark in the name of the Bank of Greece. The amounts drawn by the Bank of Greece under this credit facility would be placed to the debit of this account. The debit balance in this account would be subject to a rate of interest calculated at two percentage points above the discount rate of the Deutsche Bundesbank prevailing from time to time. This means today an effective rate of interest of five per cent ( 5 per cent

plus 2 per cent) per annum. However at no time may the total effective rate chargeable to the Bank of Greece exceed a maximum of six per cent (6%) per annum or fall below a minimum of four and a half per cent (4.1/2%) per annum. The life of this credit facility will be for a period of one and a half years but the Dresdner Bank would be prepared to consider its extension for a further period of one and a half years on the same basis.

4. The Bank of Greece will be able to repay, before maturity, in total or in part, any outstanding balance due to the Dresdner Bank in the special account. It may use, for this purpose either the proceeds of any sale of gold sovereigns (from those dispatched to the Dresdner Bank) or and its other foreign exchange resources.

5. The Bank of Greece will retain the right to decide as to whether and under what terms any quantity of gold sovereigns (from those dispatched to the Dresdner Bank) may be sold in the international market. The proceeds of any such sale will be brought to the credit of the special account of the Bank of Greece.

6. The Bank of Greece will retain the right to reclaim at any time any unsold sovereigns upon payment to the Dresdner Bank of the outstanding debit balance in the special account plus interest accrued as per paragraph 3 above.

7. The Bank of Greece authorizes the Dresdner Bank to sell or otherwise dispose of the gold sovereigns dispatched to and deposited with the latter under this transaction, and to apply the proceeds from such sale or disposal to the settlement of any debit balance in the special account of the Bank of Greece which may still be outstanding at maturity.

8. The gold sovereigns dispatched from the Bank of Greece to the Dresdner Bank under this operation will be kept by the latter free of any charge. Any taxes, fees or other charges incurred outside the Federal Republic of Germany in connection with this transaction will be borne by the Bank of Greece. Any taxes, fees or other charges incurred by the Dresdner Bank within the Federal Republic of Germany will be borne by the Dresdner Bank.

We should much appreciate if you would be kind enough to confirm

the above credit facility placed at the disposal of the Bank of Greece.

Thanking you for your prompt cooperation,

I remain,

Yours sincerely

Dyng. A. Klidas  
Manager

