

ATEbank's Board of Directors Proposal Regarding its Capital Increase

5th April 2011

Following the announcement of Agricultural Bank (hereinafter the "Bank" or "ATEbank") on 30th March 2011¹, the Board of Directors of the Bank (hence the "BoD") further announces that during today's meeting it has decided, among others, to propose to the forthcoming Ordinary General Assembly of shareholders to be held on 29.04.2011 the increase of the Bank's share capital, with the proceeds to be raised amounting to €1,259.5 million, as follows:

1. The increase of the nominal value of each common registered bearing voting right share of the Bank from € 0.72 to € 7.20 per share with the simultaneous consolidation and decrease of the total number of the Bank's common shares (reverse split) at a ratio of one (1) new share for ten (10) existing shares, i.e. from 905,444,444 common registered shares with nominal value of € 0.72 each to 90,544,444 common registered shares with nominal value of € 7.20 each.
2. The decrease of the share capital of the Bank by €597,593,333.28 by decreasing the nominal value of each common registered bearing voting right share from € 7.20 to € 0.60 in order to create a special reserve of an equal amount, pursuant to paragraph 4a of article 4 of codified law 2190/1920. It is noted that the above said share capital decrease shall not affect the Bank's shareholders equity, nor shall it entail any adjustment to the price of the common shares of the Bank which are traded on the Athens Exchange.
3. The increase of the Bank's share capital in cash through the issuance of 1,177,077,772 new common registered bearing voting right shares of nominal value of € 0.60 and proposed subscription price of € 1.07, the latter permitted to be higher than the market price of the share on the date of cutting off the pre-emption right, in order to raise funds of €1,259.5million, granting pre-emption rights to the existing shareholders at a ratio of 13 new common shares for each one (1) existing common registered bearing voting right share. The subscription price equals to a discount of 27.3% on the theoretical ex-rights price based on the closing price of the Bank's share on the Athens Exchange on Monday 4th of April 2011 and to a discount of 31.7% on the theoretical ex-rights price based on the weighted average closing price of the last 6 months.

The aforementioned increase of the Bank's share capital is fully subscribed on the basis that:

1. The Greek State, as a major shareholder of the Bank, has stated that it shall fully exercise, directly and indirectly its pre-emption rights by contributing proceeds of €973.7 million and, that it shall further participate in the share capital increase by subscribing for new unsubscribed shares up to the amount of € 170.75 million. In addition, in accordance with the Athens Exchange Regulation, the Greek State has stated that it reserves its rights regarding the preservation of its shareholding interest in the Bank's share capital for a period of six (6) months after the start of trading of the Bank's new shares on the Athens Exchange.
2. Pursuant to a pre-subscription agreement, the guarantors ALPHA BANK, EFG EURO BANK ERGASIAS, NATIONAL BANK OF GREECE, PIRAEUS BANK, MARFIN POPULAR BANK intend to subscribe, under usual terms, for new unsubscribed shares up to the amount of € 115 million. The final subscription agreement will be concluded between the parties before the approval of the Information Memorandum on the share capital increase by the Hellenic Capital Markets Commission.

Details on the Bank's share capital increase are included in the relevant Report of the Bank's Board of Directors which has been posted on the Bank's and the Athens Exchange's website. The detailed timetable of the Bank's share capital increase and its specific terms will be published, in accordance with the applicable legislation, after the approval of the Bank's Information Memorandum by the Hellenic Capital Market Commission.

1. The announcement of 30th March 2011 is posted on ATEbank's website: www.atebank.gr/ATEbank/PressRoom/press+releases/2011/3032011.htm

The gross proceeds of the share capital increase amount to € 1,259.5 million and will be used as follows: € 675.0 million shall be used to repurchase the preferred shares of the Bank currently held by the Greek State while the remaining net amount, after deducting the share capital increase expenses, shall be used to enforce the Bank's capital adequacy.

The BoD further notes that, according to Greek law 3723/2008, the repurchase of the preferred shares of the Bank held by the Greek State is conditional upon the approval of Bank of Greece.

The successful raising of the suggested funds is estimated to result to a total capital adequacy ratio of the Bank, *pro forma* as of 31st December 2010, of 12.54% and Core Tier 1 ratio of 11.17%.

Mr. Theodoros Pantalakis, ATEbank's Governor, commented as follows:

"The proposed share capital increase targets towards safeguarding the capital adequacy of the Bank in an adverse macroeconomic environment. At the same time, through also the performance of the Bank's restructuring plan, ATEbank Group is expected to be transformed to a more flexible and productive enterprise, solely providing financial products and services".

Αθήνα, 5th April 2011