



BANK OF GREECE
EUROSYSTEM

RESOLUTION MEASURES COMMITTEE

Meeting 4/27.7.2012

Agenda Item 1: Order to transfer property items of the credit institution by the name “Agricultural Bank of Greece S.A.”, which has been placed under special liquidation, to the credit institution by the name “Piraeus Bank S.A.”

The RESOLUTION MEASURES COMMITTEE, having regard to:

- (a) Article 55A of the Statute of the Bank of Greece;
- (b) Bank of Greece Governor’s Act 2653/29.2.2012 “Establishment of a Resolution Measures Committee – Amendment to Bank of Greece Governor’s Act 336/29.2.1984, as currently in force (Government Gazette B503)”, as currently in force;
- (c) Law 3601/2007 “Taking up and pursuit of the business of credit institutions, capital adequacy of credit institutions and investment firms, and other provisions” (Government Gazette A178), as currently in force, in particular the provisions of Articles 63B, 63D and 68 thereof;
- (d) Decision No. 46/1/27.7.2012 of the Banking and Insurance Matters Committee “Withdrawal of the authorisation of the credit institution by the name Agricultural Bank of Greece S.A.”, placing thereof under special liquidation and appointment of a special liquidator”;
- (e) the letter of the Hellenic Financial Stability Fund (“HFSF”) dated 27 July 2012, informing the Bank of Greece that its Board of Directors, in its meeting of 27 July 2012, decided to consent to “Piraeus Bank S.A.” submitting a binding bid to the Bank of Greece for the acquisition of property items of the credit institution by the name “Agricultural Bank of Greece S.A.”, under the terms and conditions set out in its bid submitted to the HFSF on 9 July 2012;
- (f) the written bid submitted on 27 July 2012 in the context of the informal bidding procedure conducted before the Resolution Measures Committee for the acquisition of

property items of the credit institution by the name “Agricultural Bank of Greece S.A.”, which has been placed under special liquidation;

(g) the declaration dated 27 July 2012 of the credit institution by the name “Piraeus Bank S.A.”, whereby it agrees to take over the property items of “Agricultural Bank of Greece S.A.” (which has been placed under special liquidation) referred to in this Decision; and

(h) the relevant recommendation dated 27 July 2012 of the Bank of Greece’s Credit Institutions Resolution Committee,

WHEREAS

(i) the credit institution by the name “Agricultural Bank of Greece S.A.” has been placed under special liquidation;

(ii) it is estimated that, as at 31 December 2011, the total customer deposits held with the said credit institution amount to €15,741,328,000.00 and that the part of these deposits guaranteed by the Deposit and Investment Guarantee Fund (“TEKE”), according to Article 9 of Law 3746/2009, as currently in force, is €14,293,144,000.00;

(iii) the said credit institution has liabilities of €387,000,000.00 vis-à-vis other credit institutions as at 31 May 2012;

(iv) the said credit institution draws ELA liquidity from the Bank of Greece;

(v) given the current adverse fiscal and economic situation in Greece, public confidence in the stability and smooth functioning of the financial system would be undermined if the said credit institution’s banking operations were discontinued, in particular if the protection under TEKE’s compensation scheme extended only to the guaranteed part of deposits; a loss of the part of customer deposits not covered under Law 3746/2009, estimated at €1,448,184,000.00, should therefore be avoided;

(vi) given the size of the credit institution under liquidation, the scope and type of its business and the special nature of its clientele, a withdrawal of its authorisation without any resolution measures would trigger a serious shock to financial stability; therefore, the continuation of its banking operations by another credit institution is considered appropriate for ensuring both depositors’ confidence in the financial system and financial stability;

(vii) the bidding procedure conducted before the Resolution Measures Committee for the transfer of property items of the credit institution by the name “Agricultural Bank of Greece S.A.”, which has been placed under special liquidation, was successful; specifically, the Committee, after evaluating the bid of the credit institution by the name “Piraeus Bank S.A.” for the property items of the credit institution by the name “Agricultural Bank of Greece S.A.”, which has been placed under special liquidation, awarded the property items listed in the Annex hereto to the credit institution by the

name “Piraeus Bank S.A.”, which has declared in writing that it accepts such transfer. This bid, which has already been approved by the Board of Directors of the HFSF, comprises all the items recommended by the Bank of Greece in the context of the bidding procedure and includes a credible business plan for their smooth integration into the credit institution by the name “Piraeus Bank S.A.”, ensuring effective business continuity of the credit institution under special liquidation. Moreover, the transfer of assets and liabilities is the optimal solution, as it minimises the cost of resolution.

HEREBY DECIDES AS FOLLOWS

To order the special liquidator of the credit institution by the name “Agricultural Bank of Greece S.A.” to transfer forthwith to the credit institution by the name “Piraeus Bank S.A.” the former’s property items listed in the Annex hereto.

This decision shall be published in the Government Gazette and posted on the Bank of Greece’s website.

THE SECRETARY

THE MEMBERS

THE CHAIRPERSON

Eleni Dendrinou-Louri

True and Exact Copy

Athens, 27 July 2012

(signed)

A. Tsounia, Secretary

ANNEX

1. All the contractual relationships with third parties of the credit institution by the name “Agricultural Bank of Greece S.A.” (hereinafter referred to as “ATEbank”), which has been placed under special liquidation, shall be transferred to the credit institution by the name “Piraeus Bank S.A.” (hereinafter referred to as “Piraeus Bank”), which shall be fully subrogated into these relationships of ATEbank. Also transferred shall be all the assets and liabilities of ATEbank (rights, claims, obligations and encumbrances of any nature). Excluded are the contractual relationships and property items listed in 2(a) to (p) below (hereinafter referred to as “non-transferred items”).

The property items (contractual relationships, assets and liabilities) to be transferred to Piraeus Bank shall include, unless listed under non-transferred items, the following:

- (a) ATEbank’s cash assets and cash equivalents;
- (b) ATEbank’s legal relationships arising from or relating to its deposits with the Bank of Greece, including minimum reserves;
- (c) ATEbank’s legal relationships arising from or relating to deposits and bank accounts held by ATEbank with credit institutions in Greece or abroad;
- (d) ATEbank’s legal relationships arising from or relating to loan or other credit agreements entered into with other credit institutions;
- (e) financial derivatives and all relationships under financial derivatives contracts, other than those included in non-transferred items;
- (f) ATEbank’s legal relationships with its customers arising from or relating to loan or other credit agreements entered into with them, including ATEbank’s right of recourse against its customers under letters of guarantee or other guarantee agreements between ATEbank and third parties, and excluding legal relationships arising from or relating to loan or other credit agreements with ATEbank’s customers listed under non-transferred items;
- (g) ATEbank’s legal relationships arising from or relating to repos and reverse repos entered into by ATEbank;
- (h) ATEbank’s legal relationships arising from or relating to movable or immovable property lease or sale agreements entered into by ATEbank either as lessee/purchaser or lessor/vendor;
- (i) ATEbank’s rights in personam and in rem on securities in physical or book-entry form and financial instruments in physical or book-entry form, including shares, bonds, cheques and debt securities, other than those listed under non-transferred items;

- (j) securities owned by ATEbank under Law 3723/2008, as currently in force, namely the special bond (issued according to Article 3 of Law 3723/2008) with ISIN GR0514017145 and a face value of €675 million;
- (k) ATEbank's rights in rem on movables and immovables;
- (l) all of ATEbank's claims and obligations vis-à-vis the Greek State or legal persons in public law, other than those listed under non-transferred items;
- (m) legal relationships arising from or relating to bank account agreements and ATEbank's liabilities out of its customer deposits, including other credit institutions' deposits with ATEbank, regardless of the coverage limit and exceptions under Law 3746/2009 on TEKE; any payment orders (to be credited or debited to any of the above accounts) initiated but not executed before the date of withdrawal of the authorisation of ATEbank shall be executed by Piraeus Bank; cheques drawn on ATEbank shall be treated as having been drawn on Piraeus Bank, with all the relevant consequences, on the above accounts;
- (n) legal relationships arising from or relating to loan or other credit agreements with the Bank of Greece or other members of the ESCB, including ELA agreements with the Bank of Greece;
- (o) ATEbank's legal relationships and any obligations and rights arising from its participation, in any manner, in regulated markets, exchanges, clearing systems, payment systems, financial instrument clearing and/or settlement systems, including obligations and rights relating to orders entered into the above systems before the transfer of ATEbank's property items hereunder that have not been cleared, netted or settled by that time;
- (p) the brand name and trademarks of ATEbank;
- (r) ATEbank's legal relationships arising from agreements supporting its operation;
- (s) ATEbank's intellectual property rights, including in particular copyrights, patents, software rights, exclusive or non-exclusive rights to use intellectual property, etc.;
- (t) rights and contractual relationships relating to the operation or security of transferred assets, such as claims and rights in rem on movables or immovables transferred to ATEbank for fiduciary purposes, securities in physical or book-entry form (including, but not limited to, cheques), financial instruments in physical or book-entry form transferred as collateral to ATEbank, rights of retention or set-off rights;
- k) legal relationships arising from contracts for the provision of investment services by ATEbank;

l) claims of ATEbank for damages, irrespective of cause or origin (contractual or otherwise), including any claims for compensation for moral damage for any reason whatsoever and claims for unjust enrichment, and excluding any claims in respect of non-transferred items;

m) the rights and obligations of ATEbank vis-à-vis TEKE, as they were before the withdrawal of the authorisation of ATEbank;

2. The property items (assets, liabilities and contractual relationships) set out immediately below in points (a) to (p) (non-transferred items) shall not be transferred to Piraeus Bank. Non-transferred items shall continue to be held (assets) by ATEbank or continue to burden (liabilities) ATEbank. ATEbank shall remain a party to any contractual relationships included in non-transferred items. Non-transferred items shall be the following:

a) legal relationships of ATEbank with third parties arising from or relating to employment contracts entered into by ATEbank;

b) obligations and rights of ATEbank vis-à-vis its shareholders under a shareholder relationship, including the obligations of ATEbank regarding the payment of dividends approved for previous financial years and not claimed by beneficiaries, and where such dividends are time-barred, the obligation of ATEbank to pay them to the Greek State;

c) obligations and rights of ATEbank from the subordinated bond issue of ABG Finance International plc (Lower Tier II), for a principal amount of €250 million (ISIN XS0373532489), launched on 21 July 2008 with a maturity of ten years;

d) all claims and rights, in personam or in rem, of ATEbank relating to the special purpose entity A.B.G. Finance International plc which has issued the subordinated bonds referred to in point (b) above, including any rights of ATEbank in respect of any holding in the aforementioned special purpose entity;

e) all rights, in personam or in rem, of ATEbank in respect of any holdings in the companies “ATE Leasing S.A.”, “ATE Techniki - Pliroforiki S.A.”, “Hellenic Sugar Industry S.A.”, “Agricultural Dairy Industry of Epirus – Dodoni S.A.”, “ATE Excelixi S.A.”, “ATE Advertising S.A.” and “SEKAP Greek Cooperative Cigarette Manufacturing Company S.A.”;

f) legal relationships arising from any loan or other credit agreements between ATEbank and any of the companies “ATE Techniki - Pliroforiki S.A.” and “Greek Fodder Industries S.A.”, including rights of recourse of ATEbank under letters of guarantee or other guarantee agreements of ATEbank in favour of such companies;

g) all claims and obligations of ATEbank vis-à-vis third parties, including the employees of ATEbank, for compensation or damages from any cause (contractual or otherwise), compensation for moral damage and unjust enrichment, in respect of non-transferred items;

h) obligations of ATEbank vis-à-vis Agricultural Cooperative Development Company of Rethymno S.A., with the exception of obligations referred to in any of points (d) to (k) of Section 1 of this Annex;

i) claims of ATEbank vis-a-vis on SEKAP Greek Cooperative Cigarette Manufacturing Company S.A.", the “Union of Agricultural Cooperatives of Moudania” and the “Union of Agricultural Cooperatives of Lefkada - TAOL”, with the exception of claims referred to in any of points (d) to (l) of Section 1 of this Annex;

j) obligations which by law are satisfied from the proceeds from the liquidation of ATEbank;

k) deferred tax claims of ATEbank on the Greek State;

l) tax assets and liabilities of ATEbank, levies and duties of any kind, irrespective of whether they have been generated or certified at the time of transfer of property items of ATEbank under this Decision; in particular, excluded from transfer shall be any obligations: for the payment or prepayment of any type of tax withheld during the period until the transfer of property items of ATEbank under this Decision; for the payment of levies or contributions relating to benefits for the above period; for the payment of fines (irrespective of the time of imposition) for acts or omissions of ATEbank during the above period; for the payment of any supplementary or additional tax referring to the above period;

m) claims and obligations of ATEbank of any type vis-à-vis social security funds, for the period up to the transfer of property items of ATEbank under this Decision;

n) legal relationships of ATEbank with customers arising from any loan or other credit agreement entered into by ATEbank, including rights of recourse of ATEbank under letters of guarantee or other guarantee agreements between ATEbank and third parties, securing:

(i) debts from the purchase or repair of property for residential use, which are secured by mortgage collateral on such property, if the customer is in arrears for more than one hundred and eighty (180) days in respect of any amount due;

(ii) debts for which a restructuring/rescheduling has been agreed with the borrowers or ordered by a court ruling, if the borrower is in arrears for more than thirty (30) days in respect of any amount due;

(iii) debts meeting all of the following conditions:

- they are based on a loan or other credit agreement aimed to finance the borrower's activity in farming, livestock breeding, fishery, forestry or other branch of the agricultural sector;

- the borrower is not required to keep accounting books of category C;

- the borrower is in arrears for more than three hundred sixty (360) days in respect of any amount due;

(iv) debts not falling under any of the above categories, if the borrower is in arrears for more than ninety (90) days in respect of any amount due;

o) legal relationships arising from any of the following transactions in derivative financial instruments:

- Interest rate swap ref. 3284316V, trade date 3 July 2009, with Barclays Bank plc;

- Interest rate swap ref. 3295243V, trade date 9 July 2009, with Barclays Bank plc;

- Structured Interest rate swap Trade ID 387534 (Modsnowball strangle on 10-year EURCMS swap), trade date 26 June 2009, with Nomura International plc;

- Floor spread, trade date 15 November 2011, nominal amount €200,000,000, with Citibank N.A.;

p) rights and legal relationships connected with the operation or security of non-transferred assets, including, but not limited to, claims and rights in rem on movable or immovable property transferred to ATEbank for fiduciary purposes, securities in physical or book-entry form (including, but not limited to, cheques), financial instruments in physical or book-entry form transferred to ATEbank as collateral, rights of retention or set-off rights.

3. Piraeus Bank shall add to its assets the amount to be paid by the HFSF under Article 63E para. 7 of Law 3601/2007, taken together with Article 9 para. 15 indent (a) of Law 4051/2012 (as the paragraphs of Article 15 have been renumbered by paragraph 6 subparagraph (b) of the first Article of the Legislative Act of 30 April 2012 - Government Gazette 103/30 April 2012), as amended by para. 6 indent (c) of the first Article of the Legislative Act of 30 April 2012.