

## OFFERING CIRCULAR

PIRAEUS BANK



### PIRAEUS GROUP FINANCE PLC

(incorporated with limited liability in England and Wales)

as Issuer

and

### PIRAEUS BANK S.A.

acting through its head office or its London Branch (each an "Issuing Branch")

(incorporated with limited liability in the Hellenic Republic)

as Issuer and Guarantor

## €25,000,000,000 Euro Medium Term Note Programme

On 9 June 2004, each of Piraeus Group Finance PLC ("Piraeus PLC") and Piraeus Bank S.A. ("Piraeus Bank", "Piraeus" or the "Bank" and, together with Piraeus PLC, the "Issuers" and each an "Issuer" and references herein to the "relevant Issuer" being to the Issuer of the relevant Notes (as defined below)) entered into a Euro Medium Term Note Programme (as subsequently amended, the "Programme"). All Notes issued under the Programme on or after the date hereof are issued subject to the provisions set out herein. This does not affect any Notes issued prior to the date hereof.

Under the Programme, the Issuers may from time to time issue notes (the "Notes") denominated in any currency agreed with the relevant Dealer (as defined below). Notes may be issued as Senior Preferred Liquidity Notes, Senior Preferred Notes, Senior Non-Preferred Notes or Tier 2 Notes (each as defined below). Piraeus Bank may issue (i) Senior Preferred Liquidity Notes, (ii) Senior Preferred Notes, (iii) Senior Non-Preferred Notes and (iv) Tier 2 Notes. Piraeus PLC may issue (i) Senior Preferred Liquidity Notes and (ii) Tier 2 Notes.

Notes issued by Piraeus PLC will be guaranteed by Piraeus Bank. In relation to any Notes issued by Piraeus Bank, the Issuing Branch through which Piraeus Bank is acting for such Notes will be specified in the applicable Final Terms (as defined below).

The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed €25,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuous basis to the Dealers specified herein and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "Dealer" and together the "Dealers"). References in this Offering Circular to the "relevant Dealer" shall, in relation to any issue of Notes, be to the Dealer or Dealers agreeing to subscribe such Notes.

This Offering Circular comprises a base prospectus for Piraeus PLC and a base prospectus for Piraeus Bank, in each case for the purposes of Article 8 of Regulation (EU) 2017/1129 (the "Prospectus Regulation").

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors" below.

This Offering Circular has been approved as a base prospectus by the *Commission de Surveillance du Secteur Financier* (the "CSSF"), as competent authority under the Prospectus Regulation. The CSSF only approves this Offering Circular as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CSSF should not be considered as an endorsement of (i) the relevant Issuer, (ii) the Guarantor or (iii) the Notes that are the subject of this Offering Circular. Investors should make their own assessment as to the suitability of investing in the Notes. The CSSF assumes no responsibility for the economic or financial soundness of the transactions contemplated by this Offering Circular or the quality or solvency of the relevant Issuer or, as the case may be, the Guarantor. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. References in this Offering Circular to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2014/65/EU (as amended, "MiFID II").

**This Offering Circular is valid for 12 months from its date. The obligation to supplement this Offering Circular in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Offering Circular is no longer valid.**

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in the final terms (the "Final Terms") which, with respect to Notes to be listed on the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market, will be filed with the CSSF. Copies of Final Terms in relation to the Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the relevant Issuer and the relevant Dealer. The relevant Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market. No Notes have been or will be registered under the United States Securities Act 1933, as amended (the "Securities Act") and are subject to U.S. tax law requirements.

Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (see "Subscription and Sale" below).

The Notes of each Tranche will be in bearer form and (unless otherwise specified in the applicable Final Terms) will initially be represented by a temporary global Note which will be deposited on the relevant issue date with a common depository on behalf of Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg"), and/or any other agreed clearance system and which will be exchangeable, as specified in the applicable Final Terms, for either a permanent global Note or Notes in definitive form, in each case upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations. The applicable Final Terms will specify that a permanent global Note either (i) is exchangeable (in whole but not in part) for definitive Notes upon not less than 60 days' notice or (ii) is only exchangeable (in whole but not in part) for definitive Notes following the occurrence of an Exchange Event (as defined on page 57), all as further described in "Form of the Notes" and "Applicable Final Terms" below.

The Programme has been rated Caa2 (senior unsecured debt), Caa3 (subordinated debt) and NP (short term debt) by Moody's Investors Services Cyprus Limited ("Moody's"), B- (long term senior unsecured debt), B (short term senior unsecured debt) and CCC (subordinated debt) by S&P Global Ratings Europe Limited, Italy Branch ("S&P Global") and CC (long term senior unsecured debt) and C (short term senior unsecured debt) by Fitch Ratings Limited ("Fitch"). Each of Moody's, S&P Global and Fitch is established in the European Union ("EU") and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation"). As such, each of Moody's, S&P Global and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority ("ESMA") on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will be disclosed in the applicable Final Terms. Whether or not each credit rating applied for in relation to a relevant Series of Notes will be issued by a credit rating agency established in the EU and registered under the CRA Regulation and whether or not such credit rating agency is included in the list of credit rating agencies published by ESMA on its website in accordance with the CRA Regulation will be disclosed in the applicable Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning rating agency.

Each Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplement to the Offering Circular, a drawdown offering circular or a new offering circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Arranger

Goldman Sachs International

Dealers

Barclays  
BNP PARIBAS  
Commerzbank  
Deutsche Bank  
HSBC  
Morgan Stanley

BofA Securities  
Citigroup  
Credit Suisse  
Goldman Sachs International  
J.P. Morgan  
Piraeus Bank S.A.

UBS Investment Bank

10 February 2020

## IMPORTANT INFORMATION

Each of Piraeus PLC and Piraeus Bank (the “Responsible Persons”) accepts responsibility for the information contained in this Offering Circular and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge and belief of the Responsible Persons (each having taken all reasonable care to ensure that such is the case), the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*” below). This Offering Circular shall be read and construed on the basis that such documents are incorporated into and form part of this Offering Circular.

Other than in relation to the documents which are deemed to be incorporated by reference (see “*Documents Incorporated by Reference*”), the information on the websites to which this Offering Circular refers does not form part of this Offering Circular and has not been scrutinised or approved by the CSSF.

Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained in this Offering Circular or any other information provided by Piraeus PLC and/or Piraeus Bank in connection with the Programme or any Notes or their distribution.

No person is or has been authorised by Piraeus PLC and/or Piraeus Bank to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information provided in connection with the Programme or any Notes and, if given or made, such information or representation must not be relied upon as having been authorised by Piraeus PLC and/or Piraeus Bank or any Dealer.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or as constituting an invitation or offer by Piraeus PLC and/or Piraeus Bank or any Dealer that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and Piraeus Bank in the case of Notes issued by Piraeus PLC. Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes constitutes an offer or invitation by or on behalf of Piraeus PLC and/or Piraeus Bank or any Dealer to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning Piraeus PLC and/or Piraeus Bank is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of Piraeus PLC and/or Piraeus Bank during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention.

Investments in the Notes do not benefit from any protection provided pursuant to Directive 2014/49/EU of the European Parliament and of the Council on deposit guarantee schemes or any national implementing measures implementing this Directive in any jurisdiction. Therefore, if the relevant Issuer or (if applicable) the Guarantor becomes insolvent or defaults

on its obligations, investors investing in the Notes in a worst case scenario could lose their entire investment.

**IMPORTANT – PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA and UK Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or in the United Kingdom (the “UK”). For these purposes, a “retail investor” means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation. An investment in the Notes is not an equivalent to an investment in a bank deposit. Although an investment in the Notes may give rise to higher yields than a bank deposit placed with the Bank or with any other investment firm in the Group (as defined below), an investment in the Notes carries risks which are very different from the risk profile of such a deposit. The Notes are expected to have greater liquidity than a bank deposit since bank deposits are generally not transferable. However, the Notes may have no established trading market when issued, and one may never develop.

**BENCHMARKS** - Amounts payable under the Notes may be calculated by reference to one or more “benchmarks” for the purposes of Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 (the “Benchmarks Regulation”). In this case, a statement will be included in the applicable Final Terms as to whether or not the relevant administrator of the “benchmark” is included in ESMA’s register of administrators under Article 36 of the Benchmarks Regulation. The registration status of any administrator under the Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the applicable Final Terms to reflect any change in the registration status of the administrator.

**PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE** - The Final Terms in respect of any Notes may include a legend entitled “Singapore SFA Product Classification” which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”).

The relevant Issuer will make a determination in relation to each issue under the Programme of the classification of the Notes being offered for purposes of section 309B(1)(a). Any such legend included on the relevant Final Terms will constitute notice to each of the “relevant persons” for purposes of section 309B(1)(c) of the SFA.

**MIFID II PRODUCT GOVERNANCE / TARGET MARKET** – The Final Terms in respect of any Notes will include a legend entitled “MiFID II product governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

**STABILISATION - A DETERMINATION WILL BE MADE IN RELATION TO EACH ISSUE ABOUT WHETHER, FOR THE PURPOSE OF THE MIFID PRODUCT GOVERNANCE RULES UNDER EU DELEGATED DIRECTIVE 2017/593 (THE "MIFID PRODUCT GOVERNANCE RULES"), ANY DEALER SUBSCRIBING FOR ANY NOTES IS A MANUFACTURER IN RESPECT OF SUCH NOTES, BUT OTHERWISE NEITHER GOLDMAN SACHS INTERNATIONAL, AS ARRANGER, NOR THE DEALERS NOR ANY OF THEIR RESPECTIVE AFFILIATES WILL BE A MANUFACTURER FOR THE PURPOSE OF THE MIFID PRODUCT GOVERNANCE RULES.**

## **IMPORTANT INFORMATION RELATING TO THE USE OF THIS OFFERING CIRCULAR AND OFFERS OF NOTES GENERALLY**

**This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of Piraeus PLC, Piraeus Bank or any of the Dealers represents that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by Piraeus PLC, Piraeus Bank or any of the Dealers which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. For details of certain restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the United Kingdom, the EEA (including, for these purposes, the United Kingdom), Singapore and Japan, see “*Subscription and Sale*” below.**

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see “*Subscription and Sale*”).

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor’s currency;
- (iv) understands that existing liquidity arrangements (for example, re-purchase agreements by the relevant Issuer or, if applicable, the Guarantor) might not protect it from having to sell the Notes at substantial discount below their principal amount, in case of financial distress of the relevant Issuer or, if applicable, the Guarantor;

- (v) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (vi) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

For the avoidance of doubt, the content of any website to which active hyperlinks have been included in this Offering Circular does not form part of the Offering Circular.

**All references in this document to “Greece” or to the “Greek State” are to the Hellenic Republic.**

**All references in this document to “U.S.\$” and “\$” are to United States dollars, those to “Yen” are to Japanese Yen, those to “Sterling” and “£” are to pounds sterling and those to “€”, “euro”, “Euro” and “EUR” are to the single currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.**

**Certain monetary and other amounts contained or incorporated by reference in this Offering Circular have been subject to rounding adjustments. Accordingly, figures shown as total sums in certain tables may not be an arithmetic aggregation of the figures which precede them or may not compare to the corresponding figures contained in the relevant financial statements.**

#### **CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS**

Some statements in this Offering Circular may be deemed to be forward looking statements. Forward looking statements include statements concerning the relevant Issuer’s and/or the Guarantor’s plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward looking statements. When used in this Offering Circular, the words “anticipates”, “estimates”, “expects”, “believes”, “intends”, “plans”, “aims”, “seeks”, “may”, “will”, “should” and any similar expressions generally identify forward looking statements. The Issuers have based these forward looking statements on the current view of their management with respect to future events and financial performance. Although each Issuer believes that the expectations, estimates and projections reflected in its forward looking statements are reasonable as of the date of this Offering Circular, if one or more of the risks or uncertainties materialise, including those identified below or which any Issuer has otherwise identified in this Offering Circular, or if any Issuer’s underlying assumptions prove to be incomplete or inaccurate, an Issuer’s actual results of operation may vary from those expected, estimated or predicted.

The risks and uncertainties referred to above include:

- the relevant Issuer’s and, if applicable, the Guarantor’s ability to achieve and manage the growth of its business;

- the performance of the markets in Greece and the wider regions in which Piraeus Bank and its subsidiaries (the “Group”) operate;
- the Group’s ability to realise the benefits it expects from existing and future projects and investments it is undertaking or plans to or may undertake;
- the Group’s ability to obtain external financing or maintain sufficient capital to fund its existing and future investments and projects; and
- changes in political, social, legal or economic conditions in the markets in which the Group and its customers operate.

Any forward looking statements contained in this Offering Circular speak only as at the date of this Offering Circular. Without prejudice to any requirements under applicable laws and regulations, each Issuer expressly disclaims any obligation or undertaking to disseminate after the date of this Offering Circular any updates or revisions to any forward looking statements contained in it to reflect any change in expectations or any change in events, conditions or circumstances on which any such forward looking statement is based.

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In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.



## OVERVIEW OF THE PROGRAMME

***The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.***

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No. 2019/980.

Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” shall have the same meanings in this Overview.

<b>Issuers:</b>	<p>Piraeus Group Finance PLC</p> <p>(Piraeus Group Finance PLC Legal Entity Identifier (LEI): 5493008YJZXS2BOWAV89)</p> <p>Piraeus Bank S.A., acting through its Issuing Branch (as specified in the applicable Final Terms)</p> <p>(Piraeus Bank S.A. Legal Entity Identifier (LEI): M6AD1Y1KW32H8THQ6F76)</p> <p>Any issue of Notes by Piraeus Bank under the Programme is subject to the prior decision of the Board of Directors of Piraeus Bank</p>
<b>Guarantor of Notes issued by Piraeus PLC:</b>	<p>Piraeus Bank S.A.</p>
<b>Risk Factors:</b>	<p>There are certain factors that may affect the relevant Issuer’s ability to fulfil its obligations under Notes issued under the Programme. There are also certain factors that may affect the Guarantor’s ability to fulfil its obligations under the Guarantee. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under “<i>Risk Factors</i>”.</p>
<b>Description of the Issuers and the Guarantor:</b>	<p>Piraeus Bank was incorporated in Greece in 1916 and provides a wide variety of retail and commercial banking services in the Greek market. Piraeus PLC is a wholly owned subsidiary of Piraeus Bank and was incorporated in England in 2000. Detailed descriptions of Piraeus Bank and Piraeus PLC are set out later in this Offering Circular.</p>
<b>Description of the Programme:</b>	<p>Euro Medium Term Note Programme</p>

**Arranger:**

Goldman Sachs International

**Dealers:**

Barclays Bank Ireland PLC  
Barclays Bank PLC  
BNP Paribas  
Citigroup Global Markets Europe AG  
Citigroup Global Markets Limited  
Commerzbank Aktiengesellschaft  
Credit Suisse Securities (Europe) Limited  
Deutsche Bank AG, London Branch  
Goldman Sachs International  
HSBC Bank plc  
J.P. Morgan Securities plc  
Merrill Lynch International  
Morgan Stanley & Co. International plc  
Piraeus Bank S.A.  
UBS AG London Branch  
UBS Europe SE

and any other Dealers appointed from time to time either generally in respect of the Programme or in relation to a particular Tranche of Notes, in each case, in accordance with the Programme Agreement.

**Certain Restrictions:**

Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*" herein).

***Notes issued by Piraeus PLC having a maturity of less than one year***

Notes issued by Piraeus PLC having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent (see "*Subscription and Sale*" herein).

Under the Prospectus Regulation, prospectuses relating to money market instruments having a maturity at issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions stated therein.

<b>Issuing and Principal Paying Agent:</b>	Deutsche Bank AG, London Branch
<b>Paying Agent:</b>	Deutsche Bank Luxembourg S.A.
<b>Luxembourg Listing Agent:</b>	Deutsche Bank Luxembourg S.A.
<b>Piraeus Bank Noteholders Agent:</b>	If, in the case of an issue of Piraeus Bank Notes or upon a substitution of the Notes such that the Issuer is a body corporate incorporated in the Hellenic Republic, the Piraeus Bank Noteholders must be organised in a group pursuant to article 63 of Greek Law 4548/2018, to the extent applicable, Piraeus Bank shall appoint a Piraeus Bank Noteholders Agent by way of a Piraeus Bank Noteholders Agency Agreement.
<b>Programme Amount:</b>	Up to EUR 25,000,000,000 (or its equivalent in other currencies calculated as described herein) outstanding at any time. The Issuers may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
<b>Distribution:</b>	Subject to applicable selling restrictions, Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
<b>Currencies:</b>	Subject to any applicable legal or regulatory or central bank requirements, such currencies as may be agreed between the relevant Issuer and the relevant Dealer including, without limitation, Australian dollars, Canadian dollars, Danish kroner, euro, Hong Kong dollars, New Zealand dollars, Norwegian kroner, Sterling, Swedish kronor, Swiss francs and United States dollars (as indicated in the applicable Final Terms).
<b>Maturities:</b>	Such maturities as may be agreed between the relevant Issuer and the relevant Dealer and as indicated in the applicable Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer and/or the Guarantor, if applicable, or the relevant Specified Currency.
<b>Issue Price:</b>	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

**Form of Notes:**

The Notes will be issued in bearer form.

Notes to be issued under the Programme will be either: (i) Senior Preferred Liquidity Notes, (ii) Senior Preferred Notes, (iii) Senior Non-Preferred Notes or (iv) Tier 2 Notes as indicated in the applicable Final Terms.

Piraeus Bank may issue (i) Senior Preferred Liquidity Notes, (ii) Senior Preferred Notes, (iii) Senior Non-Preferred Notes and (iv) Tier 2 Notes.

Piraeus PLC may issue (i) Senior Preferred Liquidity Notes and (ii) Tier 2 Notes.

Each Tranche of Notes will (unless otherwise specified in the applicable Final Terms) initially be represented by a temporary global Note. Each global Note which is not intended to be issued in new global note form, as specified in the applicable Final Terms, will be deposited on the relevant Issue Date with a common depository for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system as specified in the applicable Final Terms and each global Note which is intended to be issued in new global note form (a "New Global Note" or "NGN"), as specified in the applicable Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Interests in each temporary global Note will be exchangeable, upon request as described therein, for either interests in a permanent global Note or definitive Notes (as indicated in the applicable Final Terms) and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms, in either case not earlier than 40 days after the Issue Date upon certification of non-US beneficial ownership as required by US Treasury regulations. The applicable Final Terms will specify that a permanent global Note either (i) is exchangeable (in whole but not in part) for definitive Notes upon not less than 60 days' notice or (ii) is only exchangeable (in whole but not in part) for definitive Notes upon the occurrence of an Exchange Event, as described in "*Form of the Notes*" below. Any interest in a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg

and/or any other agreed clearing system, as appropriate.

**Fixed Rate Notes:**

Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer (as indicated in the applicable Final Terms) and on redemption.

**Reset Notes:**

Reset Notes will, in respect of an initial period, bear interest at the Initial Rate of Interest specified in the applicable Final Terms. Thereafter, the fixed rate of interest will be reset on one or more date(s) specified in the applicable Final Terms by reference to a mid-market swap rate or a rate based on the yield for an identified government bond or certain government bonds (in each case relating to the relevant Specified Currency), and for a period equal to the Reset Period, as adjusted for any applicable margin, in each case as may be specified in the applicable Final Terms. Such interest will be payable in arrear on the Interest Payment Date(s) specified in or as determined pursuant to the applicable Final Terms.

**Floating Rate Notes:**

Floating Rate Notes will bear interest at a rate determined:

- (a) on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series; or
- (b) on the basis of the reference rate set out in the applicable Final Terms.

The Margin (if any) relating to such Floating Rate Notes will be agreed between the relevant Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes in respect of each Interest Period, as selected prior to issue by the relevant Issuer and the relevant Dealer, will be

payable on such Interest Payment Dates specified in, or determined pursuant to, the applicable Final Terms and will be calculated on the basis of the relevant Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer.

**Benchmark Replacement:**

If, in respect of any Floating Rate Notes (where Screen Rate Determination is specified as being applicable in the applicable Final Terms) or Reset Notes (where the Reset Reference Rate is specified as being Mid-Swap Rate in the applicable Final Terms), “Benchmark Replacement” is specified as being applicable in the applicable Final Terms, upon the occurrence of a Benchmark Event (as defined in the Conditions), the provisions of Condition 6(d) will apply to the determination of the Rate of Interest for such Notes.

**Zero Coupon Notes:**

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest other than in the case of late payment.

**Change of Interest Basis Notes:**

Notes may be converted from one interest basis to another if so provided in the applicable Final Terms.

**Redemption:**

The applicable Final Terms relating to each Tranche of Notes will indicate either that the Notes of such Tranche cannot be redeemed prior to their stated maturity (other than subject to certain conditions, at the option of the relevant Issuer for taxation reasons, following an MREL Disqualification Event (in the case of Senior Non-Preferred Notes or Senior Preferred Notes only and if specified as applicable in the relevant Final Terms) or following a Capital Disqualification Event (in the case of Tier 2 Notes only and if specified as applicable in the relevant Final Terms) or following an Event of Default or Restricted Event of Default (as applicable)), or that such Notes will be redeemable at the option of the Issuer (“Issuer Call”) and/or (in relation to Senior Preferred Liquidity Notes only) the Noteholders (“Investor Put”) upon giving not less than the minimum nor more than the maximum days’ irrevocable notice as is indicated in the applicable Final Terms to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms.

Prior to their stated maturity, Senior Preferred Notes, Senior Non-Preferred Notes and Tier 2 Notes may not be redeemed at the option of the holders and may only be redeemed by the Issuer with the permission of the Relevant Regulator or Relevant Resolution Authority (as applicable and if required) and otherwise in accordance with Capital Regulations or MREL Requirements (as the case may be).

Unless otherwise permitted by the current laws and regulations, Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions: Notes issued by Piraeus PLC having a maturity of less than one year*" above.

**Substitution and Variation:**

If, in the case of any Series of Notes, "Substitution and Variation" is specified as being applicable in the relevant Final Terms and: (i) with respect to any Series of Senior Preferred Notes or Senior Non-Preferred Notes, an MREL Disqualification Event has occurred and is continuing, (ii) with respect to any Series of Tier 2 Notes, a Capital Disqualification Event has occurred and is continuing or (iii) with respect to any Notes, any of the events described in Condition 7(b) has occurred and is continuing, or in order to ensure the effectiveness and enforceability of Condition 19 or Clause 11 of the Deed of Guarantee (where applicable), then the relevant Issuer and the Guarantor (if applicable) may, subject as provided in Condition 7(k) or 7(l) (as applicable) of the Notes, substitute all (but not some only) of such Series of Notes for, or vary the terms of such Series of Notes or the Deed of Guarantee (if applicable) (including changing the governing law of Condition 19 and Clause 11 of the Deed of Guarantee) so that the Notes remain or become Qualifying Notes.

**Taxation:**

All payments in respect of the Notes and Coupons will be made without withholding or deduction for or on account of Taxes imposed by a Taxing Jurisdiction (as those terms are defined in Condition 11) unless required by law, as provided in Condition 11. In such event, the Issuer or, as the case may be, the Guarantor will, save in certain limited circumstances provided in Condition 11, be required to pay such additional amounts in respect of interest and, in respect of the Senior Preferred Liquidity

Notes only, principal and premium, as will result in the receipt by the holders of the Notes or Coupons of such amounts as would have been receivable by them had no such withholding or deduction been required.

Under Greek law as at the date of this Offering Circular, payments of interest under the Non-Listed Notes issued by Piraeus Bank are subject to Greek income withholding tax and, under the Conditions, where Extended Gross-Up is specified as being applicable in the applicable Final Terms subject to one limited exception (which would not apply while the Non-Listed Notes are represented by a global Note cleared through Euroclear and/or Clearstream, Luxembourg), Piraeus Bank is required to gross up such payments in order that holders of the relevant Notes receive such amounts as would have been received by them if no such withholding had been required (see Condition 11). In this case, depending on the applicable income tax rules in the tax jurisdiction(s) to which they are subject, the income received by a holder for tax purposes may be the gross amount paid by Piraeus Bank, rather than the net amount received by the holder.

The attention of holders is also drawn to the fact that, if the Greek law on income tax withholding changes in the future and payments of interest under the Non-Listed Notes issued by Piraeus Bank to Non-Greek Legal Persons (as defined in Condition 11) cease to be subject to Greek income withholding tax, the obligation of Piraeus Bank, as Issuer, to gross up interest payments will be limited. Please see Condition 11. In such circumstances, holders who are not Non-Greek Legal Persons may remain subject to income tax withholding, if any is applicable, and (if so) may cease to benefit from any grossing-up of interest payments by Piraeus Bank.

“Listed Notes” means Notes admitted to trading on a trading venue within the E.U. or an organised stock market outside of the E.U. which is supervised by an authority accredited to the International Organization of Securities Commissions.

“Non-Listed Notes” means Notes admitted which are not Listed Notes.



The relevant Issuer's obligation to pay additional amounts in respect of any withholding or deduction in respect of taxes under the terms of the Senior Preferred Notes, Senior Non-Preferred Notes and Tier 2 Notes applies only to payments of interest due and paid under such Notes and not to payments of principal. As such, the relevant Issuer would not be required to pay any additional amounts under the terms of the Senior Preferred Notes, Senior Non-Preferred Notes and Tier 2 Notes to the extent any withholding or deduction applied to payments of principal.

**Prospective purchasers of the Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposal of the Notes.**

**Negative Pledge:**

The Senior Preferred Liquidity Notes will contain a negative pledge provision as further described in Condition 5.

There will be no negative pledge provision relating to the Senior Preferred Notes, the Senior Non-Preferred Notes and the Tier 2 Notes.

**Cross Acceleration:**

The Senior Preferred Liquidity Notes will contain a cross acceleration provision as further described in Condition 12(1)(a).

The Senior Preferred Notes, the Senior Non-Preferred Notes and the Tier 2 Notes will not contain a cross acceleration provision.

**Status of the Senior Preferred Liquidity Notes and Senior Preferred Notes:**

The Senior Preferred Liquidity Notes and Senior Preferred Notes will constitute direct, unconditional, unsubordinated and (subject, in the case of Senior Preferred Liquidity Notes only, to the provisions of Condition 5) unsecured obligations of the relevant Issuer and will rank: (A) *pari passu* without any preference among themselves; and (B) at least *pari passu* with all other present and future unsecured and unsubordinated obligations of such Issuer (save for such obligations as may be preferred (with a higher ranking) by mandatory provisions of applicable law) in terms of ranking compared with the Notes; and (C) in priority to Issuer Junior Liabilities (to Senior Preferred Notes).

**Status of Senior Non-Preferred Notes:** The Senior Non-Preferred Notes are intended to constitute Senior Non-Preferred Liabilities and constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer which will at all times rank: (i) *pari passu* without any preference among themselves; (ii) *pari passu* with all other Senior Non-Preferred Liabilities; (iii) in priority to Junior Liabilities (to Senior Non-Preferred Notes) (as defined below); and (iv) junior to present and future obligations of the relevant Issuer in respect of Senior Creditors of the Issuer (to Senior Non-Preferred Notes).

**Status of the Tier 2 Notes:** The Tier 2 Notes will be direct, unsecured and subordinated obligations of the relevant Issuer which will at all times rank *pari passu* without any preference among themselves. The claims of the Noteholders will be subordinated to the claims of Senior Creditors of the Issuer (to Tier 2 Notes) (as defined below) in that, in the event of the winding up or (in the case of Notes issued by Piraeus Bank) special liquidation within the meaning of article 145 of Greek law 4261/2014 of the relevant Issuer, payments of principal and interest in respect of the Notes will be conditional upon the relevant Issuer being solvent at the time of payment by the relevant Issuer and in that no principal or interest shall be payable in respect of the Notes at such time except to the extent that the relevant Issuer could make such payment and still be solvent immediately thereafter.

**Status of the Deed of Guarantee:** Notes issued by Piraeus PLC will be unconditionally and irrevocably guaranteed by Piraeus Bank (pursuant to the Deed of Guarantee) on a subordinated (in the case of Tier 2 Notes) or an unsubordinated (in the case of Senior Preferred Liquidity Notes) basis.

**Denomination of Notes:** The Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer and as indicated in the applicable Final Terms save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency (see “*Certain Restrictions: Notes issued by Piraeus PLC having a maturity of less than one year*” above) and

save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

**Rating:**

The Programme has been rated Caa2 (senior unsecured debt), Caa3 (subordinated notes) by Moody's and NP (short term debt), B- (long term senior unsecured debt), B (short term senior unsecured debt) and CCC (subordinated notes) by S&P Global and CC (long term senior unsecured debt) and C (short term senior unsecured debt) by Fitch. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Listing and Admission to Trading:**

The Offering Circular has been approved by the CSSF and each Series may be admitted to listing on the official list of the Luxembourg Stock Exchange and to trading on the regulated market of the Luxembourg Stock Exchange.

**Selling Restrictions:**

There are restrictions on the offer, sale and transfer of the Notes in the United States, Japan, Singapore, the United Kingdom and the EEA (including, for these purposes, the United Kingdom) and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "*Subscription and Sale*" below.

**Governing Law:**

The Programme Agreement, the Agency Agreement, the Deed of Covenant, the Deed of Guarantee, the Notes, the Coupons and any non-contractual obligations arising out of or in connection with the Programme Agreement, the Agency Agreement, the Deed of Covenant, the Deed of Guarantee, the Notes and the Coupons are governed by, and shall be construed in accordance with, English law except that (i) Conditions 3(b), 3(c), 4(d), 4(e), 19 and 22; (ii) in the case of Tier 2 Notes issued by Piraeus Bank, Conditions 4(b) and 4(c), and (iii) clauses 5.8, 5.9, 5.10 and 11 of the Deed of Guarantee, are governed by and shall be construed in accordance with Greek law.

**United States Selling Restrictions:**

Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable, as specified in the applicable Final Terms.

## RISK FACTORS

In purchasing Notes, investors assume the risk that Piraeus PLC and/or Piraeus Bank may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in Piraeus PLC and/or Piraeus Bank becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such risks or to determine which risks are most likely to occur, as Piraeus PLC and Piraeus Bank may not be aware of all relevant risks and certain risks which they currently deem not to be material may become material as a result of the occurrence of events outside Piraeus PLC's and Piraeus Bank's control. Piraeus PLC and Piraeus Bank have identified in this Offering Circular a number of factors which could materially adversely affect their respective businesses and ability to make payments due under the Notes.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

THE PURCHASE OF NOTES MAY INVOLVE SUBSTANTIAL RISKS AND MAY BE SUITABLE ONLY FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF AN INVESTMENT IN THE NOTES. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY, IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES, (I) ALL THE INFORMATION SET FORTH IN THIS OFFERING CIRCULAR AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW AND (II) ALL THE INFORMATION SET FORTH IN THE APPLICABLE FINAL TERMS. PROSPECTIVE INVESTORS SHOULD MAKE SUCH ENQUIRIES AS THEY DEEM NECESSARY WITHOUT RELYING ON THE RELEVANT ISSUER AND/OR THE GUARANTOR, IF APPLICABLE, OR ANY DEALER.

CERTAIN ISSUES OF NOTES INVOLVE A HIGH DEGREE OF RISK AND POTENTIAL INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT.

**FACTORS THAT MAY AFFECT PIRAEUS BANK'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED BY IT UNDER THE PROGRAMME AND/OR UNDER THE DEED OF GUARANTEE RELATING TO NOTES ISSUED BY PIRAEUS PLC.**

### ***Risks relating to the Hellenic Republic Economic Crisis***

#### **Macro-economic environment and the Hellenic Republic.**

For the first nine months of 2019, 97.3 per cent. of Piraeus Bank's total net income was derived from its operations in Greece. As a result, macroeconomic developments and political conditions in Greece affect Piraeus Bank's business and results of its operations, the quality of its assets and its general financial condition directly and significantly.

The credit ratings of Greece have been affected by the still difficult but steadily improving economic environment after the completion and exit from the three-year European Stability Mechanism ("ESM") financial assistance programme (the "Third Economic Adjustment Programme") in August 2018. As of the date of this Offering Circular, the current long term credit ratings of Greece by Moody's, S&P Global, Fitch and DBRS Rating Limited ("DBRS") are B1 (Stable), BB- (Positive), BB (Positive) and BB Low (Positive) respectively.

The Greek economy has encountered and continues to encounter significant fiscal challenges and structural weaknesses. The Hellenic Republic faces sizeable pressure on its public finances. Greece's General government gross debt as at 31 December 2018 was €334.7 billion compared to €317.5 billion as at 31 December 2017. Moreover, in the second quarter of 2019 Greece's General government gross debt increased to €335.5 billion (source: National Accounts Division ELSTAT).

In this context a series of potential risks for the Group exist, each of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects:

- Following the multiyear fall in real GDP, which cumulatively amounted to 26 per cent. since 2007, growth performance is still volatile and adverse macroeconomic developments in Greece are likely to have a material adverse effect on the Group's business, results of operations and financial position. In 2018, real GDP sustaining the growth momentum of 2017 (+2.2 per cent.), increased by 1.9 per cent. Real GDP in the first nine months of 2019 increased by 2.2 per cent. (year-on-year), up from 2.0 per cent. in the first nine months of 2018. Despite the moderate acceleration, the recovery of the Greek economy may continue to be slow and not fast enough to reverse years of austerity and economic contraction.
- Greece is still vulnerable to shocks that could come in the form of slower growth among trading partners.
- The need to implement additional austerity measures may create new recessionary pressure leading to the deterioration of the financial climate, lack of liquidity and shrinkage of private consumption in Greece.
- Given that the credit ratings of Greek banks are related to the credit rating of the Hellenic Republic, a potential downgrade of the Hellenic Republic could affect Piraeus Bank's credit rating and, ultimately, its results of operations and financial condition.

**Non-Performing Exposures have had a negative impact on the Bank's operations and have led to a significant decrease in the Bank's revenue, and may continue to do so.**

Non-Performing Loans ("NPLs") and Non-Performing Exposures ("NPEs") represent one of the most significant challenges for the Greek banking system.

In late November 2016, the Greek banks and the Bank of Greece in cooperation with the SSM agreed upon a set of operational targets to reduce NPEs. At the end of March 2019 Greek banks re-submitted updated estimates for 2021 along with all European banks supervised by the SSM that have high NPEs, aiming to reduce NPEs by an additional €6 billion compared to the target set in September 2018 and, targeting a NPE ratio at the end of 2021 lower than 20%. As at September 2019, the four systemic banks' stock of NPEs was reduced to €71 billion, down €25 billion or 33% from the peak of €106.5 billion in December 2015. For the end of 2020 the four systemic banks have announced plans to reduce the NPE stock further, to below €40 billion.

In order to facilitate its NPE reduction strategy, Piraeus Bank has entered into a long-term agreement with Intrum AB ("Intrum") on 3 June 2019 for the management of its NPEs and Real Estate Owned ("REO") assets through the establishment of an independent non-performing assets servicing platform (the "Intrum Transaction") (see *"Piraeus Bank and the Piraeus Bank Group - Recent Developments (since 31 December 2018)"* for more information).

Despite the accelerated efforts, NPEs remain high across most asset classes. Piraeus Group's NPE amounts and ratios are presented in the following table (amortised cost portfolio):

	31 December 2017	31 December 2018	30 September 2018	30 September 2019
NPEs (Amounts in € million)	32,856	27,331	28,542	25,689
NPE ratio	54.5%	51.5%	54.1%	51.6%
Adjusted NPE ratio <sup>1</sup>	56.0%	53.1%	54.1%	51.6%

NPEs decreased by €5.5 billion in 2018, while the NPE deleverage process continued during the first nine months of 2019 with a €1.6 billion NPE decrease, which was the result of organic and inorganic actions.

While the Bank's strategy through the engagement of an independent servicer (via the Intrum Transaction) aims to enhance the Bank's NPE recovery prospects, such strategy entails certain business and operational risks. The Bank's ability to realise the expected synergies and other benefits and achieve an improvement on the NPE recovery process may be affected by a number of factors, including implementing the appropriate financial incentives, proper co-ordination of the management and/or disposal of NPEs, rigorous application of credit standards, avoidance of capital-diluting write-offs and other actions, as well as the ability to share information and render IT systems compatible with the operations of the independent servicer, all of which may materially and adversely affect the Bank's financial condition, capital adequacy and operating results.

A weaker than expected improvement in the macroeconomic performance, or weaker recovery of domestic demand may lead to lower growth, perpetuate debt problems and lead to additional NPL/NPE generation. Furthermore, any potential change in the regulatory stance could result in an increase of future provisions and a significant decrease in the Bank's revenue, which could materially and adversely affect the Bank's financial position, capital adequacy and operating results.

### **Risks in the post memorandum era stemming from the Third Economic Adjustment Programme.**

The decisions and future measures stemming from the successful conclusion of the Third Economic Adjustment Programme could be subject to a range of substantial risks, including:

- Renewed recessionary pressures related to fiscal austerity, derailing economic-fiscal projections, including a risk of deterioration in labour market conditions.
- In the event of policy implementation deficiencies or shortfalls, or in the event that the economy takes longer to respond to labour market and supply side reforms, recession is likely to return, leading to a higher debt trajectory and additional debt relief by the public sector, and/or a default on debt.

<sup>1</sup> Total gross loans and advances to customers excluding a seasonal agricultural loan OPEKEPE facility of €1.62 billion and €1.65 billion at the end of December 2018 and 2017 respectively to OPEKEPE (the Greek Payment and Control Agency for Guidance and Guarantee Community Aid) for the payment of EU agricultural subsidies to approximately 700,000 farmers.

- The Greek economy might be burdened by the ambitious fiscal goals, smaller than anticipated gains from fiscal and structural reforms, or the need for more protracted efforts to stabilise the banking sector.
- Uncertainty surrounding the capacity of the Greek government to sustain high primary surpluses over a long period of time.
- Market concerns regarding public debt long term sustainability may not dissipate.
- Investor sentiment could remain poor despite the reform efforts, or bank deleveraging could proceed more rapidly than envisioned, undermining corporate investment and private sector sentiment.

Whilst the overall environment surrounding the banking sector has improved following the completion of the Third Economic Adjustment Programme amid positive economic growth rates, risks going forward will depend on success in the ongoing implementation of the guidelines agreed upon in the programme and what their actual impact will be on the Greek economy. Any failure to successfully implement the guidelines agreed in the programme, or any negative impact on the Greek economy (in each case culminating in any of the risks to the Greek economy highlighted above) could have a material adverse effect on the Group's business, results of operations and financial condition.

### ***Risks relating to Funding***

**The Bank has limited sources of liquidity, which are not guaranteed and the cost of which may increase materially.**

The Group's ability to raise funds in the capital markets was drastically reduced following the economic crisis in Greece, making it dependent on the European Central Bank (the "ECB") and the Bank of Greece for funding and therefore vulnerable to changes in ECB or Bank of Greece's regulations.

The financial crisis adversely affected the Group's credit rating, restricted its access to international markets for funding and increased its funding costs and collateral posting requirements in repurchase ("repo") agreements and other collateralised funding agreements, including the Group's agreements with the ECB and the Bank of Greece. Concerns relating to the ongoing influence of these adverse conditions may in the medium term cause further delays in the Group's ability to receive market funding from the debt capital markets. The severity of pressure experienced by Greece in its public finances restricted the Group's access to the capital markets for funding, particularly unsecured funding and funding from the short-term interbank market, because of concerns by counterparty banks and other creditors. Since the second semester of 2017 Greek banks have regained access to the capital markets, through the issuance of covered bonds, subordinated bonds and interbank repos. Although access to capital markets has gradually become reinstated over the past few years, the Group cannot be certain that access to the capital markets in future periods will be maintained on economically beneficial terms.

Piraeus Bank, along with the whole Greek banking system, has had to address major challenges during recent years, for example high deposit outflows (that peaked in 2012 and 2015) and the increase of Non-Performing Loans, and has also faced unprecedented events at a national level, such as the bank holiday declared on banking businesses in Greece for three weeks in mid-2015 and the imposition of capital controls in mid-2015. The deposit outflows in the Greek banking market that started in 2010 were intensified in 2012 and again in 2015, a trend that was offset by the Eurosystem's liquidity support measures, from which the total financing utilised by the Greek banking sector amounted to €108 billion at 31 December 2015. There has been a downward trend in Eurosystem support, which amounted to €11.1 billion at 31 December 2018 and €7.5 billion on 30 September 2019 reaching the lowest level since April 2008 (source: Bank of Greece). As at



31 December 2018, the Bank's Eurosystem funding amounted to €3.2 billion (compared to €9.7 billion as at 31 December 2017), and decreased further to €0.8 billion as at 30 September 2019. Piraeus Bank's funding through Emergency Liquidity Assistance ("ELA"), in particular, was eliminated in July 2018 and remained nil as at 30 September 2019. An increase in customer deposits in recent years and access to the interbank repo market helped Greek banks eliminate their ELA balance in March 2019. Although the Bank's central bank funding has decreased significantly, there can be no assurance that the Bank's funding needs will continue to be met by, or that it will continue to have access to, Eurosystem funding in the future.

Uncertainty regarding how well the demands following the conclusion of the Third Economic Adjustment Programme will be implemented in a post memorandum environment has weighed (and may weigh again in the future) on the liquidity of the Greek financial system and consequently of the Bank as at the date of this Offering Circular. Negative reports from the enhanced surveillance under the post-programme framework, delays in the completion of the ongoing reforms, the impact of fiscal measures adopted over the course of the programme, low private consumption, stagnation of the business climate and moderate investment growth would have negative implications for the expected recovery and banking sector's stability.

Piraeus Bank is currently able to use retained covered bonds as collateral for funding from the Bank of Greece. These covered bonds may not be accepted as collateral in the future, if, for example, credit downgrades take place or the relevant rules of the Bank of Greece allowing their use as collateral are amended. Any downgrades of Greece's credit rating may materially affect Piraeus Bank's ability to raise additional funds from the Bank of Greece or other sources. In addition, further loss of deposits and any prolonged need for additional Eurosystem funding may lead to the exhaustion of available collateral required to raise funds from the Eurosystem and may lead to funding risks for the Group. Furthermore, if the ECB or the Bank of Greece revise their collateral standards or increase the rating requirements for collateral securities such that retained covered bonds are not eligible to serve as collateral, the Group's funding costs would increase materially and its access to liquidity financing will be limited.

**A material decrease in funds available to Piraeus Bank from customer deposits, particularly retail deposits, could impact its funding.**

Historically, one of Piraeus Bank's principal sources of funds has been customer deposits. Since Piraeus Bank relies on customer deposits for the majority of its funding, if its depositors withdraw their funds at a rate faster than the rate at which borrowers repay their loans, or if Piraeus Bank is unable to obtain the necessary liquidity by other means, Piraeus Bank may be unable to maintain its current levels of funding without incurring higher funding costs, having to liquidate some of its assets or increasing Piraeus Bank funding from the ECB and the Bank of Greece under their respective terms.

The on-going availability of customer deposits to fund the Bank's loan portfolio is subject to potential changes in certain factors outside the Bank's control, such as depositors' concerns relating to the economy in general, the financial services industry or the Bank specifically, an increasing tax burden that forces depositors to use their funds (and subsequently decrease their deposits), increased competition by Greek and foreign banks through internet deposit products, perceived risks relating to so called "bail-in" measures and the availability and extent of deposit guarantees. Any of these factors separately or in combination could lead to a sustained reduction in the Bank's ability to access customer deposit funding on appropriate terms in the future, which would impact the Bank's ability to fund its operations and meet its minimum liquidity requirements and have an adverse effect on the Bank's business, financial condition, results of operations and prospects. Furthermore, although deposit growth continues to strengthen, return of deposits will continue to be hampered by the high fiscal burden in Greece. Renewed turmoil in the domestic economic and political environment, failure to comply with the post-programme framework or any deterioration of the economic climate, may result in a loss of customer confidence and further

outflows of deposits from the Greek banking system and consequently lead Piraeus Bank to increase its reliance on Eurosystem financing.

### ***Risks relating to regulation***

**The Group is subject to extensive and complex regulation, which is the subject of ongoing change and reform in each jurisdiction in which it operates, imposing a significant compliance burden on the Group and increasing the risk of non-compliance.**

The Group is subject to financial services laws, regulations, administrative actions and policies in each jurisdiction in which it operates. All of these regulatory requirements are subject to change, particularly in the current market environment, where there have been unprecedented levels of government intervention and changes to the regulations governing financial institutions. In response to the global financial crisis, national governments as well as supranational groups, such as the EU, have been considering and implementing significant changes to current bank regulatory frameworks, including those pertaining to capital adequacy, liquidity and the scope of banks' operations. For example, significant amendments to the CRR (as defined below), the BRRD (as defined below) and Regulation (EU) No 806/2014 were published in the Official Journal of the EU in June 2019. See further "*Regulation and Supervision of Banks in Greece*".

From early November 2014, Piraeus Bank has been directly supervised by the ECB within the framework of the Single Supervisory Mechanism ("SSM"). The regulatory regime imposes various compliance requirements upon Piraeus Bank, including in relation to the training, authorisation and supervision of personnel, systems, processes and documentation. If Piraeus Bank fails to comply with such regulations, there is a risk of an adverse impact on its business due to sanctions, fines or other actions imposed by the regulatory authorities. The Bank of Greece, the ECB and other bodies could impose further regulations or other obligations, laws, administrative actions, in relation to current and past dealing with customers, either in Greece or in each jurisdiction where Piraeus Bank operates. Furthermore, in light of the current market environment, there have been changes to the regulations governing financial and credit institutions and governmental rules imposed on them. In response to the financial crisis, national governments as well as supranational organisations, such as the EU, have been considering significant changes to current regulatory frameworks, including those pertaining to capital adequacy and the scope of banks' operations. As a result of these and other ongoing and possible future changes in the financial services regulatory landscape (including requirements imposed by virtue of Piraeus Bank's participation in any government or regulator-led initiatives, such as the Support Scheme and the Hellenic Financial Stability Fund ("HFSF")), Piraeus Bank expects to face greater regulation in Greece and in the countries where it operates.

Consequently, Piraeus Bank may face increased capital requirements, stricter disclosure requirements and restricted types of permitted transactions, thus affecting its strategy and limiting or requiring the modification of rates or fees that Piraeus Bank charges on certain loan and other products, any of which could lower the return on its investments, assets and equity. Piraeus Bank may also incur costs in complying with these regulations or obligations relating to its business, including potential compensation and costs relating to advice given to customers. The new regulatory framework may have a significantly wider scope than the previous regime and may have unintended consequences for the Greek financial system or Piraeus Bank's business, including increasing competition, increasing general uncertainty in the markets, or advantaging or disadvantaging certain lines of business.

**Changes in regulation may result in uncertainty about the Group's ability to achieve and maintain required capital levels and liquidity.**

The Group and the Bank are required by their regulators to maintain minimum capital ratios – see "*Regulation and Supervision of Banks in Greece – Capital Adequacy Framework*". These required levels may increase in the future, for example pursuant to the supervisory review and evaluation

process (“SREP”) as applied to the Bank. In addition, the manner in which the requirements are applied may adversely affect the Group and/or the Bank’s capital ratios.

The Group is supervised by the SSM, which has created a system of prudential regulation comprising the ECB and the national competent authorities of participating Eurozone countries, and has set minimum capital requirements. The Bank, its regulated subsidiaries and its branches are subject to the risk of having insufficient capital resources or a lack of liquidity to meet the minimum regulatory capital and/or liquidity requirements. In addition, those minimum regulatory capital requirements are likely to increase in the future, or the methods of calculating capital resources may change. The SSM could introduce risk-weighted assets (“RWA”) floors (as it has done in other jurisdictions), and further harmonisation of RWAs could increase risk weighting of exposures. In addition, proposals have been discussed which would cap the amount of sovereign bonds that banks could hold, or assign risk weights to sovereign bond holdings, which could require banks to raise additional capital. Likewise, the Bank is obliged under applicable regulations to retain a certain liquidity coverage ratio – see “*Regulation and Supervision of Banks in Greece – Capital Adequacy Framework – Liquidity Requirements*”. Liquidity requirements may come under heightened scrutiny and may place additional stress on the Group’s liquidity demands in the jurisdictions in which it operates. For a discussion of recent stress tests performed on the Bank, see “*Piraeus Bank is subject to stress testing*” below.

Although it is difficult to predict with certainty the impact of regulatory developments on the capital ratios of the Group, the legislation and regulations in the EU, Greece and other parts of Europe in which the Group operates may lead to an increase of capital requirements and capital costs and have negative implications on activities, products and services offered, as well as to the value of the Group’s assets, operating results and financial condition. Compliance with new requirements may increase the Bank’s regulatory capital and liquidity requirements and costs, disclosure requirements, restrict certain types of transactions, affect its strategy and limit or require the modification of rates or fees that are charged on certain loan and other products, any of which could lower the return on the Group’s investments, assets and equity. Any of these factors may result in the need for additional capital and capital increases for the Group. If the Group is not able to meet its capital requirements by raising funds from the capital markets, it may need to seek additional funding by means of state aid and/or the applicable resolution authority, thereby increasing the likelihood that the Noteholders will be subject to limitations on their rights and/or incur significant losses in their investments.

#### **Piraeus Bank is subject to stress testing.**

Stress tests analysing the banking sector have been, and will continue to be, published by national and supranational authorities and regulators including the Bank of Greece, the European Banking Authority (the “EBA”), the International Monetary Fund (the “IMF”), the ECB and others. The ECB periodically conducts a comprehensive assessment of the capital requirements of major European banks, which aims to enhance the transparency of their balance sheets.

Loss of confidence in the banking sector following the announcement of stress tests regarding a bank or the Greek banking system as a whole, or market perception that any such tests are not rigorous enough, could have a negative effect on the cost of funding and may thus have a material adverse effect on operations and financial condition. Furthermore, any future stress tests may result in a requirement for the Bank to raise additional capital.

Greek banks may be required in the future to meet more stringent capital requirements regarding their CET1 capital adequacy ratios. If the Bank were to fail to meet any such new requirements by accessing the capital markets or the internal creation of capital, it would be required to receive additional capital from the HFSF or, potentially, other investors which could also have a negative effect on the Group’s cost of funding and may thus have a material adverse effect on its results of operations and financial condition.

**The Bank Recovery and Resolution Directive may have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.**

Directive 2014/59/EU, as amended by Directive (EU) 2019/879 and as may be further amended from time to time (the "BRRD"), sets out rules designed to harmonise and improve the tools for dealing with bank crises across the EU to ensure that shareholders, creditors and unsecured depositors mandatorily participate in the recapitalisation and/or the liquidation of troubled banks. The BRRD (except for Directive (EU) 2019/879, which has not yet been implemented into Greek legislation and must be transposed by 28 December 2020) has been implemented in Greece by virtue of Greek law 4335/2015 (the "BRRD law") and in the other EU countries in which the Group has banking operations.

Where a credit institution (such as the Bank) is determined to be failing or likely to fail (as contemplated by the BRRD) and there is no reasonable prospect that any alternative solution would prevent such failure, various resolution actions are available to the relevant regulator under the BRRD comprising the asset separation tool, the bridge institution tool, the sale of business tool and the bail-in tool. These resolution actions are described under "*Regulation and Supervision of Banks in Greece - Recovery and resolution of credit institutions - Resolution tools*".

Should the Bank be determined to be failing or likely to fail (as contemplated by the BRRD), the application of any of the powers and tools under the banking recovery and resolution regulations applicable to it (including the BRRD) could result in the removal of the Bank's Board of Directors and management team and adversely affect the Bank's business, financial condition, results of operations and prospects. This could also result in Notes or (if applicable) the Guarantee being written down, converted to equity or cancelled by the competent resolution authority, which could lead to a partial or total loss of investment by the relevant holders regardless of whether or not the financial position of the Bank is restored. The resolution authorities may also decide to alter the maturities of any Notes or to reduce their nominal interest rate.

The BRRD prescribes minimum requirements for own funds and eligible liabilities in the EU legislation ("MREL"). The MREL framework provides that there should be sufficient loss-absorbing and recapitalisation capacity available in resolution of any credit institution to implement an orderly resolution that minimises any impact on financial stability, ensures the continuity of critical functions, and avoids exposing taxpayers (public funds) to loss. The Single Resolution Board ("SRB") has been authorised to calculate and determine the level of MREL for each EU systemic credit institution (including the Bank). The SRB has not yet formally disclosed a binding MREL level for the Bank or any of its subsidiaries or a timeframe for compliance with a particular MREL level, although it is expected that the SRB will do so by the beginning of 2020. If the Bank is required to meet a particular MREL level within a short timeframe and/or the MREL level is high (or higher than expected), this could adversely affect the Bank's ability to comply with the SRB's requirements or could result in the Bank issuing MREL at very high costs, which could adversely affect the Bank's business, financial condition, results of operations and prospects.

The exercise of some or all of the SRB's resolution powers (as the competent resolution authority under the BRRD) may also affect the confidence of the Bank's depositor's base and so may have a significant impact on the Bank's results of operations, business, assets, cash flows and financial condition, as well as on the Bank's funding activities and the products and services it offers.

***Risks relating to the global financial markets and political developments***

**The Bank's business, earnings and financial condition have been and will continue to be affected by the global economy and by the instability in global financial markets.**

Results of operations, both in Greece and internationally, in the past have been, and in the future may continue to be, materially affected by many factors of a global nature, including: sovereign, political and regulatory risks; the state of public finances; the availability and cost of capital; the

liquidity of global markets; the level and volatility of equity prices, commodity prices, interest rates and credit spreads; currency values; the availability and cost of credit; inflation; the stability and solvency of financial institutions and other companies; investor sentiment and confidence in the financial markets; or a combination of those factors.

Most of the economies with which Greece has strong export links, including several Eurozone countries (some of which faced a sovereign debt crisis in the recent past), continue to face significant economic headwinds. The outlook for the global economy over the medium term remains challenging and many forecasts predict at best only stagnant or modest levels of gross domestic product growth in the European Monetary Union. Policymakers in many advanced economies have publicly acknowledged the need to adopt urgently credible strategies to contain public debt and excessive fiscal deficits and later reduce debt and deficits to more sustainable levels. The implementation of these policies may restrict economic recovery, with a corresponding negative impact on the Bank's financial condition, results of operations and prospects.

### **Political and economic developments could adversely affect the Group's operations.**

External factors, such as political and economic developments, may negatively affect the Group's operations, investments, strategy and prospects. The Group's financial position and operating results as well as its strategy and prospects may be adversely affected by events outside its control, which include but are not limited to:

- changes in government and economic policies;
- changes in the level of interest rates imposed by the ECB;
- fluctuations in consumer confidence and the level of consumer spending;
- regulations and directives relating to the banking sector;
- political instability or military conflicts that impact Europe and/or other regions; and
- taxation and other political, economic or social risks relating to the Group's business development.

### ***Risks relating to operations outside the Hellenic Republic***

#### **Emerging Markets**

In addition to its continuing operations in Greece, the UK and Germany, Piraeus Bank has modest operations in Ukraine. Its international operations outside the EU are exposed to the risk of adverse political, governmental and/or economic developments, as well as to particular operating risks associated with emerging markets. These factors could have a material adverse effect on its financial position and results of operations.

**There are a number of uncertainties in connection with the future of the UK and its relationship with the EU following the result of the UK referendum on 23 June 2016 and the subsequent triggering of Article 50 by the UK Government on 29 March 2017.**

Under the terms of the ratified EU-UK article 50 withdrawal agreement (the "article 50 withdrawal agreement"), a transition period has now commenced which will last until 31 December 2020. During this period, most EU rules and regulations will continue to apply to and in the UK and negotiations in relation to a free trade agreement will be ongoing. Under the article 50 withdrawal agreement, the transition period may, before 1 July 2020, be extended once by up to two years. However, the UK legislation ratifying the article 50 withdrawal agreement (the European Union (Withdrawal) Act 2018 as amended by the European Union (Withdrawal Agreement) Act 2020 (as

so amended, the “EUWA”)) contains a prohibition on a Minister of the Crown agreeing any extension to the transition period. While this does not entirely remove the prospect that the transition period will be extended (as the UK Parliament could pass legislation that would override the effect of the prohibition in the EUWA), the likelihood of a further extension is reduced. During the transition period, the UK and the EU may not reach agreement on the future relationship between them, or may reach a significantly narrower agreement than that envisaged by the political declaration of the European Commission and the UK Government.

To minimise the risks for firms and businesses the UK Government continues preparations (including the UK Government publishing further draft secondary legislation under powers provided in the EUWA) to ensure that there is a functioning statute book at the end of the transition period.

There are a number of uncertainties in connection with the future of the UK and its relationship with the EU. The negotiation of the UK’s exit terms is likely to take a number of years.

Due to the on-going political uncertainty as regards the structure of the future relationship between the UK and the EU, the precise impact on the business of the Issuer is difficult to determine. In particular, it is not currently possible to determine the impact that the UK’s withdrawal from the EU may have on (i) any financing arrangements (including the impact of any tax) made between Piraeus PLC and the Bank and/or any other member of the Group or (ii) the business of the Group’s UK branch, including its ability to continue to conduct business in the UK. It is also not possible to quantify the wider economic and political effects of a UK withdrawal from the EU and these effects could adversely affect the Group’s business and/or the market value and/or the liquidity of the Notes in the secondary market.

### ***Risks Relating to Piraeus Bank’s Business***

**As a result of its business activities, the Bank is exposed to a variety of risks, the most significant of which are financial risk, credit risk, market risk, operational risk, liquidity risk and litigation risk. Failure to control these risks could result in material adverse effects on the Bank’s financial performance and reputation.**

*Piraeus Bank’s strategic roadmap involves regulatory and execution risks and any Hive-Down (if implemented) could structurally subordinate the claims of the Noteholders against Piraeus Bank*

In February 2020, Piraeus Bank re-affirmed its commitment to its strategic roadmap to 2023, referred to as "Agenda 2023".

There can be no assurance that Piraeus Bank will achieve any of the anticipated benefits of its Agenda 2023 in full or in the time frame currently envisioned. For example, Piraeus Bank requires regulatory approvals for some aspects of its strategic roadmap and these may be delayed, withheld or subject to conditions. Any such failure to achieve the fully anticipated benefits of Agenda 2023 could have an adverse effect on Piraeus Bank's reputation, business, financial condition, results of operations and prospects and could divert management's attention from running the business.

In addition, should any Hive-Down (as defined below) be implemented, the claims of holders of the Notes shall, as against Piraeus Bank, be structurally subordinated to the claims of all creditors of New Piraeus Bank (as defined below) unless, in the case of Notes issued by Piraeus Bank, Piraeus Bank and New Piraeus Bank agree, in accordance with the Conditions, to the substitution of New Piraeus Bank in place of Piraeus Bank as the debtor in respect of such Notes. In the absence of any such substitution, this structural subordination would arise as Piraeus Bank would be largely dependent upon funds received from New Piraeus Bank, in the form of dividends or otherwise, in order to fulfil its obligations under the Notes. In the event of any such structural subordination the ability of New Piraeus Bank to pay dividends and other amounts to Piraeus Bank will be subject, amongst other things, to its profitability, to applicable law and regulation, to its

capital adequacy position and to any relevant contractual restrictions to which it is or may become subject. Furthermore, investors should note that the Conditions do not impose any obligation on Piraeus Bank to effect the substitution of New Piraeus Bank in place of Piraeus Bank as the debtor in respect of Notes issued by Piraeus Bank, whether as a pre-condition to any Hive-Down or otherwise.

### *Financial Risk*

Control of financial risk is one of the most important risk factors for financial institutions. Financial risk includes credit, liquidity, operational and market risk. Failure to control these risks can result in material adverse effects on Piraeus Bank's financial performance and reputation.

### *Credit Risk*

Credit risk is defined as the potential risk of realising financial losses stemming from the possibility that counterparties fail to meet their contractual/transactional obligations. Credit risk includes default and migration risk, country risk, counterparty credit risk, credit concentration risk and collateral credit risk.

The Group's exposure to credit risk mainly arises from corporate and retail credit, various investments, over-the-counter ("OTC") derivative transactions, as well as from transactions' settlement. The amount of risk associated with such credit exposures depends on various factors, including general economic conditions, market developments, the debtor's financial condition, the amount/type/duration of the relevant exposure and the existence of collateral and guarantees, which Piraeus Bank may not be able to assess with accuracy at the time it undertakes the relevant activity.

If there is a further deterioration in economic and market conditions in one or more of the markets in which the Bank operates, this could worsen the credit quality of the Bank's borrowers and counterparties. In Greece and in the other countries in which the Bank operates, the Bank may continue to see adverse changes in the credit quality of borrowers and counterparties, with increasing delinquencies, defaults and insolvencies across a range of sectors, particularly in the real estate market where the Bank's exposure is significant due to mortgage loans. These trends and risks have led and may lead to further and accelerated impairment charges, higher costs, additional write-downs and losses for the Bank.

A default by a significant counterparty could have a material adverse effect on the Group's business, financial condition, results of operations, capital adequacy and prospects and payment defaults may arise from circumstances that are unforeseeable or difficult to detect. A general deterioration of the credit quality of borrowers / counterparties could affect the recoverability and value of the Bank's assets and require an increase in impairment losses. In addition, collateral and guarantees provided may be insufficient to cover the exposures to the Group.

The Group is also exposed to issuer risk. Any deterioration in the issuer credit quality, leading to a downgrade or a series of credit rating downgrades and any resulting reduction in the value of the debt securities portfolio may have a significant effect on the Group's business, capital position, financial position, results of operations and prospects.

### *Market Risk*

Market risk is the risk of economic losses to Piraeus Bank due to adverse changes in market rates or prices, such as interest rate changes, foreign exchange rate changes, equity price or commodity price changes. Interest rate risk is the primary market risk for Piraeus Bank, as unexpected yield curve changes can adversely affect Piraeus Bank's net interest margin and profit before income tax, reducing Piraeus Bank's profit for the period and net assets. Similarly, unexpected adverse movements in the foreign exchange market can affect the value of Piraeus Bank's assets and

liabilities that are denominated in foreign currencies resulting in potential reductions in operating income and total equity. The performance of financial markets may cause changes in the value of Piraeus Bank's investment and trading portfolios.

### *Operational Risk*

Operational risk is defined as the risk of loss to Piraeus Bank due to inadequate or failed internal processes, people and systems or from external events. Losses resulting from internal processes are associated with deficiencies and lack of controls in existing internal procedures, or the absence of documentation about clear and approved procedures related to Piraeus Bank's operations. Losses resulting from people are associated with the violation of internal policies by employees or contractors of Piraeus Bank. The unavailability and/or malfunction of systems and technological infrastructure may also result in operational risk losses. Finally, losses from external events may occur due to natural disasters (such as floods or earthquakes), or directly from a third party's actions including malicious acts (such as robberies or terrorist activity).

Other types of risks that could affect the Bank's activities, and which are considered as sub-types of operational risk (and as such managed within the operational risk management framework), are conduct risk, information and communication technology risk, legal and compliance risk, money laundering and terrorism financing risk, environmental and social risk, outsourcing risk and reputational risk.

For example, the Intrum Transaction required complex and multi-dimensional integration of IT systems, databases, billing procedures, credit procedures, operations, legal procedures and other key functions of the Bank with those of an external service provider. This level of integration with a long-term external supplier could exacerbate some or all of the operational risks mentioned above.

### *Liquidity Risk*

Liquidity risk is the Bank's potential inability to anticipate and take appropriate measures to deal with unforeseen decreases or changes in funding sources and/or in liquid assets buffer, which could adversely affect its ability to fulfil financial obligations when they fall due.

### *Litigation Risk*

In the context of its day-to-day operations the Bank is exposed to litigation risk, among others, as a result of changing and developing consumer protection legislation and legislation on the provision of banking and investment services. Although the Bank believes that it conducts its operations pursuant to applicable laws and takes all necessary measures for adapting its operations to legislative amendments, there can be no assurance that significant litigation will not arise in the future.

Officials from the Hellenic Competition Commission (the "HCC") visited, among other entities, the Bank's headquarters on 7 and 8 November 2019, with authorization to inspect documents and data in connection with potential infringements of Articles 1 and 2 of the Greek Competition Act, as well as Articles 101 and 102 of the Treaty on the Functioning of the European Union, which prohibit cartels and restrictive exclusionary practices, in banking and payment services. The Bank is cooperating and will continue to cooperate with the HCC. As per a press release of the HCC (<https://www.epant.gr/en/enimerosi/press-releases/item/197-press-release-unannounced-inspections-of-the-hellenic-competition-commission-in-the-banking-sector.html>), the fact that the HCC carries out inspections does not mean that the inspected companies are involved in any sort of anti-competitive behavior, nor does it prejudice the outcome of the investigation itself.

Legal and regulatory actions are subject to many uncertainties, and their outcomes, including the timing, amount of fines or settlements or the form of any settlements, which may be material and in excess of any related provisions, are often difficult to predict, particularly in the early stages of a



case or investigation, and the Bank's expectation for resolution may change. In addition, responding to and defending any current or potential proceedings involving the Bank or any of its directors and other employees may be expensive and may result in diversion of management resources (including the time of the affected persons or other Group employees) even if the actions are ultimately unsuccessful.

Adverse outcomes or resolution of current or future legal or regulatory actions may result in additional supervision by the Group's regulators and/or changes in the directors, officers or other employees of the Group and could result in further proceedings or actions being brought against any of the Group's directors, officers or other employees. They may also adversely impact investor confidence and the Group's broader reputation.

In addition, legal and regulatory actions involving the Group may also result in fines, administrative sanctions (including restrictions in operations, regulatory licence revocation, etc.), settlements or damages being awarded against the Group, further actions or civil proceedings being brought against the Bank or any of its subsidiaries and potentially have other adverse effects on the business of the Group.

Accordingly, any such legal proceedings and other actions involving the Bank, any member of the Group or any of its directors or other employees may adversely affect the Group's reputation and business.

**Following the participation of the HFSF in the capital structure of Piraeus Bank, the management, the business decisions and the operation of Piraeus Bank may be materially affected by the HFSF as a shareholder, and/or as a holder of contingent convertible bonds and/or other convertible capital instruments.**

Following Piraeus Bank's recapitalisations, the HFSF has become the largest ordinary shareholder of Piraeus Bank and as at the date of this Offering Circular holds 26.42 per cent. of voting rights, of which 0.43 per cent. are restricted.

In accordance with the provisions of Greek Law 3864/2010, as in force, the Bank's relationship with the HFSF is governed by a relationship framework agreement between the Bank and the HFSF, which was entered into on 27 November 2015 (the "Relationship Framework Agreement" or "RFA"). The Relationship Framework Agreement contains terms and commitments in addition to those terms that the Bank is already subject to under Greek Law 3864/2010, as in force, and, *inter alia*, it determines the corporate governance of the Bank, and sets out the HFSF's consent for material matters.

Pursuant to article 10 of Greek Law 3864/2010 the HFSF as the holder of ordinary shares, contingent convertible bonds and/or any other convertible instruments, can establish, with the assistance of an independent consultant, the criteria for the evaluation of the members of the Board of Directors of the Bank and its committees and additionally any committees the HFSF deems necessary, taking into account international best practices. The HFSF also issues specific recommendations for changes and improvements in the corporate governance of each credit member of the Group.

There is a risk that the HFSF, as the Bank's shareholder, may exercise the rights it has to exert influence over the Bank and may disagree with certain of its decisions relating to dividend distributions, benefits policies and other commercial and management decisions, which will ultimately limit the Bank's operational flexibility.

For further details regarding the Relationship Framework Agreement and the Bank's relationship with the HFSF in general, see "*Regulation and Supervision of Banks in Greece - The Hellenic Financial Stability Fund*".

**If Piraeus Bank relies again on the Support Scheme, the Hellenic Republic will be in a position to exert influence over certain management and business decisions through its appointed representative.**

On 9 December 2008, Greek Law 3723/2008, as in force, was enacted in Greece on the “Liquidity Support of the Economy for mitigating the consequences of the international financial and credit crisis and other provisions” as amended by a number of laws and ministerial decisions, pursuant to which the Hellenic Republic established a voluntary scheme for the capitalisation and liquidity support of credit institutions licensed by the Bank of Greece (the “Support Scheme”) with the objective, among other things, of strengthening Greek banks’ capital and liquidity positions.

Piraeus Bank has voluntarily accepted the Support Scheme. For so long as a credit institution makes use of the measures contemplated in the second pillar (article 2 of Greek Law 3723/2008, as in force), the Hellenic Republic is entitled to participate through an appointed representative (the “Representative”) in the board of directors of the credit institution, who may also be appointed as an additional board member. The Representative has veto power on (i) decisions of a strategic nature or decisions which may alter significantly the legal or financial standing of the credit institution and for the approval of which a shareholders’ resolution is required, (ii) decisions related to the distribution of dividends and the remuneration policy of the Chairman, the Managing Director, the rest of the board members, as well as of the general managers and their deputies, pursuant to a specific decision of the Minister of Finance, or (iii) if, according to his own judgement, such decisions may prejudice the interests of the depositors or materially affect the solvency and the proper operations of the credit institution. The Representative may also be present at the general meeting of the shareholders with the right to exercise the same veto powers upon discussion and resolution of the aforementioned specific matters.

Furthermore, the Representative has unlimited access to the books and records, as well as to reports related to the restructuring and viability of the credit institution, to the medium-term funding plans, as well as to the records related to the provision of credit to the real economy. Although Piraeus Bank does not presently rely on the Support Scheme, there can be no assurance that it will not make use of any of its measures in the future. There is a risk that the Representative, may exercise the rights it has to exert influence over the Bank and may disagree with certain of its decisions that will ultimately limit the Bank’s operational flexibility.

**The Group may not be able to effectively utilise deferred tax assets or treat deferred tax assets as regulatory capital.**

The Group recognises deferred tax assets to the extent that it is probable that the Bank or Group companies will have sufficient future taxable profit available, against which deductible temporary differences and tax losses carried forward can be utilised. The main uncertainties for the recoverability of the deferred tax assets relate to the achievement of the goals set in Bank’s business plan, which is mainly affected by the economic circumstances in Greece. Any failure to achieve such goals, and thus effectively recover the deferred tax assets recognised, may have an adverse effect on the Group’s operating results and financial position.

Additionally, the Group may not be allowed to continue recognising the main part of deferred tax assets as regulatory capital, which may have an adverse effect on its operating results and financial position.

**The Group faces significant competition from Greek banks and foreign banks.**

The Greek wholesale and retail banking markets are competitive. Developments in these markets and increased competition could have an adverse effect on Piraeus Bank’s financial position.

**Applicable bankruptcy laws and other laws and regulations affecting creditors' rights in Greece and various European countries where the Group operates may limit the Group's ability to receive payments on defaulted credits.**

Laws regarding bankruptcy and other laws and regulations governing creditors' rights generally vary significantly within the regions in which the Group operates. In Greece and some other countries, bankruptcy and other laws and regulations affecting creditors' rights are likely to offer less protection for creditors than bankruptcy and other insolvency regimes in Western Europe and the United States.

Since the onset of the financial crisis in Greece, legislation has been adopted to enable vulnerable categories of individual debtors meeting specific economic and social criteria to seek court protection regarding the repayment or restructuring of their debt whereas the bankruptcy code has been amended to allow for agreements between corporate debtors and their creditors in the context of restructuring proceedings, which have resulted and could further result in credit institutions incurring significant credit impairments or write-offs.

If the current economic environment worsens, bankruptcies and other insolvency procedures could intensify or applicable laws and regulations may be amended to limit the impact of the recession on corporate and retail debtors. Furthermore, the heavy work load that local courts may face, the cumbersome and time consuming administrative and other processes and requirements to which restructuring and insolvency measures are subject slows the pace at which court judgments on insolvency and rehabilitation proceedings become final. Such amendments and/or any potential further measures increasing the protection of creditors may have an adverse effect on the Group's business, results of operations and financial condition.

**A downturn in the Greek property market could impact Piraeus Bank's mortgage lending.**

One of Piraeus Bank's activities is mortgage lending. A downturn in the Greek economy could have a negative effect on the property market in terms of reducing the ability of homeowners to service their debt as well as in terms of decreasing property prices and any knock-on effects this may have on deposit rates and lender recoveries. These consequences could have an adverse effect on Piraeus Bank's financial position.

**Changes in consumer protection laws might limit the fees that the Group may charge in certain banking transactions.**

Changes in consumer protection laws in Greece and other jurisdictions where the Group has operations could limit the fees that banks may charge for certain products and services such as mortgages, unsecured loans and credit cards. If introduced, such changes in laws could reduce the Group's profit for the period, though the amount of any such reduction cannot be estimated at this time. Such effects could have a material adverse effect on the Group's business, financial position, results of operations and prospects.

**The requirements of the deposit guarantee schemes applicable throughout the EU may result in additional costs to the Group.**

Directive 2014/49/EU on deposit guarantee schemes (the "DGS") entered into force in May 2014 (the "DGSD"), recasting the Directive 94/19/EC and introducing new harmonised rules on DGS applicable throughout the EU.

The DGSD has already been transposed into the national legislation of Bulgaria, Romania, Luxembourg and Cyprus, where the Group has activities. In Greece, the DGSD was transposed into Greek law by Law 4370/2016, which came into force on 7 March 2016 and repealed the previously applicable Law 3746/2009, defining, among others, the scope and certain aspects of the operation of the Hellenic Deposit and Investment Guarantee Funds ("HDIGF"), the terms of

participation of credit institutions as well as the process for determining and paying contributions to its schemes.

The Group may be required, pursuant to EU law, to increase the Group's contributions in the relevant DGS, which in turn may affect the Group's operating results.

## **FACTORS THAT MAY AFFECT PIRAEUS PLC'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES ISSUED UNDER THE PROGRAMME**

### **Piraeus PLC is a funding vehicle for Piraeus Bank and depends on an intra-group loan by Piraeus Bank to make payments under the Notes.**

Piraeus PLC is a funding vehicle for Piraeus Bank. As such it raises finance and on-lends monies to Piraeus Bank by way of intra-group loans. In the event that Piraeus Bank fails to make a payment under an intra-group loan, Piraeus PLC may not be able to meet its payment obligations under the Notes issued by it.

### **The Banking Act confers substantial powers on a number of UK authorities designed to enable them to take a range of actions in relation to UK banks, UK building societies, UK investment firms and UK recognised central counterparties which are considered to be at risk of failing. In certain circumstances, such actions may also be taken against a UK banking group company. The exercise of any of these actions in relation to Piraeus PLC could materially adversely affect the value of any Notes issued by Piraeus PLC.**

Under the Banking Act 2009 (the "Banking Act"), substantial powers are granted to HM Treasury, the Bank of England, the Financial Conduct Authority and the Prudential Regulation Authority (together, the "Authorities") as part of a special resolution regime (the "SRR"). These powers can be exercised, as applicable, by the Authorities in respect of a UK bank, UK building society, UK investment firm or UK recognised central counterparty (each a "relevant entity") in circumstances in which the Authorities consider its failure has become likely and if certain other conditions are satisfied (depending on the relevant power) for example, to protect and enhance the stability of the financial system of the UK. Certain of these powers may also be used in respect of a UK incorporated company which meets certain conditions and is in the same group as a relevant entity, an EU incorporated credit institution or investment firm or a third country incorporated credit institution or investment firm (a "UK banking group company") (such as Piraeus PLC).

The SRR consists of five stabilisation options and two special insolvency procedures (bank administration and bank insolvency) which may be commenced by HM Treasury, the Bank of England, the Prudential Regulation Authority or Secretary of State, as the case may be. The stabilisation options provide for: (i) private sector transfer of all or part of the business of the relevant entity; (ii) transfer of all or part of the business of the relevant entity to a bridge bank wholly owned by the Bank of England; (iii) transfer of all or part of the business of the relevant entity to an asset management vehicle owned and controlled by the Bank of England; (iv) writing down certain claims of unsecured creditors of the relevant entity (including Notes issued by Piraeus PLC) and/or converting certain unsecured debt claims (including Notes issued by Piraeus PLC) to equity which equity could also be subject to any future cancellation, transfer or dilution; and (v) temporary public ownership (nationalisation) of all or part of the relevant entity or its UK holding company. In each case, the Authorities have wide powers under the Banking Act including powers to modify contractual arrangements in certain circumstances and powers for HM Treasury to disapply or modify laws (with possible retroactive effect) to enable the stabilisation powers under the Banking Act to be used effectively.

Noteholders may be subject to the powers listed above, which may result in such Noteholders losing some or all of their investment. As at the date of this Offering Circular, the Authorities have not exercised any powers under the SRR in respect of Piraeus PLC and there has been no indication that they will do so. However, there can be no assurance that this will not change and

any exercise of any power under the SRR or any suggestion of such exercise could, therefore, adversely affect the rights of Noteholders, the price or value of their investment in any Notes and/or the ability of Piraeus PLC to satisfy its obligations under the Notes.

In addition, the Banking Act provides the Authorities with the power to permanently write-down or convert capital instruments, such as Tier 2 Notes issued by Piraeus PLC, into equity at the point of non-viability and before any other resolution action is taken. Any shares issued to holders of Tier 2 Notes issued by Piraeus PLC upon any such conversion into equity may also be subject to future cancellation, transfer or dilution.

The point of non-viability under the Banking Act is the point at which the relevant Authority determines that the relevant entity or UK banking group company meets certain conditions (but no resolution action has yet been taken) or that the relevant entity or, in certain circumstances, group will no longer be viable unless the relevant capital instruments (such as Tier 2 Notes issued by Piraeus PLC) are written-down or converted.

The paragraphs below set out some of the possible consequences of the exercise of the powers under the SRR.

**The SRR may be triggered prior to insolvency of a relevant entity, an EEA institution or a third country institution in the same group as Piraeus PLC.**

The purpose of the stabilising options is to address the situation where all or part of a business of a relevant entity has encountered, or is likely to encounter, financial difficulties, giving rise to wider public interest concerns. Accordingly, the relevant stabilisation options may be exercised if (a) the relevant Authority is satisfied that a relevant entity is failing, or is likely to fail, (b) following consultation with the other Authorities, the relevant Authority determines that it is not reasonably likely that (ignoring the stabilising options) action will be taken that will result in the condition referred to in (a) ceasing to be met and (c) the Authorities consider the exercise of the stabilisation options to be necessary, having regard to certain public interest considerations (such as the stability of the UK financial system, public confidence in the UK banking system and the protection of depositors). It is therefore possible that one of the stabilisation options could be exercised prior to the point at which any insolvency proceedings with respect to the relevant entity could be initiated. The stabilisation options may also be exercised against a UK banking group company (such as Piraeus PLC) if certain conditions for resolution are met in relation to an EEA (including, for these purposes, the United Kingdom) incorporated credit institution or investment firm or a third country incorporated credit institution or investment firm within the same group, as determined by the relevant EEA (including the United Kingdom) resolution authority or third country resolution authority.

**Various actions may be taken in relation to the Notes without the consent of the Noteholders.**

If the stabilisation options were exercised under the SRR in respect of Piraeus PLC, HM Treasury or the Bank of England may exercise extensive powers including, share transfer powers (applying to a wide range of securities), property transfer powers (including powers for partial transfers of property, rights and liabilities subject to certain protections in respect of Piraeus PLC) and resolution instrument powers (including powers to make special bail-in provisions). Exercise of these powers could involve taking various actions in relation to any securities issued by Piraeus PLC (including Notes) without the consent of the Noteholders, including (among other things):

- (1) transferring Notes notwithstanding any restrictions on transfer and free from any trust, liability or encumbrance;

- (2) writing down (in whole or in part) the principal amount of Notes and/or converting Notes into another form or class (which may include, for example, conversion of Notes into equity securities);
- (3) modifying any interest payable in respect of the Notes, the maturity date or the dates on which any payments are due, including by suspending payment for a temporary period;
- (4) disapplying certain terms of Notes, including disregarding any termination or acceleration rights or events of default under the terms of Notes which would be triggered by the exercise of the powers and certain related events; and/or
- (5) where property is held on trust, removing or altering the terms of such trust.

The taking of any such actions could adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of Piraeus PLC to satisfy its obligations under the Notes. In such circumstances, Noteholders may have a claim for compensation under one of the compensation schemes existing under, or contemplated by, the Banking Act, but there can be no assurance that Noteholders would thereby recover compensation promptly or equal to any loss actually incurred.

**A partial transfer of Piraeus PLC's business may result in a deterioration of its creditworthiness.**

If Piraeus PLC were made subject to the SRR and a partial transfer of its business to another entity were effected, the quality of the assets and the quantum of the liabilities not transferred and remaining with Piraeus PLC (which may include Notes issued by Piraeus PLC) will result in a deterioration in the creditworthiness of Piraeus PLC and, as a result, increase the risk that it will be unable to meet its obligations in respect of the Notes and/or eventually become subject to administration proceedings pursuant to the Banking Act. In such circumstances, Noteholders may have a claim for compensation under one of the compensation schemes existing under, or contemplated by, the Banking Act, but there can be no assurance that Noteholders would thereby recover compensation promptly or equal to any loss actually incurred.

As at the date of this Offering Circular, the relevant Authorities have not made an instrument or order under the Banking Act in respect of Piraeus PLC and there has been no indication that they will make any such instrument or order. However, there can be no assurance that this will not change and/or that Noteholders will not be adversely affected by any such order or instrument if made.

**FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME**

***General risks relating to a particular issue of Notes***

**Any Notes issued under the Programme, and/or the Guarantee, may be subjected in the future to the bail-in resolution tool or to the application of other resolution tools by the competent resolution authority and to the mandatory burden sharing measures for the provision of precautionary capital support, which may result into their write-down in full.**

The transposition of the BRRD into Greek law by virtue of Greek law 4335/2015 (as amended and currently in force) granted increased powers to the competent resolution authority, which for the Greek systemic banks (including Piraeus Bank) is the Board of the SRM, for the imposition of resolution measures to failing credit institutions, as further described in "*Regulation and Supervision of Banks in Greece - Recovery and resolution of credit institutions*".

These measures include the bail-in tool, through which a credit institution subjected to resolution may be recapitalised either by way of the permanent write-down or the conversion of some or all of its liabilities (including Notes issued under the Programme and/or the Guarantee) into common shares. Any such shares issued upon any such conversion into equity may also be subject to future cancellation, transfer or dilution. The bail-in tool may be imposed either as a sole resolution measure or in combination with any of the other resolution tools that may be used by the resolution authority.

Any Notes issued under the Programme and/or the Guarantee given by Piraeus Bank in respect of Notes issued by Piraeus PLC under the Programme may be subject to the exercise of the resolution measures. Exercise of such measures could involve, *inter alia*: transferring the relevant Notes to another entity notwithstanding any restrictions on transfer; delisting the relevant Notes; amending or altering the maturity of the relevant Notes; amending or altering the date on which interest becomes payable under the relevant Notes, including by suspending payments under for a temporary period; rendering unenforceable any right to terminate or accelerate the Notes that would be triggered by exercise of the resolution measures; and modifying or disapplying the terms of the Guarantee. In a worst case scenario, the value of such Notes may be written down to zero.

Moreover, the conditions for the HFSF granting precautionary recapitalisation support include, among others, the imposition, by virtue of a Cabinet Act, pursuant to article 6a of Greek law 3864/2010, as amended and in force, of mandatory burden sharing measures on the holders of capital instruments and other liabilities of the credit institution receiving such support (“Mandatory Burden Sharing Measures”). The Mandatory Burden Sharing Measures include the absorption of losses by existing subordinated creditors by writing down the nominal value of their claims. Such write-down is implemented by way of a resolution of the competent corporate body of the credit institution such that the equity position of the credit institution becomes zero. Any Tier 2 Notes issued under the Programme and (in the case of such Notes issued by Piraeus PLC) the Guarantee are subject to the above provisions of article 6a of Greek law 3864/2010, as amended and in force. If the Bank were to receive precautionary financial support from the HFSF in the future and its equity position were negative, there can be no assurance that new Notes or the Guarantee would not be subjected to write-down as a result of the Mandatory Burden Sharing Measures.

In relation to Notes issued by Piraeus PLC, see *“The Banking Act confers substantial powers on a number of UK authorities designed to enable them to take a range of actions in relation to UK banks, UK building societies, UK investment firms and UK recognised central counterparties which are considered to be at risk of failing. In certain circumstances, such actions may also be taken against a UK banking group company. The exercise of any of these actions in relation to Piraeus PLC could materially adversely affect the value of any Notes issued by Piraeus PLC”, “The SRR may be triggered prior to insolvency of a relevant entity, an EEA institution or a third country institution in the same group as Piraeus PLC”, “Various actions may be taken in relation to the Notes without the consent of the Noteholders” and “A partial transfer of Piraeus PLC’s business may result in a deterioration of its creditworthiness”* above for more information.

**The circumstances in which the competent resolution authority may exercise the bail-in tool or other resolution tools are uncertain and such uncertainty may have an impact on the value of the Notes.**

The conditions in which a credit institution may be subject to resolution and the application of the relevant powers of the competent resolution authority are set out in article 32 of the BRRD, Greek law 4335/2015 and the Banking Act. Such conditions include the determination by the resolution authority that: (a) the credit institution is failing or is likely to fail; (b) no reasonable prospect exists that any alternative private sector measures (including the write-down) would prevent the failure; and (c) a resolution action is necessary in the public interest, whilst the resolution objectives would not be met to the same extent by the special liquidation of the credit institution within the meaning of article 145 of Greek law 4261/2014.

Such conditions, however, are not further specified in the applicable law and very limited precedent as to their application exists, so whether the conditions have been complied with is left to the determination and discretion of the competent resolution authority. Such uncertainty may impact on the market perception as to whether a credit institution meets such conditions or not and as such it may be subjected to resolution tools. This may have a material adverse impact on the present value of the Notes and other listed securities of the Issuers.

In addition, if any bail-in action is taken, interested parties, such as creditors or shareholders, may raise legal challenges. The taking of any action under the BRRD in relation to either Issuer (or, in respect of Notes issued by Piraeus PLC, any action in relation to the Guarantor), or the suggestion of the exercise of any action, could materially adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the relevant Issuer to satisfy its obligations under any Notes. If any litigation arises or is threatened in relation to bail-in actions this may negatively affect liquidity and increase the price volatility of the Issuers' securities (including the Notes).

**Certain Notes (or in the case of Tier 2 Notes issued by Piraeus PLC, the Guarantee) may be subject to loss absorption on any application of the general bail-in tool or at the point of non-viability of the Issuer or the Guarantor.**

The BRRD contemplates that Tier 2 Notes or (in the case of Notes issued by Piraeus PLC) the related Guarantee may be subject to non-viability loss absorption in addition to the application of the general bail-in tool. Certain amendments to the BRRD, as implemented in the Hellenic Republic by virtue of Greek law 4583/2018, extend non-viability loss absorption to Senior Preferred Notes and Senior Non-Preferred Notes. At the point of non-viability of the Issuer or the Issuer and its subsidiaries and subsidiary undertakings from time to time, the SRB in co-operation with the competent resolution authority may write down capital instruments and eligible liabilities (including Tier 2 Notes, Senior Preferred Notes and Senior Non-Preferred Notes and, if applicable, the related Guarantee) and/or convert them into shares or other instruments of ownership. The taking of any such action under the BRRD in relation to either Issuer (or, in respect of Notes issued by Piraeus PLC, any action in relation to the Guarantor), or the suggestion of the exercise of any action, could materially adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the relevant Issuer to satisfy its obligations under any Notes. See also *“The Banking Act confers substantial powers on a number of UK authorities designed to enable them to take a range of actions in relation to UK banks, UK building societies, UK investment firms and UK recognised central counterparties which are considered to be at risk of failing. In certain circumstances, such actions may also be taken against a UK banking group company. The exercise of any of these actions in relation to Piraeus PLC could materially adversely affect the value of any Notes issued by Piraeus PLC”, “The Bank Recovery and Resolution Directive may have a material adverse effect on the Bank’s business, financial condition, results of operations and prospects” and “Regulation and Supervision of Banks in Greece - Recovery and resolution of credit institutions”.*

### ***Risks related to the structure of a particular issue of Notes***

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Each of the risks highlighted below could adversely affect the trading price of any Notes or the rights of investors under any Notes and, as a result, investors could lose some or all of their investment. Set out below is a description of the most common such features:



**An investor in Tier 2 Notes assumes an enhanced risk of loss in the event of the relevant Issuer's and/or Piraeus Bank's insolvency or the failure of either the Issuer and/or the Guarantor to satisfy the solvency condition set out in Condition 4.**

If, in the case of any particular Tranche of Notes, the applicable Final Terms specifies that the Notes are Tier 2 Notes, in the event of bankruptcy, moratorium of payments, insolvency, dissolution, liquidation or (if the Issuer or the Guarantor is Piraeus Bank) special liquidation within the meaning of article 145 of Greek law 4261/2014 of the relevant Issuer and/or if the relevant Issuer is Piraeus PLC, Piraeus Bank, the relevant Issuer (and, if applicable, Piraeus Bank pursuant to the Guarantee) will be required to pay the Senior Creditors of the Issuer (to Tier 2 Notes) or, if applicable, the Senior Creditors of the Guarantor (to Tier 2 Notes) in full before it can make any payments on the relevant Notes. If this occurs, the relevant Issuer (or, if applicable, Piraeus Bank pursuant to the Guarantee) may not have enough assets remaining after these payments to pay amounts due under the relevant Notes or the Guarantee (if applicable).

The claims of the Noteholders will be subordinated to the claims of Senior Creditors of the Issuer (to Tier 2 Notes) in that, in the event of the winding up or (in the case of Notes issued by Piraeus Bank) special liquidation within the meaning of article 145 of Greek law 4261/2014 of the Issuer, payments of principal and interest in respect of the Notes will be conditional upon the Issuer being solvent at the time of payment by the Issuer and in that no principal or interest shall be payable in respect of the Notes at such time except to the extent that the Issuer could make such payment and still be solvent immediately thereafter. In the case of dissolution, liquidation, (in the case of Notes issued by Piraeus Bank) special liquidation within the meaning of article 145 of Greek law 4261/2014 and/or bankruptcy (as the case may be and to the extent applicable) of the Issuer, the holders will only be paid by the Issuer after all Senior Creditors of the Issuer (to Tier 2 Notes) have been paid in full and the holders irrevocably waive their right to be treated equally with all other unsecured, unsubordinated creditors of the Issuer in such circumstances. Any actual or perceived risk that the Issuer and/or the Guarantor (if applicable) is not solvent (as described above) may affect the market value or liquidity of the Tier 2 Notes.

There is no restriction on the amount of securities or other liabilities that the relevant Issuer may issue, incur or guarantee and which rank senior to, or pari passu with, the Tier 2 Notes. The issue or guaranteeing of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of Tier 2 Notes during a winding-up or (where the Issuer or the Guarantor (if applicable) is Piraeus Bank) special liquidation within the meaning of article 145 of Greek law 4261/2014 of the relevant Issuer or the Guarantor (if applicable) and may limit the relevant Issuer's or Guarantor's (if applicable) ability to meet its obligations under the Tier 2 Notes. Although Tier 2 Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a significant risk that an investor in Tier 2 Notes will lose all or some of his investment in the event that the relevant Issuer and (if applicable) the Guarantor becomes insolvent. Furthermore, pursuant to Law 3864/2010, as amended and in force, in certain circumstances where a credit institution has been unable to cover a capital shortfall through voluntary measures, Piraeus Bank's liability as Issuer in respect of Tier 2 Notes or as the Guarantor in respect of any Tier 2 Notes issued by Piraeus PLC may mandatorily be converted into ordinary shares or may be written down and cancelled in part or in full.

**Senior Preferred Notes, Senior Non-Preferred Notes and Tier 2 Notes provide for limited events of default. Noteholders may not be able to exercise their rights on an event of default in the event of the adoption of any early intervention or resolution measure under the BRRD (or any relevant measure implementing the same).**

Noteholders have no ability to accelerate the maturity of their Senior Preferred Notes, Senior Non-Preferred Notes or Tier 2 Notes except in the case that an order is made or an effective resolution is passed for the dissolution and winding-up of the relevant Issuer and/or (in the case of Tier 2 Notes issued by Piraeus PLC) the Guarantor, as provided in the Conditions. Accordingly, in the event that any payment on the Senior Preferred Notes, Senior Non-Preferred Notes or Tier 2 Notes

is not made when due, each Noteholder will have a claim only for amounts then due and payable on their Notes and, as provided for in the Conditions, a right to institute proceedings for the dissolution and winding-up of the relevant Issuer or (in the case of Tier 2 Notes issued by Piraeus PLC) the Guarantor. Notwithstanding the foregoing, the relevant Issuer or (in the case of Tier 2 Notes issued by Piraeus PLC) the Guarantor will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

In addition, as mentioned in *“The Banking Act confers substantial powers on a number of UK authorities designed to enable them to take a range of actions in relation to UK banks, UK building societies, UK investment firms and UK recognised central counterparties which are considered to be at risk of failing. In certain circumstances, such actions may also be taken against a UK banking group company. The exercise of any of these actions in relation to Piraeus PLC could materially adversely affect the value of any Notes issued by Piraeus PLC”* and *“Any Notes issued under the Programme, and/or the Guarantee, may be subjected in the future to the bail-in resolution tool by the competent resolution authority and to the mandatory burden sharing measures for the provision of precautionary capital support, which may result into their write-down in full”*, the relevant Issuer or the Guarantor (as applicable) may be subject to a procedure of early intervention or resolution pursuant to the BRRD as implemented through the Banking Act or Greek law 4335/2015, as amended and currently in force, as the case may be. The adoption of any early intervention or resolution procedure shall not itself constitute an event of default or entitle any counterparty of the relevant Issuer or the Guarantor (if applicable) to exercise any rights it may otherwise have in respect thereof.

Moreover, any enforcement by a Noteholder of its rights under the Notes upon the occurrence of an event of default following the adoption of any early intervention or any resolution procedure will be subject to the relevant provisions of the BRRD, the Banking Act, the Greek banking law 4261/2014, as in force, or Greek law 4335/2015 in relation to the exercise of the relevant measures and powers pursuant to such procedure, including the resolution tools and powers referred to therein. Any claims on the occurrence of an event of default will consequently be limited by the application of any measures pursuant to the provisions of the BRRD, the Banking Act, the Greek banking law 4261/2014, as in force, or Greek law 4335/2015. There can be no assurance that the taking of any such action would not adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the relevant Issuer or the Guarantor (if applicable) to satisfy its obligations under the Notes and the enforcement by a Noteholder of any rights it may otherwise have on the occurrence of any event of default may be limited in these circumstances.

**Piraeus Bank’s obligations under Senior Non-Preferred Notes rank junior to Senior Creditors of the Issuer (to Senior Non-Preferred Notes).**

As described under Condition 3, the payment obligations of Piraeus Bank in respect of Senior Non-Preferred Notes issued by it will be unsubordinated. However, as provided under Condition 3(b)(iv), the rights of the holders of any Senior Non-Preferred Notes will rank junior to present and future obligations of Piraeus Bank in respect of Senior Creditors of the Issuer (to Senior Non-Preferred Notes).

There is no restriction on the amount of securities or other liabilities that the relevant Issuer may issue, incur or guarantee and which rank senior to, or pari passu with, the Senior Non-Preferred Notes. The issue or guaranteeing of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of Senior Non-Preferred Notes during special liquidation within the meaning of article 145 of Greek law 4261/2014 of the Issuer and may limit the Issuer’s ability to meet its obligations under the Senior Non-Preferred Notes.

Although Senior Non-Preferred Notes may pay a higher rate of interest than comparable Notes which benefit from a higher or a preferential ranking, there is a real (and more probable) risk that an investor in Senior Non-Preferred Notes will lose all or some of their investment should Piraeus

Bank become insolvent. Furthermore, pursuant to Law 3864/2010, as amended and in force, in certain circumstances where a credit institution has been unable to cover a capital shortfall through voluntary measures, Piraeus Bank's liability as Issuer in respect of Senior Non-Preferred Notes may mandatorily be converted into ordinary shares or may be written down and cancelled in part or in full.

**Piraeus Bank's obligations under the Notes rank (at least) junior to creditors having Privileged Claims in the case of special liquidation under Greek law.**

Certain obligations of Greek credit institutions (including Piraeus Bank), such as obligations vis-à-vis the Greek state, obligations of eligible deposits (within the meaning of Greek law 4370/2016) exceeding the protection amount of the deposit guarantee scheme, etc. enjoy a privileged ranking in the case of special liquidation of such credit institution by virtue of the provisions of article 145a of Greek banking law 4261/2014, as in force, on special liquidation ("Privileged Claims"). The claims of Noteholders against Piraeus Bank will rank (at least) junior to Privileged Claims in the case of a special liquidation of Piraeus Bank. Thus, if Privileged Claims exist against Piraeus Bank, there is a risk that an investor in the Notes will lose all or some of its investment should Piraeus Bank become subject to special liquidation.

**The Notes may be redeemed prior to maturity.**

The Notes may be redeemed, as set out in the Conditions, at the option of the relevant Issuer in certain circumstances including:

- the occurrence of one or more of the tax events described in Condition 7(b);
- (in the case of Tier 2 Notes only) if applicable, upon the occurrence of a Capital Disqualification Event as described in Condition 7(c);
- (in the case of Senior Non-Preferred Notes and Senior Preferred Notes only) if applicable, an MREL Disqualification Event as described in Condition 7(d); or
- if applicable, on an Optional Redemption Date as described in Condition 7(e).

An optional redemption feature is likely to limit the market value of the Notes. During any period when the relevant Issuer may elect to redeem the Notes, or during any period when it is perceived that the relevant Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

**Early redemption or purchase or substitution or variation or modification of the Senior Preferred Notes, Senior Non-Preferred Notes or Tier 2 Notes may be restricted.**

Any early redemption or purchase or substitution or variation or modification of Senior Preferred Notes, Senior Non-Preferred Notes or Tier 2 Notes is subject to (i) the relevant Issuer giving notice to the Relevant Resolution Authority (in the case of Senior Preferred Notes or Senior Non-Preferred Notes) or the Relevant Regulator (in the case of Tier 2 Notes) and such Relevant Resolution Authority or Relevant Regulator (as the case may be) granting prior permission to redeem or purchase or substitute or vary or modify the relevant Notes, in each case to the extent and in the manner required by, in the case of Senior Preferred Notes and Senior Non-Preferred

Notes, the MREL Requirements, and in the case of Tier 2 Notes, the Capital Regulations, and (ii) compliance by the relevant Issuer with any alternative or additional pre-conditions to redemption or purchase or substitution or variation or modification, as applicable, as set out in, in the case of Senior Preferred Notes and Senior Non-Preferred Notes, the MREL Requirements, and in the case of Tier 2 Notes, the Capital Regulations, in each case as provided in Condition 7(k) and Condition 7(l), as applicable.

As any early redemption, purchase, substitution, variation or modification of any such Notes will be subject to the prior permission of the Relevant Resolution Authority or the Relevant Regulator (as applicable), the outcome may not necessarily reflect the commercial intention of the Issuer or the commercial expectations of the holders of those Notes and this may have an adverse impact on the market value of the relevant Notes.

**The Notes may be subject to Substitution and Variation provisions.**

If, in the case of any Series of Notes, “Substitution and Variation” is specified as being applicable in the relevant Final Terms and an MREL Disqualification Event or Capital Disqualification Event or any of the events described in Condition 7(b) has occurred and is continuing (in each case to the extent applicable to the relevant Notes), or in order to ensure the effectiveness and enforceability of Condition 19 or Clause 11 of the Deed of Guarantee, then the relevant Issuer and the Guarantor (if applicable) may, subject as provided in Conditions 7(k), 7(l) and 7(m) of the Notes and without the need for any consent of the Noteholders or the Couponholders, substitute all (but not some only) of such Series of Notes for, or vary the terms of such Series of Notes or the Guarantee (if applicable) including changing the governing law of Condition 19 and Clause 11 of the Deed of Guarantee so that the Notes remain or become Qualifying Notes.

No assurance can be given as to whether any of these changes will negatively affect any particular Noteholder. In addition, the tax and stamp duty consequences of holding such substituted or varied Notes could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding such Notes prior to such substitution or variation. There can also be no assurance that the terms of any Qualifying Notes will be viewed by the market as equally favourable to Noteholders, or that such Notes will trade at prices that are equal to the prices at which the Notes would have traded on the basis of their original terms.

**The terms of the Senior Preferred Notes, Senior Non-Preferred Notes and the Tier 2 Notes contain a waiver of set-off right.**

Each holder of a Senior Preferred Note, Senior Non-Preferred Note or a Tier 2 Note unconditionally and irrevocably waives any right of set-off, netting, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Senior Preferred Note, Senior Non-Preferred Note or Tier 2 Note and the related Guarantee (if any), as the case may be.

**Limitation on gross-up obligation under the Senior Preferred Notes, Senior Non-Preferred Notes and Tier 2 Notes (collectively, “Limited Gross-up Notes”).**

The obligation under Condition 11 to pay additional amounts in the event of any withholding or deduction in respect of taxes on any payments under the terms of Limited Gross-up Notes applies only to payments of interest and not to payments of principal or premium (as applicable). As such, the relevant Issuer, or the Guarantor (as the case may be) would not be required to pay any additional amounts under the terms of any Limited Gross-up Notes to the extent any withholding or deduction applied to payments of principal or premium (as applicable). Accordingly, if any such withholding or deduction were to apply to any payments of principal or premium (as applicable) under any Limited Gross-up Notes, Noteholders may receive less than the full amount of principal or premium (as applicable) due under such Notes upon redemption, and the market value of such Notes may be adversely affected.

**The regulation and reform of “benchmarks” may adversely affect the value of Notes linked to or referencing such “benchmarks”.**

Interest rates and indices which are deemed to be “benchmarks” (including EURIBOR and LIBOR) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a “benchmark”.

The Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU (which, for these purposes, includes the United Kingdom). Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuer and the Guarantor) of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to or referencing a “benchmark”, in particular, if the methodology or other terms of the “benchmark” are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the “benchmark”.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of “benchmarks”, could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements.

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The FCA has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

It is not possible to predict with certainty whether, and to what extent, LIBOR and EURIBOR and any other benchmarks will continue to be supported going forwards. This may cause LIBOR and EURIBOR along with any other benchmark to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks” (including EURIBOR or LIBOR): (i) discouraging market participants from continuing to administer or contribute to the benchmark; (ii) triggering changes in the rules or methodologies used in the “benchmark”, and/or (iii) leading to the disappearance of the “benchmark”. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a “benchmark”.

Investors should be aware that, if LIBOR or EURIBOR or any other benchmark were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes or Reset Notes which

reference or are linked to LIBOR or EURIBOR (or such other benchmark) will be determined for the relevant period by the fallback provisions applicable to such Notes. The Conditions provide for certain fall-back arrangements in the event that LIBOR OR EURIBOR (or another relevant benchmark) (including any page on which such benchmark may be published (or any successor service)) becomes unavailable.

If the circumstances described in the preceding paragraph occur and (i) in the case of Floating Rate Notes, Benchmark Replacement is specified in the applicable Final Terms as being applicable and Screen Rate Determination is specified in the applicable Final Terms as the manner in which the rate of interest is to be determined or (ii) in the case of Reset Notes, Benchmark Replacement is specified in the applicable Final Terms as being applicable and the Reset Reference Rate is specified as Mid-Swap Rate in the applicable Final Terms, such fall-back arrangements will include the possibility that the relevant rate of interest (or, as applicable, component thereof) could be set or, as the case may be, determined by reference to a Successor Reference Rate or an Alternative Reference Rate (as applicable) determined by an Independent Adviser or, if the relevant Issuer is unable to appoint an Independent Adviser or the Independent Adviser appointed by the relevant Issuer fails to make such determination, the relevant Issuer. An Adjustment Spread shall be determined by the relevant Independent Adviser or the relevant Issuer (as applicable) and shall be applied to such Successor Reference Rate or Alternative Reference Rate, as the case may be.

In addition, the relevant Independent Adviser or the relevant Issuer (as applicable) may also determine (acting in good faith and in a commercially reasonable manner) that other amendments to the Conditions of the relevant Notes are necessary in order to follow market practice in relation to the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) and to ensure the proper operation of the relevant Successor Reference Rate or Alternative Reference Rate (as applicable). Such Adjustment Spread may be zero.

No consent of the Noteholders shall be required in connection with effecting any relevant Successor Reference Rate or Alternative Reference Rate (as applicable) or any other related adjustments and/or amendments described above.

In certain circumstances, the ultimate fallback of interest for a particular Interest Period or Reset Period (as applicable) may result in the rate of interest for the last preceding Interest Period or the Reset Period (adjusted as set out in the Conditions), or the sum (converted as set out in the definition of "First Reset Rate of Interest" or "Subsequent Reset Rate of Interest" (as applicable)) of the last observable mid-swap rate with an equivalent term and currency to the relevant Reset Reference Rate which appeared on the Relevant Screen Page and the First Margin or Subsequent Margin (as applicable) being used. This may result in the effective application of a fixed rate for Floating Rate Notes or Reset Notes (as applicable) based on the rate which was last observed on the Relevant Screen Page for the purposes of determining the rate of interest in respect of an Interest Period or a Reset Period (as applicable). In addition, due to the uncertainty concerning the availability of Successor Reference Rates and Alternative Reference Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the relevant Issuer to meet its obligations under the relevant Floating Rate Notes or Reset Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes or Reset Notes. Investors should note that the relevant Independent Adviser or the Issuer (as applicable) will have discretion to adjust the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) in the circumstances described above by the application of an Adjustment Spread. Any such adjustment could have unexpected commercial consequences and there can be no

assurance that, due to the particular circumstances of each Noteholder, any such adjustment will be favourable to each Noteholder.

In addition, potential investors should also note that:

- (1) no Successor Reference Rate or Alternative Reference Rate (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made if, and to the extent that, in the determination of the relevant Issuer, the same could reasonably be expected to prejudice the qualification of the relevant Notes as (a) in the case of Tier 2 Notes, Tier 2 Capital of Piraeus Bank and/or the Group, and (b) in the case of Senior Non-Preferred Notes or Senior Preferred Notes, MREL Eligible Liabilities (for example, if such amendment could be considered as the introduction of an incentive to redeem the relevant Notes); and/or
- (2) in the case of Senior Non-Preferred Notes and Senior Preferred Notes only, no Successor Reference Rate or Alternative Reference Rate (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made if, and to the extent that, in the determination of the relevant Issuer, the same could reasonably be expected to result in the Relevant Regulator and/or the Relevant Resolution Authority treating the next Interest Payment Date or Reset Date, as the case may be, as the effective maturity of the Notes, rather than the relevant Maturity Date.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms or any of the international or national reforms and the possible application of the benchmark replacement provisions of the Notes in making any investment decision with respect to any Notes linked to or referencing a “benchmark”.

Although it is uncertain whether or to what extent any of the abovementioned changes and/or any further changes in the administration or method of determining a benchmark could have an effect on the value of Notes which are linked to a benchmark, investors should be aware that they face the risk that any changes to the relevant benchmark may have a material adverse effect on the value of and the amount payable under the Notes.

**The interest rate on Reset Notes will reset on each Reset Date, which can be expected to affect the interest payments on an investment in Reset Notes and could affect the market value of Reset Notes.**

Reset Notes will initially bear interest at the Initial Rate of Interest until (but excluding) the First Reset Date. On the First Reset Date, the Second Reset Date (if applicable) and each Subsequent Reset Date (if any) thereafter, the Rate of Interest will be reset to the sum of the relevant Reset Reference Rate and the relevant margin as determined by the Calculation Agent on the relevant Reset Determination Date (each such interest rate, a “Subsequent Reset Rate”). The Subsequent Reset Rate for any Reset Period could be less than the Initial Rate of Interest or the Subsequent Reset Rate for prior Reset Periods and could adversely affect the market value of an investment in the Reset Notes.

**The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.**

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

**If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.**

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

**Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.**

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared with conventional interest-bearing securities with comparable maturities.

### ***Risks Related to Notes generally***

Set out below is a description of material risks relating to the Notes generally:

**The Conditions of the Notes contain provisions which may permit their modification without the consent of all investors.**

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions of the Notes also provide that the relevant Issuer may, without the consent of Noteholders, substitute another company (including, where the Issuer is Piraeus Bank, any Successor in Business or Holding Company of Piraeus Bank) as principal debtor under any Notes in its place of the relevant Issuer, in the circumstances and subject to the conditions described in Condition 17. No assurance can be given as to the impact of any substitution of the relevant Issuer as described above and any such substitution could materially adversely impact the value of any Notes affected by it.

**Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.**

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.



Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade. This may have a detrimental impact on the value of the Notes in the secondary market.

**The value of the Notes could be adversely affected by a change in English law or Greek law or administrative practice.**

The Conditions of the Notes are based on English law and Greek law in effect as at the date of this Offering Circular (see Condition 20). No assurance can be given as to the impact of any possible judicial decision or change to English law or Greek law or administrative practice after the date of this Offering Circular and any such change could materially adversely impact the value of any Notes affected by it.

**Because the Global Notes are held on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the relevant Issuer.**

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary or a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes, the relevant Issuer and/or the Guarantor, if applicable, will discharge their payment obligations under the Notes by making payments to the common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their accountholders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The relevant Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the relevant Issuer in the event of a default under the relevant Notes.

## **Taxation**

Potential investors of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts or delivery of securities under the Notes and the consequences of such actions under the tax laws of those countries. Please refer to the "*Taxation*" section.

In particular, investors should note that the Greek income taxation framework is subject to frequent amendments which are often enacted with limited prior notice and discretionary interpretation by

the local tax authorities. Further, non-Greek tax residents may have to submit a declaration of non-residence or produce documentation evidencing non-residence in order to claim any exemption under applicable tax laws of Greece. In such context, Greek law 4646/2019 enacted on 12 December 2019, introduced certain exemptions from Greek withholding tax on interests payments made as of 1 January 2020 in respect of Listed Notes held by non-Greek tax residents (Please refer to the “*Taxation*” section). As at the date of this Offering Circular, there is no administrative guidance with respect to the documents or other information and the process that a person holding Listed Notes should provide and observe, respectively, to benefit from such exemption.

### ***Risks related to the market generally***

Set out below is a brief description of the material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

#### **An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell its Notes.**

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid and such liquidity may be sensitive to changes in financial markets. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case should the Issuer be in financial distress, which may result in any sale of the Notes having to be at a substantial discount to their principal amount or for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. In addition, existing liquidity arrangements (for example, re-purchase agreements by the Issuers) might not protect Noteholders from having to sell their Notes at substantial discount below their principal amount, in case of financial distress of the Issuers. Illiquidity may have a severely adverse effect on the market value of Notes.

#### **Difference between the Notes and bank deposits**

An investment in the Notes may give rise to higher yields than a bank deposit. However, an investment in the Notes carries risks which are very different from the risks associated with a bank deposit, with the higher yield of the Notes generally attributable to the greater risks associated with investment in the Notes. Holders may lose all or some of their investment in the Notes.

The Notes are expected to be less liquid than bank deposits. Bank deposits are generally repayable on demand, or with notice from the depositors, whereas (except where Investor Put is specified as being applicable in the applicable Final Terms) holders of the Notes have no ability to require early repayment of their investment other than in an event of default (see Condition 12 of the Conditions of the Notes). Furthermore, although the Notes are transferable, the Notes may have no established trading market when issued, and one may never develop. See “*An active secondary trading market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell its Notes*”.

**If an investor holds Notes which are not denominated in the investor’s home currency, it will be exposed to movements in exchange rates adversely affecting the value of its holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.**

The Issuers will pay principal and interest on the Notes and the Guarantor will make any payments under the Deed of Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency

or currency unit (the “Investor’s Currency”) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Specified Currency would decrease (i) the Investor’s Currency-equivalent yield on the Notes, (ii) the Investor’s Currency-equivalent value of the principal payable on the Notes and (iii) the Investor’s Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

**Credit ratings assigned to the Notes may not reflect all the risks associated with an investment in those Notes.**

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In addition, credit rating agencies may assign unsolicited ratings to the Notes. In such circumstances there can be no assurance that the unsolicited rating(s) will not be lower than the comparable solicited ratings assigned to the Notes, which could adversely affect the market value and liquidity of the Notes.

In general, European (including United Kingdom) regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the “CRA Regulation”) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU or the United Kingdom and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU and non-UK credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU and non-UK rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). If the status of the rating agency rating the Notes changes, European (including United Kingdom) regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European (including United Kingdom) regulated investors selling the Notes which may impact the value of the Notes and any secondary market. The list of registered and certified rating agencies published by the European Securities and Markets Authority (“ESMA”) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Offering Circular and in the applicable Final Terms.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Offering Circular and have been filed with the CSSF shall be incorporated by reference in, and form part of, this Offering Circular:

- (a) the section entitled “Terms and Conditions of the Notes” from the previous offering circular relating to the Programme dated 5 October 2018 (pages 73 to 110) (available at <https://www.piraeusbankgroup.com/~media/Com/2016/Files/Investor-Relations/Financial-Data/Debt-Issuance-Capacity/Piraeus EMTN 2018 Offering Circular.PDF>);
- (b) the 2018 Annual Financial Report of Piraeus Bank (available at <https://www.piraeusbankgroup.com/~media/Com/2018/Files/investors/financials/Financial-Results/Q4/12M-Annual-Financial-Report-ENG.pdf>) including the following sections:
  - (i) ESMA’s Alternative Performance Measures (“APMs”) at Group level which appear on pages 79 and 80 of the 2018 Annual Financial Report;
  - (ii) the independent auditor’s report on the audit of the separate and consolidated financial statements as of and for the financial year ended 31 December 2018 which appears on pages 81 to 88 of the 2018 Annual Financial Report; and
  - (iii) the audited consolidated financial statements as at and for the financial year ended 31 December 2018 which appear on pages 89 to 392 of the 2018 Annual Financial Report. The statement of financial position appears on page 91, the income statement appears on page 89, the statement of total comprehensive income appears on page 90, the cash flow statement appears on page 94, the statement of changes in equity appears on pages 92 and 93 and the notes to the financial statements appear on pages 95 to 392 of the 2018 Annual Financial Report;
- (c) the 2017 Annual Financial Report of Piraeus Bank (available at <https://www.piraeusbankgroup.com/~media/Com/2018/Files/investors/financials/Financial-Results/12M-Annual-Financial-Report-EN.pdf>) including the following sections:
  - (i) ESMA’s “APMs” at Group level which appear on pages 74 and 75 of the 2017 Annual Financial Report;
  - (ii) the independent auditor’s report on the audit of the separate and consolidated financial statements as of and for the financial year ended 31 December 2017 which appears on pages 77 to 82 of the 2017 Annual Financial Report;
  - (iii) the audited consolidated financial statements as at and for the financial year ended 31 December 2017 which appear on pages 1 to 191 of the Consolidated Financial Statements section. The consolidated statement of financial position appears on page 4, the consolidated income statement appears on page 2, the consolidated statement of total comprehensive income appears on page 3, the consolidated cash flow statement appears on page 6, the consolidated statement of changes in equity appears on page 5 and the notes to the Consolidated Financial Statements appear on pages 7 to 191 of the Consolidated Financial Statements section; and
  - (iv) the audited separate financial statements as at and for the financial year ended 31 December 2017 which appear on pages 1 to 157 of the Financial Statements section. The statement of financial position appears on page 4, the income statement appears on page 2, the statement of total comprehensive income appears on page 3, the cash flow statement appears on page 6, the statement of

changes in equity appears on page 5 and the notes to the Financial Statements appear on pages 7 to 157 of the Financial Statements section;

- (d) the 2019 Consolidated Interim Financial Statements of Piraeus Bank for the nine month period ended 30 September 2019 (available at <https://www.piraeusbankgroup.com/~media/Com/2019/Files/investors/financials/Financial-Statements/Statements/9M/9M-Consolidated-Interim-Financial-Information-EN.pdf>). The consolidated interim statement of financial position appears on page 7, the consolidated interim income statement appears on page 5, the consolidated interim statement of comprehensive income appears on page 6, the interim cash flow statement appears on page 9, the consolidated interim statement of changes in equity appears on pages 8 and the notes to the consolidated interim financial Statements appear on pages 10 to 76 of that document;
- (e) the press release entitled 'Piraeus Bank 2020 Strategy Update: The Next Phase of Development' (available at [https://www.piraeusbankgroup.com/~media/Com/2020/Files/Press-Office/February/MARKET\\_UPDATE\\_Press-Release\\_ENG\\_03022020\\_F.pdf](https://www.piraeusbankgroup.com/~media/Com/2020/Files/Press-Office/February/MARKET_UPDATE_Press-Release_ENG_03022020_F.pdf)). The highlights appear on page 1, the management statement appears on page 2, the 2019 performance highlights – preliminary data appear on page 3, the commitment to “Agenda 2023” Roadmap & New 2022 Roadmap appears on page 4 and the APMs at Group level appear on pages 5 and 6;
- (f) the document dated 3 February 2020 headed 'Piraeus Bank Market Update' (available at: [https://www.piraeusbankgroup.com/~media/Com/2020/Files/Investor-Relations/Financials/Financial-Results-Categories/Market-Update-presentation\\_F.pdf](https://www.piraeusbankgroup.com/~media/Com/2020/Files/Investor-Relations/Financials/Financial-Results-Categories/Market-Update-presentation_F.pdf)). The introduction appears on pages 4 to 8, the 2019 Performance appears on pages 9 to 14, the New NPE Trajectory appears on pages 15 to 23, the Strategic & Financial Roadmap appears on pages 24 to 32 and the Definitions of Alternative Performance Measures appears on pages 33 to 35;
- (g) the English translation of the press release entitled 'Piraeus Bank Group 9M.2019 Financial Results' of the Group (available at [https://www.piraeusbankgroup.com/~media/Com/2019/Files/investors/financials/Financial-Results/9M/Q3\\_2019\\_Press-Release\\_ENG\\_F.pdf](https://www.piraeusbankgroup.com/~media/Com/2019/Files/investors/financials/Financial-Results/9M/Q3_2019_Press-Release_ENG_F.pdf)). The highlights appear on page 1, the management statement appears on page 2, the P&L highlights appear on page 3, the balance sheet highlights appear on page 4, the selected figures of the Group appear on pages 5 and 6 and the APMs at Group level appear on pages 7 to 9 of that document;
- (h) the English translation of the press release entitled 'Piraeus Bank Group FY 2018 Financial Results' of the Group (available at [https://www.piraeusbankgroup.com/~media/Com/2018/Files/investors/financials/Financial-Results/Q4/FY\\_2018\\_Press-Release\\_ENG\\_29032019.pdf](https://www.piraeusbankgroup.com/~media/Com/2018/Files/investors/financials/Financial-Results/Q4/FY_2018_Press-Release_ENG_29032019.pdf)). The highlights appear on page 1, the management statement appears on pages 2 and 3, the P&L highlights appear on page 4, the balance sheet highlights appear on pages 5 and 6, the selected figures of the Group appear on pages 7 and 8 and the APMs at Group level appear on pages 9 and 10 of that document;
- (i) the 2019 Six Month Financial Report of Piraeus PLC for the six month period ended 30 June 2019 (available at <https://www.piraeusbankgroup.com/~media/Com/Consolidated-Companies/2019/Piraeus-Group-Finance-PLC-H1-Report-2019.pdf>) including the following sections:
  - (i) the independent auditor’s review report on interim financial statements as of and for the six month period ended 30 June 2019 which appears on page 6 of the 2019 Six Month Financial Report; and

- (ii) the unaudited consolidated interim financial statements as at and for the six month period ended 30 June 2019 which appear on pages 7 to 17 of the 2019 Six Month Financial Report. The interim statement of financial position appears on page 8, the interim statement of comprehensive income appears on page 7, the interim cash flow statement appears on page 10, the interim statement of changes in equity appears on page 9 and the notes to the Interim Financial Information appear on pages 11 to 17 of the 2019 Six Month Financial Report;
- (j) the annual report for the year ended 2018 of Piraeus PLC (available at <https://www.piraeusbankgroup.com/~media/Com/Consolidated-Companies/2018/Piraeus-Group-Finance-PLC-2018.pdf>) including the following sections:
  - (i) the independent auditor's report in respect of the audited annual financial statements as at and for the financial year ended 31 December 2018 which appears on pages 7 and 8 of the annual report; and
  - (ii) the audited annual financial statements as at and for the year ended 31 December 2018 which appear on pages 9 to 19 of the annual report. The statement of financial position appears on page 10, the statement of comprehensive income appears on page 9, the statement of cash flow appears on page 12, the statement of changes in equity appears on page 11 and the explanatory notes appear on pages 13 to 19 of that document; and
- (k) the annual report for the year ended 2017 of Piraeus PLC (available at <https://www.piraeusbankgroup.com/~media/Com/Consolidated-Companies/2017/OptimisedICM34463714v1PGFFinancialStatements2017.pdf>) including the following sections:
  - (i) the independent auditor's report in respect of the audited annual financial statements as at and for the financial year ended 31 December 2017 which appears on pages 7 and 8 of the annual report; and
  - (ii) the audited annual financial statements as at and for the year ended 31 December 2017 which appear on pages 9 to 17 of the annual report. The statement of financial position appears on page 10, the statement of comprehensive income appears on page 9, the statement of cash flow appears on page 12, the statement of changes in equity appears on page 11 and the explanatory notes appear on pages 13 to 17 of that document.

The statement in the independent auditor's report in respect of Piraeus PLC's audited annual financial statements as at and for the financial year ended 31 December 2018 (referred to above) that the financial statements "have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"" should instead read "have been properly prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union".

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Offering Circular.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

This Offering Circular, each Final Terms relating to Notes admitted to trading on the Luxembourg Stock Exchange and the documents incorporated by reference will be published on the Issuers' website <https://www.piraeusbankgroup.com/en/investors>. The Offering Circular may be found at <https://www.piraeusbankgroup.com/en/investors/financials/debt-issuance-capacity>.

Piraeus Bank and Piraeus PLC will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of any Notes, prepare a supplement to this Offering Circular in accordance with article 23 of the Prospectus Regulation or publish a new Offering Circular for use in connection with any subsequent issue of Notes.

## FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will be initially issued in the form of a temporary global Note without interest coupons or talons or, if so specified in the applicable Final Terms, a permanent global note (a “Permanent Global Note”) which, in either case, will:

- (i) if the Global Notes are intended to be issued in new global note (“NGN”) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the “Common Safekeeper”) for Euroclear and Clearstream, Luxembourg; and
- (ii) if the Global Notes are not intended to be issued in NGN form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common depository (the “Common Depository”) for, Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Global Notes are intended to be held in a manner that would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Whilst any Note is represented by a temporary global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made outside the United States and its possessions (against presentation of the temporary global Note if the temporary global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent. Any reference in this Section “Form of the Notes” to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system approved by the relevant Issuer and the Agent.

On and after the date (the “Exchange Date”) which is the later of (i) 40 days after the date on which any temporary global Note is issued and (ii) 40 days after the completion of the distribution of the relevant Tranche (the “Distribution Compliance Period”), interests in such temporary global Note will be exchangeable (free of charge) upon request as described therein either for interests in a permanent global Note without interest coupons or talons, or for definitive Notes with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms) in each case against certification of beneficial ownership as described in the immediately preceding paragraph. The holder of a temporary global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless upon due certification exchange of the temporary Global Note is improperly withheld or refused.

Pursuant to the Agency Agreement (as defined under “*Terms and Conditions of the Notes*” below) the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN by Euroclear and Clearstream, Luxembourg which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are



consolidated and form a single Series, which shall not be prior to the expiry of the Distribution Compliance Period applicable to the Notes of such Tranche.

If, in the case of an issue of Notes by Piraeus Bank (the “Piraeus Bank Notes”), or a substitution of Notes such that the Issuer is a body corporate in the Hellenic Republic, the holder of any such Notes must be organised in a group pursuant to article 63 of Greek law 4548/2018, to the extent applicable, Piraeus Bank shall appoint an agent of the holders of any such Notes (the “Piraeus Bank Noteholders Agent”) in accordance with Condition 22 of the Notes below.

Payments of principal, interest (if any) or any other amounts on a permanent global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the permanent global Note if the permanent global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a permanent global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and talons attached upon the occurrence of an Exchange Event as described therein. “Exchange Event” means (i) in the case of Senior Preferred Liquidity Notes, an Event of Default has occurred and is continuing or in the case of Senior Preferred Notes, Senior Non-Preferred Notes or Tier 2 Notes, any Restricted Event of Default has occurred and is continuing, (ii) the relevant Issuer has been notified that either Euroclear or Clearstream, Luxembourg has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative clearing system is available or (iii) at the option of the relevant Issuer at any time. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 16 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event as described above, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such permanent global Note) may give notice to the Agent requesting exchange. Any such exchange shall occur not later than 30 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all permanent global Notes that have a maturity of more than one year (including unilateral rollovers and extensions), definitive Notes, interest coupons and talons:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg as the case may be.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 12. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of the Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then, unless within the period of seven days commencing on the relevant due date payment in full of the amount due in respect of this Global Note is received by the bearer, from 8.00 p.m. (London time) on such seventh day holders of interest in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the relevant Issuer on the basis of statements of account provided by Euroclear and Clearstream, Luxembourg, on and subject to the terms of an

amended and restated deed of covenant (the “Deed of Covenant”) dated 11 August 2017 executed by the Issuers.

## FORM OF FINAL TERMS

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.*

**[MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**OR**

**[MiFID II product governance / Retail investors, professional investors and ECPs** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)] [MiFID II]; **EITHER** [and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services] **OR** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and] [non-advised sales] [and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable].]

**[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA") or in the United Kingdom (the "UK"). For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]

**[Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified from time to time (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018") the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are ['prescribed capital markets products']/['capital markets products other than prescribed capital markets products'] (as defined in the CMP

Regulations 2018) and [Excluded Investment Products]/[Specified Investment Products] (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

## APPLICABLE FINAL TERMS

[Date]

**[PIRAEUS GROUP FINANCE PLC/PIRAEUS BANK S.A.]**  
(acting through its [head office/London Branch])]

**Legal Entity Identifier (LEI): [5493008YJZXS2BOWAV89/M6AD1Y1KW32H8THQ6F76]**

Issue of  
[Aggregate Principal Amount of Tranche] [Title of Notes]  
Issued under the

**€25,000,000,000 Euro Medium Term Note Programme**  
**[guaranteed by PIRAEUS BANK S.A.]**

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions of the Notes (the “Conditions”) set forth in the Offering Circular dated 10 February 2020 [and the supplement[s] to it dated [date][ and [date]]] which [together] constitute[s] a base prospectus for the purposes of Regulation (EU) 2017/1129 (the “Prospectus Regulation”) (the “Offering Circular”). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Offering Circular in order to obtain all relevant information. These Final Terms, the Offering Circular [and the supplement[s]] [is][are] available for viewing at [www.bourse.lu](http://www.bourse.lu) and <https://www.piraeusbankgroup.com/en/>.

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions of the Notes (the “Conditions”) set forth in the Offering Circular dated [5 October 2018] which are incorporated by reference in the Offering Circular dated 10 February 2020. This document constitutes the Final Terms of the Notes described herein for the purposes of Regulation (EU) 2017/1129 (the “Prospectus Regulation”) and must be read in conjunction with the Offering Circular dated 10 February 2020 [and the supplement[s] to it dated [date][ and [date]]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the “Offering Circular”) including the Conditions incorporated by reference in the Offering Circular, in order to obtain all relevant information. Copies of these Final Terms, the Offering Circular and the supplement[s] to such Offering Circular [is] [are] available for viewing at [website].]

*[(Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.)]*

*[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination [must/may need to] be £100,000 or its equivalent in any other currency.]*

1. (i) Series Number: [ ]
- (ii) Tranche Number: [ ]
- (iii) Date on which the Notes will be consolidated and form a single Series: [Not Applicable]/[The Notes will be consolidated and form a single Series with *[provide issue amount/ISIN/maturity date/issue date of earlier Tranches]* on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 28(i) below, which is expected to occur on or about *[date]*].]
2. Specified Currency or Currencies: [ ]
3. Aggregate Nominal Amount:
- (i) Series: [ ]
- (ii) Tranche: [ ]
4. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
5. (i) Specified Denominations: [ ]
- (N.B. Notes must have a minimum denomination of EUR 100,000 (or equivalent))*
- (Note where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:*
- “[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].”*
- (ii) Calculation Amount: [ ]
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
6. (i) Issue Date: [ ]
- (ii) Interest Commencement Date: [specify/Issue Date/Not Applicable]
7. Maturity Date: [Fixed Rate or Reset Notes (unless adjusted) – specify date/

*Floating rate – Interest Payment Date falling in*

or nearest to [specify month]]

*(N.B. If the Maturity Date is less than one year from the Issue Date, any Notes issued by Piraeus PLC must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to professional investors (or another applicable exception from section 19 of the Financial Services and Markets Act 2000 must be available).)*

8. Interest Basis: [ ] per cent. Fixed Rate]  
[Reset Notes] [ ] month [LIBOR/EURIBOR] +/-  
[ ] per cent.  
Floating Rate]  
[Zero Coupon]  
(further particulars specified below)
9. Redemption/[Payment] Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [ ] per cent. of their nominal amount.  
  
*(N.B. In the case of Notes other than Zero Coupon Notes, the redemption must be at least 100 per cent. of the nominal amount)*
10. Change of Interest Basis: [Not Applicable/specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 13 and 15 below and identify there]
11. Put/Call Options: [Investor Put]  
[Issuer Call]  
[Not Applicable]
12. (a) Status of the Notes: [Senior Preferred Liquidity Notes/Senior Preferred Notes/Senior Non-Preferred Notes/Tier 2 Notes]
- (b) [Date [Board] approval for issuance of Notes and Guarantee obtained: [ ] [and [ ], respectively]]
- (N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)*

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

13. Fixed Rate Note Provisions: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate(s) of Interest: [ ] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [[ ] in each year up to and including the

- Maturity Date [adjusted in accordance with paragraphs 13(vii) and 13(viii) below]]
- (iii) Fixed Coupon Amount(s): [ ] per Calculation Amount  
(Applicable to Notes in definitive form.)
- (iv) Broken Amount(s): (Applicable to Notes in definitive form.) [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]/Not Applicable]
- (v) Day Count Fraction: [30/360 or Actual/Actual (ICMA)]
- (vi) Determination Date(s): [[ ] in each year]/[Not Applicable]
- (Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*
- (vii) Business Day Convention: [Not Applicable/Following Business Day Convention/Preceding Business Day Convention/Modified Following Business Day Convention]
- (viii) Business Centre(s): [ ]/[Not Applicable]
14. Reset Note Provisions: [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Initial Rate of Interest: [ ] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) First Margin: [+/-][ ] per cent. per annum
- (iii) Subsequent Margin: [[+/-][ ] per cent. per annum] [Not Applicable]
- (iv) Interest Payment Date(s): [[ ] in each year up to and including the Maturity Date/[specify date] [adjusted in accordance with paragraphs 14(xix) and (xx) below]]
- (v) Fixed Coupon Amount to (but excluding) the First Reset Date: [ ] per Calculation Amount  
(Applicable to Notes in definitive form)
- (vi) Broken Amount(s): (Applicable to Notes in definitive form) [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
- (vii) First Reset Date: [ ]
- (viii) Second Reset Date: [ ]/[Not Applicable]

- (ix) Subsequent Reset Date(s): [ ] [and [ ]] [Not Applicable]
- (x) Relevant Screen Page: [ ]
- (xi) Reset Reference Rate: [Mid-Swap Rate/CMT Rate/Reference Bond]
- (xii) Mid-Swap Rate: [Single Mid-Swap Rate/Mean Mid-Swap Rate]
- (xiii) Mid-Swap Floating Leg Frequency: [ ]
- (xiv) First Reset Period Fallback Yield: [ ]/[Not Applicable]  
*(Only applicable where the Reset Reference Rate is CMT Rate or Reference Bond)*
- (xv) Fallback Relevant Time: [ ]/[Not Applicable]  
*(Only applicable where the Reset Reference Rate is CMT Rate)*
- (xvi) Benchmark Frequency: [ ]
- (xvii) Day Count Fraction: [30/360 or 360/360 or Actual/Actual (ICMA)]
- (xviii) Determination Date(s): [[ ] in each year][Not Applicable]  
*(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.)*
- (xix) Business Day Convention: [Not Applicable/Following Business Day Convention/Preceding Business Day Convention/Modified Following Business Day Convention]
- (xx) Business Centre(s): [ ]/[Not Applicable]
- (xxi) Calculation Agent: [ ]
15. Floating Rate Note Provisions: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (iii) Additional Business Centre(s): [ ]



- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ]
- (vi) Screen Rate Determination:
- Reference Rate: [ ] month [[currency] LIBOR/EURIBOR]
  - Interest Determination Date(s): [ ]  
[ ]  
[Second day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London prior to the start of each Interest Period]  
[First day of each Interest Period]  
[Second day on which the TARGET2 System is open prior to the start of each Interest Period]
  - Relevant Screen Page: [ ]  
*(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- (vii) ISDA Determination:
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (N.B. The fallback provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time)*
- (viii) Linear Interpolation: [Not Applicable/Applicable - the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]

- (ix) Margin(s): [ +/- ] [ ] per cent. per annum
- (x) Minimum Rate of Interest: [ ] per cent. per annum
- (xi) Maximum Rate of Interest: [ ] per cent. per annum
- (xii) Day Count Fraction: [Actual/Actual (ISDA) or Actual/Actual  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
30/360 or 360/360 or Bond Basis  
30E/360 or Eurobond basis  
30E/360 (ISDA)]

*(See Condition 6 for alternatives)*

16. Zero Coupon Note Provisions: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*

(i) Accrual Yield: [ ] per cent. per annum

(ii) Reference Price: [ ]

(iii) Day Count Fraction in relation to Early Redemption Amounts: [30/360]  
[Actual/360]  
[Actual/365]

17. Benchmark Replacement: [Applicable/Not Applicable]

18. Extended Gross-Up (Condition 11): [Applicable/Not Applicable]

#### **PROVISIONS RELATING TO REDEMPTION, SUBSTITUTION AND VARIATION**

19. Notice periods for Condition 7(b) [and Condition 7[(c)/(d)]]: Minimum period: [ ] days

Maximum period: [ ] days

20. Issuer Call: [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(i) Optional Redemption Date(s): [ ]

(ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount] [Not Applicable]

(iii) If redeemable in part:

(a) Minimum Redemption Amount: [ ] per Calculation Amount] [Not Applicable]

(b) Maximum Redemption [ ] per Calculation Amount] [Not Applicable]

Amount:

- (iv) Notice periods: Minimum period: [ ] days  
Maximum period: [ ] days
21. Capital Disqualification Event (Condition 7(c)): [Applicable/Not Applicable]
22. MREL Disqualification Event (Condition 7(d)): [Applicable/Not Applicable]
23. Proceeds On-Loan Tax Call: [Applicable/Not Applicable]
24. Investor Put: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount: [ ] per Calculation Amount
- (iii) Notice periods: Minimum period: [ ] days  
Maximum period: [ ] days
25. Final Redemption Amount: [ ] per Calculation Amount
26. Early Redemption Amount payable on redemption for taxation reasons[, on a Capital Disqualification Event][, on an MREL Disqualification Event] or on event of default: [As per Condition 7/[ ] per Calculation Amount]
27. Substitution and Variation: [Applicable/Not Applicable]

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

28. Form of Notes:
- (i) Form: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
- [Permanent Global Note exchangeable for Definitive Notes upon an Exchange Event]
- (Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Notes themselves N.B. The option for an issue of Notes to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes should not be expressed to be applicable if the*

*Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: “[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].”*)

(ii) New Global Note: [Yes][No]

29. Additional Financial Centre(s): [Not Applicable/[ ]]

*(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraph 15(iii) relates)*

30. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

### **THIRD PARTY INFORMATION**

[[*Relevant third party information*] has been extracted from [*specify source*]. [Each of the] [The] Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of [Piraeus Group Finance PLC][Piraeus Bank S.A.]:

By: .....  
*Duly Authorised*

[Signed on behalf of Piraeus Bank S.A.:

By: .....  
*Duly Authorised*]

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading [Not Applicable][Application has been made by the Issuer (or on its behalf) for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from [ ]].]

*(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*

- (ii) Estimate of total expenses [ ] related to admission to trading:

### 2. RATINGS

Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

*[[insert details] by [insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms]].*

[Each of [defined terms] is established in the European Union/United Kingdom and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the “CRA Regulation”).]

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business. – Amend as appropriate if there are other interests]

*[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 23 of the Prospectus Regulation.)]*

**4. YIELD (Fixed Rate Notes Only)**

Indication of yield: [ ]/[Not Applicable]

**5. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

(i) Reasons for the offer: [See [*Use of Proceeds*] in the Offering Circular/*give details*]

(ii) Estimated net proceeds: [ ]

**6. OPERATIONAL INFORMATION**

(i) ISIN: [ ]

(ii) Common Code: [ ]

(iii) CFI Code: [[ ], as updated as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(iv) FISN: [[ ], as updated as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(v) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/[ ]]

(vi) Delivery: Delivery [against/free of] payment

(vii) Names and addresses of additional Paying Agent(s) (if any): [ ]/[Not Applicable]

(viii) Name of Piraeus Bank Noteholders Agent (if any): [ ]/[Not Applicable]

(ix) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “Yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safe-keeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that

Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as “No” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safe-keeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

## 7. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/[ ]]
- (iii) Date of [Subscription] Agreement: [ ]
- (iv) Stabilisation Manager(s) (if any): [Not Applicable/[ ]]
- (v) If non-syndicated, name of relevant Dealer: [Not Applicable/[ ]]
- (vi) U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
- (vii) Prohibition of Sales to EEA and UK Retail Investors: [Applicable/Not Applicable]

*(If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared, “Not Applicable” should be specified.*

*If the Notes may constitute “packaged” products, “Applicable” should be specified.)*

## 8. EU BENCHMARKS REGULATION

Article 29(2) statement on benchmarks: [Not Applicable]

[Applicable: Amounts payable under the Notes are calculated by reference to [insert name[s] of benchmark(s)], which [is/are] provided by [insert name[s] of the administrator[s] – if more than one specify in relation to each relevant benchmark].

[As at the date of these Final Terms, [insert name[s] of the administrator[s]] [is/are] [not] included in the

register of administrators and benchmarks established and maintained by the European Securities and Markets Authority [(“ESMA”)] pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) [(the “BMR”).] [*repeat as necessary*]



## TERMS AND CONDITIONS OF THE NOTES

*The following are the terms and conditions of the Notes (the “Conditions”) which will be incorporated by reference into each global Note and each definitive Note, in the latter case only if permitted by the relevant stock exchange (if any) and agreed by the relevant Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, each definitive Note will have endorsed thereon or attached thereto such Conditions. The term “Issuer” as used in these Conditions refers to the Issuer specified as such in the applicable Final Terms in relation to a particular Tranche of Notes. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified, complete the following Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each global Note and each definitive Note. Reference should be made to “Form of the Notes” and “Applicable Final Terms” for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series of notes issued by the Issuer specified as such in the applicable Final Terms (as defined below), being either Piraeus Group Finance PLC (“Piraeus PLC”) or Piraeus Bank S.A. (“Piraeus Bank”), acting through its head office or its London Branch (each an “Issuing Branch”, and in each case as specified in the applicable Final Terms) (together the “Issuers”) the notes of such Series being hereinafter called the “Notes”, which expression shall mean (i) in relation to any Notes represented by a global Note, units of each Specified Denomination in the Specified Currency, (ii) definitive Notes issued in exchange for a global Note and (iii) any global Note issued in accordance with an amended and restated Fiscal Agency Agreement (the “Agency Agreement”, which expression shall include any amendments or supplements thereto) dated 10 February 2020 and made between Piraeus PLC, Piraeus Bank and Deutsche Bank AG, London Branch in its capacity as Issuing and Principal Paying Agent (the “Agent”, which expression shall include any successor to Deutsche Bank AG, London Branch in its capacity as such) and Deutsche Bank Luxembourg S.A. (the “Luxembourg Paying Agent” which expression shall include any successor to Deutsche Bank Luxembourg S.A. in its capacity as such, and together with the Agent and any substitute or additional Paying Agents appointed in accordance with the Agency Agreement, the “Paying Agents”).

The Notes and the Coupons (each as defined below) have the benefit of an amended and restated deed of covenant (the “Deed of Covenant”, which expression shall include any amendments or supplements thereto) dated 11 August 2017 executed by the Issuers in relation to the Notes. The original Deed of Covenant is held by the common depositary for Euroclear and Clearstream, Luxembourg (each as defined below).

Notes issued by Piraeus PLC are the subject of a deed of guarantee dated 10 February 2020 (as amended or supplemented from time to time, the “Deed of Guarantee” or the “Guarantee”) entered into by Piraeus Bank (in such capacity, the “Guarantor”). Notes issued by Piraeus Bank are unguaranteed.

Interest bearing definitive Notes will (unless otherwise indicated in the applicable Final Terms) have interest coupons (“Coupons”) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (“Talons”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons.

The Final Terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached hereto or endorsed hereon which complete these Conditions for the purposes of this Note. References herein to “applicable Final Terms” are to Part A of the Final Terms attached hereto or endorsed hereon.

If, in the case of an issue of Notes by Piraeus Bank (the “Piraeus Bank Notes”) or a substitution of Notes such that the Issuer is a body corporate in the Hellenic Republic, the holder of any such Notes must be organised in a group pursuant to article 63 of Greek law 4548/2018, to the extent applicable, Piraeus Bank shall appoint an agent of the holders of Piraeus Bank Notes (the “Piraeus Bank Noteholders Agent”) in accordance with Condition 22 of the Notes below. If no such Piraeus Bank Noteholder Agent in respect of an issue of Piraeus Bank Notes is appointed, any references to a Piraeus Bank Noteholder Agent or a Piraeus Bank Noteholder Agency Agreement in these Conditions shall not be relevant in respect of such Piraeus Bank Notes. As used herein, “Tranche” means Notes which are identical in all respects (including as to listing and admission to trading) and “Series” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Any reference to “Noteholders” or “holders” in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a global Note, be construed as provided below. Any reference herein to “Couponholders” shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Guarantee and are subject to their detailed provisions. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant, the Deed of Guarantee and the applicable Final Terms which are applicable to them. Copies of the Agency Agreement, the Deed of Covenant and the Deed of Guarantee are available for inspection at the specified office of each of the Agent and the other Paying Agents and, in the case of an issue of Piraeus Bank Notes, of the Piraeus Bank Noteholders Agent. If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

Words and expressions defined in the Agency Agreement, the Deed of Covenant or the Deed of Guarantee or which are used in the applicable Final Terms shall have the same meanings where used in these terms and conditions (the “Conditions”) unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement, Deed of Covenant or the Deed of Guarantee and the applicable Final Terms, the applicable Final Terms will prevail.

In the Conditions, “euro” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended. For the purposes of the Conditions, references to the European Economic Area or the EEA include the United Kingdom.

## **1. FORM, DENOMINATION AND TITLE**

The Notes are in bearer form in the currency (the “Specified Currency”) and the denomination(s) (the “Specified Denomination(s)”) specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may (i) bear interest calculated by reference to one or more fixed rates of interest (such Note, a “Fixed Rate Note”), (ii) bear interest calculated by reference to, in the case of an initial period, an initial fixed rate of interest and, thereafter, the applicable fixed rate of interest that has been determined pursuant to the reset provisions contained in these Conditions (such Note, a “Reset Note”), (iii) bear interest calculated by reference to one or more floating rates of interest (such Note, a “Floating Rate Note”), (iv) be issued on a non-interest bearing basis and be offered and sold at a discount to its nominal amount (such

Note, a “Zero Coupon Note”) or (v) have an interest rate determined on the basis of a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be a Senior Preferred Liquidity Note, a Senior Preferred Note, a Senior Non-Preferred Note or a Tier 2 Note, depending upon the Status of the Notes shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Conditions are not applicable.

Subject as set out below, title to the Notes and Coupons will pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the Issuer and any Paying Agent shall (subject as provided below) be entitled to deem and treat (and no such person will be liable for so deeming and treating) the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a global Note (including Notes issued in new global note (“NGN”) form, as specified in the applicable Final Terms) held on behalf of Euroclear Bank SA/NV (“Euroclear”) and/or Clearstream Banking S.A. (“Clearstream, Luxembourg”) each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Agent and any other Paying Agent and, in the case of an issue of Piraeus Bank Notes, the Piraeus Bank Noteholders Agent as the holder of such nominal amount of Notes for all purposes other than with respect to the payment of principal or interest on such Notes, for which purpose the bearer of the relevant global Note shall be treated by the Issuer, the Guarantor, the Agent and any other Paying Agent and, in the case of an issue of Piraeus Bank Notes, the Piraeus Bank Noteholders Agent as the holder of such nominal amount of Notes in accordance with and subject to the terms of the relevant global Note (and the expressions “Noteholder”, “holder of Notes”, “Piraeus Bank Noteholders” and related expressions shall be construed accordingly).

Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be. Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Guarantor and the Agent and specified in the applicable Final Terms.

## **2. STATUS OF THE SENIOR PREFERRED LIQUIDITY NOTES AND SENIOR PREFERRED NOTES AND THE DEED OF GUARANTEE IN RESPECT OF SENIOR PREFERRED LIQUIDITY NOTES ISSUED BY PIRAEUS PLC; NO SET-OFF (SENIOR PREFERRED NOTES)**

- (a) This Condition 2 only applies to Notes which are specified as Senior Preferred Liquidity Notes or, in the case of Notes issued by Piraeus Bank only, Senior Preferred Notes in the applicable Final Terms. Condition 2(c) applies to Senior

Preferred Notes only. References in this Condition 2 to “Notes”, “Coupons” and “holders” shall be construed accordingly.

- (b) The Notes and any relative Coupons constitute direct, unconditional, unsubordinated and (subject, in the case of Senior Preferred Liquidity Notes only, to the provisions of Condition 5) unsecured obligations of the Issuer which will at all times rank: (A) *pari passu* without any preference among themselves; (B) at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for such obligations as may be preferred (with a higher ranking) by mandatory provisions of applicable law) in terms of ranking compared with the Notes; and (C) in priority to Issuer Junior Liabilities (to Senior Preferred Notes).

“Additional Tier 1 Capital” has the meaning given in the Capital Regulations from time to time.

“Issuer Junior Liabilities (to Senior Preferred Notes)” means present and future claims in respect of any obligations of the Issuer which rank or are expressed to rank junior to the Notes including (without limitation) in respect of (A) any Senior Non-Preferred Liabilities (as defined below) (in the case of Notes issued by Piraeus Bank only), (B) any Tier 2 Notes issued by the Issuer (and all other present and future unsecured obligations of the Issuer which rank or are expressed to rank *pari passu* with any Tier 2 Notes issued by the Issuer), (C) any Additional Tier 1 Capital issued by the Issuer (and all other present and future unsecured obligations of the Issuer which rank or are expressed to rank *pari passu* with any Additional Tier 1 Capital issued by the Issuer) and (D) the share capital of the Issuer and all other present and future unsecured obligations of the Issuer which rank or are expressed to rank *pari passu* with any class of the share capital of the Issuer.

“Senior Non-Preferred Liabilities” means (in the case of Notes issued by Piraeus Bank only) any present and future claims in respect of unsubordinated and unsecured obligations of Piraeus Bank which meet the requirements of article 145A paragraph 1.a of Greek law 4261/2014 (introduced by virtue of article 104 of Law 4583/2018), as applicable, or which rank by law or are expressed to rank *pari passu* with such claims (including, but not limited to, any unsubordinated and unsecured obligations of Piraeus Bank under debt instruments issued prior to 18 December 2018 (being the date of introduction of paragraph 1.a in article 145A (introduced by virtue of article 104 of Law 4583/2018) of Greek law 4261/2014)).

- (c) Subject to applicable law, no holder of any Senior Preferred Notes may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Senior Preferred Notes or thereto, and each holder shall, by virtue of its subscription, purchase or holding of any Senior Preferred Note, be deemed to have waived irrevocably all such rights of set-off. To the extent that any set-off takes place, whether by operation of law or otherwise, between: (y) any amount owed by the Issuer to a holder arising under or in connection with the Senior Preferred Notes; and (z) any amount owed to the Issuer by such holder, such holder will immediately transfer such amount which is set off to the Issuer or, in the event of its special liquidation within the meaning of article 145 of Greek law 4261/2014, winding up or dissolution, the special liquidator, administrator or other relevant insolvency official of the Issuer, to be held on trust for or on behalf and in the name of (as applicable) the Senior Creditors of the Issuer (to Senior Preferred Notes) (as defined below).

“Senior Creditors of the Issuer (to Senior Preferred Notes)” means creditors of the Issuer who are unsubordinated creditors of the Issuer whose claims rank or are

expressed to rank in priority (including creditors in respect of obligations that may rank higher in priority by mandatory provisions of applicable law) to the claims of the holders of Senior Preferred Liquidity Notes and Senior Preferred Notes (whether only in the winding-up or special liquidation within the meaning of article 145 of Greek law 4261/2014 of the Issuer or otherwise).

- (d) This Condition 2(d) only applies to Senior Preferred Liquidity Notes issued by Piraeus PLC.

The obligations of the Guarantor under the Deed of Guarantee constitute direct, general, unconditional and preferred obligations of the Guarantor which will at all times rank: (i) *pari passu* with all present and future preferred obligations of the Guarantor under article 145A, paragraph 1(i)<sup>2</sup> of law 4261/2014 and with lower priority to all present and future preferred obligations of the Guarantor under article 145A, paragraph 1 of law 4261/2014; (ii) in priority to Senior Non-Preferred Notes issued by it; and (iii) in priority to Guarantor Junior Liabilities (to Senior Preferred Notes).

“Guarantor Junior Liabilities (to Senior Preferred Notes)” means present and future claims in respect of any obligations of Piraeus Bank which rank or are expressed to rank junior to its obligations under the Deed of Guarantee in respect of Senior Preferred Liquidity Notes issued by Piraeus PLC including (without limitation) in respect of (A) any Senior Non-Preferred Liabilities, (B) any Tier 2 Notes issued by Piraeus Bank (and all other present and future unsecured obligations of Piraeus Bank which rank or are expressed to rank *pari passu* with any Tier 2 Notes issued by Piraeus Bank), (C) any Additional Tier 1 Capital issued by Piraeus Bank (and all other present and future unsecured obligations of Piraeus Bank which rank or are expressed to rank *pari passu* with any Additional Tier 1 Capital issued by Piraeus Bank) and (D) the share capital of Piraeus Bank and all other present and future unsecured obligations of Piraeus Bank which rank or are expressed to rank *pari passu* with any class of the share capital of Piraeus Bank.

### 3. STATUS OF SENIOR NON-PREFERRED NOTES; NO SET-OFF

- (a) This Condition 3 only applies to Notes issued by Piraeus Bank which are specified as Senior Non-Preferred Notes in the applicable Final Terms. References in this Condition 3 to “Notes”, “Coupons” and “holders” shall be construed accordingly.
- (b) The Notes and any relative Coupons are intended to constitute Senior Non-Preferred Liabilities and constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer which will at all times rank:
- (i) *pari passu* without any preference among themselves;
  - (ii) *pari passu* with all other Senior Non-Preferred Liabilities;
  - (iii) in priority to Junior Liabilities (to Senior Non-Preferred Notes) (as defined below); and
  - (iv) junior to present and future obligations of the Issuer in respect of Senior Creditors of the Issuer (to Senior Non-Preferred Notes).

“Junior Liabilities (to Senior Non-Preferred Notes)” means any present and future claims in respect of obligations of the Issuer which rank or are expressed to rank

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<sup>2</sup> Paragraph 1(θ) in the Greek text.

junior to the Notes, including (without limitation) in respect of (A) any Tier 2 Notes issued by the Issuer (and all other present and future unsecured obligations of the Issuer which rank or are expressed to rank *pari passu* with any Tier 2 Notes issued by the Issuer), (B) any Additional Tier 1 Capital issued by the Issuer (and all other present and future unsecured obligations of the Issuer which rank or are expressed to rank *pari passu* with any Additional Tier 1 Capital issued by the Issuer) and (C) the share capital of the Issuer and all other present and future unsecured obligations of the Issuer which rank or are expressed to rank *pari passu* with any class of the share capital of the Issuer.

“Senior Creditors of the Issuer (to Senior Non-Preferred Notes)” means creditors of the Issuer whose claims rank or are expressed to rank in priority to the claims of the holders of any Senior Non-Preferred Notes, including (without limitation) any Senior Creditors of the Issuer (to Senior Preferred Notes) and the holders of any Senior Preferred Liquidity Notes and Senior Preferred Notes.

- (c) Subject to applicable law, no holder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Notes or thereto, and each holder shall, by virtue of its subscription, purchase or holding of any Note, be deemed to have waived irrevocably all such rights of set-off. To the extent that any set-off takes place, whether by operation of law or otherwise, between: (y) any amount owed by the Issuer to a holder arising under or in connection with the Notes; and (z) any amount owed to the Issuer by such holder, such holder will immediately transfer such amount which is set off to the Issuer or, in the event of its special liquidation within the meaning of article 145 of Greek law 4261/2014, winding up or dissolution, the special liquidator, administrator or other relevant insolvency official of the Issuer, to be held on trust for or on behalf and in the name of (as applicable) the Senior Creditors of the Issuer (to Senior Non-Preferred Notes).

#### **4. STATUS OF TIER 2 NOTES AND THE DEED OF GUARANTEE IN RESPECT OF TIER 2 NOTES; NO SET-OFF**

- (a) This Condition 4 only applies to Notes which are specified as Tier 2 Notes in the applicable Final Terms. References in this Condition 4 to “Notes”, “Coupons” and “holders” shall be construed accordingly.
- (b) The Notes and any relative Coupons constitute direct, unsecured and subordinated obligations of the Issuer which will at all times rank *pari passu* without any preference among themselves.

The claims of the Noteholders will be subordinated to the claims of Senior Creditors of the Issuer (to Tier 2 Notes) (as defined below) in that, in the event of the winding up or (in the case of Notes issued by Piraeus Bank) special liquidation within the meaning of article 145 of Greek law 4261/2014 of the Issuer, payments of principal and interest in respect of the Notes will be conditional upon the Issuer being solvent at the time of payment by the Issuer and in that no principal or interest shall be payable in respect of the Notes at such time except to the extent that the Issuer could make such payment and still be solvent immediately thereafter. For this purpose, the Issuer shall be considered to be solvent if it can pay principal and interest in respect of the Notes and still be able to pay its outstanding debts to Senior Creditors of the Issuer (to Tier 2 Notes), which are due and payable.

“Senior Creditors of the Issuer (to Tier 2 Notes)” means creditors of the Issuer (a) who are unsubordinated creditors of the Issuer, or (b) who are subordinated creditors of the Issuer whose claims rank or are expressed to rank in priority to the

claims of the holders of Tier 2 Notes (whether in the winding up or (in the case of Notes issued by Piraeus Bank) special liquidation within the meaning of article 145 of Greek law 4261/2014 of the Issuer or otherwise).

In the case of dissolution, liquidation, (in the case of Notes issued by Piraeus Bank) special liquidation within the meaning of article 145 of Greek law 4261/2014 and/or bankruptcy (as the case may be and to the extent applicable) of the Issuer, the holders will only be paid by the Issuer after all Senior Creditors of the Issuer (to Tier 2 Notes) have been paid in full and the holders irrevocably waive their right to be treated equally with all other unsecured, unsubordinated creditors of the Issuer in such circumstances. Where the Issuer is Piraeus Bank, such waiver constitutes a genuine contract benefitting third parties and, according to article 411 of the Greek Civil Code, or, as the case may be, any other equivalent provision of the law applicable to the Tier 2 Notes, creates rights for Senior Creditors of the Issuer (to Tier 2 Notes).

- (c) Subject to applicable law, no holder of any Notes may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Notes or thereto, and each holder shall, by virtue of its subscription, purchase or holding of any Note, be deemed to have waived irrevocably all such rights of set-off. To the extent that any set-off takes place, whether by operation of law or otherwise, between: (y) any amount owed by the Issuer to a holder arising under or in connection with the Notes; and (z) any amount owed to the Issuer by such holder, such holder will immediately transfer such amount which is set off to the Issuer or, in the event of its winding up, dissolution or (in the case of Notes issued by Piraeus Bank) special liquidation within the meaning of article 145 of Greek law 4261/2014, the liquidator, (in the case of Notes issued by Piraeus Bank) special liquidator, administrator or other relevant insolvency official of the Issuer, to be held on trust for or on behalf and in the name of (as applicable) the Senior Creditors of the Issuer (to Tier 2 Notes).
- (d) This Condition 4(d) only applies to Tier 2 Notes issued by Piraeus PLC. References in this Condition 4(d) to “Notes” and “holders” shall be construed accordingly.

The obligations of the Guarantor under the Deed of Guarantee constitute direct, general and unsecured obligations of the Guarantor subordinated as provided below.

All claims under the Deed of Guarantee will be subordinated to the claims of Senior Creditors of the Guarantor (to Tier 2 Notes) (as defined below) in that, in the event of the winding up or special liquidation within the meaning of article 145 of Greek law 4261/2014 of the Guarantor, payments under the Deed of Guarantee will be conditional upon the Guarantor being solvent at the time of payment by the Guarantor and in that no amount shall be payable under the Deed of Guarantee at such time except to the extent that the Guarantor could make such payment and still be solvent immediately thereafter. For this purpose, the Guarantor shall be considered to be solvent if it can pay principal and interest in respect of the Notes and still be able to pay its outstanding debts to Senior Creditors of the Guarantor (to Tier 2 Notes), which are due and payable.

“Senior Creditors of the Guarantor (to Tier 2 Notes)” means creditors of the Guarantor (a) who are unsubordinated creditors of the Guarantor, or (b) who are subordinated creditors of the Guarantor whose claims are expressed to rank in priority to the claims of the holders of the Tier 2 Notes under the Deed of Guarantee (whether in the winding up or special liquidation within the meaning of article 145 of Greek law 4261/2014 of the Guarantor or otherwise).

In the case of dissolution, liquidation, special liquidation within the meaning of article 145 of Greek law 4261/2014 and/or bankruptcy (as the case may be and to the extent applicable) of the Guarantor, the holders will only be paid by the Guarantor after all Senior Creditors of the Guarantor (to Tier 2 Notes) have been paid in full and the holders irrevocably waive their right to be treated equally with all other unsecured, unsubordinated creditors of the Guarantor in such circumstances. Such waiver constitutes a genuine contract benefitting third parties and, according to article 411 of the Greek Civil Code, or, as the case may be, any other equivalent provision of the law applicable to the Tier 2 Notes, creates rights for Senior Creditors of the Guarantor (to Tier 2 Notes).

- (e) Subject to applicable law, no holder of any Notes may exercise or claim any right of set-off in respect of any amount owed to it by the Guarantor arising under or in connection with the Deed of Guarantee, and each holder shall, by virtue of its subscription, purchase or holding of any Note, be deemed to have waived irrevocably all such rights of set-off. To the extent that any set-off takes place, whether by operation of law or otherwise, between: (y) any amount owed by the Guarantor to a holder arising under or in connection with the Deed of Guarantee; and (z) any amount owed to the Guarantor by such holder, such holder will immediately transfer such amount which is set off to the Guarantor or, in the event of its special liquidation within the meaning of article 145 of Greek law 4261/2014, winding up or dissolution, the special liquidator, administrator or other relevant insolvency official of the Guarantor, to be held on trust for or on behalf and in the name of (as applicable) the Senior Creditors of the Guarantor (to Tier 2 Notes).

## **5. NEGATIVE PLEDGE (SENIOR PREFERRED LIQUIDITY NOTES ONLY)**

This Condition 5 shall apply only to Senior Preferred Liquidity Notes and references to “Notes” and “Noteholders” shall be construed accordingly.

So long as any of the Notes remains outstanding (as defined in the Agency Agreement), neither the Issuer nor the Guarantor (if applicable) shall create or permit to be outstanding any mortgage, charge, lien, pledge or other similar encumbrance or security interest upon the whole or any part of its undertaking or assets, present or future (including any uncalled capital), to secure any Indebtedness (as defined below) or any guarantee or indemnity given in respect of any Indebtedness, without, in the case of the creation of an encumbrance or security interest, at the same time and, in any other case, promptly according to the Noteholders an equal and rateable interest in the same or providing to the Noteholders such other security as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders, save that the Issuer or the Guarantor (if applicable) may create or permit to subsist a security interest to secure Indebtedness and/or any guarantee or indemnity given in respect of Indebtedness of any person, in each case as aforesaid, (but without the obligation to accord or provide to the Noteholders either an equal and rateable interest in the same or such other security as aforesaid) where such security interest:

- (a) is created pursuant to any securitisation, asset-backed financing or like arrangement in accordance with normal market practice and whereby the amount of Indebtedness secured by such security interest or in respect of which any guarantee or indemnity is secured by such security interest is limited to the value of the assets secured; or
- (b) is granted in relation to mortgage-backed bonds issued by the Guarantor under Greek law and “covered bonds”.



“Indebtedness” means any borrowings having an original maturity of more than one year in the form of or represented by bonds, notes, debentures or other debt securities which, with the consent of the Issuer are, or are intended to be, listed or traded on any stock exchange, over-the-counter or other organised market for securities (whether or not initially distributed by way of private placing).

## 6. INTEREST

### (a) *Interest on Fixed Rate Notes*

- (i) Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date specified in the applicable Final Terms at the rate(s) per annum equal to the Rate(s) of Interest so specified payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date so specified if that does not fall on an Interest Payment Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

- (ii) As used in these Conditions, “Fixed Interest Period” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

- (iii) Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 6(a) or Condition 6(b):

- (i) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:

- (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date the “Accrual Period” is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
- (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
  - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
  - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

“Calculation Amount” will be as specified in the applicable Final Terms;

“Determination Period” means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

“sub-unit” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) *Interest on Reset Notes*

(i) *Rates of Interest and Interest Payment Dates*

Each Reset Note bears interest:

- (A) from (and including) the Interest Commencement Date specified in the applicable Final Terms to (but excluding) the First Reset Date at the rate per annum equal to the Initial Rate of Interest;
- (B) from (and including) the First Reset Date to (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and
- (C) if applicable, from (and including) the Second Reset Date to (but excluding) the first Subsequent Reset Date (if any), and each successive period from (and including) any Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date (if any) or the Maturity Date, as the case may be (each a “Subsequent Reset Period”) at the rate per annum equal to the relevant Subsequent Reset Rate of Interest,

(in each case rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) payable, in each case, in arrear on the Interest Payment Date(s) in each year and on the Maturity Date so specified if that does not fall on an Interest Payment Date.

The Rate of Interest and the amount of interest (the “Interest Amount”) payable shall be determined by the Calculation Agent, (A) in the case of the Rate of Interest, at or as soon as practicable after each time at which the Rate of Interest is to be determined, and (B) in the case of the Interest Amount in accordance with the provisions for calculating amounts of interest in Condition 6(a) and, for such purposes, references in Condition 6(a)(iii) to “Fixed Rate Notes” shall be deemed to be to “Reset Notes” and Condition 6(a) shall be construed accordingly.

In these Conditions:

“Fallback Relevant Time” has the meaning specified in the applicable Final Terms;

“First Margin” means the margin specified as such in the applicable Final Terms;

“First Reset Date” means the date specified in the applicable Final Terms;

“First Reset Period” means the period from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms, the Maturity Date;

“First Reset Period Fallback Yield” means the yield specified in the applicable Final Terms;

“First Reset Rate of Interest” means, in respect of the First Reset Period and subject to Condition 6(b)(ii) (if applicable), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum, converted from a basis equivalent to the Benchmark Frequency specified in the applicable Final Terms to a basis equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (such calculation to be determined by the Issuer in conjunction

with a leading financial institution selected by it), of (A) the relevant Reset Reference Rate and (B) the First Margin;

“H.15(519)” means the weekly statistical release designated as H.15(519), or any successor publication, published by the board of governors of the Federal Reserve System at <https://www.federalreserve.gov/releases/H15> or such other page, section, successor site or publication as may replace it;

“Initial Rate of Interest” has the meaning specified in the applicable Final Terms;

“Mid-Market Swap Rate” means, for any Reset Period, the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the Benchmark Frequency specified in the applicable Final Terms (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Floating Leg Frequency (as specified in the applicable Final Terms) (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Calculation Agent);

“Mid-Market Swap Rate Quotation” means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

“Mid-Swap Floating Leg Benchmark Rate” means EURIBOR if the Specified Currency is euro or LIBOR for the Specified Currency if the Specified Currency is not euro;

“Rate of Interest” means the Initial Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as applicable;

“Reference Bond” means, in relation to any Reset Period, a government security or securities issued by the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be Germany), as selected by the Issuer on the advice of an investment bank of international repute, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to such Reset Period;

“Reference Bond Quotation” means, in relation to a Reset Reference Bank and a Reset Determination Date:

- (a) if CMT Rate is specified as the Reset Reference Rate in the applicable Final Terms, the rate, as determined by the Calculation Agent, as being a yield-to-maturity based on the arithmetic mean of the secondary market bid prices of such Reset Reference Bank for the relevant Reset U.S. Treasury Securities at approximately the Fallback Relevant Time on such Reset Determination Date; or

- (b) if Reference Bond is specified as the Reset Reference Rate in the applicable Final Terms, the arithmetic mean, as determined by the Calculation Agent, of the bid and offered yields for the relevant Reference Bond requested by the Issuer and provided to the Calculation Agent by such Reset Reference Bank at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date;

“Reset Business Day” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Business Centre specified in the applicable Final Terms;

“Reset Date” means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable);

“Reset Determination Date” means, in respect of the First Reset Period, the second Reset Business Day prior to the First Reset Date, in respect of the first Subsequent Reset Period, the second Reset Business Day prior to the Second Reset Date and, in respect of each Subsequent Reset Period thereafter, the second Business Day prior to the first day of each such Subsequent Reset Period;

“Reset Period” means the First Reset Period or a Subsequent Reset Period, as the case may be;

“Reset Reference Bank Rate” means, in relation to a Reset Period and the Reset Determination Date in relation to such Reset Period, the rate (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) determined on the basis of the Reference Bond Quotations requested by the Issuer and provided by the Reset Reference Banks to the Calculation Agent at:

- (a) if CMT Rate is specified as the Reset Reference Rate in the applicable Final Terms, the Fallback Relevant Time; or
- (b) if Reference Bond is specified as the Reset Reference Rate in the applicable Final Terms, approximately 11.00 a.m. in the principal financial centre of the Specified Currency,

in each case on such Reset Determination Date. If at least three such Reference Bond Quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean (rounded as aforesaid) of the Reference Bond Quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two Reference Bond Quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean (rounded as aforesaid) of the Reference Bond Quotations provided. If fewer than two Reference Bond Quotations are provided, the Reset Reference Bank Rate for the relevant Reset Period will be (a) in the case of each Reset Period other than the First Reset Period, the Reset Reference Bank Rate in respect of the immediately preceding Reset Period or (b) in the case of the First Reset Period, the First Reset Period Fallback Yield;

“Reset Reference Banks” means:

- (a) if Mid-Swap Rate is specified as the Reset Reference Rate in the applicable Final Terms, the principal office in the principal financial centre of the Specified Currency of four major banks in the swap, money, securities or other market most closely connected with the relevant Reset Reference Rate as selected by the Issuer on the advice of an investment bank of international repute;
- (b) if CMT Rate is specified as the Reset Reference Rate in the applicable Final Terms, the principal office in New York City of five major banks which are primary U.S. Treasury Securities dealers or market makers in pricing corporate bond issues denominated in U.S. dollars as selected by the Issuer on the advice of an investment bank of international repute; or
- (c) if Reference Bond is specified as the Reset Reference Rate in the applicable Final Terms, the principal office in the principal financial centre of the Specified Currency of four major banks which are primary government securities dealers or market makers in pricing corporate bond issues denominated in the Specified Currency as selected by the Issuer on the advice of an investment bank of international repute;

“Reset Reference Rate” means, in relation to a Reset Determination Date and subject to Condition 6(b)(ii) (if applicable), either:

- (a) if Mid-Swap Rate is specified in the applicable Final Terms:
  - (i) if Single Mid-Swap Rate is specified in the applicable Final Terms, the rate for swaps in the Specified Currency:
    - (A) with a term equal to the relevant Reset Period; and
    - (B) commencing on the relevant Reset Date,
 which appears on the Relevant Screen Page or such replacement page on that service which displays the information; or
  - (ii) if Mean Mid-Swap Rate is specified in the applicable Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:
    - (A) with a term equal to the relevant Reset Period; and
    - (B) commencing on the relevant Reset Date,
 which appear on the Relevant Screen Page or such replacement page on that service which displays the information,
 

in either case, as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset

Determination Date, all as determined by the Calculation Agent;

- (b) if CMT Rate is specified in the applicable Final Terms and if the Specified Currency is U.S. dollars, the rate which is equal to:
  - (i) the yield for U.S. Treasury Securities at “constant maturity” for a designated maturity which is equal to the duration of the relevant Reset Period, as published in the H.15(519) under the caption “treasury constant maturities (nominal)”, as that yield is displayed on such Reset Determination Date, on the Relevant Screen Page; or
  - (ii) if the yield referred to in paragraph (A) above is not published by approximately 4.00 p.m. New York City time on the Relevant Screen Page on such Reset Determination Date, the yield for the U.S. Treasury Securities at “constant maturity” for a designated maturity which is equal to the duration of the relevant Reset Period as published in H.15(519) under the caption “treasury constant maturities (nominal)” on such Reset Determination Date; or
  - (iii) if the yield referred to in paragraph (B) above is not published by the Fallback Relevant Time on such Reset Determination Date, the Reset Reference Bank Rate on such Reset Determination Date; or
- (c) if Reference Bond is specified in the applicable Final Terms the Reset Reference Bank Rate on such Reset Determination Date;

“Reset U.S. Treasury Securities” means, in relation to a Reset Determination Date, U.S. Treasury Securities with a designated maturity which is equal to the duration of the relevant Reset Period and a remaining term to maturity of no less than one year less than the duration of the relevant Reset Period.

If two or more U.S. Treasury Securities have remaining terms to maturity of no less than one year shorter than the Reset Period, the U.S. Treasury Security with the longer remaining term to maturity will be used and if two or more U.S. Treasury Securities have remaining terms to maturity equally close to the duration of the Reset Period, the U.S. Treasury Security with the largest nominal amount outstanding will be used;

“Second Reset Date” means the date specified in the applicable Final Terms;

“Subsequent Margin” means the margin specified as such in the applicable Final Terms;

“Subsequent Reset Date” means the date or dates specified in the applicable Final Terms;

“Subsequent Reset Rate of Interest” means, in respect of any Subsequent Reset Period and subject to Condition 6(b)(ii) (if applicable), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum, converted from a basis equivalent to the Benchmark Frequency specified in the applicable Final Terms to a basis

equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (such calculation to be determined by the Issuer in conjunction with a leading financial institution selected by it), of (A) the relevant Reset Reference Rate and (B) the relevant Subsequent Margin; and

“U.S. Treasury Securities” means securities that are direct obligations of the United States Treasury, issued other than on a discount basis.

(ii) *Fallbacks*

This Condition 6(b)(ii) only applies if the Reset Reference Rate is specified in the applicable Final Terms as Mid-Swap Rate.

Subject as provided in Condition 6(d), if on any Reset Determination Date the Relevant Screen Page is not available or the Reset Reference Rate does not appear on the Relevant Screen Page, the Issuer shall request each of the Reset Reference Banks to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date in question.

If two or more of the Reset Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum (converted as set out in the definition of such term above) of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date only one of the Reset Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be the sum (converted as set out in the definition of such term above) (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotation and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date none of the Reset Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be the sum (converted as set out in the definition of such term above) of the last observable mid-swap rate with an equivalent term and currency to the relevant Reset Reference Rate which appeared on the Relevant Screen Page and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

(iii) *Notification of First Reset Rate of Interest, Subsequent Reset Rate of Interest and Interest Amount*

The Calculation Agent will cause the First Reset Rate of Interest, any Subsequent Reset Rate of Interest and, in respect of a Reset Period, the Interest Amount payable on each Interest Payment Date falling in such Reset Period to be notified, inter alios, to the Issuer and, if applicable, the Guarantor and the Agent and to the Luxembourg Paying Agent to separately notify any stock exchange on which the



relevant Reset Notes are for the time being listed and notice thereof to be published in accordance with Condition 16 (Notices) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter (or where the relevant Reset Notes are listed on the Luxembourg Stock Exchange, by no later than the first day of the relevant Interest Period). Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment). Any such amendment will be promptly notified by the Luxembourg Paying Agent to each stock exchange on which the relevant Reset Notes are for the time being listed and to the Noteholders in accordance with Condition 16. For the purposes of this paragraph, the expression “London Business Day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(iv) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6(b) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor (if applicable), the Agent, the Calculation Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Guarantor (if applicable), the Noteholders or the Couponholders shall attach to the Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Floating Rate Notes*

(i) *Interest Payment Dates*

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) (each an “Interest Payment Date”) in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an “Interest Payment Date”) which (save as otherwise mentioned in these Conditions or the applicable Final Terms) falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 6(c)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

“Business Day” means (unless otherwise stated in the applicable Final Terms) a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne or Wellington respectively) or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system (the “TARGET2 System”) is open.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(iii) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the

applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (iii), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent or other person specified in the applicable Final Terms under an interest rate swap transaction if the Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "ISDA Definitions") and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms.

For purposes of this sub-paragraph (iii): (a) "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those terms in the ISDA Definitions and (b) the definition of "Banking Day" in the ISDA Definitions shall be amended to insert after the words "are open for" in the second line the word "general".

Where this sub-paragraph (iii) applies, in respect of each relevant Interest Period, the Agent will be deemed to have discharged its obligations under sub-paragraph (iv) below in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this sub-paragraph (iii).

(iv) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (B) the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum), for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at the Specified Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, only one of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (A) above, no such quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the Specified Time,

- (i) the Issuer shall request; or
- (ii) the Agent or other person specified in the applicable Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) shall request,

if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks (as defined below) or, if the Reference Rate is EURIBOR, the principal Eurozone office of each of the Reference Banks, to provide the Issuer or the Agent (as the case may be) with its offered quotation (expressed as a percentage rate per annum) for deposits in the Specified Currency for the relevant Interest Period, if the Reference Rate is LIBOR, to leading banks in the London inter-bank market as at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, to leading banks in the Euro zone inter-bank market as at 11.00 a.m. (Brussels time), on the Interest Determination Date in question. If two or more of the Reference Banks provide the Issuer or the Agent (as the case may be) with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Issuer or the Agent (as the case may be).

If on any Interest Determination Date one only or none of the Reference Banks provides the Issuer or the Agent (as the case may be) with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Issuer or the Agent (as the case may be) determines as being the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the rates, as communicated to (and at the request of) the Issuer or the Agent (as the case may be) by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Issuer or the Agent (as the case may be) with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

For the purposes of this Condition 6(c)(iv):

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London interbank market; and in the case

of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone interbank market, in each case selected by the Issuer or the Agent (as the case may be).

“Reference Rate” means, as specified in the Final Terms, (i) the London interbank offered rate (“LIBOR”) or (ii) the Euro-zone interbank offered rate (“EURIBOR”), as specified for each in the Final Terms.

“Relevant Financial Centre” means the financial centre specified as such in the Final Terms or if none is so specified: (i) in the case of a determination of LIBOR, London or (ii) in the case of a determination of EURIBOR, Brussels.

“Specified Time” means the time specified as such in the Final Terms or if none is so specified: (i) in the case of a determination of LIBOR, 11.00 a.m., or (ii) in the case of a determination of EURIBOR, 11.00 a.m., in each case in the Relevant Financial Centre.

(v) *Minimum and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the above provisions is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the above provisions is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(vi) *Determination of Rate of Interest and Calculation of Interest Amount*

The Agent will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the “Interest Amount”) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or

(B) in the case of Floating Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest cent (or its approximate equivalent sub-unit of the relevant Specified Currency, half of any sub-unit being rounded upwards or otherwise in accordance with applicable market convention). Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the

Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

“Day Count Fraction” means, in respect of the calculation of an amount of interest for any Interest Period:

- (a) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (b) if “Actual/365 Fixed” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (c) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (d) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (e) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (f) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (g) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times M_2 - M_1] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

(vii) *Linear Interpolation*

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period, provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

“Designated Maturity” means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(viii) *Notification of Rate of Interest and Interest Amount*

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified, *inter alios*, to the Issuer and, if applicable, the Guarantor and to the Luxembourg Paying Agent to separately notify any stock exchange on which the relevant Floating Rate Notes are for the time being listed, and notice thereof to be published in accordance with Condition 16 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter (or where the relevant Floating Rate Notes are listed on the Luxembourg Stock Exchange, by no later than the first day of the relevant Interest Period). Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment). Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 16. For the purposes of this paragraph, the expression “London Business Day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(ix) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6(c) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor (if applicable), the Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Guarantor (if applicable), the Noteholders or the Couponholders shall attach to the Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.



(d) *Benchmark Replacement*

If:

- (1) the Reset Note provisions are specified as being applicable in the applicable Final Terms and the Reset Reference Rate is specified as Mid-Swap Rate in the applicable Final Terms; or
- (2) the Floating Rate Note provisions are specified as being applicable in the applicable Final Terms and Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined,

and, in each case, if Benchmark Replacement is also specified as being applicable in the applicable Final Terms, then the provisions of this Condition 6(d) shall apply.

If, notwithstanding the provisions of Condition 6(b) or Condition 6(c), as applicable, the Issuer determines that a Benchmark Event has occurred when any Rate of Interest (or component thereof) remains to be determined by reference to an Original Reference Rate, then the following provisions shall apply to the relevant Series of Notes:

- (A) the Issuer shall use reasonable endeavours, as soon as reasonably practicable, to appoint an Independent Adviser to determine:
  - (a) a Successor Reference Rate; or
  - (b) if such Independent Adviser fails so to determine a Successor Reference Rate, an Alternative Reference Rate,

and, in each case, an Adjustment Spread (in any such case, acting in good faith and in a commercially reasonable manner) no later than the relevant IA Determination Cut-off Date for the purposes of determining the Rate of Interest (or the relevant component part thereof) for all relevant future payments of interest on the Notes for which the Rate of Interest (or the relevant component part thereof) was otherwise to be determined by references to such Original Reference Rate (subject to the subsequent operation of, and adjustment as provided in, this Condition 6(d) in the event of a further Benchmark Event occurring in respect of either the Successor Reference Rate or Alternative Reference Rate (as applicable));

- (B) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by the Issuer fails to determine a Successor Reference Rate or an Alternative Reference Rate (as applicable) prior to the relevant IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine:
  - (a) a Successor Reference Rate; or
  - (b) if the Issuer fails so to determine a Successor Reference Rate, an Alternative Reference Rate,

and, in each case, an Adjustment Spread no later than the Issuer Determination Cut-off Date, for the purposes of determining the Rate of Interest (or the relevant component part thereof) for all relevant future payments of interest on the Notes for which the Rate of Interest (or the relevant component part thereof) was otherwise to be determined by

reference to such Original Reference Rate (subject to the subsequent operation of, and adjustment as provided in, this Condition 6(d)). Without prejudice to the definitions thereof, for the purposes of determining any Alternative Reference Rate and the relevant Adjustment Spread, the Issuer will take into account any relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets;

- (C) if a Successor Reference Rate or, failing which, an Alternative Reference Rate (as applicable) and, in either case, an Adjustment Spread is determined by the relevant Independent Adviser or the Issuer (as applicable) in accordance with this Condition 6(d):
- (a) such Successor Reference Rate or Alternative Reference Rate (as applicable) shall subsequently be used in place of the relevant Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all relevant future payments of interest on the Notes for which the Rate of Interest (or the relevant component part thereof) was otherwise to be determined by reference to the relevant Original Reference Rate (subject to the subsequent operation of, and adjustment as provided in, this Condition 6(d));
  - (b) such Adjustment Spread shall be applied to such Successor Reference Rate or Alternative Reference Rate (as the case may be) for all such relevant future payments of interest on the Notes (subject to the subsequent operation of, and adjustment as provided in, this Condition 6(d)); and
  - (c) the relevant Independent Adviser or the Issuer (as applicable) (acting in good faith and in a commercially reasonable manner) may in its discretion specify:
    - (i) changes to these Conditions in order to follow market practice in relation to such Successor Reference Rate or Alternative Reference Rate (as applicable), including, but not limited to, (1) the Additional Business Centre(s), the Benchmark Frequency, the Business Centre(s), the definition of "Business Day", the Business Day Convention, the Day Count Fraction, the Determination Date(s), the Interest Determination Date(s), the Mid-Swap Floating Leg Frequency, the definition of "Reference Banks" or "Reset Reference Banks" (as applicable), the Relevant Screen Page, the Reset Determination Date, the Reset Reference Rate and/or the Specified Period(s)/Specified Interest Payment Dates applicable to the Notes and (2) the method for determining the fallback to the Rate of Interest in relation to the Notes if such Successor Reference Rate or Alternative Reference Rate (as applicable) is not available; and
    - (ii) any other changes which the relevant Independent Adviser or the Issuer (as applicable) determines are reasonably necessary to ensure the proper operation and comparability to the relevant Original Reference Rate of such Successor

Reference Rate or Alternative Reference Rate (as applicable),

which changes shall apply to the Notes for all relevant future payments of interest on the Notes for which the Rate of Interest (or the relevant component part thereof) was otherwise to be determined by reference to the relevant Original Reference Rate (subject to the subsequent operation of, and adjustment as provided in, this Condition 6(d)); and

- (d) promptly (but in all cases without prejudice to the provisions contained in the paragraph immediately following (D) below and the requirement to provide notice no later than the next Issuer Determination Cut-off Date) following the determination of any Successor Reference Rate or Alternative Reference Rate (as applicable) and the relevant Adjustment Spread, the Issuer shall give notice thereof and of any changes to these Conditions (and the effective date thereof) pursuant to Condition 6(d)(C)(c) to the Agent, the Calculation Agent (if any), the other Paying Agents and the Noteholders in accordance with Condition 16; and
- (D) The Agent and any other agents party to the Agency Agreement shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to the application of this Condition 6(d). No consent of the Noteholders shall be required in connection with effecting the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) and, in either case, the relevant Adjustment Spread as described in this Condition 6(d) or such other relevant changes pursuant to Condition 6(d)(C)(c), including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Agency Agreement.

If a Successor Reference Rate or an Alternative Reference Rate and/or, in either case, an Adjustment Spread or any changes to these Conditions pursuant to Condition 6(d)(C)(c) is not determined pursuant to the operation of this Condition 6(d) and notified to the Agent, the Calculation Agent (if any), the other Paying Agents and the Noteholders in accordance with Condition 16 prior to the relevant Issuer Determination Cut-off Date, then the Rate of Interest for the next relevant Interest Period (in the case of Floating Rate Notes) or Reset Period (in the case of Reset Notes) shall be determined by reference to the fallback provisions of Condition 6(b) or 6(c), as the case may be. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period (in the case of Floating Rate Notes) or Reset Period (in the case of Reset Notes) only and any subsequent Interest Periods or Reset Periods (as applicable) are subject to the operation or subsequent operation of, and to adjustment as provided in, this Condition 6(d).

Notwithstanding any other provision of this Condition 6(d), none of the Agent, the Calculation Agent (if any) nor the other Paying Agents shall be obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 6(d) which, in the sole opinion of the Agent, the Calculation Agent or the relevant Paying Agent (as applicable) would have the effect of (i) exposing the Agent, the Calculation Agent or the relevant Paying Agent (as applicable) to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Agent, the

Calculation Agent or the relevant Paying Agent (as applicable) in the Agency Agreement and/or these Conditions.

Notwithstanding any other provision of this Condition 6(d), if in the Agent's, the Calculation Agent's (if any) or a Paying Agent's opinion there is any uncertainty in making any determination or calculation under this Condition 6(d), the Agent, the Calculation Agent or the relevant Paying Agent (as applicable) shall promptly notify the Issuer and/or the Independent Adviser thereof and the Issuer shall direct the Agent, the Calculation Agent or the relevant Paying Agent (as applicable) in writing as to which course of action to adopt. If the Agent, the Calculation Agent or the relevant Paying Agent (as applicable) is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall promptly notify the Issuer and/or the Independent Adviser (as the case may be) thereof and the Agent, the Calculation Agent or the relevant Paying Agent (as applicable) shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

For the avoidance of doubt, none of the Agent, the Calculation Agent (if any) nor any Paying Agent shall be obliged to monitor or enquire as to whether a Benchmark Event has occurred or have any liability in respect thereto.

Notwithstanding any other provision of this Condition 6(d) no Successor Reference Rate or Alternative Reference Rate (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 6(d), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to:

- (x) prejudice the qualification of the Notes as (a) in the case of Tier 2 Notes, Tier 2 Capital of Piraeus Bank and/or the Group and (b) in the case of Senior Non-Preferred Notes or Senior Preferred Notes, MREL Eligible Liabilities; and/or
- (y) in the case of Senior Non-Preferred Notes and Senior Preferred Notes only, result in the Relevant Regulator and/or the Relevant Resolution Authority (as defined below) treating the next Interest Payment Date or Reset Date, as the case may be, as the effective maturity of the Notes, rather than the relevant Maturity Date,

in such case the Rate of Interest for the next relevant Interest Period (in the case of Floating Rate Notes) or Reset Period (in the case of Reset Notes) shall be determined by reference to the fallback provisions of Condition 6(b) or 6(c), as the case may be.

"MREL Eligible Liabilities" means "eligible liabilities" (or any equivalent or successor term) which are available to meet any MREL Requirements.

In respect of any Notes issued by Piraeus PLC, references in this Condition 6(d) and in Condition 6(f) to the "Issuer" shall be deemed to be, wherever the context so admits, references to the Issuer and/or the Guarantor.

(e) *Accrual of Interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the due date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue thereon (as well after as before any demand or judgment) at

the rate then applicable to the principal amount of the Notes or such other rate as may be specified in the applicable Final Terms until whichever is the earlier of (1) the date on which all amounts due in respect of such Note have been paid, and (2) the date on which, the Agent having received the funds required to make such payment, notice is given to the Noteholders in accordance with Condition 16 of that circumstance (except to the extent that there is failure in the subsequent payment thereof to the relevant Noteholder).

(f) *Definitions*

“Adjustment Spread” means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in either case which is to be applied to the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (A) in the case of a Successor Reference Rate, is formally recommended in relation to the replacement of the relevant Original Reference Rate with the relevant Successor Reference Rate by any Relevant Nominating Body; or
- (B) in the case of an Alternative Reference Rate or (where (A) above does not apply) in the case of a Successor Reference Rate, the relevant Independent Adviser or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the relevant Original Reference Rate, where such rate has been replaced by such Successor Reference Rate or such Alternative Reference Rate (as applicable); or
- (C) in the case of an Alternative Reference Rate (where (B) above does not apply) or in the case of a Successor Reference Rate (where neither (A) nor (B) above applies), the relevant Independent Adviser or the Issuer (as applicable) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by such Alternative Reference Rate or such Successor Reference Rate (as applicable).

If the relevant Independent Adviser or the Issuer (as applicable) determines that none of (A), (B) and (C) above applies, the Adjustment Spread shall be deemed to be zero.

“Alternative Reference Rate” means the rate that the relevant Independent Adviser or the Issuer (as applicable) determines has replaced the relevant Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in respect of debt securities denominated in the Specified Currency and of a comparable duration:

- (A) in the case of Floating Rate Notes, to the relevant Interest Periods; or
- (B) in the case of Reset Notes, to the relevant Reset Periods,

or in any case, if such Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as such Independent Adviser or the Issuer (as applicable) determines in its discretion is most comparable to the relevant Original Reference Rate.

“Benchmark Event” means, with respect to an Original Reference Rate:

- (A) such Original Reference Rate ceasing to be published for at least five Business Days or ceasing to exist or be administered; or
- (B) the later of (1) the making of a public statement by the administrator of such Original Reference Rate that it will, on or before a specified date, cease publishing such Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Original Reference Rate) and (2) the date falling six months prior to the specified date referred to in (B)(1); or
- (C) the making of a public statement by the supervisor of the administrator of such Original Reference Rate that such Original Reference Rate has been permanently or indefinitely discontinued; or
- (D) the later of (1) the making of a public statement by the supervisor of the administrator of such Original Reference Rate that such Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (2) the date falling six months prior to the specified date referred to in (D)(1); or
- (E) the later of (1) the making of a public statement by the supervisor of the administrator of such Original Reference Rate that means such Original Reference Rate will be prohibited from being used on or before a specified date and (2) the date falling six months prior to the specified date referred to in (E)(1); or
- (F) it has or will prior to the next Interest Determination Date or Reset Determination Date (as applicable) become unlawful for the Issuer, the Agent, the Calculation Agent (if any) or any other party specified in the applicable Final Terms as being responsible for calculating the Rate of Interest to calculate any payments due to be made to any Noteholders using such Original Reference Rate; or
- (G) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used.

“IA Determination Cut-off Date” means:

- (A) in the case of Floating Rate Notes, in any Interest Period, the date that falls on the seventh Business Day prior to the Interest Determination Date relating to the next succeeding Interest Period; or
- (B) in the case of Reset Notes, in any Reset Period, the date that falls on the seventh Business Day prior to the Reset Determination Date relating to the next succeeding Reset Period.

“Independent Adviser” means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense.

“Issuer Determination Cut-off Date” means:

- (A) in the case of Floating Rate Notes, in any Interest Period, the date that falls on the fifth Business Day prior to the Interest Determination Date relating to the next succeeding Interest Period; or
- (B) in the case of Reset Notes, in any Reset Period, the date that falls on the fifth Business Day prior to the Reset Determination Date relating to the next succeeding Reset Period.

“Original Reference Rate” means the originally-specified reference rate of the Notes used to determine the relevant Rate of Interest (or any component part thereof) in respect of any Interest Period(s) or Reset Period(s) (provided that if, following one or more Benchmark Events, such originally specified reference rate of the Notes (or any Successor Reference Rate or Alternative Reference Rate which has replaced it) has been replaced by a (or a further) Successor Reference Rate or Alternative Reference Rate and a Benchmark Event subsequently occurs in respect of such Successor Reference Rate or Alternative Reference Rate, the term “Original Reference Rate” shall include any such Successor Reference Rate or Alternative Reference Rate).

“Relevant Nominating Body” means, in respect of an Original Reference Rate:

- (A) the central bank for the currency to which such Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of such Original Reference Rate; or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (1) the central bank for the currency to which such Original Reference Rate relates, (2) any central bank or other supervisory authority which is responsible for supervising the administrator of such Original Reference Rate, (3) a group of the aforementioned central banks or other supervisory authorities, or (4) the Financial Stability Board or any part thereof.

“Successor Reference Rate” means the rate that the relevant Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the relevant Original Reference Rate which is formally recommended by any Relevant Nominating Body.

## **7. REDEMPTION AND PURCHASE; SUBSTITUTION AND VARIATION**

### **(a) *Redemption at Maturity***

Unless previously redeemed or purchased and cancelled as specified below or (pursuant to Condition 7(m)) substituted, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

### **(b) *Redemption for Tax Reasons***

If as a result of any amendment to or change in the laws or regulations of:

- (x) in respect of sub-paragraphs (i) or (ii) below, the jurisdiction of incorporation of the Issuer or, if applicable, the Guarantor or, in the case of Piraeus Bank

issuing Notes through an Issuing Branch situated in a jurisdiction other than the Hellenic Republic, such other jurisdiction; or

- (y) in respect of sub-paragraph (iii) below, the Hellenic Republic, or in the case of Piraeus Bank acting as Proceeds Recipient (as defined below) through an Issuing Branch situated in a jurisdiction other than the Hellenic Republic, such other jurisdiction,

or in each case of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which amendment or change becomes effective on or after the Issue Date of the most recent tranche of the relevant Series of Notes:

- (i) the Issuer would be required to pay additional amounts as provided in Condition 11, or the Guarantor (if applicable) would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay additional amounts as provided in Condition 11;
- (ii) (in the case of Tier 2 Notes only) interest payments under or with respect to the Tier 2 Notes are no longer (partly or fully) deductible for tax purposes in the jurisdiction of the incorporation of the Issuer or, in the case of Piraeus Bank issuing Notes through an Issuing Branch situated in a jurisdiction other than the Hellenic Republic, such other jurisdiction; or
- (iii) (in the case of Notes issued by Piraeus PLC only) if a Proceeds On-Loan Tax Call is specified as being applicable in the applicable Final Terms and the Proceeds Recipient is required to make any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, collected, withheld, assessed or levied by or on behalf of the Hellenic Republic, or in the case of Piraeus Bank acting as Proceeds Recipient through an Issuing Branch situated in a jurisdiction other than the Hellenic Republic, such other jurisdiction, or in each case any political subdivision thereof or any authority or agency therein or thereof having power to tax, in respect of any amounts of principal, premium and interest in respect of any Proceeds On-Loan (as defined below) payable by or on behalf of the Proceeds Recipient,

the Issuer may, (subject, (i) in the case of Senior Preferred Notes and Senior Non-Preferred Notes, to Condition 7(k) and (ii) in the case of Tier 2 Notes, to Condition 7(l)), at its option and having given not less than the minimum period and not more than maximum period of notice specified in the applicable Final Terms (ending, in the case of Notes which bear interest at a floating rate, on any Interest Payment Date) to the Agent and, in the case of an issue of Piraeus Bank Notes, to the Piraeus Bank Noteholders Agent and, in accordance with Condition 16, the Noteholders (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes at their Early Redemption Amount as may be specified in the applicable Final Terms together (if applicable) with interest accrued to (but excluding) the date of redemption **provided that** in case of redemption pursuant to sub-paragraph (i) above, no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor (if applicable) would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Upon the expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly.



In the case of Tier 2 Notes only, any redemption of the Notes in accordance with this Condition 7(b) is subject, in each case, to the Issuer demonstrating to the satisfaction of the Relevant Regulator that such change in tax treatment of such Notes is material and was not reasonably foreseeable at the time of their issuance.

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the holder thereof of its option to require the redemption of such Note under Condition 7(f).

In these conditions, "Proceeds On-Loan" means any loan made by Piraeus PLC to Piraeus Bank (or any Issuing Branch of Piraeus Bank) (the "Proceeds Recipient") with all (or substantially all) of the net proceeds of the Notes.

(c) *Redemption following the occurrence of a Capital Disqualification Event*

This Condition 7(c) is applicable only in relation to Notes specified in the applicable Final Terms as being Tier 2 Notes and references to "Notes" and "Noteholders" shall be construed accordingly.

Where this Condition 7(c) is specified as being applicable in the Final Terms, if immediately prior to the giving of the notice referred to below, Piraeus Bank determines that a Capital Disqualification Event has occurred and is continuing, the Issuer may (subject to Condition 7(l)), at its option and having given no less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms (ending, in the case of Notes which bear interest at a floating rate, on any Interest Payment Date) to the Agent and, in the case of an issue of Piraeus Bank Notes, to the Piraeus Bank Noteholders Agent and, in accordance with Condition 16, the Noteholders (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes at their Early Redemption Amount as may be specified in the applicable Final Terms together (if applicable) with interest accrued to (but excluding) the date of redemption. Upon the expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly.

In these Conditions:

"BRRD" means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended by Directive (EU) 2019/879 as regards the loss-absorbing and recapitalisation capacity of credit and investment firms and Directive 98/26/EC, and as may be further amended or replaced from time to time;

a "Capital Disqualification Event" will occur if at any time, on or after the Issue Date of the most recent tranche of the relevant Series of Notes, there is a change in the regulatory classification of such Notes that results or would be likely to result in (i) the exclusion of such Notes in whole or, to the extent not prohibited by the Capital Regulations, in part from the Tier 2 Capital of Piraeus Bank and/or the Group; and/or (ii) their reclassification, in whole or, to the extent not prohibited by the Capital Regulations, in part, as a lower quality form of regulatory capital of Piraeus Bank and/or the Group, in each case other than where such exclusion or reclassification is only the result of any applicable limitation on such capital and provided (x) the Relevant Regulator considers that such change in the regulatory classification of such Notes is sufficiently certain and (y) Piraeus Bank demonstrates to the satisfaction of the Relevant Regulator that such change in the regulatory reclassification of such Notes was not reasonably foreseeable at the time of their issuance;

“Capital Regulations” means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency applicable to Piraeus Bank including, without limitation to the generality of the foregoing, the BRRD, CRD IV and those regulations, requirements, guidelines and policies of the Relevant Regulator relating to capital adequacy, resolution and/or solvency then in effect in the Hellenic Republic (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to Piraeus Bank and/or the Group);

“CRD IV” means any or any combination of the CRD IV Directive, the CRR and any CRD IV Implementing Measures, all as amended or supplemented;

“CRD IV Directive” means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, as amended by Directive (EU) 2019/878 of 20 May 2019 and as may be further amended or replaced from time to time;

“CRD IV Implementing Measures” means any regulatory capital rules implementing the CRD IV Directive or the CRR which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by the Relevant Regulator, the European Banking Authority or any other relevant authority, which are applicable to Piraeus Bank (on a stand-alone basis) or the Group (on a consolidated basis) and which prescribe the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital of Piraeus Bank (on a stand-alone or consolidated basis); and

“CRR” means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on the prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended by Regulation (EU) 2019/876 of 20 May 2019 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and as may be further amended or replaced from time to time;

“Group” means Piraeus Bank and its subsidiaries and subsidiary undertakings from time to time;

“Relevant Regulator” means the European Central Bank or such other body or authority having primary supervisory authority or resolution authority with respect to Piraeus Bank and/or the Group; and

“Tier 2 Capital” has the meaning given in the Capital Regulations from time to time.

(d) *Redemption following the occurrence of an MREL Disqualification Event*

This Condition 7(d) is applicable only in relation to Notes issued by Piraeus Bank which are specified in the applicable Final Terms as being Senior Non-Preferred Notes or Senior Preferred Notes and references to “Notes” and “Noteholders” shall be construed accordingly.

Where this Condition 7(d) is specified as being applicable in the applicable Final Terms, if immediately prior to the giving of the notice referred to below, Piraeus Bank determines that an MREL Disqualification Event has occurred and is continuing, the Issuer may (subject to Condition 7(k)) at its option and having given no less than the minimum period and not more than the maximum period of notice

specified in the applicable Final Terms (ending, in the case of Notes which bear interest at a floating rate, on any Interest Payment Date) to the Agent and, in the case of an issue of Piraeus Bank Notes, to the Piraeus Bank Noteholders Agent and, in accordance with Condition 16, the Noteholders (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes at their Early Redemption Amount as may be specified in the applicable Final Terms together (if applicable) with interest accrued to (but excluding) the date of redemption. Upon the expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly.

In these Conditions:

An “MREL Disqualification Event” shall be deemed to occur if, at any time, all or part of the aggregate outstanding principal amount of such Series of Notes is, or (in the opinion of the Issuer, the Relevant Regulator and/or the Relevant Resolution Authority (as defined in Condition 19 below)) is likely to be, excluded fully or partially from the eligible liabilities available to meet the MREL Requirements of Piraeus Bank and/or the Group; provided that an MREL Disqualification Event shall not occur where (a) the exclusion of such Series of Senior Preferred Notes or Senior Non-Preferred Notes from availability to meet the MREL Requirements is due to (i) the remaining maturity of such Notes being less than any period prescribed thereunder, or (ii) the relevant Notes being bought back by or on behalf of the Issuer or any of its Subsidiaries or (b) the exclusion of all or some of a Series of Senior Preferred Notes from availability to meet the MREL Requirements is solely due to (i) such Senior Preferred Notes failing to meet a requirement in relation to their ranking on insolvency of the Issuer or (ii) there being insufficient headroom for such Senior Preferred Notes within a prescribed exception to the otherwise applicable general requirements for eligible liabilities, if any.

“MREL Requirements” means, at any time, the laws, regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss-absorbing capacity instruments applicable to Piraeus Bank and/or the Group at such time, including, without limitation to the generality of the foregoing, any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and any regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments adopted by the Hellenic Republic, the Relevant Regulator or the Relevant Resolution Authority from time to time (whether or not such requirements, guidelines or policies are applied generally or specifically to Piraeus Bank and/or the Group), as any of the preceding laws, regulations, requirements, guidelines, rules, standards, policies or interpretations may be amended, supplemented, superseded or replaced from time to time.

(e) *Redemption at the Option of the Issuer (Issuer Call)*

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, (subject, (i) in the case of Senior Preferred Notes and Senior Non-Preferred Notes, to Condition 7(k) and (ii) in the case of Tier 2 Notes, to Condition 7(l)), having (unless otherwise specified in the applicable Final Terms) given not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Agent and, in the case of an issue of Piraeus Bank Notes, to the Piraeus Bank Noteholders Agent and, in accordance with Condition 16, the Noteholders (which notice shall be irrevocable), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if applicable, with interest accrued to (but excluding) the relevant Optional

Redemption Date. Upon the expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly.

In the event of a redemption of some only of the Notes, such redemption must be of a nominal amount being not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, both as indicated in the applicable Final Terms. In the case of a partial redemption of definitive Notes, the Notes to be redeemed will be selected individually by not more than 30 days prior to the date fixed for redemption and a list of the Notes called for redemption will be published in accordance with Condition 16 not less than 15 days prior to such date. In the case of a partial redemption of Notes which are represented by a global Note, the relevant Notes will be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion).

(f) *Redemption at the Option of the Noteholders (Investor Put)*

This Condition 7(f) is applicable only in relation to Notes specified in the applicable Final Terms as being Senior Preferred Liquidity Notes and references to “Notes” and “Noteholders” shall be construed accordingly.

If Investor Put is specified as being applicable in the applicable Final Terms, upon any Noteholder giving to the Issuer in accordance with Condition 16 not less than the minimum period and not more than maximum period of notice specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem subject to, and in accordance with, the terms specified in the applicable Final Terms such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in the applicable Final Terms together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date.

If this Note is in definitive form, to exercise any right to require redemption of this Note the holder of this Note must deliver such Note at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a “Put Notice”) and in which the holder must specify a bank account to which payment is to be made under this Condition 7(f).

Any Put Notice given by a holder of any Note pursuant to this Condition 7(f) shall be irrevocable except where prior to the due date of repayment an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7(f). In addition, the holder of a Note may not exercise such option in respect of any Notes which are the subject of an exercise by the Issuer of its option to redeem such Notes under either Condition 7(b) or Condition 7(e).

(g) *Early Redemption Amounts*

For the purposes of Conditions 7(b), 7(c), 7(d) and Condition 12:

- (i) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and

- (ii) each Zero Coupon Note will be redeemed at an amount (the “Amortised Face Amount”) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^{\text{y}}$$

where:

**RP** means the Reference Price;

**AY** means the Accrual Yield expressed as a decimal; and

**y** is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

(h) *Purchases*

The Issuer, the Guarantor (if applicable) or any Subsidiary (as defined in the Agency Agreement) of the Issuer or the Guarantor (if applicable) may (subject (i) in the case of Senior Preferred Notes and Senior Non-Preferred Notes, to Condition 7(k) and (ii) in the case of Tier 2 Notes, to Condition 7(l)), purchase Notes (together, in the case of definitive Notes, with all Coupons and Talons appertaining thereto) in any manner and at any price. Such Notes may be held, reissued, resold or, at the option of the Issuer or the Guarantor, as the case may be, surrendered to any Paying Agent for cancellation.

(i) *Cancellation*

All Notes which are redeemed in full or substituted will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes which are purchased and cancelled pursuant to Condition 7(h) (together with all unmatured Coupons and Talons attached thereto or delivered therewith) shall be forwarded to the Agent and cannot be reissued or resold.

(j) *Late Payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 7(a), (b), (c), (d), (e) or (f) or upon its becoming due and repayable as provided in Condition 12 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7(g)(ii) as though the references therein to the date fixed for redemption or the date upon which the Zero Coupon

Note becomes due and repayable were replaced by references to the date which is the earlier of:

- (1) the date on which all amounts due in respect of the Zero Coupon Note have been paid; and
- (2) the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 16.

(k) *Conditions to Substitution, Variation, Redemption and Purchase of Senior Preferred Notes and Senior Non-Preferred Notes*

This Condition 7(k) only applies to Senior Preferred Notes and Senior Non-Preferred Notes and references in this Condition 7(k) to “Notes” and “Noteholders” shall be construed accordingly.

Any redemption or purchase of Notes in accordance with Condition 7(b), (d), (e) or (h) above is subject to:

- (1) the Issuer giving notice to the Relevant Resolution Authority and the Relevant Resolution Authority granting prior permission to redeem or purchase the relevant Notes (in each case to the extent, and in the manner, then required by the MREL Requirements); and
- (2) compliance by the Issuer with any alternative or additional pre-conditions to redemption or purchase, as applicable, set out in the MREL Requirements (including any requirements applicable to such redemption or purchase due to the qualification of such Notes at such time as eligible liabilities to meet the MREL Requirements).

To the extent required by the MREL Requirements (including any requirements applicable to the modification, substitution or variation of the Notes due to the qualification of such Notes at such time as eligible liabilities available to meet the MREL Requirements), any substitution or variation in accordance with Condition 7(m) or any modification (other than any modification which is made to correct a manifest error) of these Conditions, the Deed of Covenant or the Notes (as the case may be), or substitution of the Issuer as principal debtor under the Notes, the Deed of Covenant or the Agency Agreement, in each case pursuant to Condition 13 and/or Condition 17 (as the case may be), will only be permitted if the Issuer has first given notice to the Relevant Resolution Authority of such substitution, variation or modification (as the case may be), and the Relevant Resolution Authority has not objected to such substitution, variation or modification (as the case may be).

(l) *Conditions to Substitution, Variation, Redemption and Purchase of Tier 2 Notes*

This Condition 7(l) only applies to Tier 2 Notes and references in this Condition 7(l) to “Notes” and “Noteholders” shall be construed accordingly.

Any redemption or purchase of Notes in accordance with Condition 7(b), (c), (e) or (h) above is subject to:

- (1) Piraeus Bank giving notice to the Relevant Regulator and the Relevant Regulator granting prior permission to redeem or purchase the relevant Notes (in each case to the extent, and in the manner, then required by the Capital Regulations); and

- (2) compliance by the Issuer with any alternative or additional pre-conditions to redemption or purchase, as applicable, set out in the Capital Regulations.

To the extent required by the Capital Regulations, any substitution or variation in accordance with Condition 7(m) or any modification (other than any modification which is made to correct a manifest error) of these Conditions, the Deed of Covenant, the Deed of Guarantee (if applicable) or the Notes (as the case may be), or substitution of the Issuer or the Guarantor as principal debtor or guarantor, as the case may be, under the Notes, the Deed of Covenant, the Deed of Guarantee or the Agency Agreement (as the case may be), in each case pursuant to Condition 13 and/or Condition 17 (as the case may be), will only be permitted if Piraeus Bank has first given notice to the Relevant Regulator of such substitution, variation or modification (as the case may be), and the Relevant Regulator has not objected to such substitution, variation or modification (as the case may be).

For the avoidance of doubt, the Capital Regulations currently include the requirements outlined in Articles 77 and 78 of the CRR.

(m) *Substitution and Variation*

If “Substitution and Variation” is specified as being applicable in the relevant Final Terms, then with respect to:

- (1) any Series of Senior Preferred Notes or Senior Non-Preferred Notes, if at any time an MREL Disqualification Event has occurred and is continuing; or
- (2) any Series of Tier 2 Notes, if at any time a Capital Disqualification Event has occurred and is continuing; or
- (3) any Series of Senior Preferred Liquidity Notes, Senior Preferred Notes, Senior Non-Preferred Notes or Tier 2 Notes, if at any time any of the events described in Condition 7(b) has occurred and is continuing or in order to ensure the effectiveness and enforceability of Condition 19 or Clause 11 of the Deed of Guarantee (where applicable),

the Issuer and (if applicable) the Guarantor may, subject to, in the case of Senior Preferred Notes or Senior Non-Preferred Notes, compliance with Condition 7(k) and, in the case of Tier 2 Notes, compliance with Condition 7(l) (without any requirement for the consent or approval of the holders of the relevant Notes of that Series) and having given not less than thirty nor more than sixty days’ notice to the holders of the Notes of that Series, at any time either substitute all (but not some only) of such Notes, or vary the terms of such Notes or the Deed of Guarantee (if applicable) so that the Notes remain or, as appropriate, become Qualifying Notes, provided that such variation or substitution does not itself give rise to any right of the Issuer to redeem the varied or substituted Notes.

In connection with any substitution or variation in accordance with this Condition 7(m), the Issuer shall comply with the rules of any stock exchange on which such Notes are for the time being listed or admitted to trading.

In these Conditions:

“Rating Agency” means each of S&P Global Ratings Europe Limited, Italy Branch, Moody’s Investors Service Cyprus Limited or Fitch Ratings Limited and each of their respective affiliates or successors; and

“Qualifying Notes” means securities that comply with the following:

- (a) are issued by the Issuer or, in the case of Senior Preferred Liquidity Notes or Tier 2 Notes, any wholly owned direct or indirect subsidiary of Piraeus Bank with (in the case of Tier 2 Notes) a subordinated guarantee or (in the case of Senior Preferred Liquidity Notes) an unsubordinated guarantee of such obligations by Piraeus Bank;
- (b) rank (or, if guaranteed by Piraeus Bank, benefit from a guarantee that ranks) at least equally with the ranking of the relevant Notes and (if applicable) the Guarantee;
- (c) other than in the case of a change to the governing law of Condition 19 or (if applicable) Clause 11 of the Deed of Guarantee in order to ensure the effectiveness and enforceability of Condition 19 and Clause 11 of the Deed of Guarantee, have terms not materially less favourable to Noteholders than the terms of the relevant Notes (as reasonably determined by the Issuer in consultation with an independent adviser of recognised standing);
- (d) (without prejudice to (c) above) (1) (i) in the case of Senior Preferred Notes or Senior Non-Preferred Notes, contain terms which will result in such securities being eligible to count towards fulfilment of Piraeus Bank’s and/or the Group’s (as applicable) minimum requirements for own funds and eligible liabilities under applicable MREL Requirements; or (ii) in the case of Tier 2 Notes, comply with the then-current requirements of the Capital Regulations in relation to Tier 2 Capital; (2) bear the same rate of interest from time to time applying to the relevant Notes and preserve the same Interest Payment Dates; (3) do not contain terms providing for deferral or cancellation of payments of interest and/or principal (but without prejudice to any acknowledgement of statutory resolution powers substantially similar to Condition 19 or (if applicable) Clause 11 of the Deed of Guarantee); (4) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the relevant Notes, including (without limitation) as to timing of, and amounts payable upon, such redemption; (5) do not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares (but without prejudice to any acknowledgement of statutory resolution powers substantially similar to Condition 19 or (if applicable) Clause 11 of the Deed of Guarantee); and (6) preserve any existing rights to any accrued and unpaid interest and any other amounts payable under the relevant Notes which has accrued to Noteholders and not been paid;
- (e) are listed on the same stock exchange or market as the relevant Notes or the regulated market of the Luxembourg Stock Exchange or another EEA (including, for these purposes, the United Kingdom) regulated market selected by the Issuer; and
- (f) where the relevant Notes which have been substituted or varied had a published rating solicited by the Issuer from one or more Rating Agencies immediately prior to their substitution or variation, benefit from (or will, as announced by each such Rating Agency, benefit from) an equal or higher published rating from each such Rating Agency as that which applied to the relevant Notes, unless any downgrade is solely attributable to a change to the governing law of Condition 19 or (if applicable) Clause 11 of the Deed of Guarantee in order to ensure the effectiveness and enforceability of Condition 19 or Clause 11 of the Deed of Guarantee.



## 8. PAYMENTS

### (a) *Method of Payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne or Wellington, respectively); and
- (ii) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

### (b) *Payments subject to fiscal and other laws*

Payments in respect of the Notes will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 11, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 to 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

### (c) *Presentation of Notes and Coupons*

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 8(a) above against presentation and surrender (or, in the case of part payment only, endorsement) of definitive Notes and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid against presentation and surrender (or, in the case of part payment only, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States and its possessions (as referred to below).

Fixed Rate Notes in definitive form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons) failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 11) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 15) or, if later, five years from the date on which such Coupon would otherwise have become due but in no event thereafter. Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Reset Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

(d) *Payments in respect of global Notes*

Payments of principal and interest (if any) in respect of Notes represented by any global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant global Note, where applicable against presentation or surrender (or, in the case of part payment only, endorsement), as the case may be, of such global Note at the specified office of any Paying Agent outside the United States and its possessions. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such global Note either by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

The holder of the relevant global Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer, or to the order of, the holder of the relevant global Note. No person other than the holder of the relevant global Note shall have any claim against the Issuer in respect of any payments due in respect of the Notes represented by such global Note.

(e) *Amounts payable in U.S. dollars*

Payments of principal and/or interest in respect of the Notes will be made at the specified office of a Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)) if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest; and

- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer or the Guarantor (if applicable).

(f) *Payment Day*

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, unless otherwise specified in the applicable Final Terms, "Payment Day" means any day which (subject to Condition 15) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):
  - (a) in the case of Notes in definitive form only, in the relevant place of presentation; and
  - (b) in each Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne or Wellington respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(g) *Interpretation of Principal and Interest*

Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 11;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7(g)); and
- (vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 11.

## **9. AGENT AND PAYING AGENTS**

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer and, if applicable, the Guarantor is/are entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (i) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (ii) there will at all times be an Agent; and
- (iii) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 8(e). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Piraeus Bank Noteholders Agent (in the case of issue of Piraeus Bank Notes) and Noteholders promptly by the Issuer in accordance with Condition 16.

## **10. EXCHANGE OF TALONS**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Notes to which it appertains) a further Talon, subject to the provisions of Condition 15. Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

## **11. TAXATION**

All payments in respect of the Notes and Coupons payable by or on behalf of the Issuer or the Guarantor (if applicable) shall be made free and clear of, and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature ("Taxes") imposed, collected, withheld, assessed or levied by or on behalf of, in the case of Piraeus PLC, the United Kingdom or, in the case of Piraeus Bank, the Hellenic Republic and, in the case of Piraeus Bank issuing Notes through an Issuing Branch situated in a jurisdiction other than the Hellenic Republic, the jurisdiction where such Issuing Branch is situated and, in the case of Piraeus Bank guaranteeing Notes issued by Piraeus PLC, the United Kingdom or, in each case, any political subdivision thereof or any authority or agency therein or thereof having power to tax (in each case, a "Taxing Jurisdiction"), unless such withholding or deduction of such Taxes is required by law. In that event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts in respect of interest and, in respect of the Senior Preferred Liquidity Notes only, in respect of principal and premium, as may be necessary in order that the net amounts received by the holders of the Notes or Coupons after such

withholding or deduction shall equal the respective amount of interest (and, in respect of the Senior Preferred Liquidity Notes only, principal and premium) which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable in respect of any Note or Coupon:

- (i) the holder of which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the United Kingdom, or, as the case may be, the Hellenic Republic, or, as the case may be, the jurisdiction in which the Issuing Branch is situated other than the mere holding of such Note or Coupon; or
- (ii) presented for payment by or on behalf of a Noteholder or Couponholder who would not be liable or subject to such withholding or deduction if he were to comply with any statutory requirement or to make a declaration of non-residence or other similar claim for exemption but fails to do so; or
- (iii) presented for payment more than thirty days after the Relevant Date (as defined below), except to the extent that the relevant Noteholder or Couponholder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of thirty days; or
- (iv) presented for payment in Greece (in the case of Piraeus Bank unless Piraeus Bank issues Notes through an Issuing Branch situated in a jurisdiction other than the Hellenic Republic, in which case the reference to Greece shall be construed as a reference to such other jurisdiction) or the United Kingdom (in the case of Piraeus PLC).

If Extended Gross-Up is specified as being applicable in the applicable Final Terms, exceptions (i), (ii) and (iv) above shall not apply to any Noteholder or Couponholder regarding interest payments under Notes the Issuer of which is Piraeus Bank if such payments to Non-Greek Legal Persons, at the time the relevant interest payment, are subject to income tax withholding under the laws of the Hellenic Republic.

For the purposes of these Conditions, “Non-Greek Legal Person” means a legal person which under Greek law is not resident in the Hellenic Republic for tax purposes and does not have a permanent establishment in Greece for tax purposes, does not hold the Notes through a custodian established in Greece and does not receive payment of interest under the Notes in the Hellenic Republic.

For the purposes of these Conditions, the “Relevant Date” means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Agent on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 16.

*Taxing Jurisdiction:* If the Issuer or, as the case may be, the Guarantor becomes subject at any time to any taxing jurisdiction other than, in the case of Piraeus PLC, the United Kingdom or, in the case of Piraeus Bank, the Hellenic Republic, references in these Conditions to the United Kingdom or the Hellenic Republic, as the case may be, shall be construed as references to the United Kingdom or the Hellenic Republic, as the case may be, and/or in each case, such other jurisdiction.

## 12. EVENTS OF DEFAULT

### (1) *Non-restricted Events of Default Notes*

This Condition 12(1) is applicable only in relation to Notes specified in the applicable Final Terms as being Senior Preferred Liquidity Notes and references to “Notes” and “Noteholders” shall be construed accordingly.

- (a) Unless otherwise specified in the applicable Final Terms, the following events or circumstances (each an “Event of Default”) shall be acceleration events in relation to the Notes, namely:
- (i) the Issuer fails to pay in the Specified Currency any amount of principal or interest in respect of the Notes on the due date for payment thereof and such failure continues for a period of 14 days; or
  - (ii) the Issuer or, if applicable, the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes or Coupons and such default remains unremedied for 30 days after written notice thereof has been delivered by a Noteholder to the Issuer or the Guarantor, as the case may be, requiring the same to be remedied; or
  - (iii) the repayment of any indebtedness owing by the Issuer or, if applicable, the Guarantor or any Material Subsidiary is accelerated by reason of default and such acceleration has not been rescinded or annulled, or the Issuer or, if applicable, the Guarantor or any Material Subsidiary defaults (after whichever is the longer of any originally applicable period of grace and 14 days after the due date) in any payment of any indebtedness or in the honouring of any guarantee or indemnity in respect of any indebtedness provided that no such event shall constitute an Event of Default unless the indebtedness whether alone or when aggregated with other indebtedness relating to all (if any) other such events which shall have occurred and be continuing shall exceed €25,000,000 (or its equivalent in any other currency or currencies); or
  - (iv) any order shall be made by any competent court or resolution passed for the winding up or dissolution of the Issuer or, if applicable, the Guarantor or any Material Subsidiary (other than for the purpose of amalgamation, merger or reconstruction (1) on terms approved by an Extraordinary Resolution of the Noteholders or (2) in the case of a Material Subsidiary whereby the undertaking and the assets of the Material Subsidiary are transferred to or otherwise vested in Piraeus Bank or another of its Subsidiaries); or
  - (v) the Issuer or, if applicable, the Guarantor or any Material Subsidiary shall cease to carry on the whole or substantially the whole of its business (other than for the purpose of an amalgamation, merger or reconstruction (1) on terms approved by an Extraordinary Resolution of the Noteholders or (2) in the case of a Material Subsidiary whereby the undertaking and the assets of the Material Subsidiary are transferred to or otherwise vested in Piraeus Bank or another of its Subsidiaries); or
  - (vi) the Issuer or, if applicable, the Guarantor or any Material Subsidiary shall stop payment or shall be unable to, or shall admit inability to, pay its debts as they fall due, or shall be adjudicated or found bankrupt or insolvent by a court of competent jurisdiction or shall make a conveyance or assignment

for the benefit of, or shall enter into any composition or other arrangement with, its creditors generally; or

- (vii) a receiver, trustee or other similar official shall be appointed in relation to the Issuer or, if applicable, the Guarantor or any Material Subsidiary or in relation to the whole or over half of the assets of the Issuer or, if applicable, the Guarantor or any Material Subsidiary or an interim supervisor of Piraeus Bank is appointed by the European Central Bank or the Single Resolution Board or an encumbrancer shall take possession of the whole or over half of the assets of the Issuer or, if applicable, the Guarantor or any Material Subsidiary, or a distress or execution or other process shall be levied or enforced upon or sued out against the whole or a substantial part of the assets of the Issuer or, if applicable, the Guarantor and in any of the foregoing cases it or he shall not be discharged within 60 days, provided that the following shall not constitute an Event of Default pursuant to this subclause (vii): the appointment of any trustee, monitoring trustee, administrator, receiver, liquidator, provisional liquidator, conservator, custodian, officer or analogous officer, supervisor or representative appointed or to be appointed by the European Financial Stability Facility, the European Stability Mechanism, the Hellenic Financial Stability Fund, the Directorate General for Competition, the Single Supervisory Mechanism, the Troika (constituted by the European Central Bank, the International Monetary Fund and the European Commission and acting on a joint or individual basis), the Single Resolution Board, the European Banking Authority, the Bank of Greece, the Greek Ministry of Finance, or any similar, replacement or successor organisation, where the main purpose of such appointment is to supervise or monitor, or in the future to supervise or monitor in any way the Issuer or, if applicable, the Guarantor or any Material Subsidiary, in consequence of Greece or the Issuer or, if applicable, the Guarantor or any Material Subsidiary being under a financial support scheme or the Issuer or, if applicable, the Guarantor or any Material Subsidiary being under a resolution scheme, apart from cases where such an appointment is performed within the context of a special liquidation proceeding applicable to the Issuer or, if applicable, the Guarantor or any Material Subsidiary; or
- (viii) the Issuer or, if applicable, the Guarantor or any Material Subsidiary sells, transfers, lends or otherwise disposes of the whole or a major part of its undertaking or assets (including shareholdings in its Subsidiaries or associated companies) and such disposal is substantial in relation to the assets of the Issuer or Piraeus Bank and its Subsidiaries as a whole, other than (A) selling, transferring, lending or otherwise disposing on an arm's length basis; or (B) selling, transferring, lending or otherwise disposing of any present or future undertakings or assets (including uncalled capital), receivables, remittances or the payment rights of the Issuer, the Guarantor (if applicable) or any Material Subsidiary pursuant to any securitisation, covered bond issuance or like arrangement in accordance with normal market practice; or
- (ix) with respect to any Notes issued by Piraeus PLC, the Deed of Guarantee is not in full force and effect.

For the purposes of this Condition 12(1) "Material Subsidiary" means at any time any Subsidiary of Piraeus Bank:

- (i) whose gross assets or (in the case of a Subsidiary which has subsidiaries) gross consolidated assets as shown by its latest audited balance sheet are at least 15 per cent. of the gross consolidated assets of Piraeus Bank and its Subsidiaries as shown by the then latest published audited consolidated balance sheet of Piraeus Bank and its Subsidiaries; or
  - (ii) to which is transferred the whole or substantially the whole of the assets and undertaking of a Subsidiary which immediately prior to such transfer is a Material Subsidiary provided that, in such a case, the Subsidiary so transferring its assets and undertaking shall thereupon cease to be a Material Subsidiary.
- (b) If any Event of Default shall occur and be continuing in relation to any Note, any Noteholder may, by written notice to the Issuer at the specified office of the Agent, declare that such Note shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its Early Redemption Amount as may be specified in or determined in accordance with the applicable Final Terms, together (if applicable) with interest accrued to (but excluding) the date of redemption.

(2) *Restricted Events of Default*

This Condition 12 is applicable only in relation to Notes specified in the applicable Final Terms as being Senior Preferred Notes, Senior Non-Preferred Notes or Tier 2 Notes and any references to “Notes” or “Noteholders” shall be construed accordingly. The events specified below are both “Restricted Events of Default”:

- (a) If default is made in the payment of any amount due in respect of the Notes and/or (in the case of Tier 2 Notes issued by Piraeus PLC) the Guarantee or any of them on the due date and such default continues for a period of 7 days, any Noteholder may institute proceedings for the winding up of the Issuer and/or (in the case of Tier 2 Notes issued by Piraeus PLC) the Guarantor.
- (b) If, otherwise than for the purposes of a reconstruction or amalgamation on terms previously approved by an Extraordinary Resolution of the Noteholders, an order is made or an effective resolution is passed for the winding up of the Issuer or (in the case of Tier 2 Notes issued by Piraeus PLC) the Guarantor, any Noteholder may, by written notice to the Agent, declare such Note to be due and payable whereupon the same shall become immediately due and payable at its Early Redemption Amount as may be specified in or determined in accordance with the applicable Final Terms, together (if applicable) with interest accrued to (but excluding) the date of redemption unless such Restricted Event of Default shall have been remedied prior to receipt of such notice by the Agent.

**13. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER**

The Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of the Noteholders to consider any matter affecting their interests, including (without limitation) the modification by Extraordinary Resolution (as defined in the Agency Agreement) of these Conditions. An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Noteholders whether or not they are present at the meeting, and on all holders of Coupons relating to the Notes.

The Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to:



- (i) any modification (except as mentioned above) of the Notes, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (ii) any modification of the Notes, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 16 as soon as practicable thereafter.

The agreement or approval of the Noteholders shall not be required in the case of any variation of these Conditions required to be made in the circumstances described in Conditions 6(d), 7(m) and 17 in connection with the variation of the terms of the Notes or the substitution of the relevant Issuer in accordance with such Conditions.

In the case of Senior Preferred Notes and Senior Non-Preferred Notes, any modification (other than a modification which is made to correct a manifest error) of such Notes, these Conditions or the Deed of Covenant will be subject to Condition 7(k).

In the case of Tier 2 Notes, any modification (other than a modification which is made to correct a manifest error) of such Notes, these Conditions, the Deed of Covenant and (if applicable) the Guarantee will be subject to Condition 7(l).

If, pursuant to Condition 22 below, a Piraeus Bank Noteholders Agent has been appointed and such appointment is continuing then, notwithstanding the above and the provisions of the Agency Agreement, the Piraeus Bank Noteholders Agency Agreement and all mandatory provisions of Greek Law 4548/2018 shall apply to the convening and conduct of meetings of Piraeus Bank Noteholders and the Piraeus Bank Noteholders Agent shall observe and comply with the same.

#### **14. REPLACEMENT OF NOTES, COUPONS AND TALONS**

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent in London (or such other place as may be notified to the Noteholders), in accordance with all applicable laws and regulations, upon payment by the claimant of the costs and expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

#### **15. PRESCRIPTION**

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 11) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 15 or Condition 8(b) or any Talon which would be void pursuant to Condition 8(b).

#### **16. NOTICES**

All notices to Noteholders regarding the Notes shall be valid if published in the *Financial Times* or another leading English language daily newspaper with circulation in London. The Issuer will ensure that notices to Noteholders are published if and for so long as the Notes are listed on the Luxembourg Stock Exchange and so long as the rules so require, in a

daily newspaper with circulation in Luxembourg, which is expected to be the *Luxemburger Wort* or the Luxembourg Stock Exchange's website, [www.bourse.lu](http://www.bourse.lu).

Until such time as any definitive Notes are issued, there may, so long as the global Note(s) representing the Notes is or are held in its or their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication as aforesaid the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg, as appropriate, for communication by them to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg, as appropriate.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a global Note, such notice may be given by any Noteholder to the Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules.

Any such notices will, if published more than once, be deemed to have been given on the date of the first publication, as provided above.

The holders of Coupons and Talons will be deemed for all purposes to have notice of the contents of any notice given to Noteholders in accordance with this Condition.

Any notice concerning the Piraeus Bank Notes shall be given to the Piraeus Bank Noteholders Agent. Any such notice shall be deemed to have been given to the Piraeus Bank Noteholders on the seventh day after the day on which the said notice was given to the Piraeus Bank Noteholders Agent.

## **17. SUBSTITUTION OF THE ISSUER**

- (a) The Issuer may, without the consent of any Noteholder or Couponholder, substitute for itself any other body corporate incorporated in any country in the world (including any Successor in Business or Holding Company of Piraeus Bank) as the debtor in respect of the Notes, any Coupons, the Deed of Covenant or the Piraeus Bank Noteholders Agency Agreement (as defined in Condition 22 below), in the case of an issue of Piraeus Bank Notes and the Agency Agreement (the "Substituted Debtor") upon notice by the Issuer and the Substituted Debtor to be given in accordance with Condition 16, provided that:
- (i) the Issuer is not in default in respect of any amount payable under the Notes;
  - (ii) the Issuer and the Substituted Debtor have entered into such documents (the "Documents") as are necessary to give effect to the substitution and in which the Substituted Debtor has undertaken in favour of each Noteholder to be bound by these Conditions and the provisions of the Agency Agreement as the debtor in respect of the Notes in place of the Issuer (or of any previous substitute under this Condition 17);

- (iii) if the Issuer is Piraeus Bank, except if the Substituted Debtor is the Successor in Business or Holding Company of Piraeus Bank, Piraeus Bank or the Successor in Business or Holding Company of Piraeus Bank shall unconditionally and irrevocably guarantee (the “New Guarantee”) in favour of each Noteholder the payment of all sums payable by the Substituted Debtor as such principal debtor, with the obligations of Piraeus Bank or the Successor in Business or Holding Company of Piraeus Bank (as applicable) under the New Guarantee ranking pari passu with Piraeus Bank’s obligations under the Notes prior to the substitution becoming effective;
  - (iv) the Substituted Debtor shall enter into a deed of covenant in favour of the holders of the Notes then represented by a global Note on terms no less favourable than the Deed of Covenant then in force in respect of the Notes;
  - (v) if the Issuer is Piraeus PLC and the Substituted Debtor is not Piraeus Bank or the Successor in Business or Holding Company of Piraeus Bank, the Deed of Guarantee extends to the obligations of the Substituted Debtor under or in respect of the Notes, any Coupons, the Deed of Covenant and the Agency Agreement and continues to be in full force and effect;
  - (vi) if the Substituted Debtor is resident for tax purposes in a territory (the “New Residence”) other than that in which the Issuer prior to such substitution was resident for tax purposes (the “Former Residence”), the Documents contain an undertaking and/or such other provisions as may be necessary to ensure that each Noteholder has the benefit of an undertaking in terms corresponding to the provisions of Condition 11, with the substitution of references to the Former Residence with references to the New Residence;
  - (vii) the Substituted Debtor and the Issuer have obtained all necessary governmental approvals and consents for such substitution and for the performance by the Substituted Debtor of its obligations under the Documents;
  - (viii) legal opinions shall have been delivered to the Agent from lawyers of recognised standing in the jurisdiction of incorporation of the Substituted Debtor, in England and in Greece as to the fulfilment of the requirements of this Condition 17 and that the Notes and related Coupons and/or Talons are legal, valid and binding obligations of the Substituted Debtor and (if applicable) that the New Guarantee is a legal, valid and binding obligation of Piraeus Bank or the Successor in Business or the Holding Company of Piraeus Bank (as applicable);
  - (ix) each stock exchange on which the Notes are listed shall have confirmed that, following the proposed substitution of the Substituted Debtor, the Notes will continue to be listed on such stock exchange; and
  - (x) if applicable, the Substituted Debtor has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Notes and any related Coupons.
- (b) In the case of Senior Preferred Notes, Senior Non-Preferred Notes and Tier 2 Notes, any substitution pursuant to Condition 17(a) will be subject to Condition 7(k) (in the case of Senior Preferred Notes and Senior Non-Preferred Notes) or Condition 7(l) (in the case of Tier 2 Notes).

- (c) Upon such substitution the Substituted Debtor shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Notes, any Coupons, the Deed of Covenant and the Agency Agreement with the same effect as if the Substituted Debtor had been named as the Issuer herein, and the Issuer shall be released from its obligations under the Notes, any Coupons and/or Talons, the Deed of Covenant and under the Agency Agreement.
- (d) After a substitution pursuant to Condition 17(a) the Substituted Debtor may, without the consent of any Noteholder or Couponholder, effect a further substitution. All the provisions specified in Conditions 17(a), 17(b) and 17(c) shall apply *mutatis mutandis*, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substituted Debtor.
- (e) After a substitution pursuant to Condition 17(a) or 17(d) any Substituted Debtor may, without the consent of any Noteholder or Couponholder, reverse the substitution, *mutatis mutandis*.
- (f) The Documents shall be delivered to, and kept by, the Agent. Copies of the Documents will be available free of charge during normal business hours at the specified office of each of the Paying Agents.
- (g) For the purpose of this Condition 17, references to:
  - (i) the “Agency Agreement” shall, where the Substituted Debtor is incorporated in the Hellenic Republic, be deemed to include the Piraeus Bank Noteholders Agency Agreement to the extent applicable and where the context so admits;
  - (ii) “Holding Company” means (in relation to another body corporate (“Company B”) a body corporate which:
    - (a) holds a majority of the voting rights in Company B; or
    - (b) is a member of Company B and has the right to appoint or remove a majority of its board of directors; or
    - (c) is a member of Company B and controls alone, under an agreement with other shareholders and members, a majority of the voting rights in Company B; and
  - (iii) a “Successor in Business” shall mean, in relation to Piraeus Bank, any company which effectively assumes all of the obligations of Piraeus Bank under, or in respect of, the Notes and which:
    - (a) owns beneficially the whole or substantially the whole of the property and assets owned by Piraeus Bank immediately prior thereto; and
    - (b) carries on, as successor to Piraeus Bank, the whole or substantially the whole of the business carried on by Piraeus Bank immediately prior thereto.

## 18. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further notes ranking *pari passu* in all respects (or in all respects save for

the amount and date of the first payment of interest thereon and the date from which interest starts to accrue) with the outstanding Notes and so that the same shall be consolidated and form a single series with the outstanding Notes.

## **19. STATUTORY LOSS ABSORPTION**

Notwithstanding any other term of the Notes or any other agreement, arrangement or understanding between the Issuer, the Guarantor (if applicable) and the Noteholders, by its subscription and/or purchase and holding of the Notes, each Noteholder (which for the purposes of this Condition 19 includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents and agrees:

- (a) to be bound by the effect of the exercise of the Statutory Loss Absorption Power by the Relevant Resolution Authority, which may include and result in any of the following, or some combination thereof:
  - (i) the reduction of all, or a portion, of the Amounts Due (as defined below) on a permanent basis;
  - (ii) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer, the Guarantor (if applicable) or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes, in which case the Noteholder agrees to accept in lieu of its rights under the Notes any such shares, other securities or other obligations of the Issuer, the Guarantor (if applicable) or another person;
  - (iii) the cancellation of the Notes, the Guarantee or Amounts Due; or
  - (iv) the amendment or alteration of the maturity of the Notes or amendment of the Interest Amount payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
- (b) that the terms of the Notes are subject to, and may be varied, if necessary, to give effect to, the exercise of the Statutory Loss Absorption Power by the Relevant Resolution Authority.

Upon the Issuer or the Guarantor (as applicable), being informed and notified by the Relevant Resolution Authority of the actual exercise of any Statutory Loss Absorption Power with respect to the Notes, the Issuer or, as the case may be, the Guarantor, shall notify the Noteholders without delay in accordance with Condition 16. Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Statutory Loss Absorption Power nor the effects on the Notes described in this Condition 19.

The exercise of any Statutory Loss Absorption Power by the Relevant Resolution Authority with respect to the Notes or, if applicable, the Guarantee, shall not constitute an Event of Default, and the terms and conditions of the Notes or, if applicable, the Guarantee shall continue to apply in relation to the residual principal amount of, or outstanding amount payable with respect to, the Notes or, if applicable, the Guarantee, subject to any modification of the amount of interest payable to reflect the reduction of the principal amount, and any further modification of the terms that the Relevant Resolution Authority may decide in accordance with applicable laws and regulations relating to the resolution of credit institutions, investment firms and/or members of the Group incorporated in the

relevant Member State or, if appropriate, third country (not or no longer being a Member State).

Each Noteholder also acknowledges and agrees that this provision is exhaustive on the matters described herein to the exclusion of any other agreements, arrangements or understandings relating to the application of any Statutory Loss Absorption Power to the Notes or, if applicable, the Guarantee.

In these Conditions:

“Amounts Due” means the principal amount, together with any accrued but unpaid interest, and any additional amounts referred to in Condition 11, if any, due on the Notes or the Guarantee (if applicable). References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the Statutory Loss Absorption Power by the Relevant Resolution Authority.

“Relevant Resolution Authority” means the resolution authority of the Hellenic Republic, the Single Resolution Board established pursuant to the SRM Regulation and/or any other authority entitled to exercise or participate in the exercise of any Statutory Loss Absorption Power from time to time.

“SRM Regulation” means Regulation (EU) No 806/2014 of the European Parliament and Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010, as amended or replaced from time to time.

“Statutory Loss Absorption Power” means any statutory write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements, whether relating to the resolution or independent of any resolution action of credit institutions, investment firms and/or members of the Group incorporated in the relevant Member State or, if appropriate, a third country (not or no longer being a Member State) in effect and applicable in the relevant Member State or, if appropriate, third country (not or no longer being a Member State) to the Issuer, Piraeus Bank or other members of the Group, including (but not limited to) the bail-in powers provided for by articles 43 and 44 of Greek law 4335/2015 which has transposed the BRRD, the write-down powers provided for by articles 59 and 60 of Greek law 4335/2015 and any other such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of any European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and/or within the context of a relevant Member State resolution regime or otherwise, pursuant to which liabilities of a credit institution, investment firm and/or members of the Group can be reduced, cancelled and/or converted into shares or other obligations of the obligor or any other person.

## **20. GOVERNING LAW; SUBMISSION TO JURISDICTION**

- (a) The Agency Agreement, the Deed of Covenant, the Deed of Guarantee, the Notes, the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Deed of Guarantee, the Notes and the Coupons are governed by, and shall be construed in accordance with, English law except that (i) Conditions 3(b), 3(c), 4(d), 4(e), 19 and 22, (ii) in the case of Tier 2 Notes issued by Piraeus Bank, Conditions 4(b) and 4(c), and (iii) Clauses 5.8, 5.9, 5.10 and 11 of the Deed of Guarantee, are governed by and shall be construed in accordance with Greek law.

- (b) The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Deed of Guarantee, the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Deed of Guarantee, the Notes and/or the Coupons (a “Dispute”) and each party submits to the exclusive jurisdiction of the English courts. For the purposes of this Condition 20(b), each of Piraeus Bank, Piraeus PLC, the Noteholders and Couponholders waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) Piraeus Bank irrevocably and unconditionally agrees that service in respect of any Proceedings may be effected upon Piraeus Bank S.A., London Branch at Tower 42, 25 Old Broad Street, London EC2N 1PB and undertakes that in the event of it ceasing to maintain a London Branch Piraeus Bank will forthwith appoint a further person as its agent for that purpose and notify the name and address of such person to the Agent and agrees that, failing such appointment within fifteen days, any Noteholder shall be entitled to appoint such a person by written notice addressed to Piraeus Bank and delivered to Piraeus Bank or to the specified office of the Agent. Nothing contained herein shall affect the right of any Noteholder to serve process in any other manner permitted by law.

## **21. THIRD PARTY RIGHTS**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **22. PIRAEUS BANK NOTEHOLDERS AGENT**

If, in the case of an issue of Piraeus Bank Notes or upon a substitution of the Notes such that the Issuer is a body corporate incorporated in the Hellenic Republic, the holders of any such Notes must be organised in a group pursuant to article 63 of Greek Law 4548/2018, to the extent applicable, Piraeus Bank shall appoint an agent (the “Piraeus Bank Noteholders Agent”) by way of a written agreement (the “Piraeus Bank Noteholders Agency Agreement”).

The Piraeus Bank Noteholders Agent shall represent the Piraeus Bank Noteholders judicially and extra-judicially in accordance with the provisions of Greek Law 4548/2018. The applicable Final Terms will specify the name of the entity (if any) acting as Piraeus Bank Noteholders Agent.

Subject as provided in Condition 13, the Piraeus Bank Noteholders Agent shall have such rights against the Issuer and such duties and obligations as are prescribed for an entity acting in such capacity under Greek Law 4548/2018 but such rights, duties and obligations shall be without prejudice to the rights of Piraeus Bank Noteholders against the Issuer set out in these Conditions.

## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be used by the relevant Issuer for the general corporate and financing purposes of the Group (as defined below). If in respect of an issue there is a particular identified use of proceeds, this will be specified in the applicable Final Terms.



## PIRAEUS GROUP FINANCE PLC

### Introduction

Piraeus Group Finance PLC was incorporated in, and under the laws of, England on 26 October 2000 as a public limited company of indefinite duration. Piraeus PLC is registered in England with number 4097418 and operates under the Companies Act 2006. The principal place of business of Piraeus PLC is Tower 42, 25 Old Broad Street, London EC2N 1PB, telephone +44 20 7920 6000. The registered office of Piraeus PLC is 4 Felstead Gardens, Ferry Street, London E14 3BS. Piraeus PLC was acquired by Piraeus Bank on 25 January 2001 and the share capital of Piraeus PLC continues to be held, directly or indirectly, by Piraeus Bank. Piraeus PLC's legal and commercial name is Piraeus Group Finance PLC. The website of Piraeus PLC is <https://www.piraeusbankgroup.com/en/>.

### Directors

The Directors of Piraeus PLC and their respective business addresses and principal activities in relation to Piraeus PLC and Piraeus Bank are:

<b>Name</b>	<b>Address</b>	<b>Principal activities</b>
Chris Wheeler	Tower 42, 25 Old Broad Street London EC2N 1PB	Director of Piraeus PLC Director of Piraeus Group Capital Ltd
David Rampling	Tower 42, 25 Old Broad Street London EC2N 1PB	Director of Piraeus PLC Director of Piraeus Group Capital Ltd Director of Exus Software Ltd

Other than as disclosed above, no Director has any activities outside Piraeus PLC which are significant with respect to Piraeus PLC.

The Secretary of Piraeus PLC is Jamestown Investments Limited, 4 Felstead Gardens, Ferry Street, London E14 3BS.

Piraeus PLC has no employees or non-executive Directors.

Piraeus PLC is not aware of any potential conflict of interest between the duties to Piraeus PLC of the persons listed above and their private interests or other duties.

### Activities

The share capital of Piraeus PLC was acquired, directly or indirectly, by Piraeus Bank with the intention that Piraeus PLC should operate as a financing vehicle for Piraeus Bank and the Group. Except in connection with the Programme, Piraeus PLC has not engaged in any activities since its incorporation. Piraeus PLC has no subsidiaries or associated companies. Piraeus PLC is not aware of any arrangement the operation of which may at a subsequent date result in a change of control of Piraeus PLC.

### General

Piraeus PLC has made no investments since the date of the last published financial statements and has made no firm commitments on future investments.

As Piraeus PLC is a finance company whose sole business is raising debt to be on-lent to Piraeus Bank and other subsidiaries of Piraeus Bank on an arm's length basis, Piraeus PLC is dependent upon Piraeus Bank and other subsidiaries of Piraeus Bank servicing these loans.

There have been no recent events particular to Piraeus PLC which are to a material extent relevant to the evaluation of Piraeus PLC's solvency.

Save for Piraeus PLC's dependence upon Piraeus Bank and other subsidiaries of Piraeus Bank (as referred to above), no trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on Piraeus PLC's prospects for the current financial year have been identified.

Piraeus PLC's objects are set out in paragraph 4 of its Memorandum of Association and include carrying on its business as a general commercial company.

Piraeus PLC has no audit committee and complies with general provisions of English law on corporate governance.

## PIRAEUS BANK AND THE PIRAEUS BANK GROUP

The following overview should be read in conjunction with, and is qualified in its entirety by, the more detailed information and the annual financial statements and the interim financial information, including the notes thereto, appearing elsewhere or incorporated by reference in the Offering Circular.

### 1. Overview of Piraeus Bank and the Piraeus Bank Group

Piraeus Bank was incorporated in Greece on 6 July 1916 pursuant to the laws of the Hellenic Republic and is presently operating as a credit institution under Greek Law 4548/2018 and Law 4261/2014, each as in force. The Bank is a company limited by shares (*société anonyme*) with the legal name 'Piraeus Bank Société Anonyme'. It is registered in Greece with the General Commercial Registry of the Ministry of Economy Development and Tourism Under No. 225501000 (ex number 6065/06/B/86/04 of Companies' Registry) (number 6065/06/B/86/04) and has its registered office at 4 Amerikis Str., 105 64 Athens, Greece (telephone +30 210 333 5000). It has been listed on the Athens Stock Exchange ("ATHEX") since 1918, and is subject to the regulation and supervision of, amongst others, the ECB, the Bank of Greece and the Hellenic Capital Market Commission. The Bank's commercial name is Piraeus Bank. The duration of the Bank as determined by its Articles of Association has been extended to terminate on 6 July 2099. The website of the Bank is <https://www.piraeusbankgroup.com/en/>.

Piraeus Bank is the flagship company of the Piraeus Bank Group of Companies (the "Group", the "Piraeus Bank Group" or the "Piraeus Group") and the ultimate parent of the majority of the subsidiaries comprising the Piraeus Group.

Piraeus Bank is a universal bank and leads a group of companies covering all types of financial and banking activities in the Greek market. Piraeus Group possesses particular know-how in the areas of small and medium-sized enterprises ("SMEs"), retail banking, corporate banking, project finance, leasing, capital markets and investment banking and provides services in asset management and bancassurance. After the acquisition of ATEbank, Piraeus Bank became the leading financial provider of loans to Greek farmers, facilitating operations that are subsidised by the EU and that offer great potential for deposit gathering and cross selling. Piraeus Bank offers services through a nationwide network and also through the electronic banking network winbank ("Winbank"). The latter offers a full set of services through four different distribution channels: the internet, mobile phones, a call centre and ATMs. The excellent level of service provided by Winbank has attracted a significant number of awards and distinctions.

Both Piraeus Bank and the Piraeus Group, as a whole, have developed significantly over the last 20 years, through both organic growth and acquisitions, and Piraeus Bank is now the largest bank in Greece in terms of total assets, loans and deposits.

Since July 2012, Piraeus Bank has acquired five banking businesses in Greece against the backdrop of the ongoing restructuring and consolidation of the Greek banking sector. The acquisitions, which include the following transactions, have significantly expanded Piraeus Bank's operations:

- (i) in July 2012, the acquisition of selected assets (including only loans and advances to customers which were performing as at the acquisition date) and the related liabilities of ATEbank, but not the entire entity itself;
- (ii) in December 2012, the acquisition of Geniki Bank S.A., Société Générale's Greek subsidiary;

- (iii) in March 2013, the acquisition of all deposits, loans and branches of the Greek operations of three Cyprus-based banks, namely Bank of Cyprus, Cyprus Popular Bank and Hellenic Bank (the “Cypriot Banks”), including the loans and deposits of the subsidiaries of these banks in Greece;
- (iv) in June 2013, the acquisition of Millennium Bank Greece, the Greek subsidiary of Banco Comercial Portugues S.A., Portugal’s largest bank; and
- (v) in April 2015, the acquisition of the “good” part of Panellinia Bank, contributing to the further consolidation of the Greek banking system.

With respect to the Piraeus Group’s international operations, at the end of 31 December 2018 Piraeus had completed its commitments agreed under its restructuring plan submitted pursuant to the Relationship Framework Agreement (the “Restructuring Plan”) and among other actions had divested its international operations and now focuses on its core operations in Greece. The Bank’s international exposure is now limited to the Group’s branches in London and Frankfurt and a small presence in Ukraine.

In 2018, the Bank’s two subsidiaries, in Albania (Tirana Bank I.B.C. S.A.) and in Bulgaria (Piraeus Bank Bulgaria AD (“Piraeus Bank Bulgaria”)) were classified as discontinued operations (30 June 2018), while on 23 April 2018, the sale of Piraeus Bank Beograd A.D. was completed following the receipt of the necessary regulatory approvals. In addition, the sale of Piraeus Bank Romania was completed on 29 June 2018.

In 2019, the sale of Piraeus Bank’s Albanian subsidiary “Tirana Bank Sh.A.” and Piraeus Bank Bulgaria to Eurobank Bulgaria AD were completed on 28 February 2019 and 13 June 2019, respectively.

At 31 December 2018, Piraeus Bank Group had a network of 573 branches (553 in Greece and 20 abroad) and employed 12,616 people, while its total assets amounted to €61.9 billion. As at 30 September 2019 the Group operated a network of 555 branches (535 in Greece and 18 branches in Ukraine, one branch in London and one branch in Frankfurt). At the same, time the Group’s headcount totalled 11,898 employees in its continuing operations. The total Group headcount including discontinued operations was 12,845, while also including held-for-sale operations the figure stood at 12,905 as at 30 September 2019, while its total assets amounted to €59.1 billion.

The share capital of the Bank as at 30 September 2019 amounted to €2,619,954,984, which consists of 436,659,164 ordinary registered voting shares, with a par value of €6.0 each.

As from 1 January 2005, Piraeus Bank prepares its financial statements under the International Financial Reporting Standards (“IFRS”) as endorsed by the EU. The auditors of the annual financial statements for the fiscal years from 1 January 2017 to 31 December 2017 and 1 January 2018 to 31 December 2018 were Deloitte Certified Public Accountants S.A. The interim financial statements for the six-month period ended 30 June 2019 and the nine-month period ended 30 September 2019 have been prepared in accordance with the International Accounting Standard 34 ‘Interim Financial Reporting’.

As at the date of this Offering Circular, the current ratings of Piraeus Bank are B- from S&P Global, Caa2 from Moody’s and CCC from Fitch.

## **2. Developments in the Greek Economy and the Banking System**

Piraeus Group continues to play a central role in the recovery of the Greek economy, maintaining its commercial position in the Greek banking market.

Piraeus Bank seeks to contribute actively in providing financing to businesses and households and supporting the financing of creditworthy investment plans. At the same time, Piraeus Bank continues to hold its role as a leading provider specialising in financial services towards SMEs.

In 2018, real Gross Domestic Product (GDP) of Greece continued the growth of 2017 (2017: 1.5 per cent.), increasing to 1.9 per cent. (source: National Accounts Division ELSTAT). The Greek economy maintained its positive momentum in the first nine months of 2019 increasing by 2.2 per cent. (year-on-year), up from 2.0 per cent in the first nine months of 2018 (source: National Accounts Division ELSTAT). Exports, investments and final consumption had a positive contribution to growth. The steady improvement in the economic sentiment both in business and consumer environment drove the Economic Sentiment Indicator (“ESI”)<sup>3</sup> from 102.1 in 2018 to 109.5 in December 2019 (source: Eurostat). Moreover the unemployment rate decreased to 19.3 per cent. in 2018 compared with 21.5 per cent. in 2017, with a 2.0 per cent. increase in employment on an annual basis (source: National Accounts Division ELSTAT). Based on available data up to August 2019 the unemployment rate stood at 17.6 per cent. and employment continued to grow by 2.5 per cent. on an annual basis (source: National Accounts Division ELSTAT). Furthermore, the tourism sector continued its positive momentum and in the eight month period ending August 2019, there was a 13.6 per cent. annual increase in travel receipts (source: Bank of Greece). Along with tourism, a number of sectors and leading indicators of economic activity, such as industry, retail and wholesale trade, services and exports and real estate prices continued their positive trends in the last two years. The pace of recovery is expected to continue, although it is still subject to the ongoing economic and fiscal commitments under the enhanced surveillance framework in Greece; however, the existence of such positive drivers will improve the flexibility and resilience of the Greek economy to any internal and external political and economic headwinds, reducing economic volatility and increasing the levels of confidence in the Greek economy.

The decisions of the 21-22 June 2018 Eurogroup, which marked the conclusion of the last review of the Third Economic Adjustment Programme, were a focal point. First, they provide for enhanced post-programme surveillance following Greece’s departure from the Third Economic Adjustment Programme and conditionality, to ensure that fiscal policy does not go off-track and that the reform effort is not abandoned. Second, the Eurogroup decisions seek to ensure the sustainability of Greek public debt, at least in the medium term, which should have a positive impact on the markets and boost confidence in the future of the Greek economy. Long-term sustainability, however, hinges on maintaining the Greek fiscal and reform effort over a long period, as well as on the commitment of the Eurogroup to consider further debt relief measures for the long term.

In conjunction with the improvement of the macroeconomic conditions in Greece, the Greek banking system achieved positive developments in 2018 and continued its progress in the first nine months of 2019. These positive developments focused on asset quality improvement through the reduction of the balance of its NPEs, continuous enhancement of its liquidity (reduction of dependence on central bank funding) through the expansion of its funding sources (e.g. issuance of Tier II notes) and restoration of profitability.

In September 2019 the total outstanding amount of credit to the private sector in Greece was €157.3 billion (December 2018: €170.3 billion) (source: Bank of Greece), loans to private sector credit contractors continued but at a decelerated pace and were mainly attributed to the Greek banks’ NPE reduction effort. In October 2019, the annual growth rate of credit to the private sector

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<sup>3</sup> The ESI is a composite indicator made up of the following five sectoral confidence indicators, which are given different weights: (i) industrial confidence indicator, (ii) services confidence indicator, (iii) consumer confidence indicator, (iv) construction confidence indicator and (v) retail trade confidence indicator. Confidence indicators are arithmetic means of seasonally adjusted balances of answers to a selection of questions closely related to the reference variable they are supposed to track (e.g. industrial production for the industrial confidence indicator). Surveys are defined within the Joint Harmonised EU Programme of Business and Consumer Surveys. The ESI is calculated as an index with mean value of 100 and standard deviation of 10 over a fixed standardised sample period. Data is compiled according to the statistical classification of economic activities in the European Community, (NACE Rev. 2). Source: DG ECFIN

was -0.2 per cent. (December 2018: -1.1 per cent.) (source: Bank of Greece). The annual growth rate of credit to non-financial corporations stood at 2.5 per cent. (source: Bank of Greece), with some key sectors recording positive annual credit growth: transportation +48.1 per cent., energy +14.5 per cent., tourism +4.0 per cent., real estate +3.8 per cent., and shipping +1.6 per cent. (source: Bank of Greece, September 2019). The net loans to deposits ratio for the Greek banking market further improved to 91 per cent. as at 31 October 2019 compared to 94% in 31 December 2018 (source: Bank of Greece).

Domestic market deposits reached €153.3 billion by October 2019, up by 0.5% since December 2018 (source: Bank of Greece). Normalising funding conditions for banks reduced the need for central bank funding in 2019. The reduction of domestic banks' dependence on central bank funding continued in the first nine months of 2019. Specifically, central bank funding was reduced by €3.2 billion, from €11.1 billion at 31 December 2018 to €7.9 billion at the end of October 2019. The reduction was attributed to lower utilisation of the ECB's main refinancing operations (by €2.2 billion compared to December 2018), and to the elimination of ELA (by €0.9 billion compared to December 2018) (source: Bank of Greece). In this context, Greek banks have recently regained access, after a long period, to the international unsecured debt capital markets, with the issuance of Tier 2 notes by Piraeus Bank in June 2019 and National Bank of Greece in July 2019, which were well received by international investors, as evidenced by the total amount of orders placed. Furthermore, in its March and June 2019 meetings, the ECB announced a series of seven quarterly ECB targeted longer-term refinancing operations ("TLTRO III") auctions from September 2019 to March 2021, each with a maturity of two years and specific terms. Greek banks have participated in the first auction and are assessing further use of the TLTRO III facility.

Addressing the high level of NPEs represents the biggest challenge for the Greek banking system. In late November 2016, the Bank of Greece, in cooperation with the SSM, set operational targets for the reduction of non-performing exposures of Greek banks, which were accompanied by key performance indicators. In September 2017, the operational targets were revised, aiming at a 37% reduction of NPEs during the period June 2017-December 2019. In September 2018, new operational targets were submitted by Greek banks to the SSM for the period extending to the end of 2021, which aim to reduce NPEs to 20 per cent. of gross loans or a reduction of approximately €50 billion compared to 30 September 2018 levels. At the end of March 2019 the Greek banks re-submitted updated estimates for 2021 along with all European banks with high NPEs that are supervised by the SSM, aiming to reduce NPEs by an additional €6 billion compared to the target set in September 2018, targeting an NPE ratio at the end of 2021 lower than 20 per cent. For the end of 2019, the NPE stock is targeted to drop below €60 billion for the four systemic banks, and for the end of 2020 announced plans target to reduce the NPE stock further, to below €40 billion. In March 2020, Greek banks are expected to re-submit updated NPE reduction plans extending to the end of 2022.

To attain the goal of NPE reduction, the Greek legislative and legal framework has been improved, removing significant institutional and administrative impediments and banks have taken significant initiatives to reduce their NPE levels. Specifically, electronic platforms for real estate auctions have been established and are showing signs of progress. The main regulatory changes are:

- the reform of the Greek Code of Civil Procedure ("GCCP") to expedite seizures and auctions and to improve the ranking and recovery of secured creditors;
- Law 4469/2017 on Out of Court Workouts introduced a new process of extrajudicial settlement for debts of less than €20,000 with the aim to accelerate the NPL deleveraging and tackle the category of strategic defaulters;
- Law 4472/2017 introduced: (1) provisions to ensure that there is no civil or criminal liability of credit or financial institutions and public sector officials, when involved in debt restructuring, provided that such restructuring is in compliance with a set of objective criteria; (2) amendments to the legal framework for the licensing and operating of banking receivables'

servicing platforms with the purpose of simplifying the process and documentation required; and (3) an amendment to the GCCP to enable the electronic auctions for foreclosed property; and

- Law 4512/2018 introduced amendments for conduct of auctions made only through electronic means and amendments to the allocation of proceeds in enforcement and bankruptcy proceedings for loans entered into after 17 January 2018 and secured on property that was unencumbered at 17 January 2018.

Furthermore, the institutional framework governing NPL servicing companies has been amended with 22 servicing firms currently operating in Greece, while efforts to improve interbank cooperation (e.g., the NPL Forum) intensified. Meanwhile, the secondary market for NPEs has begun with positive results, with more than 12 transactions completed or at an advanced stage since the fourth quarter of 2017. In addition, the NPE securitisation market has been kick-started with a €2 billion mortgage NPE securitisation completed, which is expected to be followed by other similar transactions by Greek banks.

Other significant developments that could play a role in the banks' NPE management efforts during 2019 are:

- A new law for the protection of primary residence, substituting the expired (as of 28 February 2019 framework), which has been effective as of April 2019 with final submission date the end of April 2020. The law incorporates a state subsidy for mortgages and is expected to provide assistance to a targeted group of borrowers with loans secured by primary residence;
- The Hellenic Asset Protections Scheme ("HAPS" or "Hercules"), that has been put forward by the Ministry of Finance and was voted on by the Hellenic Parliament on 12 December 2019 (see also "*Recent Developments (since 31 December 2018)*"); and
- New guidelines introduced by the ECB to address the stock as well as new NPEs in a phased-in fashion.

Based on the latest available data from the Bank of Greece in September 2019, NPEs decreased by 12.9 per cent. and 33.5 per cent. in the first nine months of 2019, compared to 31 December 2018 and 31 March 2016 (when they reached their all time high) respectively, dropping to €71.2 billion or 42.1 per cent. of total exposures as at 30 September 2019. The banking system NPE coverage by cumulative provisions stood at 47.1% at 30 June 2019. When collateral is incorporated in the coverage calculations (capped at a maximum value of the remaining balance of the loan before provisions), then the NPE coverage achieved exceeds 100% (source: Bank of Greece).

As of the date of this Offering Circular, the current long term credit ratings of Greece from Moody's, S&P Global, Fitch and "DBRS" are B1 (Stable), BB- (Positive), BB (Positive) and BB Low (Positive) respectively.

In March 2019 Moody's upgraded Greece's rating to B1 from B3, changing the outlook to stable from positive and in May 2019 DBRS upgraded Greece's rating to BB Low from B High, then in November 2019 changed the outlook to positive from stable. In October 2019 S&P upgraded Greece's rating to BB- from B+ keeping a positive outlook, while in January 2020 Fitch upgraded Greece's rating to BB from BB- and changed the outlook from stable to positive.

### **3. Strategy**

Piraeus Bank, as part of its strategic planning, focuses on every opportunity for financial recovery and growth of its core businesses, along with ongoing and intense de-risking of non-core assets.

Its main objectives for 2019 focused on a) enhancing revenue streams and operating efficiency to generate sustainable profitability, b) improving asset quality through the consistent implementation of the NPE reduction plan towards 2021, c) strengthening the capital base and d) supporting the growth of the Greek economy.

Through the management's actions during the last two years, foundations have been laid aimed at the Bank's return to profitability. For the first nine months of 2019, Piraeus Bank produced a 2 per cent. Return on Tangible Equity (above 3 per cent. for the third quarter in 2019), with favourable prospects as it continues to progress with the execution of its "Agenda 2023" roadmap (as described below).

On 3 June 2019 Piraeus Bank announced its strategic roadmap to 2023 entitled "Agenda 2023", setting forth its strategic targets and reflecting its vision to be the most trusted bank in Greece, creating value for its shareholders, customers and employees. On the back of a solid 2019 performance, Piraeus Bank reiterated on 3 February 2020 its commitment to "Agenda 2023" and set a new roadmap to 2022.

"Agenda 2023" is based on the following pillars:

- **Strategic Targets:** this includes specific, measurable goals that should place the Bank on course to restoring its fundamentals and enhancing its profitability;
- **Satisfying Stakeholders:** this places key stakeholders at the top of the Bank's priorities. Key stakeholders for the Bank are its customers, shareholders, employees, suppliers and society at large; and
- **Sustainable Solutions:** this encompasses a complete framework of solutions which through focused and effective implementation will enable the Bank to develop its potential, with the aim of creating value from all its business functions.

The Sustainable Solutions address the following three aspects:

- **De-risking of legacy assets:** the Bank will decisively continue de-risking its balance sheet, while stepping up its pace with the strategic direction to reach a single-digit NPE ratio by 2023. In parallel, the Bank intends to ensure that its capital ratios continue to remain at all times safely above the supervisory requirements.
- **Growth of Assets:** the Bank plans to focus on leveraging the competitive advantages of its core business by deepening its existing 5.5 million client relationships in Greece. It also intends to remain a prominent SME and small business bank with increased generation of its retail business, while adhering to its risk-adjusted approach. The Bank intends to pursue its business plan across all business segments by utilising the capabilities of its advanced digital platform and providing innovative solutions.
- **Efficiency and Simplification:** the Bank will decisively maximise the efficiency of its resources. This will be achieved through a simplified structure, further operational cost rationalisation measures, as well as further optimisation and automation of internal processes. Through the focused execution of the "Agenda 2023" plan, by the end of 2023, the Bank aims to have improved its efficiency as a financial institution, with a cost to income ratio at around 45 per cent. and returns on tangible equity at above 10 per cent.

Agenda 2023 establishes a defined set of strategic priorities that, in conjunction with focused and effective execution, aims to provide a roadmap to a full recovery for Piraeus Bank.



## Medium-Term Strategic and Financial Targets

Piraeus Bank sets financial targets to enable the implementation of its strategy and business plan. The Bank's medium term financial targets (up to the end of 2023, unless otherwise specified below) for the Bank's domestic operations are to:

- frontload its NPE reduction by approximately €11 billion in 2020 from approximately €7 billion previously, on the back of the Hellenic Asset Protection Scheme ("HAPS"). Frontloading approximately €7 billion of securitisations in 2020 is expected to enable cost of risk normalisation post 2020. Two inorganic NPE transactions are scheduled to take place in 2020: "Vega", corresponding up to a gross book value of approximately €5 billion, along with "Phoenix", corresponding up to gross book value of around €2 billion. NPE ratio is targeted at approximately 15 per cent. at the end of 2022 from approximately 49 per cent at the end of 2019. Overall, the Bank's goal is that the successful implementation of the HAPS, coupled with favourable conditions in the markets for the issuance of non-dilutive capital instruments, will facilitate the acceleration of the existing NPE reduction plan;
- maintain market leadership in Greece in terms of market shares moving in line with the Greek banking market; the Bank is currently the largest bank in the Greek loan market, with a 29 per cent. market share in loans and deposits as at 30 September 2019 (source: Bank of Greece and financial information for banks as of September 2019);
- exploit digital leadership to differentiate and generate revenues in digital banking, whilst allocating resources to increase revenue sources in Corporate and Investment Banking and pursuing efficient asset and liability management;
- remain a leading provider in SME financing and develop distinctive service offerings in Retail Banking;
- evolve into an innovative and efficient financial institution with a cost-to-income ratio below 50% at the end of 2022, decreasing to approximately 45 per cent. at the end of 2023, through the focused execution of actions already launched, as well as new initiatives under way;
- achieve return on tangible equity of approximately 10 per cent. at the end of 2022, on the back of business growth and de-risking and further increase return on equity to above 10 per cent. by the end of 2023;
- optimise the Bank's capital structure, ensuring that the Bank remains at all times safely above the supervisory requirements; and
- conservatively grow the Bank's IT investment in 2020 and increase this over 2021-2022, as IT capability matures and scales.

## 4. Piraeus Bank Group Organisational Structure

The Greek financial services sector has historically been characterised by the presence of specialised companies established around a principal bank. In a similar manner, the Piraeus Bank Group comprises Piraeus Bank and its subsidiaries. Piraeus Bank is not dependent upon any other entities within the Group. The following diagram summarises the divisional structure of the principal direct and indirect subsidiaries of Piraeus Bank as at 30 September 2019 from both continuing and discontinued operations:

Piraeus Bank Group				
Commercial Banking	Investment Banking	Asset Management	Bancassurance	Non-Financial Companies
JSC Piraeus Bank ICB (100%) Piraeus Leasing S.A. (100%) Piraeus Financial Leases S.A. (100%) Piraeus Factoring S.A. (100%)	Piraeus Securities S.A. (100%)	Piraeus Asset Management S.A. (100%) Piraeus Asset Management Europe S.A. (100%) Piraeus Group Capital LTD (100%) Piraeus Group Finance PLC (100%)	Piraeus Insurance Agency S.A. (100%)	Piraeus Real Estate S.A. (100%) Picar S.A. (100%) ETVA Industrial Parks S.A. (65%)

## 5. Ownership of Piraeus Bank

The shareholder structure of Piraeus Bank is diverse. The total number of the Bank's common shareholders was approximately 27,000 as at 30 September 2019. The HFSF controlled 26.4 per cent. of the outstanding ordinary shares (436,659,164 of a nominal value €6.00 each) and the remaining 73.6 per cent. were held by shareholders in the private sector and in particular 65.8 per cent. were held by institutional investors and legal entities, whereas 7.8 per cent. were held by individuals. The HFSF, as of 30 September 2019, held 2,042,067 registered shares which are subject to the restrictions of article 7A par.2 of Greek Law 3864/2010 with respect to the exercise of the voting rights attached thereto, namely 0.47 per cent. of Piraeus Bank's total share capital and 113,333,333 shares with voting rights, namely 25.95 per cent. of Piraeus Bank's total share capital.

## 6. Management of Piraeus Bank

The General Meeting of the Shareholders is the ultimate governing body of Piraeus Bank entitled to elect the Board of Directors (the "Board of Directors" or "BoD").

In accordance with article 8 of its Articles of Association, as currently in force, the Bank is managed by a Board of Directors consisting of nine (9) to nineteen (19) members. Pursuant to Greek Law 3016/2002, the Board consists of executive and non-executive members. The number of the non-executive members should not be less than one third (1/3) of the total number of members. Among the non-executive members, at least two (2) should be independent within the meaning of art.4 of the aforementioned Greek Law. Pursuant to Greek Law 3864/2010, a Representative of the HFSF participates as a member to the BoD.

His responsibilities are determined in Greek Law 3864/2010 and the RFA. In addition, the RFA provides, *inter alia*, for the following on the composition of the Board of Directors of the Bank: a) the BoD must be composed of no fewer than seven (7) and no more than fifteen (15) members while only an odd number of members is permitted, including the HFSF's Representative on the Board, according to Greek Law 3864/2010, b) the Chairman of the Board must be non-executive and should not serve as Chairman of either the Board's Risk or the Audit Committee, c) the majority of the BoD must comprise non-executive members, 50% of which (rounded to the nearest

integer) and no less than three (3) members (excluding the HFSF Representative) of which should be independent, satisfying the independence criteria of Greek Law 3016/2002 and Recommendation 2005/162/EC, and d) the BoD must include at least two (2) executive members.

The foremost obligation and duty of the BoD members is to constantly seek to enhance the long-term financial value of the Bank and act in the general corporate interest of the Bank. The BoD members, as well as any third party entrusted with competencies of the BoD, are prohibited to pursue their own interests contrary to those of the Bank. The independent non-executive members of the BoD may, severally or jointly, submit separate reports and accounts from those of the BoD to the ordinary or Extraordinary General Meeting of the Bank, as required.

The mandate of the Board of Directors is three years, and its members are elected by the general meeting of Shareholders. The latter validates any resignation or replacement of Board members during any accounting period. The members of the Board of Directors may always be re-elected. The Board of Directors meets at least once a month following an invitation of the Chairman or its deputy; during the meetings minutes are kept which are signed by the Chairman, or the Vice-Chairman, or the Managing Director or the Executive Director, and by the Secretary of the BoD. The BoD members are allowed to receive a fee which is defined by special resolution of the ordinary General Meeting.

On 28 June 2017 Piraeus Bank announced its new Board of Directors (including designation of executive and non-executive members, in accordance with Law 3016/2002, as in force), which was elected by the Ordinary General Meeting of Shareholders held on such day.

Further to the above, the Annual General Meeting of Shareholders on 29 June 2018 was notified of the election on 28 November 2017 of Mr. Per Anders Fasth as new representative of the HFSF, in replacement of Ms. Aikaterini Beritsi, according to the relevant letter sent by the HFSF and the election on 20 December 2017 of Mr. George Georgakopoulos, as new Executive Member in replacement of Mr. Ilias Milis. Further to the above, on 22 November 2019, Mr. George Georgakopoulos resigned from his position as Executive Member of the Bank's Board of Directors and on 18 December 2019, Mr. Periklis Dontas was elected as HFSF Representative, in replacement of Mr. Per Anders Fasth, following a letter from the HFSF, dated 28 November 2019 (see also "Recent Developments (since 31 December 2018)").

The Bank's Board of Directors will continue to function in a ten-member composition, pursuant to article 9 of the Articles of Association, as in force, until the completion of the replacement process as prescribed by the legislative and regulatory framework.

The Bank's current Board of Directors has the following composition, following amendments (resignations, replacements of members), the reconstitution of the Board as a body and the appointment of executive and non-executive members pursuant to the provisions of law and regulation, as in force and applicable to listed *sociétés anonymes* and all credit institutions:

#### **Chairman of the Board of Directors**

- George P. Handjinicolaou, Non-Executive Member

#### **Vice-Chairman of the Board of Directors**

- Karel G. De Boeck, Independent Non-Executive Member

#### **Executive Board Members**

- Christos I. Megalou, Chief Executive Officer (CEO)

## **Independent Non-Executive Board Members**

- Venetia G. Kontogouris
- Arne S. Berggren
- Enrico Tomasso C. Cucchiani
- David R. Hexter

## **Non-Executive Board Members**

- Solomon A. Berahas
- Alexander Z. Blades

## **Representative of the HFSF pursuant to the provisions of L. 3864/2010**

- Periklis Dontas

Mr George P. Handjinicolaou holds the position of Chairman, Non-Executive Member of the Board of Directors, at the Athens Exchange Group, at the Hellenic Central Securities Depository and at the Hellenic Bank Association.

Mr Solomon A. Berahas holds the position of CEO and General Manager – Executive Member of the Board of Directors at Tiresias Bank Information Systems SA.

Mr Alexander Blades holds the position of Partner in the investment company Paulson & Co. INC.

Other than the positions listed above, no Executive Member, Non-Executive Chairman, Non-Executive Vice Chairman or Non-Executive Member has any activities outside Piraeus Bank which are significant with respect to Piraeus Bank.

Piraeus Bank is not aware of any potential conflicts of interest between the duties towards Piraeus Bank of the persons listed above and their private interests or other duties.

The business address of each person identified above is 4 Amerikis Street, 10564 Athens, Greece.

## **7. Activities of the Piraeus Bank Group**

The Piraeus Bank Group, either through the Bank or its subsidiaries, provides a wide variety of banking products and services to retail customers and corporate clients.

According to IFRS 8 “Operating Segments”, the identification of business segments results from the internal reports that are regularly reviewed by the Executive Committee in order to monitor and assess each segment’s performance.

The business segments are defined as follows:

### **Piraeus “Core” Segments**

**Retail Banking** – This segment includes mass, affluent, private banking, small businesses, and public core segments and channels.

**Corporate Banking** – This segment includes facilities relating to large corporates, shipping, SME, and the agricultural segments.

**Piraeus Financial Markets (PFM)** – This segment includes the fixed income, foreign exchange, treasury activities (including the interest rate gap resulting from all bank activities) as well as the institutional clients' segments.

**Other** – This segment includes the results of all management related activities which cannot or should not be allocated to specific customer segments. This segment also includes all the funding related transactions which are the result of an Assets/Liabilities Management Committee decision.

**“Piraeus Legacy Unit” Segment (PLU)** – This segment includes the RBU (as defined below), which is considered to be non-core business, the international subsidiaries, as well as REO assets, non-core Greek subsidiaries and discontinued operations. Piraeus Bank entered into the Intrum Transaction regarding the establishment of a market leading credit management servicer in Greece, through the transfer of the RBU into a separate legal entity, that will service Piraeus Bank's existing NPEs and REO (see “*Recent Developments (since 31 December 2018)*” for more information).

An analysis of the results and other financial figures per business segment of the Group is presented below:

## **7.1. Retail Banking**

Piraeus Bank Group's domestic operations in retail banking are conducted through the Bank and its branch network, as well as through digital service channels, such as the winbank e-banking platform and the winbank mobile application. Retail Banking, combining market knowledge and years of experience and know-how, responsibly and actively supports individuals and businesses at every step. It invests significantly in the exploitation of innovative technology and modern methods for using large datasets, so that services offered are affordable and improve the customers' day-to-day business, adding value to their business plans. The Bank's Retail Banking customer segments such as mass retail, affluent banking and small business banking are offered a wide range of different types of deposit, credit and investment products, including savings or current accounts, time deposits, investment products, consumer loans and mortgages, credit cards, bancassurance products and insurance brokerage, as well as a wide spectrum of banking services.

Additionally, private banking continued improving its services in 2018 in full alignment with the strategy and business goals of Piraeus Bank Group. Focusing on the development of an exceptional experience for high net worth individuals, private banking completed the redesigning of its operational model, which, among others, includes the expansion of its presence in seven strategically chosen geographical areas all over Greece. The strengthening of the international private banking has deepened Piraeus Bank Group's international orientation through significant partnerships with renowned banks abroad. The creation and incorporation of wealth solutions into the organisational structure of private banking added significant value to the provided services, in accordance with the best practices of international private banks.

### *7.1.1. Deposit Products*

Piraeus Bank, closely monitoring developments in the economic environment, responds promptly to the changing needs of its customers and implements its business plan to re-build its deposit base. The plan focuses on providing a wider range of competitive products and on structured planning, execution and monitoring of targeted actions, aiming to overcome market movements in private sector deposits. The domestic deposits of the Greek banking system increased by 0.6 per cent. as at 30 September 2019 versus 31 December 2018 (source: Bank of Greece).

Deposits due to customers of the Group increased to €45.2 billion as at 30 September 2019 from €44.7 billion as at 31 December 2018. Due to the divestment of operations, in accordance with the approved Restructuring Plan, the deposits due to customers relating to the Group's international

activities as of 30 September 2019 amounted to €0.3 billion. By contrast, the improved prospects for the domestic economy invigorated the economic sentiment and led to an increase of the Group's deposits due to customers in Greece as at 30 September 2019 to €44.9 billion compared to €44.5 billion as at 31 December 2018 (a 1.1 per cent. increase) and to €40.9 billion as at 31 December 2017. The Bank's market share of domestic deposits reached 29.2 per cent. as at 30 September 2019 (Source: Bank of Greece).

<b>Deposits (on a consolidated basis)</b> <b>Amounts in EUR million</b>	<b>30 September</b>		<b>31 December</b>	
	<b>2019</b>	<b>2018</b>	<b>2018</b>	<b>2017</b>
Savings deposits	15,522	14,496	15,323	15,134
Sight and other deposits	12,513	11,245	12,014	11,681
Term deposits	17,137	17,146	17,402	15,900
<b>Total customer deposits</b>	<b>45,172</b>	<b>42,886</b>	<b>44,739</b>	<b>42,715</b>

### 7.1.2. Loans to individuals

In the context of improving the quality of service to retail and mortgage customers and enhancing the loan portfolio, in 2017 and the first half of 2018, the Bank upgraded its systems and processes using cutting-edge technology and state-of-the-art models.

In addition in 2018 Piraeus Bank, aiming at creating products with high added value and investing in new technologies, created the "e-loan by winbank", the first online consumer loan tool in the Greek banking market.

At the same time, in the context of the Bank's innovative online site for the sale of REO assets through online and publicly accessible auctions (Properties4Sale), interested customers were able to finance a mortgage loan with favourable terms, following a simple and flexible process.

The downturn in economic activity over the last few years, in combination with the low level of consumer confidence, has resulted in a clear fall in demand for new loans and a decline in credit expansion in Greece. The decline continued but at a decelerating pace in the first nine months of 2019. Total gross loans and advances to retail lending customers in Piraeus Bank's Greek operations, including mortgages, consumer, personal and other loans and credit cards amounted to €18.2 billion as at 30 September 2019, as compared to €19.2 billion as at 31 December 2018 (representing 38.0 per cent. of the consolidated loan portfolio in Greece as at 30 September 2019 from 37.0 per cent. as at 31 December 2018). The Group's loans and advances to retail lending customers amounted to €18.4 billion as at 30 September 2019 from €19.3 billion as at 31 December 2018.

Mortgage loans in Greece amounted to €14.0 billion as at 30 September 2019 and €14.5 billion as at 31 December 2018. The Group's consumer, personal and other loans and credit cards in Greece amounted to €4.2 billion as at 30 September 2019, from €4.7 billion as at 31 December 2018.

<b>Loans and advances to retail lending customers (on a consolidated basis)</b> <b>Amounts in EUR million</b>	<b>30 September</b>		<b>31 December</b>	
	<b>2019</b>	<b>2018</b>	<b>2018</b>	<b>2017</b>
Consumer, personal and other Loans and credit cards	4,321	4,928	4,808	5,482
Mortgage Loans.....	14,068	14,627	14,523	15,183
<b>Total loans and advances to retail lending customers .....</b>	<b>18,389</b>	<b>19,555</b>	<b>19,331</b>	<b>20,665</b>

### 7.1.3. Bancassurance Products and Insurance Brokerage

Piraeus Bank's Bancassurance team, which was established in 2008 with the aim of developing systematic sales of Bancassurance products through the branch network, as well as through alternative service channels (contact centre, winbank e-banking platform), retained a leading market share in Greece in 2018 of almost 36 per cent. (source: The Hellenic Association of Insurance Companies), based on values of increasing the sense of responsibility for quality service and development of innovative products. The Group's total portfolio under management amounted to €321 million in 2018, with total profits from insurance brokerage activities amounting to €40 million. In 2018, the Bancassurance agreement with ERGO Hellas for the exclusive distribution of general insurance products was renewed for ten years, with a further five-year extension possibility. ERGO Hellas has been active in the Greek insurance market for more than 25 years.

Piraeus Insurance Agency S.A. is the single arm of insurance mediation services, aimed at fully covering the insurance needs of the Group's customers. Piraeus Insurance Agency S.A. offers a broad range of general insurance and life insurance services and products, covering vehicle insurance, property insurance, third party civil liability, life and health insurance plans and policies, retirement and pension plans, personal accident cover, leisure craft insurance and legal protection plans and also engages in insurance and reinsurance brokerage activities for all types of insurance policies.

### 7.1.4. Branch Network

Piraeus Bank provides a wide range of banking services and products, which are offered through a nationwide network of branches. Piraeus Bank network operates within global and European trends, adjusting to the ever-changing needs of its customers, and creating a modern and outstanding banking experience with emphasis on multi-channel service and on enhancing the efficiency of its banking operations.

Since May 2016 and following the implementation of planned actions aligned with the Bank's strategic goals, a retail banking transformation was launched with pilot actions being implemented in selected branches, aiming for:

- optimisation of branch operational efficiency;
- transition from traditional cash transactions towards digital networks;
- optimisation of branch network footprint; and
- an increase of customer loyalty and efficiency, through actions boosting commercial activity at a branch level.

In the context of optimising the branch network footprint and increasing efficiency, 67 branches were closed during 2018, resulting in a total of 553 branches at 31 December 2018 compared to 620 branches at 31 December 2017. At 30 September 2019, the Bank operated 535 branches in Greece.

Additionally, Piraeus Bank aims to differentiate itself with the provision of superior standards of customer service, adopting modern technological solutions. In this context, an electronic branch, known as "e-branch", was set up and has operated since 2016. This is a completely new concept for the Greek market. Piraeus Bank currently has 5 e-branches in the region of Attica, 1 in Thessaloniki, 1 in Ioannina, 1 in Larissa, and 2 in Crete, in which transactions are carried out with speed, convenience and security, thus aiming to improve the quality of customer service and offering a "modern banking experience".

### 7.1.5. Digital Banking

Piraeus Bank offers a full range of innovative solutions of digital products and services, such as Winbank web banking, Winbank mobile banking, Winbank apps and Winbank phone banking.

Winbank (the first integrated platform for web banking in Greece) operating since 2000, has become a strategic pillar for the future development of the Bank.

The number of registered Winbank users increased significantly during recent years and especially post capital controls imposition in Greece in mid-2015, a fact that resulted in a boost in all electronic payments in Greece. Winbank users accounted for a significant percentage of the Bank's total customers in Greece as at 30 September 2019. More specifically, Winbank subscribers for internet – phone – mobile services stood at 1.4 million individuals and approximately 81,000 legal entities at 30 September 2019.

## 7.2. Corporate Banking

### 7.2.1. Corporate & SMEs

In Greece, Piraeus Bank Group historically holds a strong position in providing financing services to businesses operating in all sectors of the economy. It offers a wide range of deposit and funding products to businesses, including financial and investment advisory services and loans (in euro and other currencies), foreign exchange services, insurance products, custodial services and import/export services, through its branch network, large corporate, structured finance, shipping finance, real estate finance, loan syndication units, business centres, and subsidiary leasing and factoring companies.

Loans and advances to corporate entities	30 September		31 December	
	2019	2018	2018	2017
Large Enterprises and Public Sector	13,203	13,495	14,514	17,060
SMEs	18,166	19,738	19,246	22,256
<b>Total</b>	<b>31,369</b>	<b>33,233</b>	<b>33,760</b>	<b>39,316</b>

Total gross loans and advances to customers include the disbursement of a seasonal agri-loan facility of €1.62 billion and €1.65 billion at the end of December 2018 and 2017 respectively to the Greek Payment and Control Agency for Guidance and Guarantee Community Aid ("OPEKEPE") for the payment of EU agricultural subsidies to approximately 700,000 farmers (the loans were repaid in early February 2019 and 2018 respectively).

In respect of the Greek operations of the Group, total gross loans and advances to corporate entities in Greece amounted to €30.2 billion as at 30 September 2019 and €32.8 billion as at 31 December 2018.

### 7.2.2. Leasing

Leasing activities are conducted through the Bank's subsidiaries, Piraeus Leasing S.A. and Piraeus Leases S.A. including the operations of CPB Leasing S.A., which engage in financial leasing of immovable property, machinery, professional vehicles and other types of assets.

At 31 December 2018, Piraeus Leasing S.A. manages 37% (€1.6 billion) of the total Greek leasing market, ranking it in the top position among the companies operating in Greece (source:



Association of Greek leasing companies). At the same time, Piraeus Leasing S.A. is the only company among the four largest leasing companies in Greece to record positive growth rates in a declining market (source: Association of Greek leasing companies). In 2018, Piraeus Leasing S.A. increased its new business by 30% compared to 2017, with contracts for new loans reaching €130 million, of which €102 million were disbursed in the same year.

### *7.2.3. Factoring*

Piraeus Factoring S.A., a wholly owned subsidiary of Piraeus Bank, provides the full range of import and export factoring services to businesses by financing their accounts receivables, ensuring the efficient management and ongoing assessment of the solvency of existing or new ventures and providing credit risk insurance coverage. Piraeus Factoring S.A. is the fastest growing company in the industry, with a 40 per cent. growth rate over the past three years, with increasing profitability.

### *7.2.4. Green Banking*

In the last few years, there has been a significant shift in the way businesses operate, moving away from traditional forms of investments. This has resulted in the emergence of green entrepreneurship as a distinct sector of economic development.

The Group actively supports all of the key sectors of green entrepreneurship in response to challenges and requirements relating to climate change. Since 2006, the Group has offered specially designed “green banking” products to support various areas of the environmental and renewable energy business sectors. The areas actively promoted by the Bank since 2009 are renewable energy sources, energy saving, proper water and waste management, organic farming, agro-tourism, eco-tourism, green transport and green chemistry.

As at 30 September 2019, green financing exposures stood at €1.3 billion, compared to €1.2 billion at 31 December 2018.

### *7.2.5. Agricultural Banking*

Piraeus Bank, as the leading bank of the agricultural sector, has strategically chosen an integrated approach to providing banking services and financing throughout the agrifood sector, encouraging the creation of synergies and supporting the whole supply chain, from the producer and suppliers of goods and services to the businesses and the cooperatives that process, trade and export the agricultural produce. Piraeus Bank provides targeted financing and quality services of high added value to every link of the chain as well as solutions to all its customers.

With the main objective of serving the needs of the rural world and providing high quality products and services, the Bank continues to support this primary sector of the Greek economy and to prioritise its development. As at 30 September 2019, the Bank’s total financing facility to the agricultural sector, such as farmers and cooperatives, stood at €1.4 billion.

### *7.2.6. ETVA Industrial Parks S.A.*

ETVA Industrial Parks SA was founded in 2003 following the carve-out of the industrial parks sector from ETVAbank during its acquisition from Piraeus Bank Group. Piraeus Bank Group has a 65 per cent. participation and the Greek State holds a 35 per cent. participation in the company.

The company’s main scope of activity is the design, development and use and management of Industrial Areas (industrial areas (“VIPE”) - industrial and entrepreneurial areas (“VEPE”) - small business park (“VIOPA”)) and business parks (“EP”).

ETVA Industrial Parks SA manages 25 industrial and business parks across the country, servicing 2,200 businesses from 50 different sectors, with over 30,000 employees.

In addition to organising and managing industrial areas as a facility manager, ETVA VIPE also manages construction projects, provides energy-related services, and conducts financial and technical feasibility studies for investment plans.

#### *7.2.7. Investment Banking*

Piraeus Bank has a significant presence in the capital markets of Greece and has acquired a large share of the securities underwriting market. Piraeus Bank is one of the leading advisory institutions on initial public offerings and among the major underwriters in the Greek market. Piraeus Bank has also developed a strong presence in the areas of syndicated loan arrangements and bond issuances and offers consulting services for capital restructuring, company valuation, mergers and acquisitions and special financing for corporate clients.

Piraeus Bank and certain subsidiaries offer a wide range of capital markets and advisory services, including corporate finance advisory services, underwriting, equity and debt financing, stock brokerage, custodian services and wealth management. Piraeus Bank is also active in derivatives transactions in all major international capital markets.

Throughout 2018, investment banking continued to provide strategic advisory services in major privatisations, mergers and acquisitions, and underwriting projects, (among other areas). In particular, in 2018, in the capacity as financial advisor to the Hellenic Republic Asset Development Fund (“HRADF”), Piraeus Bank successfully completed one of the most important privatisations of the year, namely the sale of Thessaloniki Port Authority SA, as well as the sale of HRADF’s participation in OTE SA. In addition, in 2018 its strategic development plan for HRADF’s participation in the Public Gas Corporation (“DEPA”) and the independent valuation of National Natural Gas Transmission Operator (“DESFA”) were completed. Piraeus Bank was also appointed financial advisor to HRADF regarding the sale of DEPA. The Bank continued to act as HRADF’s financial advisor on other major privatisation projects, such as the utilisation of the grounds of the former Athens Airport (Ellinikon) and the development of the Afantou region in Rhodes.

In the private sector, Piraeus Bank was one of the market leaders in underwriting and placements, acting as coordinator and bookrunner in the public offers for the issue of common bond loans and the admission of the bonds of Greek companies for trading on the Athens Exchange (GEK Terna SA, Coral SA, and B&F Garments SA) holding the largest share in bond offerings to investors. At the same time, Piraeus Bank acted as issue advisor for Attica Bank’s share capital increase. Finally, in the field of public offerings that took place on the ATHEX, the Bank provided financial advisory services to J&P AVAX on its public offer for the acquisition of Athena SA and the delisting of the latter’s shares from the ATHEX. The Bank also provided financial advisory services to the board of directors of Nexans Hellas SA.

#### *7.2.8. Piraeus Securities S.A.*

Piraeus Securities S.A. is the Group’s brokerage arm and, upon its establishment in 1990, was one of the first securities firms to become a member of the ATHEX. The main activities of Piraeus Securities S.A. include intermediation services for the purchase and sale of Greek and foreign shares, derivative products and government and corporate bonds, provision of credit for margin accounts and processing stock market transactions. Through the fully renovated online trading platform, Piraeus Securities S.A. offers fast and secure online transactions for private investors in Greece and abroad.

Piraeus Securities S.A. was the first brokerage firm to trade in derivative products in Greece. Its market making division is one of the most active in the Greek market, holding one of the top positions in the relevant rankings.

The international markets division offers specialised investment services that cover the needs of investors on an international scale, providing access to more than 40 stock exchanges worldwide.

In 2018, Piraeus Securities S.A. once again participated in key capital market developments, being second in terms of trading value in the ATHEX for the first time in its history, with a market share of 15.8 per cent. (source: ATHEX Group). The company strengthened its position in a range of brokerage services, in trading on the ATHEX and international stock exchanges, and on bond markets, in research and analysis, and in trading derivatives.

### **7.3. Piraeus Financial Markets (“PFM”)**

PFM is responsible for the effective management of the Group’s liquidity in order to optimise the financing of the Group’s operations, ensuring access to international financial markets, managing positions and risks in the foreign exchange, interest rate and bond markets, and the development and promotion of investment products.

At the same time, after the operational consolidation of the divisions specialising in the money and capital markets, PFM is the central service hub for institutional and private banking customers providing investment products and services to the Bank’s customers. As a result, the Bank benefits from the maximum use of synergies and economies of scale, as well as offering a holistic approach to customers.

PFM constitutes the basic point of access for the Bank’s customers to the international money and capital markets, offering amongst other things, specialised asset-liability management solutions and risk hedging solutions, at a competitive price.

In the context of actions for enhancing and supporting investment-related activities, and in the light of particular events in the domestic and international environment, projects were carried out related to business planning, expanding the range of products and services offered, upgrading the existing or creating new IT systems, reviewing internal processes to comply with the institutional and regulatory requirements.

Piraeus Asset Management Mutual Funds S.A. (“Piraeus AEDAK”) continued to pursue its objectives consistently and successfully in 2018, achieving strong returns on its investment portfolios, providing high value services to its customers and investing in the development of its staff and infrastructure. The total funds under management by Piraeus AEDAK amounted to €1.5 billion as at 30 September 2019, from €1.1 billion as at 31 December 2018.

During 2018 Piraeus AEDAK was awarded second position in the category of the best mutual fund management company in Greece for 2017 from Extel.

Piraeus Asset Management Europe, a Luxembourg-based subsidiary of the Group, manages seven Piraeus sub-funds under the umbrella of ‘Piraeus Invest’ with assets under management of around €102 million as at 30 September 2019. Mutual funds of this subsidiary received high ratings in the evaluation system of Morningstar Rating TM, one of the biggest independent rating agencies. Its managers were rated and publicised by Citywire.

In March 2018 Piraeus AEDAK, perceiving financial and regulatory changes in the market, launched share classes of retail, institutional and private banking for all funds under management, offering its clientele a wide range of products.

At the same time, Piraeus AEDAK managed to consolidate further its position in the demanding market of institutional investors by expanding its customer base and increasing the asset portfolios under management, which amounted to €720 million at 30 September 2019 from €568 million at 31 December 2018. All institutional portfolios managed by the company recorded positive absolute returns and significantly over-performed against their benchmarks.

## 7.4. Piraeus Legacy Unit (PLU)

This segment includes the Recovery Banking Unit (“RBU”), which is considered to be non-core business, the international subsidiaries as well as REO assets, non-core Greek subsidiaries and discontinued operations.

Piraeus Bank has entered into the Intrum transaction regarding the establishment of a credit management servicer, which was concluded on 23 October 2019 and involved the transfer of the Bank’s RBU platform to a new servicer company, 80% owned by Intrum and 20% by Piraeus Bank (for more information see “Recent Developments (since 31 December 2018)”).

### 7.4.1. International Operations and Non-core Assets

As described above under “Overview of Piraeus Bank and the Piraeus Bank Group” the Group has divested certain subsidiaries in Albania, Romania and Bulgaria in 2018 and 2019.

#### 7.4.1.1. Continuing International Operations

Piraeus Group has international presence in three countries, Germany, Ukraine and the UK. Apart from the banks operations in these countries, Piraeus Group has subsidiaries which offer specialised financial services (leasing, insurance and investment services and real estate); however, it is noted that their activities have been downsized in line with the Group’s restructuring plan commitments for international de-leveraging and focussing on core banking business.

The table below provides information on loans and advances to customers, customer deposits, branches and employees of the Group’s international operations as at 30 September 2019, 30 September 2018, 31 December 2018 and 31 December 2017.

International Operations (€ in millions)	As at 30 September		As at 31 December	
	2019	2018	2018	2017
Loans and advances to customers.....	1,285	1,101	1,093	2,030
Customer deposits.....	255	200	203	1,826
Branches .....	20	20	20	133
Employees.....	457	471	460	1,862

#### JSC Piraeus Bank ICB

Piraeus Bank began activities in Ukraine in late 2007 with the acquisition of the local bank International Commerce Bank ICB. As at each of 30 June 2018 and 31 December 2017, the JSC Piraeus Bank ICB network included 18 branches across the country.

Piraeus Bank’s operations in Ukraine are declining, as fiscal and political instability in the country impose the need to reduce size and shift from traditional retail banking to alternative service channels, offering high quality services to customers.

Loans and advances to customers before allowance for impairment on loans and advances to customers amounted to €54 million as at 30 September 2019, from €45 million as at 31 December 2018. As at 30 September 2019, customer deposits amounted to €70 million from €56 million as at 31 December 2018.

### *Piraeus Bank Branch - London*

Piraeus Bank has had a presence in London since 1999. The London branch specialises in:

- personal banking and the provision of specialised deposit products;
- provision of mortgage loans to Greek and British nationals residing in the UK who are mainly interested in acquiring real estate property in Greece, Great Britain and other countries where Piraeus Bank Group is present; and
- supporting the operations of Piraeus Bank and its subsidiaries.

As at 30 September 2019, customer deposits for the London Branch were €17 million while loans and advances to customers before allowance for loan losses amounted to €721 million.

### *Piraeus Bank Branch - Frankfurt*

The Frankfurt branch was integrated into the Piraeus Bank Group after the first half of 2012, with the acquisition of the “healthy” part of the former ATEbank. The Frankfurt branch represents the only presence of a Greek bank in Germany and is supervised by the German regulatory authorities as an autonomous business unit. The branch offers deposit products, web banking, letters of guarantee, domestic and foreign payments and remittances, while focusing on attracting deposits from Greek customers.

As at 30 September 2019, customer deposits of the Frankfurt Branch were €168 million while loans and advances to customers before allowance for loan losses amounted to €427 million.

#### *7.4.1.2. Non-core Assets*

##### *Picar S.A.*

The company has undertaken the development and use of the 65,000 m<sup>2</sup> City Link complex until 2027. The City Link complex, managed by Picar S.A., covers the block of buildings between Stadiou, Voukourestiou, Panepistimiou and Amerikis streets in the centre of Athens. City Link is home to Piraeus Bank’s headquarters, which occupy an area of 13,000 m<sup>2</sup>, to the Attica Department Store, which covers an area of 27,360 m<sup>2</sup>, and to various fully renovated department stores, theatres and restaurants. Picar S.A. also has a 4.57 per cent. equity participation in Attica Department Stores S.A., which is active in managing and operating the multi brand store Attica in Athens, Attica Golden in Maroussi and Attica Mediterranean Cosmos in Thessaloniki.

##### *Piraeus Real Estate S.A.*

Piraeus Real Estate S.A. provides a full range of real estate design, development and management services. The company’s main field of activity includes property appraisals, property management and sales management, project management and monitoring, project and facility management and investment advisory services. Additionally, the company provides consulting services and specialised know-how for the development and management of the Group’s real estate portfolio.

## **8. Risk Management**

Risk management is the focus of attention and a key concern of the management, as it is one of the key functions of the Group. The Bank’s management, aiming for business stability and continuity, has as its top priority the constant development and implementation of an effective risk

management framework, to mitigate any possible negative consequences of the Group's financial results and capital base.

The Board of Directors has full responsibility for the development and supervision of the risk management framework. The following internal structure and organisation contributes to the Group's risk planning, monitoring, management and the assessment of capital adequacy in reference to the level and type of risks undertaken.

The Risk Management Committee ("RMC") was appointed by the Board of Directors in accordance with Bank of Greece's Act 2577/2006, with a mandate to effectively manage all types of risks arising from the Group activities and ensure a consistent and uniform assessment and a specialised treatment thereof, as well as to coordinate operations on a Bank and Group level. The RMC is responsible for the clear definition of risk management strategy and risk appetite. The RMC convenes, upon its Chairman's invitation, as many times as is considered necessary in order to accomplish its mission, but not less than once a month. Each member of the Committee may request the convocation of the RMC in writing for the discussion of specific issues.

The Asset-Liability Management Committee ("ALCO") is responsible for implementing the strategic development of Group assets and liabilities, depending on the specific qualitative and quantitative data and developments in the business environment and to ensure high competitiveness and profitability, while maintaining business risks undertaken at predetermined levels. The ALCO convenes at least monthly and examines market developments in conjunction with the financial risk exposures of the Group.

Since 2011 emphasis has remained on matters of liquidity management, with the aim of securing sufficient liquidity for the Group, given the extremely adverse conditions in the Greek and international markets.

Piraeus Group reviews the adequacy and effectiveness of the risk management framework on an annual basis, so as to respond to market dynamics, changes in products offered and recommended international practices.

Group Risk Management is an independent administrative unit in relation to units of the Bank which have executive responsibilities, or responsibilities for making and accounting for transactions, and carries out the responsibilities of the Risk Management and Credit Risk Control Unit in accordance with the Bank of Greece's Act No 2577/2006 and the capital requirements directive (CRD IV). Group Risk Management is responsible for the design, specification and implementation of the Bank's policies on risk management and capital adequacy in accordance with the directions of the Board of Directors, which covers the full range of Bank activities for all types of risks. The Group's Chief Risk Officer ("CRO") supervises Group Risk Management. For issues of responsibility he reports to the Chief Executive Officer ("CEO") and to the Risk Management Committee and/or through it, to the Bank's Board of Directors.

The Board of Directors appoints the CRO upon the recommendation of the Risk Management Committee and his appointment or replacement following the approval of the Risk Management Committee is communicated to the Bank of Greece. Group Risk Management is subject to review by the Group Internal Audit as to adequacy and effectiveness of risk management procedures.

As reflected in the design and implementation of the strategic plan, it is of high priority for the Bank to develop further sophisticated risk management practices and robust models and methodologies. More importantly, the Bank aims to strengthen the sound risk culture and awareness of the institution across all levels of the organisation.

In March 2019, the modernised and transformed organisational structure of the Group Risk Management was fully implemented, aiming at a more organised approach to risk management in a consistent, balanced and integrated manner. In addition, the revised structure was better aligned

with the Bank strategic targets, including the profitable and sustainable business model, optimisation of capital allocation, strengthening of risk monitoring and controls and adoption of superior governance standards as well as meeting the regulatory demands and oversight.

Taking into consideration the overall mission and objectives of the Group Risk Management, a 4-pillar structure was established, with clear and discrete functional areas and responsibilities, and comprising:

- Risk
- Balance sheet and capital planning
- Control
- Analytics

Furthermore, in alignment with the Bank-wide implementation of the Group's 'Internal Control System Enhancement' initiative, a new Segment Controller role was established with a discrete reporting line to the CRO (segment head).

### 8.1. *Credit Risk Management*

The Group engages in activities that can expose it to credit risk. Credit risk is defined as the potential risk of realising financial losses stemming from the possibility that counterparties fail to meet their contractual/transactional obligations. Credit risk is the most significant risk for the Group and therefore its effective monitoring and persistent management constitutes a top priority for senior management.

The Group's exposure to credit risk mainly arises from corporate and retail credit lending, various investments, OTC transactions and derivatives transactions as well as from transaction settlement. The amount of risk associated with such credit exposures depends on various factors, including general economic conditions, market developments, the debtor's financial condition, the amount/type/duration of the relevant exposure and the existence of collateral and guarantees, which Piraeus Bank may not be able to assess with accuracy at the time it undertakes the relevant activity.

The implementation of the credit policy that describes the principles of credit risk management of the Group, ensures effective and uniform credit risk monitoring and control. Management applies a uniform policy and practice with respect to credit assessment, approval, renewal and monitoring procedures. All credit limits are reviewed and/or renewed at least annually and the responsible approval authorities are determined based on the size and the category of the total credit risk exposure undertaken by the Group for each debtor or group of connected debtors (the one obligor principle).

### 8.2. *Credit Risk Measurement and Monitoring*

Reliable credit risk measurement is a top priority within the Group's risk management framework. The continuous development of infrastructure, systems and methodologies aimed at quantifying and evaluating credit risk is an essential pre-condition in order to support efficiently management and the business units in relation to decision-making, policy formulation and the fulfilment of supervisory requirements.

For credit risk measurement and monitoring purposes related to the Group's loans and advances to customers, the following are performed at counterparty level:

- The customer's creditworthiness and the probability of default on its contractual obligations is systematically assessed; and
- The potential recovery in the event of the debtor defaulting on its obligations is estimated based on existing collateral, guarantees provided and levels of curing.

Management assesses the creditworthiness of borrowers and estimates the probability of default on their obligations by applying credit rating models appropriate to their special characteristics and features, taking into account historical and forward-looking information.

Borrowers are rated when their credit limit is initially determined and thereafter re-rated on at least an annual basis. The ratings are also updated in cases when there is available information that may have a significant impact on the level of credit risk. The Group regularly tests the predictive capability of the creditworthiness evaluation and rating models, thus ensuring its potential of accurately depicting credit risk and allowing for the timely implementation of measures addressing potential problems.

All corporate credit customers are assigned to credit rating grades, which correspond to different levels of credit risk and relate to different default probabilities.

Regarding the retail credit portfolio, there are scorecards of client credit assessment in the Retail Banking portfolio covering different stages of the credit cycle. For the measurement and evaluation of credit risk entailed in debt securities, ratings from external agencies are mainly applied.

#### *8.2.1. Credit Risk Stress-Testing Exercises*

Stress-testing exercises constitute an integral part of the Bank's credit risk measuring and quantifying processes, providing estimates of the size of financial losses that could occur under potential extreme financial conditions. Piraeus Bank Group conducts credit risk stress-testing exercises, the results of which are presented to and evaluated by the Risk Management Committee.

#### *8.3. Credit Risk Mitigating Techniques*

Piraeus Group sets credit limits in order to manage and control its credit risk exposures and concentration risk and define the maximum acceptable level of risk undertaken. Credit limits define the maximum acceptable level of undertaken risk per counterparty, group of counterparties and sectors of economic activity. Additionally, limits are set and applied against exposures to financial institutions. The Group's total exposure to credit risk, including financial institutions, is further controlled by the application of sub-limits that address on and off-balance sheet exposures.

In order to set customer limits, the Group takes into consideration any collateral or security provided, which reduces the level of risk assumed. The Group categorises credit risk into risk classes, based on the type of collateral/security and their liquidation potential. In the Group, no credit is approved by one sole person since the procedure regularly requires the approval of a minimum of three authorised officers, with the exception of consumer loans and credit cards, with the pre-requisite that all criteria set in the credit policy are met. Approval authorities are designated based on the level of risk exposure and their role in contributing to the quality of the Group's total credit portfolio is particularly significant.

Credit limits are set with an effective duration of up to twelve months and they are subject to annual or more frequent review. The responsible approval authorities may, in special circumstances, set a shorter duration than twelve months. The outstanding balances along with their corresponding limits are monitored on a daily basis and any limit excesses are reported in a timely manner and dealt with accordingly.



According to standard practice, when a borrower's credit rating is low, then additional collateral/guarantees are requested, in order to secure a higher recovery rate to account for the borrowers' default probability. The Group receives collateral or security against its credit to customers, thus minimising the overall credit risk and ensuring the timely repayment of its debt claims. For this scope, the Group has defined categories of acceptable collateral and has incorporated them in its credit policy.

The collateral/security associated with a credit is initially evaluated during the credit approval process, based on its current or fair value and is re-evaluated at regular intervals.

#### 8.4. *Liquidity Risk Management*

Liquidity risk management is associated with the Bank's ability to maintain adequate liquidity positions in order to meet its financial obligations promptly and without losses. In order to manage this risk, current and future liquidity requirements are monitored thoroughly, along with the respective needs for funding, depending on the projected maturity of outstanding transactions. In general, liquidity management is a process of balancing cash flows within time bands, so that, under normal conditions, the Group may meet all its financial obligations as they become due.

All Group units have applied a uniform liquidity risk management policy for the effective management of liquidity risk. This policy is consistent with the globally applied practices and supervisory regulations, and adapted to the individual activities and structures of the Piraeus Bank Group. The liquidity risk management framework of the Piraeus Bank Group includes policies, methodologies and procedures, as well as specified roles and responsibilities of parties involved.

Since November 2014, the Piraeus Bank Group has been supervised by the SSM of the ECB in collaboration with the Bank of Greece, and submits a wide range of regulatory reporting on a regular and periodic basis.

The Group calculates its Liquidity Coverage Ratio and Net Stable Funding Ratio, on a monthly and quarterly basis and on an individual and consolidated basis, according to the CRR in implementation of Basel III at European level and the European supervisory framework harmonisation (the Single Rulebook).

Under CRD IV, credit institutions are required to have comprehensive strategies, policies, procedures and systems to ensure adequate monitoring of liquidity risk. In accordance with the said directive, the Group has submitted to the SSM the annual 'Report on the Internal Liquidity Adequacy Assessment Process' ("ILAAP") within the year 2019 which contains the rules governing the management of liquidity risk and the main results of current and future Bank and Group liquidity position evaluation. In addition, within the framework of the Internal Capital Adequacy Assessment Process (ICAAP) and ILAAP procedures, the Bank examines stress test scenarios and assessed their impact on the liquidity position and on the mandatory liquidity ratios.

In addition, during 2019 the Group participated in the ECB's Short Term Exercise and submitted additional liquidity monitoring metrics reports on a monthly basis and provided an updated recovery plan and liquidity capital ratio ("LCR") restoration plan review on a periodic basis to the SSM.

Following the ELA reliance elimination in mid-July 2018, which led to the Bank's LCR turning positive for the first time in the third quarter of 2018 and steadily increasing since then, the positive evolution in the Bank's balance sheet items has allowed for further accumulation of liquid assets and facilitated the LCR ratio to continue increasing onwards throughout years 2018 and 2019.

The Group's balance sheet deleveraging coupled with the ongoing restoration of customer deposits, the improved access to interbank markets and the Tier 2 debt issuance in June 2019 (see "*Recent Developments (since 31 December 2018)*") enabled an ECB funding reliance decrease, the improvement of the Group's funding mix and the increase of the Group's high quality

liquid asset (HQLA) buffer. As at 30 September 2019, the Group's LCR stood at 107% (28% as at 30 September 2018) and the Net Loan-to-Deposit ratio at 84% (91% as at 30 September 2018).

As at 30 September 2019, the Group's customer deposits had increased by €2.3 billion compared to 30 September 2018, following the continuing positive trend since the year 2017, throughout 2018 and 2019, reaching a total balance of €45.2 billion, in comparison to €42.9 billion at 30 September 2018.

During the second quarter of 2019, the Group raised €400 million of funding through the issuance of the 2019 Notes (as defined below), which represented the re-establishment of the Group's presence in the international debt capital markets, while at the same time increasing the Group's long-term funding and furthering the effort to accumulate high quality liquid assets (see also "*Recent Developments (since 31 December 2018)*").

ECB funding reached €0.8 billion as at 30 September 2019, in comparison to €2.0 billion as at 30 September 2018. It predominantly consisted of TLTRO long-term funding (of which €0.5 billion was of TLTRO II and €0.1 billion was of TLTRO III), while funding provided by the ELA remained eliminated.

Funding drawn through the interbank repo market as at 30 September 2019 amounted to €1.8 billion, having decreased by €0.8 billion in comparison to 30 September 2018 (€ 2.5 billion).

The Group reduced its activity in the interbank repo market on the back of non-ECB eligible collateral by €1.2 billion, reaching €0.6 billion as at 30 September 2019 (€0.6 billion on Greek government bonds and €30 million on Greek government treasury bills) in an effort to achieve a cost-efficient rebalancing on negative rates, while maintaining robust interbank market access with a variety of counterparties. At the same time its activity in the interbank repo market relating to ECB eligible collateral increased by €0.4 billion, reaching €1.2 billion (€1.1 billion repo transactions on other government bonds and €0.1 billion on own covered bonds).

In addition to the above, as at 30 September 2019 the Group has in place an adequate liquid assets buffer of €6.6 billion, which is a significant increase in comparison to the respective buffer as at 30 September 2018 (€2.8 billion).

Finally, it should be noted that the above mentioned improvement of the Group's funding mix and the decrease in Eurosystem funding reliance was accomplished while maintaining the average funding cost in Euro at virtually the same levels against September 2018 (approximately 0.40%), driven by the reduction in customer deposits and interbank repos cost, even after the significantly costlier Tier 2 debt issuance.

## 8.5. *Market Risk Management*

Market risk is defined as the risk of incurring losses due to adverse changes in the level of market prices and rates, such as equity prices, interest rates, commodity prices and currency exchange rates, as well as changes in their correlation.

The Group has established a market risk limit system which covers all its activities. The adequacy of the system and the limits are reviewed annually.

The Value-at-Risk ("VaR") measure is an estimate of the maximum potential loss in the net present value of a portfolio, over a specified period and within a specified confidence level. The Group implements the parametric VaR methodology. VaR is measured for the positions in the trading book as well as the Fair Value Through Other Comprehensive Income ("FVTOCI") portfolio.

The method employed is considered to produce adequate results in cases where there are no significant non-linear risk factors (such as when there are no large option positions in the portfolio)

and the returns on investment follow the normal distribution. The trading and FVTOCI portfolios do not have significant option positions and therefore the current methodology for the VaR estimation is considered as adequate.

#### Value at Risk of the Trading Portfolio (€ million)

	28 December 2018	29 December 2017
VaR Interest Rate risk	1.54	0.19
VaR Equity Risk	0	0
VaR FX Risk	0.13	0.47
VaR Commodity Risk	0	0
Diversification effect	-0.12	-0.16
<b>Group Trading Book Total VaR</b>	<b>1.55</b>	<b>0.50</b>

#### 8.6. Operational Risk Management

Piraeus Bank Group acknowledges its exposure to operational risk deriving from its daily operation and from the implementation of business and strategic objectives.

The Group aims for the continuous improvement of operational risk management, through the implementation and the ongoing development of an integrated and adequate operational risk management framework that conforms to the best practices in Greece and relevant regulatory requirements.

The operational risk management framework, documented through methodologies and processes, covers the identification, assessment, measurement, mitigation and monitoring of operational risk, across all business activities and supporting functions of the Group, focusing simultaneously on the preventive and corrective mitigation of this risk. Furthermore, it aims for the dissemination of a common and comprehensible approach to the management of this type of risk to all the parties involved. The framework includes the following processes: Risk and Control Self-Assessment, Extreme Scenario Analysis, Key Risk Indicators, Action Plans Monitoring, Loss Collection, Value at Risk and Internal Capital calculation, operational risk appetite framework, operational risk mitigation techniques and internal and external reports.

The operational risk management framework, for which the Group Operational Risk Management unit is responsible for its development and maintenance, is considered as an integral part of the Group risk management framework, has been approved by the Risk Management Committee, is reviewed on a regular basis and is adjusted according to the Group's total risk exposure and risk appetite.

The operational risk management framework is applied to Piraeus Bank and the Group's subsidiaries in Greece and abroad. It is adjusted according to the size and range of the Bank's and the subsidiaries' activities, as well as any local regulatory requirements. The supervision and

coordination of the framework implementation across the Group, as well as of its respective methodologies, is centrally undertaken by the Group Operational Risk Management unit.

The following key projects are currently in progress as at the date of this Offering Circular, aiming for the enhancement of the Group Operational Risk Management Framework.

- Group-wide deployment of the operational risk management platform, which was successfully implemented by Piraeus Bank during 2016;
- Redesign and enhancement of operational risk incident and loss collection process;
- Enhancements in operational risk measurement framework enabling more accurate and useful VaR measurements, including risk allocations, based on the capabilities offered by the newly acquired application; and
- Further development of the operational risk control framework, including control effectiveness testing and assessment.

In addition, the following projects, which will contribute to addressing operational risks are also in progress:

- Implementation of the Environmental and Social Management System in the Bank and its subsidiaries in Greece and abroad, in order to apply effective environmental and social management practices in all its financing activities, products and services, in line with its Sustainability Policy;
- Enhancement of Information and Communication Technology risk management processes and governance, in line with the regulatory guidelines;
- Implementation of Information Security Risk Assessment methodology, developed by the Group IT Security and Control Office in order to determine the extent of risk associated with the likelihood of a potential threat exploiting a vulnerability on any given informational asset throughout its life cycle; and
- Enhancement of the awareness of Bank personnel regarding information technology and cyber security issues in order to foster a strong cyber security risk culture and build a common understanding on related matters across the Bank.

## 9. Analysis of Loan Portfolio

Loans and advances to customers accounted for 64.2 per cent. of the Group's total assets as at 31 December 2018 and 64.3 per cent. as at 30 September 2019. The loan portfolio of the Group is highly diversified across various sectors with loans to individuals (mortgage and consumer credit) comprising 38.9 per cent. of total loans and advances to customers at 31 December 2018 and 39.6 per cent. at 30 September 2019, while loans to medium-sized and large enterprises, shipping and SMEs accounted for 56.7 per cent., as at 31 December 2018 and 60.0 per cent. as at 30 September 2019.

	As at 30 September 2019
Mortgages	28.3%
Consumer	8.7%
Agriculture	1.6%
Manufacturing	10.7%
Energy	2.4%

Commerce and Services	10.6%
Shipping	3.4%
Coastline/Ferries Companies	0.5%
Construction	6.4%
Transport and Logistics	2.0%
Tourism	5.4%
Financial Sector	3.0%
Real Estate Companies	4.4%
Project Finance	3.3%
Other	8.9%
Public Sector	0.3%

The majority of loans granted by the Group are on a floating rate basis, with interest resets mostly at one or three-month refix periods. Out of the total loans and advances to customers before allowances for losses, fixed rate loans amounted to €3,871 million as at 31 December 2018 (2017: €4,306 million) and floating rate loans amounted to €49,219 million (2017: €55,954 million).

### Loans and Advances to Customers in Euro and Foreign Currencies

As at 30 September 2019 the Group's loans and advances to customers, in currencies other than Euro, amounted to €3,334 million (8.8 per cent. of total loans and advances to customers) compared to €3,756 million (9.4 per cent. of total loans and advances to customers) at 31 December 2018.

	Composition as at 31 December			
	2018		2017	
	Amounts in EUR million	%	Amounts in EUR million	%
Euro .....	36,085	90.6%	40,274	90.1%
Other Currencies.....	3,756	9.4%	4,446	9.9%
Total Loans and Advances to customers ..	<u>39,841</u>	<u>100.0%</u>	<u>44,720</u>	<u>100.0%</u>

### Loan Quality

The Group's loans and advances to customers in arrears over the 90 days' ratio was 33.8 per cent. at 31 December 2018 and 34.1 per cent. as of 30 September 2019. The Group coverage ratio of Non-Performing Loans by allowances for loan losses on loans and advances to customers came to 76.6 per cent. at 31 December 2018 and 69.6 per cent. at 30 September 2019.

The level of ECL allowance (the allowance established for expected credit losses) over gross loans ratio of the Group reached 23.7 per cent. at 30 September 2019 compared to 25.9 per cent. at 31 December 2018 (excluding a seasonal €1.6 billion loan to farmers repaid in early 2019).

As part of the submission of operational targets for asset quality to both the ECB and the Bank of Greece, Piraeus Bank has committed at the end of March 2019 to reduce the level of NPE, between December 2018 and December 2021, by approximately 57% (at the parent level).

The Bank's overall strategy in managing NPEs is to achieve a balance between ambitious NPE reduction target and value creation in the longer-term.

	<b>As at 30 September 2019</b>	<b>As at 31 December 2018</b>	<b>As at 31 December 2017</b>
<b>Amounts in EUR million</b>			
Total Loans and Advances to customers before allowances for loan losses .....	49,758	53,091	59,981
Non-Performing Exposures .....	25,689	27,331	32,856
Non-Performing Exposures Ratio (Adjusted for the seasonal loan to OPEKEPE) .....	51.6%	53.1%	56.0%
Allowances for Loan losses as a percentage of total loans and advances to customers before allowances for loan losses .....	23.7%	25.9%	26.5%
Coverage ratio of Non-Performing Exposures by allowances for loan losses on loans and advances to customers .....	46.0%	48.8%	47.3%

## 10. Analysis of Funding

During 2018 deposits due to customers posted a year on year increase of 8.9 per cent., on a like-for-like basis, following further capital controls relaxation in Greece, clearance of state arrears towards private sector providers, as well as Piraeus Bank's targeted product offering and client campaigns. Piraeus Bank's deposits due to customers in Greece recorded a €3.6 billion increase in 2018 and amounted to €44.5 billion as at 31 December 2018.

The Group's customer deposits in Greece continued to increase in the first nine months of 2019, although at a slower pace than 2018. As at 30 September 2019 customer deposits in Greece amounted to €44.9 billion, up from €44.5 billion at 31 December 2018.

### ***Total customer deposits in Euro and Other Currencies***

	<b>Composition as at 31 December</b>			
	<b>2018</b>	<b>Amounts in EUR million</b>		<b>2017</b>
Euro .....	42,864	95.8%	40,008	93.7%
Other Currencies .....	1,875	4.2%	2,707	6.3%
Total customer deposits .....	<b>44,739</b>	<b>100.0%</b>	<b>42,715</b>	<b>100.0%</b>

Total customer deposits in other currencies than Euro stood at €2,046 million (4.5% total obligations to customers) as at 30 September 2019.

### ***Total customer deposits by maturity***

Amounts in € million	<b>Less than 3 months</b>	<b>More than 3 months and up to 1 year</b>	<b>More than 1 year</b>	<b>Total</b>
	As at 31 December 2017 .....	<u>36,988</u>	<u>5,479</u>	<u>249</u>
As at 31 December 2018 .....	<u>39,790</u>	<u>4,847</u>	<u>102</u>	<u>44,739</u>

Liabilities due to credit institutions amounted to €3,032 million as at 30 September 2019 and €5,548 million as at 31 December 2018 compared to €11,435 million at 31 December 2017. The Eurosystem funding stood at €0.8 billion at 30 September 2019 and €3.2 billion at 31 December 2018 from €4.0 billion at 31 December 2017.

## **11. Technology and Infrastructures**

Piraeus Bank places emphasis on optimising internal procedures in order to upgrade the quality and speed of completion of operations, while at the same time minimising operational costs. In the IT sector, emphasis is placed on installing applications that support the increase of the Group's work and the upgrade of infrastructures aiming for the safest and most effective possible operation.

Piraeus Bank possesses a state-of-the-art main data centre in Athens and a back-up disaster data centre in Thessaloniki (500 km from Athens), which were both built according to international standards and specifications. The main data centre was constructed and has been fully operational since May 2013, while in February 2014 it was certified by Uptime Institute as one of the 50 data centres globally meeting Tier 4 (fault tolerant) standards. Failover to the disaster data centre is highly automated and can be achieved in less than four hours (critical systems in less than 2 hours). Tests are conducted twice a year to verify operational readiness of the disaster site.

The development and improvement of IT systems has always been in the framework of optimising and integrating infrastructures, processes and systems which are required by the continuously changing business and economic environment, with the aim of achieving economies of scale, increased security, functionality, uniform management by the final user and thus, increased competitiveness for the Bank.

The Bank has received the internationally recognised ISO/IEC 27001 certification for the entire range of security, management and operations of the Group's IT systems every year since 2010. The certification covers the broader framework of the design, implementation, management and operation of data processes and security measures and provides additional levels of assurance and confidence to its customers, shareholders and partners.

In the main data centre in Athens and in the Disaster Data Centre in Thessaloniki, multiple systems have been installed to cover all products, processes and procedures of the bank (ATM switching, internet banking, antimoney laundering AML/WLM, risk management, fraud management, collections, accounting and workflows among others). Piraeus Bank uses one of the most popular central banking systems in the world ("Equation" by Finastra), which is linked online in real time with a complete range of over 40 peripheral systems and applications. In addition, an internally-developed customer relationship management system has an 'updated in real time' 360 view of all customers, being the core of all customer-centric activities.

In respect of IT security infrastructure, the Bank has developed an integrated information assets security framework (based on National Institute of Standards and Technology, International Organization for Standardisation ("ISO") and Payment Card Industry ("PCI") standards) as well as a data protection policy. Moreover, the Bank maintains a data governance framework the main scope of which is to optimise data and information quality and security across the Group. The Group is in compliance with ISO standard 27001:2013, Bank of Greece Governor's Act 2577, PCI DSS v3.2 and the General Data Protection Regulation.

An up-to-date multi protocol label switching ("MPLS") network covers Piraeus Bank's telecommunication requirements in Greece. One of the first networks of its kind to be installed in a Greek bank, it links its branches with the data centres via high-speed connections. An Asymmetric Digital Subscriber Line network also exists as back-up support to the MPLS network, and in the event that even this connection is not possible (for example, due to cable outage), a GSM 3G/4G

network connection is on standby. To facilitate communication and collaboration between the various headquarter units and the branches, a central state-of-the-art videoconferencing system has been installed backed by an internal Webex infrastructure. The Bank has one of the most sophisticated e-banking platforms in Europe, Winbank, which was designed and deployed in cooperation with Microsoft and has won multiple international awards and prizes. The platform uniformly supports all its electronic channels, such as internet banking, mobile banking, phone banking, SMS banking, payments and e-commerce, amongst others.

## **12. Human Resources**

On 30 September 2019, the Group's headcount totalled 11,898 employees in the continuing operations, of which 11,441 were employed in Greece and 457 abroad. The total Group headcount including discontinued operations totalled 12,905 as of 30 September 2019. As of December 2018, the Group's headcount totalled 12,616 employees in the continuing operations, of which 12,156 were employed in Greece and 460 abroad.

Among the total Group employees, 58 per cent. are female and 42 per cent. male. The average age of the Group's employees is 44 years. The age distribution of employees is a major advantage for the Group. The age composition favours the introduction and implementation of changes in technology, methods and targets, as 85 per cent. of people are up to 50 years old. At the same time, its highly-trained employees provided invaluable support in offering efficient customer guidance and services in the financially critical year that elapsed. The percentage of employees who are holders of university degrees or/and postgraduate titles reaches 69 per cent. in Greece and 85 per cent. in subsidiaries abroad, 52 per cent. of the Bank's employees are occupied in the bank branches and the other 48 per cent. in the Administration Units. At Group level, it is 46 per cent. and 54 per cent. respectively. Piraeus Bank believes that the quality of its human resources is a key factor in achieving its strategic goals, and sees human resource management as a comprehensive set of actions and operations aimed at acquiring, retaining and utilising skilled employees who successfully and productively fulfil their roles. The Bank also seeks to emphasise the promotion and enhancement of morality, trust, devotion, team spirit and diversity in the workplace. These values ensure equal opportunities in continuous employee development, as well as non-discriminatory practices in the recruitment process through the implementation of well-defined candidate selection systems.

During 2016, a voluntary exit scheme was implemented, with 1,171 people included in the programme by the end of the year, while additional departures in early 2017 increased the participation to 1,230 employees in Greece. A one-off operating cost of €110 million was deducted in the last quarter of 2015 for the personnel voluntary exit scheme. As a result, the Group's headcount for continuing operations at the end of December 2016 was reduced by 6 per cent., while by the end of March 2017, the year on year reduction of the headcount of the Bank stood at 8 per cent. In 2018, the voluntary turnover rate was 1.2 per cent. for the Group, while at Bank level the respective percentage was less than 1 per cent. of which 92 per cent. were male and 8 per cent. female. In February 2018, the Group announced a new voluntary exit scheme for its employees, as part of Management's execution of the "Agenda 2020" strategic plan through cost efficiency measures with a total cost of €160.0 million for the Group and €153.0 million for the Bank, respectively. More than 1,300 employees applied and are gradually exiting. In July 2019, the Group announced a new voluntary exit scheme for its employees with a total cost of €30 million as of 30 September 2019. The final cost of the latest voluntary exit scheme will be determined in the fourth quarter of 2019, when the number of employees willing to participate is finalised. The percentage of voluntary exits on 30 September 2019 was 2.04 per cent.

## **13. Subsidiaries and Associates**

Piraeus Bank Group subsidiaries that were fully consolidated as at 30 September 2019 are illustrated in the table below:



<b><u>Subsidiary companies from continuing operations</u></b>	<b><u>Direct and Indirect participation</u></b>
Piraeus Leasing S.A.	100.00%
Piraeus Financial Leases S.A.	100.00%
Geniki Financial & Consulting Services S.A.	100.00%
Piraeus Securities S.A.	100.00%
Piraeus Factoring S.A.	100.00%
Piraeus Capital Management S.A.	100.00%
Piraeus Jeremie Technology Catalyst Management S.A.	100.00%
Hellenic Fund for Sustainable Development	65.00%
ETVA Fund Management S.A.	65.00%
Piraeus Asset Management S.A.	100.00%
Piraeus Insurance Agency S.A.	100.00%
Geniki Information S.A.	100.00%
DI.VI.PA.KA S.A.	57.53%
ETVA Development S.A.	65.00%
ETVA Industrial Parks S.A.	65.00%
Abies S.A.	61.65%
Achaia Clauss Estate S.A.	75.49%
Euroterra S.A.	62.90%
Kosmopolis A' Shopping Centers S.A.	100.00%
Linklife Food & Entertainment Hall S.A.	100.00%
ND Development S.A.	100.00%
New Up Dating Development Real Estate and Tourism S.A.	100.00%
Picar S.A.	100.00%
Property Horizon S.A.	100.00%
Rebikat S.A.	61.92%
General Construction and Development Co. S.A.	66.66%
Entropia Ktimatiki S.A.	66.70%
Euroak S.A. Real Estate	53.60%
Komotini Real Estate Development S.A.	100.00%
Piraeus Buildings S.A.	100.00%
Piraeus Development S.A.	100.00%
Piraeus Real Estate S.A.	100.00%
Pleiades Estate S.A.	100.00%
A.C.T. B.A.S. S.A.	100.00%
KPM Energy S.A.	100.00%
Mille Fin S.A.	100.00%
Multicollection S.A.	51.00%
Piraeus Direct Solutions S.A.	100.00%
Zibeno I Energy S.A.	100.00%
Centre of Sustainable Entrepreneurship Excelixi S.A.	100.00%
PROSPECT M.C.P.Y.	100.00%
Anemos Ipirou Anonymi Energeiaki Etaireia	100.00%
Aioliki Mbeleheri S.A.	100.00%
Aiolikon Parko Artas Aetoi E.E.	100.00%
Aiolikon Parko Evritanias Morforahi E.E.	100.00%
Aiolikon Parko Evritanias Ouranos E.E.	100.00%
DMX Aioliki Marmariou – Agathi LLP	100.00%
DMX Aioliki Marmariou – Rigani LLP	100.00%
DMX Aioliko Parko Rodopi 2 E.E.	100.00%
Thriacio Logistics Center S.A.	52.00%
Tirana Leasing Sh. A.	100.00%
Cielo Conculancy Sh.P.K.	99.09%

<b><u>Subsidiary companies from continuing operations</u></b>	<b>Direct and Indirect participation</b>
Beta Asset Management EOOD	100.00%
Bulfina E.A.D.	100.00%
Bulfinace E.A.D	100.00%
Delta Asset Management EOOD	100.00%
Gama Asset Management EOOD	100.00%
Piraeus Real Estate Bulgaria EOOD	100.00%
Varna Asset Management EOOD	100.00%
Asset Management Bulgaria EOOD	100.00%
Besticar Bulgaria EOOD	100.00%
Besticar EOOD	100.00%
Emerald Investments EOOD	100.00%
Piraeus Nedvizhimi Imoti EOOD	100.00%
Piraeus Equity Investment Management Ltd	100.00%
Arigeo Energy Holdings Ltd	100.00%
Euroinvestment & Finance Public Ltd	90.85%
Piraeus Clean Energy Holdings Ltd	100.00%
Piraeus Equity Partners Ltd	100.00%
Piraeus Renewable Investments Limited	100.00%
PRI WIND I Limited	100.00%
PRI WIND II Limited	100.00%
PRI WIND III Limited	100.00%
R.E. Anodus Two Ltd	99.09%
Tellurion Ltd	100.00%
Tellurion Two Ltd	99.09%
Trieris Two Real Estate Ltd	100.00%
Zibeno Investments Ltd	100.00%
O.F. Investments Ltd	100.00%
R.E Anodus Ltd	100.00%
Lakkos Mikelli Real Estate Ltd	50.66%
Philoktimatiki Public Ltd	53.29%
Piraeus Clean Energy GP Ltd	100.00%
Piraeus Equity Advisors Ltd	100.00%
Sunholdings Properties Company Ltd	26.65%
Philoktimatiki Ergoliptiki Ltd	53.29%
WH South Wind Hellas Ltd	100.00%
Emadiero Solar Energy & Investments Ltd	100.00%
Josharton Ltd	100.00%
JSC Piraeus Bank ICB	99.99%
Akinita Ukraine LLC	100.00%
Sinitem LLC	99.94%
Solum Enterprise LLC	99.94%
Solum Limited Liability Company	99.94%
Piraeus Leasing Romania S.A.	100.00%
Daphne Real Estate Consultancy SRL	99.09%
Priam Business Consultancy SRL	99.18%
Proiect Season Residence SRL	100.00%
R.E. Anodus SRL	99.09%
Rhesus Development Projects SRL	99.09%
Piraeus Rent Doo Beograd	100.00%
Piraeus Real Estate Egypt LLC	100.00%
Trieris Real Estate Management Ltd	100.00%
Marathon 1 Greenvale Rd LLC	99.95%
Piraeus Group Capital Ltd	100.00%
Piraeus Group Finance PLC	100.00%

<b><u>Subsidiary companies from continuing operations</u></b>	<b><u>Direct and Indirect participation</u></b>
Axia Finance III PLC	–
Axia Finance PLC	–
Axia III APC LIMITED	–
Estia Mortgage Finance PLC	–
Estia Mortgage Finance II PLC	–
Kion Mortgage Finance PLC	–
Praxis I Finance PLC	–
Praxis II APC LIMITED	–
Praxis II Finance PLC	–
Piraeus Asset Management Europe S.A.	100.00%
IMITHEA S.A. <sup>(1)</sup>	100.00%

Note (1): Classified as a discontinued operation

Estia Mortgage Finance PLC, Estia Mortgage Finance II PLC, Axia Finance PLC, Praxis I Finance PLC, Axia Finance III PLC, Praxis II Finance PLC, Axia III APC Limited, Praxis II APC Limited and Kion Mortgage Finance PLC, are special purpose vehicles for securitisation of loans and advances to customers and issuance of debt securities. Sunholdings Properties Company Ltd although presenting less than 50% shareholding, is included in the Group's subsidiaries portfolio due to majority presence in the Board of Directors of the company.

Also, as at 30 September 2019 the companies Piraeus Buildings S.A., Mille Fin S.A., Multicollection S.A., Tirana Leasing Sh.A., Piraeus Equity Investment Management Ltd, Priam Business Consultancy SRL and Rhesus Development Projects SRL were under liquidation.

The subsidiaries that are excluded from the consolidation are as follows: a) Hellenic Information Systems HIS S.A., b) The Museum Ltd, c) Axia III Holdings Ltd, d) Praxis II Holdings Ltd and e) Kion Holdings Ltd. The consolidation of the above mentioned companies would not have a significant effect on the Consolidated Statement of Financial Position and Consolidated Income Statement of the Group since the sum of total net income, the sum of total equity and the sum of total assets of the above mentioned companies comprise less than 0.01% of the Group's balances, based on their most recent financial statements.

On 6 September 2019 and 16 September 2019, the Bank incorporated Alternative REO Solutions single-member S.A. and Alternative Financial Solutions S.A., respectively. The assets and liabilities of the Bank's NPE business were spun off and contributed in kind into the latter on the date of its incorporation. On 23 October 2019, the disposal of the Bank's controlling stake in its NPE business and REO company was completed and an 80% shareholding plus one share on the said companies was transferred to Intrum. The purpose of the companies' incorporation was solely to facilitate the disposal of the Bank's NPE business to Intrum, hence the aforementioned transactions were accounted for, in their entirety as a single transaction, on the date that the Bank lost control over its NPE business and REO company, i.e. 23 October 2019. As a result, their financial statements are not included in the Group's consolidated financial statements as of and for the period ended 30 September 2019, even though the Bank was holding a 100% shareholding in both companies at that date. Subsequent to 23 October 2019, the Bank retains a 20% shareholding less one share and exercises significant influence, hence both companies will be accounted for as associates and consolidated in the Group's financial statements with the equity accounting method published after 23 October 2019 (see also "*Recent Developments (since 31 December 2018)*").

As at 30 September 2019, Piraeus Bank Group associate companies, which are consolidated using the equity method, are presented in the following table which is included in the consolidated interim financial information for the period ended 30 September 2019:

<b>Associate companies from continuing operations</b>	<b>Activity</b>	<b>Direct and Indirect participation</b>
Crete Scient. & Tech. Park Manag. & Dev. Co. S.A.	Scientific and technology park management	30.45%
Evros' Development Company S.A.	European community programmes management	30.00%
APE Commercial Property Real Estate Tourist and Development S.A.	Holding Company	27.80%
APE Fixed Assets Real Estate Tourist & Development S.A.	Real estate, development/tourist services	27.80%
Trieris Real Estate LTD	Property management	32.37%
APE Investment Property S.A.	Real estate, development/tourist services	28.92%
Omicron Cyclos Ena Symmetohiki S.A. (former Sciens International Investments & Holding S.A.)	Holding company	28.10%
Exodus S.A.	Information technology and software	49.90%
Piraeus - TANEQ Capital Fund	Close end Venture capital fund	50.01%
Teiresias S.A.	Interbanking company of development, operation and management of information systems	23.53%
PJ Tech Catalyst Fund	Close end Venture capital fund	30.00%
Pyrrichos S.A.	Property management	50.77%
Gaia S.A.	Software services	26.00%
Olganos Real Estate S.A.	Property management/electricity production from hydropower stations	32.27%
Exus Software Ltd	IT products retailer	49.90%
Marfin Investment Group Holdings S.A.	Holding Company	31.29%
Selonda Aquaculture S.A.	Fish farming	32.92%
Nireus Aquaculture S.A.	Fish farming	32.23%
Piraeus Direct Services S.A.	Support and e-commerce services, trade of time renewal cards	49.90 %
Trastor Real Estate Investment Company	Real estate investment property	39.39%
Inofita Asopos Business Park Development Company S.A.	Business Park Development	24.50%
<b>Joint Ventures</b>	<b>Activity</b>	<b>Direct and Indirect participation</b>
AEP Elaiona S.A.	Property management	50.00%
Peirgka Kythnou P.C.	Real estate	50.00%

Piraeus Bank Group exercises significant influence but does not control any of the companies listed above. This holds even for the companies Piraeus – TANEО Capital Fund and Pyrrichos S.A., where the Group’s shareholding and voting rights exceed 50%.

The associate company NGP Plastic S.A., which is immaterial to the Group’s financial position and results of operations, is not consolidated but is recognised at cost. This immaterial associate accounted for less than 0.4% of Group total net income, less than 0.03% of Group total equity and less than 0.04% of Group total assets, based on the most recent financial statements available.

As at 31 December 2018, the Piraeus Bank Group associate companies and joint ventures, which are consolidated using the equity method, are presented in the following table which is included in the annual consolidated financial statements for the year 2018:

<b>Associate company</b>	<b>Activity</b>	<b>Direct and Indirect Participation as at 31 December 2018</b>	<b>Total Equity as at 31 December 2018 (amounts in thousand €)</b>	<b>Profit Before Tax 2018 for the year ended (amounts in thousand €)</b>
CRETE SCIENT. & TECH. PARK MANAG. & DEV. CO. S.A.	Scientific and technology park management	30.45%	0	0
EVROS’ DEVELOPMENT COMPANY S.A.	European community programmes management	30.00%	0	(0)
APE COMMERCIAL PROPERTY REAL ESTATE TOURIST AND DEVELOPMENT S.A.	Holding company	27.80%	6	(0)
APE FIXED ASSETS REAL ESTATE TOURIST AND DEVELOPMENT S.A.	Real estate, development/tourist services	27.80%	44	1
TRIERIS REAL ESTATE LTD	Property management	32.37%	17	1
APE INVESTMENT PROPERTY S.A.	Real estate, development/tourist services	28.92%	163	(2)
OMICRON CYCLOS ENA SYMMETOHKI S.A. (formerly SCIENS INTERNATIONAL INVESTMENTS & HOLDING S.A.)	Holding company	28.10%	(25)	(4)
EXODUS S.A.	Information technology and software	49.90%	2	(1)
PIRAEUS - TANEО CAPITAL FUND	Close end Venture capital fund	50.01%	6	1
TEIRESIAS S.A.	Inter banking company of development,	23.53%	1	0

	operation and management of information systems			
PJ TECH CATALYST FUND	Close end Venture capital fund	30.00%	12	2
PYRRICHOS S.A.	Property management	50.77%	(13)	(1)
Gaia S.A.	Software services	26.00%	4	1
Olganos Real Estate S.A.	Property management/electricity production from hydropower stations	32.27%	(1)	(2)
Exus Software Ltd	IT products retailer	49.90%	0	(0)
Marfin Investment Group Holding S.A.	Holding company	31.57%	*	*
Trastor Real Estate Investment Company	Real estate investment property	39.39%	83	4
Unisoft S.A.	Software manufacturer	23.07%	(29)	(5)
Selonda Aquaculture S.A.	Fish farming	32.92%	*	*
Nireus Aquaculture S.A.	Fish farming	32.23%	*	*
Piraeus Direct Services S.A.	Support and e-commerce services, trade of time renewal cards	49.90%	2	1
AEP ELAIONA S.A.	Property management	50.00%	1	(2)

(\*)

Upon the approval of the Bank's annual financial statements, the listed associated companies Marfin Investment Group Holdings S.A., Selonda Aquaculture S.A. and Nireus Aquaculture S.A. had not published their annual financial statements for the year 2018. According to stock market prices of 31 December 2018, the fair value of the Group's shareholding to associate listed companies is as follows: Marfin Investment Group Holdings S.A. €21 million, Selonda Aquaculture S.A. €3 million and Nireus Aquaculture S.A. €16 million.

#### 14. Recent Developments (since 31 December 2018)

- On 8 March 2019 Moody's Investors Service affirmed Piraeus Bank's long-term deposit rating at "Caa2", while the outlook was changed to positive from stable.
- On 3 June 2019 Piraeus Bank announced a long-term strategic partnership with Intrum for the management of NPEs and REOs through the establishment of a market-leading independent non-performing assets servicing platform in Greece.

The key components of the transaction were:

- Piraeus Bank's internal RBU platform is to be transferred to a new servicer company; with 80% of the new servicer company to be held by Intrum and 20% by Piraeus Bank;
- The new servicer company will enter into a contract to service the Bank's existing €27 billion NPE portfolio, together with any new inflows, on an exclusive basis. The new servicer company will also manage NPEs of third parties. The initial term of the contract will be for ten years and will include terms and conditions consistent with similar precedent market transactions;

- A second servicer company is to be formed, with the same shareholder structure to manage the Bank's €1 billion REOs, together with any new flows. This company will also service REOs of third parties; and
- George Georgakopoulos, BoD member heading Piraeus Bank's Legacy Unit, will assume the role of CEO of the new servicer companies.

The agreement valued the platform at €410 million. Total purchase price consideration for Intrum's acquisition of 80% of the platform was agreed at €328 million of which €32 million is contingent on the future performance of the business within a three-year time timetable.

On 23 October 2019 the agreement was concluded. An 80% shareholding plus one share of the share capital of each of the new servicer company and the REO company established on 16 September 2019 and 6 September 2019 respectively was transferred to Intrum, while Piraeus Bank retained a 20% shareholding less one share. Following the conclusion of the transaction, the Bank exercises significant influence over both companies which will be accounted for as associates and consolidated in the Group's financial statements with the equity accounting method.

- On 10 June 2019 Piraeus Bank reached an agreement with an entity affiliated with Davidson Kempner Capital Management LP, for the sale of corporate NPEs, amounting to €507 million gross book value or €535 million total legal claim as of 31 October 2018 (the portfolio cut-off date), for a consideration of €240 million. The transaction is subject to the ordinary terms and approvals by the competent Greek authorities, including the consent of the HFSF.
- On 19 June 2019 Piraeus Bank successfully completed the book building process for the issuance of 10 NC5 dated subordinated notes amounting to €400 million (the "2019 Notes"), by Piraeus PLC under this Programme. The 2019 Notes were placed in the international debt capital markets, while demand for the transaction stood at approximately €850 million, with 135 investors placing orders as part of the book building process. The coupon of the 2019 Notes was 9.75% and the settlement date was 26 June 2019.
- On 15 July 2019 within the framework of its operational target to reduce its operating costs by approximately €150 million in the period 2019-2021, Piraeus Bank Group announced a voluntary exit scheme for targeted groups of employees.
- On 25 July 2019 Mr. Theodore Gnardellis was appointed as Piraeus Bank Group Chief Financial Officer, an Executive General Manager role, and member of the Bank's Executive Committee.
- On 10 October 2019 the European Commission concluded that within the framework of the Hellenic Asset Protection Scheme aimed at supporting the reduction of Greek banks non-performing loans – known by the name "Hercules" – the Greek State will be remunerated in line with market conditions for the risk it will assume in granting guarantees on securitised non-performing loans, and therefore such interventions do not constitute state aid. Piraeus Bank will assess when and how the Hellenic Asset Protection Scheme will be facilitated following its enactment in December 2019.
- On 27 October 2019 the notes of the Bank's residential mortgage backed securitization, the Estia Mortgage Finance I Plc Securitization (Estia I), were redeemed early, at their principal amount outstanding plus accrued interest, for the total remaining amount of €82.9 million – out of which the largest part was retained by the Bank, whereas €9.6 million was held by investors. The redemption was related to the continuous improvement of liquidity conditions and cost of funding of Piraeus Group, and aimed to reduce operating costs and release mortgage loans from encumbrance, as they can be utilised in the Bank's covered bond programmes (which can be used as collateral to raise liquidity from the ECB at a lower cost).

- On 31 October 2019 Piraeus PLC (as Issuer) and Piraeus Bank (as Guarantor) gave notice to the holders of the 2019 Notes that from the date thereof the Guarantor was to be substituted in place of the Issuer as issuer and principal debtor in respect of the Notes.
- On 8 November 2019 S&P Global affirmed its 'B-' long term rating on Piraeus Bank, while revising the outlook to positive from stable.
- Piraeus Insurance Agency S.A. ("PIA"), a wholly-owned subsidiary of the Bank, has been offering insurance solutions covering both 'life' (life, health, pension) and 'non-life' (motor, property, liability, personal accident) segments since 2007. PIA leverages the Bank's distribution network and bancassurance agreements with NN Hellas and ERGO. Following the recent ratification of Law 4583/2018 that implements the Insurance Distribution Directive into Greek law, and considering the need to rationalize the existing bancassurance structure, on 21 November 2019 the Bank's Board of Directors approved the initiation of the process for the transformation of the existing structure of the Bank's bancassurance business. Such transformation contemplates the demerger of PIA and the provision of bancassurance services by a new bancassurance unit of the Bank and a subsidiary of the Bank. The transformation is envisaged to be completed within the first half of 2020.
- On 27 November 2019 the notes of the Bank's residential mortgage backed securitization, the Estia Mortgage Finance II Plc Securitization (Estia II), were redeemed early, at their principal amount outstanding plus accrued interest, for the total remaining amount of €527.6 million – out of which the largest part was retained by the Bank, whereas the remaining €28.3 million was held by investors. The redemption is related to the continuous improvement of liquidity conditions and cost of funding of Piraeus Group, and aims to reduce operating costs and release mortgage loans from encumbrance, as they can be utilised in the Bank's Covered Bond Programmes (which can be used as collateral to raise liquidity from the ECB at a lower cost).
- On 2 December 2019, Piraeus Bank paid €165 million to the HFSF for the 2019 coupon of the contingent convertible instruments issued by the Bank and held by the HFSF.
- On 18 December 2019, the Board of Directors of the Bank elected Mr. Periklis Dontas as Non - Executive Member, HFSF Representative, in replacement of Mr. Per Anders Fasth, following a letter from the HFSF dated 28 November 2019 and in accordance with the provisions of Law 3864/2010.
- On 3 February 2020, Piraeus Bank re-affirmed its commitment to Agenda 2023 and made the following statements:
  - De-risking: Piraeus Bank will decisively continue de-risking its balance sheet, while stepping up its pace with the strategic direction to reach a single-digit NPE ratio by 2023. Piraeus Bank intends to frontload its NPE reduction by approximately €11 billion in 2020 from approximately €7 billion previously, on the back of HAPS. Two inorganic NPE transactions are scheduled to take place this year: "Vega" for an amount up to €5 billion gross book value, along with "Phoenix" for an amount up to approximately €2 billion gross book value.
  - Growth: by deepening the existing client relationships, Piraeus Bank will focus on leveraging the competitive advantages of its business in Greece.
  - Simplification: Piraeus Bank will decisively maximise its resources efficiency. This will be achieved through a simplified structure, further operational cost rationalisation measures, as well as further optimisation and automation of internal processes.



As part of such simplification Piraeus Bank may decide to proceed with a hive-down (the “Hive-Down”) of selected operations as a credit institution and all or certain of its assets and liabilities inherent or relevant thereto to a new licensed credit institution (“New Piraeus Bank”) that would be a wholly-owned subsidiary of Piraeus Bank. However, no approval (whether from the Board of Directors of Piraeus Bank or otherwise) has been obtained for any such Hive-Down as of the date of this Offering Circular. If a Hive-Down is so approved and implemented in the future, Piraeus Bank is expected to continue to exist as a listed entity but would become a holding company whose main asset would be 100 per cent. of the shares of New Piraeus Bank. Even if Piraeus Bank’s Board of Directors were to approve a Hive-Down (whether on those terms or on different terms), further approvals (including, without limitation, all applicable regulatory approvals) would be required to effect and complete the Hive-Down.

For further information please refer to the press release headed “Piraeus Bank 2020 Strategy Update: The Next Phase of Development” and the document dated 3 February 2020 headed “Piraeus Bank Market Update”, each of which is incorporated by reference in this Offering Circular.

The documents referred to above contain certain forward looking statements in relation to Piraeus Bank’s strategic roadmap for the period to the end of 2023. In this regard, please see the section of this Offering Circular entitled “Cautionary statement regarding forward looking statements”.

Additionally, some of the forward looking statements in such documents are targets for the period to, or as at, the end of 2023, as applicable. This includes all numbers contained in such documents and which refer to 2022 or 2023. Such forward looking statements are not forecasts and present current financial targets set and calculated by Piraeus Bank’s management team for the relevant period or as at the relevant date, as applicable. There is no guarantee that any of the targets will be met in whole or in part or otherwise that the strategic plan will be implemented in whole or in part. Please also see “Risk Factors – Risks relating to Piraeus Bank’s business - Piraeus Bank’s strategic roadmap involves regulatory and execution risks and any Hive-Down (if implemented) could structurally subordinate the claims of the Noteholders against Piraeus Bank”.

## ALTERNATIVE PERFORMANCE MEASURES

The following additional metrics are considered by the Issuers to be Alternative Performance Measures (“APMs”) as defined in the ESMA Guidelines. The figures (other than percentages) included in the table below are expressed in millions of euro.

<b>APM</b>	<b>APM Definition - Calculation</b>	<b>FY 2018</b>	<b>9M 2018</b>	<b>9M 2019</b>
CET1 Capital Ratio on Pro-forma Basis	CET1 capital as defined by Regulation (EU) No 575/2013, with the application of the regulatory transitional arrangements for IFRS 9 impact taking into account €0.4 billion from the NPE servicer agreement in the third quarter of 2019, as well as profit for the respective period, over RWAs taking into account RWA impact from divestments of international subsidiaries, the sale of NPE portfolios and Piraeus’ equity stake in the NPE servicer	14.0%	14.2%	14.4%
Core Banking Income (NII+NFI)	Net Interest Income plus Net Fee Income	1,749	1,317	1,299
Cost of Risk (CoR)	Loan Impairment Charges of the period annualised over Net Loans	1.6%	1.6%	1.7%
Cost to Income Ratio (CIR)	Opex over Net Revenues	63%	63%	55%
Cost to Income Ratio (Recurring)	Recurring Revenues over Recurring Operating Expenses	56%	56%	52%
Cumulative Provisions over Gross Loans	Accumulated ECL allowance on loans and advances to customers at amortised cost gross of PPA adjustment over Gross Loans	25.9%	26.4%	23.7%
Net Loans to Deposits Ratio (LDR)	Net Loans over Deposits	85%	91%	84%
Net Interest Margin (NIM)	Net Interest Income (annualised) over Adjusted Total Assets	2.4%	2.4%	2.4%
Net NPE Ratio	NPEs net of accumulated ECL allowance over Gross Loans	27.2%	27.7%	27.9%

<b>APM</b>	<b>APM Definition - Calculation</b>	<b>FY 2018</b>	<b>9M 2018</b>	<b>9M 2019</b>
Non-Performing Exposures (NPEs)	On balance sheet credit exposures before ECL allowance for loans and advances to customers at amortised cost gross of PPA adjustment that are: (a) past due over 90 days; (b) impaired or those which the debtor is deemed as unlikely to pay ("UTP") its obligations in full without liquidating collateral, regardless of the existence of any past due amount or the number of past due days; (c) forborne and still within the probation period under EBA rules; and (d) subject to contagion from (a) under EBA rules and other UTP criteria	27,331	28,542	25,689
Non-Performing Loans (NPLs)	Gross loans before Impairments & Adjustments in arrears over 90 days past due	17,403	17,659	16,972
NPE (Cash) Coverage Ratio	Accumulated ECL allowance gross of PPA adjustments over NPEs	48.8%	48.8%	46.0%
NPE Ratio	NPEs over Gross Loans before impairments & adjustments	53.1%	54.1%	51.6%
NPL (Cash) Coverage Ratio	Accumulated ECL allowance gross of PPA adjustments over NPLs	76.6%	78.8%	69.6%
NPL Ratio	NPLs over Gross Loans before impairments & adjustments	33.8%	33.5%	34.1%
Opex / Assets	Opex annualised over Adjusted Total Assets	2.0%	2.1%	1.7%
PPI (On a recurring basis) / RWA	Recurring PPI annualised over RWAs	1.7%	1.7%	1.9%
Recurring NFI	NFI minus One-off NFI	291	215	227
Recurring NFI Over Assets	Recurring NFI annualised over Adjusted Total Assets	0.5%	0.5%	0.5%
Recurring Operating Expenses (Recurring Opex)	Opex minus One-off Opex	1,007	756	713
Recurring Pre-Provision Income (Recurring PPI)	Pre-Provision Income ("PPI") minus One-off Revenues minus	827	601	648

<b>APM</b>	<b>APM Definition - Calculation</b>	<b>FY 2018</b>	<b>9M 2018</b>	<b>9M 2019</b>
	One-off Expenses Related to the Corresponding Period			
Recurring Pre-Tax Profit	Pre-Tax Profit minus one-off revenues minus one-off expenses minus one-off impairments related to the corresponding period	-	98	146
Recurring Revenues	Revenues minus One-off Revenues	1,786	1,357	1,361
Return on Assets (RoA)	Profit / (loss) for the period annualised over Adjusted Total Assets	0.3%	0.1%	0.2%
Return on Tangible Equity (ROTE)	Net profit annualised over Tangible Book Value	3.7%	1.1%	2.0%
RWA Density	Risk Weighted Assets over Adjusted Total Assets	81.2%	84.6%	78.4%
Tangible Book Value	Total equity minus value of contingent convertible securities (2,040 million) minus intangible assets	5,058	4,947	5,312
Texas Ratio	NPEs / (Cumulative Provisions plus Regulatory Capital)	137.9%	138.7%	137.0%
Total Regulatory Capital Ratio (Fully-Loaded) on a Pro-Forma Basis	Total Capital as defined by Regulation (EU) No 575/2013, not taking into account any transitional arrangements, but taking into account €0.4 billion from the NPE servicer agreement in the third quarter of 2019, as well as profit for the respective period, over RWAs taking into account RWA impact from divestments of international subsidiaries, the sale of NPE portfolios and the Group's equity stake in NPE servicer	10.9%	10.8%	13.3%
Total Regulatory Capital Ratio (Phased-in) on a Pro-Forma Basis	Total Capital as defined by Regulation (EU) No 575/2013, with the application of the regulatory transitional arrangements for IFRS 9 impact taking into account €0.4 billion from the NPE servicer agreement, as well as profit for	14.0%	14.2%	16.0%

<b>APM</b>	<b>APM Definition - Calculation</b>	<b>FY 2018</b>	<b>9M 2018</b>	<b>9M 2019</b>
	the respective period, over RWAs taking into account RWA impact from divestments of international subsidiaries, the sale of NPE portfolios and Piraeus' equity stake in NPE servicer			
<b>B. Components of APMs (In Euro Millions)</b>				
<b>APM Component</b>	<b>APM Definition - Calculation</b>	<b>FY 2018</b>	<b>9M 2018</b>	<b>9M 2019</b>
Adjusted Total Assets	Total assets excluding assets amounting to: 1) €3.3 billion in December 2018 of discontinued operations in Albania and Bulgaria, the OPEKEPE seasonal agri-loan, and other discontinued operations 2) €2.3bn in September 2018 of discontinued operations in Albania and Bulgaria and two NPE sales (Amoeba and Arctos) 3) €0.1 billion in September 2019 of discontinued operations	58,543	57,412	58,981
Cumulative Provisions (Loan Loss Reserves - LLR)	Accumulated ECL allowance on loans and advances to customers at amortised cost gross of PPA Adjustments	13,334	13,917	11,805
Deposits or Customer Deposits	Due to Customers	44,739	42,886	45,172
Gross Loans	Loans and advances to customers at amortised cost before ECL allowances for impairment on loans and advances to customers gross of PPA adjustments	51,475	52,788	49,758
Impairments for Inorganic Activity	Loan Impairment Charges from NPE sales	-	-	103
Loan Impairment Charges (Provision Expenses) - Impairments	ECL impairment losses on loans and advances to customers at amortised cost	599	461	489
NFI	Net Fee and Commission Income	339	263	227
NII	Net Interest Income	1,410	1,054	1,072
Net Loans	Loans and advances to customers at amortised cost	38,141	38,870	37,953

<b>APM</b>	<b>APM Definition - Calculation</b>	<b>FY 2018</b>	<b>9M 2018</b>	<b>9M 2019</b>
Net Results - Net Profit	Profit / (loss) for the period from continuing operations attributable to equity holders of the Bank	185	40	78
Net Revenues	Total Net Income	1,882	1,405	1,361
Non-Recurring (one-off) Expenses	In Q1 2018, Q3 2018, Q4 2018, Q2 2019 and Q3 2019 Voluntary Exit Scheme ("VES") staff costs of €132 million, €4 million, €18 million, €16 million and €20 million respectively were classified as one-off ("VES One-Off")	154	136	36
Non-Recurring (one-off) Impairments	In Q2 2018, €67 million of a reversal of loan impairments, and €32 million of impairments on other assets were classified as one-off	-35	0	0
Non-Recurring (one-off) Revenues (Net Fee and Commission Income)	In Q3 2018, €48 million of net fee and commission income relating to an extraordinary quality commission for past performance in general insurance business was classified as one-off	48	48	0
Operating Expenses (Opex)	Total operating expenses before provisions	1,161	892	749
Performing Exposures (PE) - Greece	Gross Loans minus NPEs	23,909	-	23,636
PPA Adjustment	Purchase price allocation (PPA) adjustments relating to the acquisition of the seven banks i.e. former ATEbank, the Greek banking operations of Cypriot Banks in Greece (Bank of Cyprus, Cyprus Popular Bank, Hellenic Bank), Millennium Bank S.A., Geniki Bank S.A. and Panellinia Bank S.A.	3,493	4,250	2,883
Pre-Provision Income (PPI)	Profit before provisions impairments and income tax	721	513	612
Pre-Tax Results – Pre-Tax Profits (PBT)	Profit / (loss) before income tax	80	46	110
Risk Weighted Assets (RWA)	Assets and off-balance-sheet exposures, weighted according to	47,554	48,544	46,261

<b>APM</b>	<b>APM Definition - Calculation</b>	<b>FY 2018</b>	<b>9M 2018</b>	<b>9M 2019</b>
	risk factors based on Regulation (EU) No 575/2013.			
Total Regulatory Capital	Total Regulatory Capital as defined by Regulation (EU) No 575/2013	6,489	6,663	6,947

## REGULATION AND SUPERVISION OF BANKS IN GREECE

The Group is subject to various financial services laws, regulations, administrative actions and policies in each jurisdiction where its members operate. The Bank of Greece is the central bank in Greece. The ECB through the SSM and the support of the Bank of Greece is responsible for the licensing and supervision of credit institutions operating in Greece, such as the Bank.

In addition, through the trading of the Bank's ordinary shares on the ATHEX, the Bank is also subject to applicable capital markets laws in Greece.

The ECB is the central bank for the euro and manages the Eurozone's monetary policy. The ECB also has direct supervisory responsibility over "banks of systemic importance" in the Eurozone. Banks of systemic importance include, among others, any Eurozone bank that has: (i) assets greater than €30 billion; (ii) assets constituting at least 20 per cent. of its home country's gross domestic product; (iii) requested or received direct public financial assistance from the European Financial Stability Fund ("EFSF") or the ESM; or (iv) is one of the three most significant credit institutions in its home country. The Bank is a bank of systemic importance within this definition and so is directly supervised by the ECB to the extent described below.

The ECB is exclusively responsible for prudential supervision of "banks of systemic importance", which includes the power to:

- authorise and withdraw authorisations of those banks;
- for those banks that wish to establish a branch or provide cross-border services in a country outside the Eurozone, carry out the tasks which the competent authority of the home Member State shall have under the relevant EU law;
- assess the acquisition and disposal of qualifying holdings in those banks;
- ensure compliance by those banks with all prudential requirements on credit institutions and set, where necessary, higher prudential requirements for credit institutions, for example for macro-prudential reasons to protect financial stability under the conditions provided by EU law;
- ensure compliance by those banks with all requirements on credit institutions to have in place robust governance arrangements, including the fit and proper requirements for the persons responsible for the management of credit institutions, risk management processes, internal control mechanisms, remuneration policies and practices and effective internal capital adequacy assessment processes;
- carry out supervisory reviews, including where appropriate in coordination with the European Banking Authority, stress tests and, on the basis of that supervisory review, impose on those banks specific additional own funds requirements, specific publication requirements, specific liquidity requirements and other measures, where specifically made available to competent authorities by relevant EU law;
- carry out supervision on a consolidated basis over those banks' parent entities established within the Eurozone and to participate in supervision on a consolidated basis; and
- intervene at the early stages where a credit institution or group in relation to which the ECB is the consolidating supervisor does not meet or is likely to breach the applicable prudential requirements.

As regards the monitoring of credit institutions, the national supervisory authorities will continue to be responsible for supervisory matters not conferred on the ECB, such as consumer protection, money laundering, payment services, and branches of third country banks.



The ECB also has the right to impose pecuniary sanctions on credit institutions.

The ECB and the national central banks together constitute the Eurozone's central bank system.

### **The Regulatory Framework – Prudential Supervision**

Credit institutions operating in Greece are required, among other things, to:

- observe liquidity ratios prescribed by the applicable provisions of Law 4261/2014, the CRR and the relevant Bank of Greece Governor's Acts, to the extent that such acts are not contrary to the provisions of the CRD IV,
- maintain efficient internal audit, compliance and risk management systems and procedures, in accordance with the Bank of Greece Governor's Act No. 2577/2006, as amended and supplemented by subsequent decisions of the Governor of the Bank of Greece and of the Banking and Credit Committee of the Bank of Greece;
- submit to the Bank of Greece periodic reports and statements required under Bank of Greece Governor's Act No. 2651/2012, as amended and in force;
- disclose data regarding the bank's financial position and its risk management policy;
- provide the Bank of Greece and, where relevant, the ECB with such further information as they may require;
- in connection with certain operations or activities, notify or request the prior approval of the ECB acting in co-operation with the Bank of Greece or the Bank of Greece, as the case may be, in each case in accordance with the applicable laws of Greece and the relevant acts, decisions and circulars of the Bank of Greece (each as in force from time to time); and
- permit the Bank of Greece and, where relevant, the ECB to conduct audits and inspect books and records of the bank, in accordance with Law 4261/2014 and certain Bank of Greece Governor's Acts.

If a credit institution breaches any law or regulation falling within the scope of the supervisory power attributed to the ECB or, as the case may be, the Bank of Greece, the ECB or the Bank of Greece, respectively, is empowered, among others, to:

- require the bank to take appropriate measures (which may include prohibitions or restrictions on dividends, requiring a share capital increase or requiring prior approval for future transactions) to remedy the breach;
- impose fines, in accordance with (i) article 55A of the Articles of Association of the Bank of Greece, as ratified by Laws 2832/2000 and 4099/2012, and amended by Bank of Greece Governor's Act No. 2602/2008, as well as (ii) the provisions of Law 4261/2014;
- appoint a commissioner; and
- where the breach cannot be remedied, revoke the licence of the credit institution and place it in a state of special liquidation.

Banks in Greece are subject to a range of reporting requirements, including the submission of reports relating to:

- capital structure, qualifying holdings, persons who have a special affiliation with the institution and loans or other types of credit exposures that have been provided to these persons by the institution;
- own funds and capital adequacy ratios;

- capital requirements for all kinds of risks;
- large exposures and concentration risk;
- liquidity risk;
- interbank market details;
- financial statements and other financial information;
- covered bonds;
- internal control systems;
- prevention and suppression of money laundering and terrorist financing; and
- information technology systems.

The Bank submits regulatory reports both at an individual and Group level to the Bank of Greece and/or the ECB on a daily, monthly, quarterly, semi-annual or annual basis, as applicable.

#### **Transposition of Directive 2001/24/EC of the European Parliament and of the Council of 4 April 2001 on the Reorganisation and Winding Up of Credit Institutions**

Greece has transposed Directive No. 2001/24/EC by virtue of Greek law 3458/2006 on the winding-up and reorganisation of credit institutions. Greek law 3458/2006, as amended and in force, is in line with the provisions of Directive No. 2001/24/EC and introduces a series of conflicts of laws rules on the laws applicable to the winding-up and reorganisation of a credit institution, including among others:

##### ***Law Governing the Reorganisation Measures***

Article 4 sets the rule by providing that any reorganisation process shall be applied in accordance with the laws, regulations and procedures applicable in the home state of the credit institution subjected to such process. The process would be carried out in accordance with the provisions of Law 4261/2014 (the “Banking Law”).

##### ***Law Governing the Winding-Up Process***

Article 11 introduces a conflict of laws rule on the winding up process for credit institutions, pursuant to which any credit institution shall be wound up in accordance with the laws, regulations and procedures applicable in Greece insofar as Greek law 3458/2006 does not provide otherwise.

The regulatory framework has been affected by the recapitalisation framework and the creation of the HFSF.

#### **Capital Adequacy Framework**

In December 2010, the Basel Committee on Banking Supervision issued two prudential regulation framework documents which contained the Basel III capital and liquidity reform package. The Basel III framework has been implemented in the EU through the CRD IV Directive and the CRR (each as defined in the Terms and Conditions), which have been transposed into Greek law where applicable.

Full implementation of the Basel III framework began on 1 January 2014, with particular elements being phased in over the period to 2019, although some minor transitional provisions provide for phase-in until 2024.

The major points of the capital adequacy framework include:

### *Quality and Quantity of Capital*

The definition of regulatory capital and its components has been revised at each level. A minimum CET1 capital ratio of 4.5 per cent., a minimum Tier 1 capital ratio of 6 per cent. and a minimum total capital ratio of 8 per cent. have been imposed, and there is a requirement for Additional Tier 1 instruments to have a mechanism that requires them to be written off or converted on the occurrence of a trigger event.

Capital adequacy is monitored by the responsible bodies of the Bank and is submitted quarterly to the supervisory authority, the ECB.

The main objectives of Piraeus Bank Group related to the Group's capital adequacy management are the following:

- Comply with the capital requirements regulation according to the supervisory framework.
- Preserve the Group's ability to continue unhindered its operations.
- Retain a sound and stable capital base supportive of the Bank's management business plans.
- Maintain and enhance existing infrastructures, policies, procedures and methodologies for the adequate coverage of supervisory needs, in Greece and abroad.

Piraeus Bank Group applies the following methodologies for the calculation of Pillar I capital requirements:

- the standardised approach for calculating credit risk;
- the mark-to-market method for calculating counterparty credit risk;
- the standardised approach for calculating market risk;
- the standardised approach for calculating credit valuation adjustment risk; and
- the standardised approach for calculating operational risk.

### *Capital Buffer Requirements*

In addition to the minimum capital ratios described above, banks are required under CRD IV (as defined in the Terms and Conditions) to hold additional capital buffers as follows:

- a **capital conservation buffer** of 2.5 per cent. of RWA;
- a **systemic risk buffer** ranging between 1 and 5 per cent. of RWA designed to prevent and mitigate long-term non-cyclical systemic or macro-prudential risks not covered by the CRR. The buffer has not been applied in Greece to date;
- a **countercyclical buffer** ranging between 0 and 2.5 per cent. of RWA depending on macroeconomic factors. This buffer has been specified at 0 per cent. for Greek banks throughout 2016, 2017 and 2018 as well as for the first three quarters of 2019 pursuant to executive acts of the Bank of Greece. The countercyclical buffer should be built up when aggregate growth in credit and other asset classes with a significant impact on the risk profile of such credit institutions are judged to be associated with a build-up of system-wide risk, and drawn down during stressed periods;
- an **other systemically important institutions ("O-SII") buffer** which, for the Bank, ranges between 1 per cent. and 3 per cent. of RWA. According to the EBA's methodology, all Greek O-SIIs are classified in bucket 4, which corresponds to a level of 1 per cent. for the O-SII buffer (the O-SII buffer was set at 0 per cent. throughout 2016, 2017 and 2018). The

buffer is being phased in to reach 1 per cent. over four years from 2019 to 2023, increasing by 0.25 per cent. per year; and

- a **global systemically important institutions (“G-SII”) buffer** ranging between 1 per cent. and 5 per cent. of RWA designed to prevent and mitigate long-term non-cyclical systemic or macro-prudential risks not covered by the CRR. The G-SII buffer has not been applied in Greece to date.

Depletion of these buffers will trigger limitations on dividends, distributions on capital instruments and compensation and it is designed to absorb losses in stress periods.

Following the conclusion of the SREP update, the ECB informed the Group of its total capital requirement, valid from 1 March 2019. According to the decision, the Bank has to maintain, on a consolidated basis, an overall capital requirement ratio of 14.0 per cent., which includes: (a) the minimum Pillar I total capital requirements as per Article 92(1) of the CRR; (b) the additional Pillar II capital requirement as per Article 16(2) of Regulation 1024/2013/EU; (c) the fully loaded capital conservation buffer of the CRR, which is set at 2.5 per cent.; and (d) the transitional Other Systemic Important Institutions (O-SII) buffer of 0.25 per cent.

As at 31 December 2018, the Group’s total capital adequacy ratio stood at 13.65 per cent., equal to the CET1 capital adequacy ratio and as at 30 September 2019, the Group’s total capital adequacy ratio stood at 15.02 per cent. (30 June 2019 14.73 per cent.), while the CET1 capital adequacy ratio stood at 14.17 per cent (30 June 2019, 13.89 per cent.). The amount of deferred tax assets included in the Group’s regulatory capital in accordance with the provisions of Article 27A of Greek Law 4172/2013 (as amended from time to time) regarding the voluntary conversion of deferred tax assets arising from temporary differences into final and settled claims against the Greek State amounted to €3,879.3 million as at 30 September 2019 (30 June 2019, €3,900.9 million) and €3,938.4 million as at 31 December 2018. The Group’s fully loaded CET1 capital adequacy ratio was at 11.44 per cent. at 30 September 2019 (30 June 2019, 11.22 per cent.), compared to 10.66 per cent. at the end of 31 December 2018. The Group’s pro forma total capital adequacy ratio as at 30 September 2019, after incorporating the positive effect of risk weighted assets RWA release from the sale of NPE portfolios (classified as “Held for Sale” as at 30 September 2019) and including the interim profit of 2019, stood at 15.27 per cent.

As at 31 December 2018, the Bank’s total capital adequacy ratio stood at 14.68 per cent., equal to the CET1 capital adequacy ratio and as at 30 September 2019, the Bank’s total capital adequacy ratio stood at 15.89 per cent. (30 June 2019, 15.64 per cent.), while the CET1 capital adequacy ratio stood at 15.01 per cent (30 June 2019, 14.77 per cent.). The amount of deferred tax assets included in the Bank’s regulatory capital in accordance with the provisions of Article 27A of Greek Law 4172/2013 (as amended from time to time) regarding the voluntary conversion of deferred tax assets arising from temporary differences into final and settled claims against the Greek State amounted to €3,879.3 million as at 30 September 2019 (30 June 2019, €3,900.9 million) and €3,938.4 million as at 31 December 2018. The Bank’s fully loaded CET1 capital adequacy ratio was at 12.35 per cent. at 30 September 2019 (30 June 2019, 12.17 per cent.), compared to 11.73 per cent. at the end of 31 December 2018.

Article 473a of the CRR allows banks to mitigate the impact of the introduction of IFRS 9 on regulatory capital and leverage ratios during a 5-year transitional period. According to Article 473a, of the CRR banks may add to the CET1 ratio the post-tax amount of the difference in provisions that resulted from the transition to the IFRS 9 in relation to the provisions that have been recognised at 31 December 2018 in accordance with IAS 39. The weighting factors were set per year at 0.95 in 2018, 0.85 in 2019, 0.70 in 2020, 0.5 in 2021 and 0.25 in 2022.

The Bank has decided to avail itself of Article 473a and applies the transitional provisions in calculating capital adequacy on both a standalone and consolidated basis.

### *Deductions from CET1*

The definition of items that should be deducted from regulatory capital has been revised. In addition, most of the items that were required to be deducted from regulatory capital are now deducted in whole from the CET1 component.

### *Central Counterparties*

To address the systemic risk arising from the interconnectedness of credit institutions and other financial institutions through the derivatives markets, a 2 per cent. risk-weight factor was introduced to certain trade exposures to qualifying central counterparties. The capitalisation of credit institution exposures to central counterparties is based in part on the compliance of the central counterparty with the International Organisation of Securities Commissions' standards (since non-compliant central counterparties are treated as bilateral exposures and do not receive the preferential capital treatment referred to above).

### *Asset Value Correlation Multiplier for Large Financial Sector Entities*

A multiplier of 1.25 is to be applied to the correlation parameter of all exposures to large financial sector entities meeting particular criteria that are specified in the CRR.

### *Counterparty Credit Risk*

The counterparty credit risk management standards have been raised in a number of areas, including for the treatment of so-called wrong-way risk, that is, cases where the exposure increases when the credit quality of the counterparty deteriorates. For example, the CRR introduced a capital charge for potential mark-to-market losses associated with deterioration in the creditworthiness of a counterparty and the calculation of expected positive exposure by taking into account stressed parameters.

### *Leverage Ratio*

The leverage ratio is calculated by dividing a bank's Tier 1 capital by its total exposure measure and is expressed as a percentage. A key distinction between the minimum capital ratio and the leverage ratio is that no risk-weighting is applied to the assets. The leverage ratio is currently calculated, reported to supervisors and, since January 2015, disclosed publicly, although no mandatory level has been set.

### *Liquidity Requirements*

A liquidity coverage ratio, which is an amount of unencumbered, high quality liquid assets that must be held by a bank to offset estimated net cash outflows over a 30-day stress scenario has been introduced. The ratio requirement is 100 per cent. In addition, a net stable funding ratio ("NSFR"), which is the amount of longer-term, stable funding that must be held by a bank over a one-year timeframe based on liquidity risk factors assigned to assets and off-balance sheet liquidity exposures, is envisaged. The NSFR ratio requirement is the amount of longer-term, stable funding that must be held by a credit institution over a one-year timeframe based on liquidity risk factors assigned to assets and off-balance sheet liquidity exposures. It is still to be implemented.

In order to foster consistency and efficiency of supervisory practices across the EU, the EBA is continuing to develop the EBA Single Rulebook, a supervisory handbook applicable to EU Member States. However, the EBA Single Rulebook has not yet been finalised.

### *Recent developments*

In April 2019, the European Parliament endorsed a package of measures that impact both capital requirements and resolution powers. The legislative texts were published in the Official Journal of the EU in June 2019. The package contains a number of measures, including:

- a leverage ratio requirement for all institutions as well as a leverage ratio buffer for all global systemically important institutions;
- a new market risk framework for reporting purposes;
- revised rules on capital requirements for counterparty credit risk and for exposures to central counterparties;
- a revised Pillar 2 framework;
- an updated macro-prudential toolkit;
- targeted amendments to the credit risk framework to facilitate the disposal of NPLs;
- enhanced prudential rules in relation to anti-money laundering;
- a new total loss absorbing capacity (TLAC) requirement for global systemically important institutions;
- enhanced MREL subordination rules for G-SIIs and other large banks referred to as top-tier banks; and
- a new moratorium power for the resolution authority.

### Leverage ratio

The financial crisis highlighted that institutions were taking on greater exposures (for example, loans, derivatives and guarantees) but raising only relatively limited amounts of additional capital. The new package introduces a binding leverage ratio requirement (that is, a capital requirement independent from the riskiness of the exposures, as a backstop to risk-weighted capital requirements) for all institutions subject to the CRR. The leverage ratio requirement complements the existing framework to calculate the leverage ratio, to report it to supervisors and, since January 2015, to disclose it publicly. The leverage ratio requirement is set at 3 per cent. of Tier 1 capital and institutions must meet it in addition to/in parallel with their risk-based capital requirements. An additional leverage buffer applies to global systemically important institutions but the Bank is not a G-SII.

### MREL subordination rules

In order to ensure effective and credible application of the bail-in resolution tool to impose losses on banks' creditors in the case of a banking crisis, banks are subject to an MREL, with the relevant instruments earmarked for bail-in in a crisis. The EU resolution framework requires banks to comply with the MREL at all times by holding easily 'bail-inable' instruments, so as to ensure that losses are absorbed and banks are recapitalised once they get into a financial difficulty and are subsequently placed into resolution.

The package proposes to tighten the rules on the subordination of MREL instruments. Beyond, the existing G-SII category, a new category of large banks, called "top-tier banks" with a balance sheet size greater than €100 billion, has been established in relation to which more prudent subordination requirements are formulated. National resolution authorities may also select banks which are neither G-SIIs nor top tier banks and subject them to the top-tier bank treatment. An MREL minimum pillar 1 subordination policy for each of these two categories of bank has been agreed. For other banks, the subordination requirement remains a bank-specific assessment based on the principle of "no creditor worse off".

### Moratorium power for resolution authorities

In order to avoid excessive outflows of liquidity in a bank resolution, the package proposes a moratorium power, which should be triggered after a bank is declared "failing or likely to fail". The

power to impose the moratorium also includes covered deposits and can be imposed for a maximum duration of two days, in line with International Swaps and Derivatives Association agreements.

## **Recovery and resolution of credit institutions**

The BRRD, as transposed into Greek legislation by Article 2 of the BRRD law, is the directive that establishes a framework for the recovery and resolution of credit institutions and investment firms. The BRRD was recently amended in relation to the ranking of unsecured debt instruments in special liquidation and this amendment has also been transposed into Greek legislation by Greek law 4583/2018.

In addition, the SRM Regulation establishes uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism (the “SRM”) and a Single Resolution Fund (the “SRF”). Pursuant to the SRM Regulation, the authority to plan the resolution and resolve banks which are subject to direct supervision by the ECB, such as the Bank, has been conferred on the Single Resolution Board (“SRB”).

### *Single Resolution Mechanism*

If the Bank infringes or is likely in the near future to infringe capital or liquidity requirements, the ECB has the power to impose early intervention measures. These measures include the power to require changes to the legal or operational structure of the Bank, or its business strategy, and the power to require the managing board to convene a general meeting of shareholders at which the ECB may set the agenda and require certain decisions to be considered for adoption by the general meeting.

The SRB is responsible for preparing resolution plans for, and directly resolving, all banks directly supervised by the ECB and cross-border groups. In most cases, the ECB would notify the SRB, the European Commission and the relevant national resolution authorities that a bank is failing. The SRB would then assess whether there is a systemic threat and any private sector solution.

In certain circumstances, including if a bank reaches a point of non-viability or where certain forms of extraordinary public financial support are required, the SRB in close co-operation with the relevant national resolution authority may take pre-resolution measures, including the write-down and cancellation of shares and the conversion of capital instruments and eligible liabilities into shares. If a bank meets the conditions for resolution, the SRB may apply the relevant resolution tools and exercise the relevant resolution powers in line with the resolution plan prepared for the bank in question by the SRB. See further “—*Recovery and resolution powers*” below.

The European Commission is responsible for assessing the discretionary aspects of the SRB’s decision and endorsing or objecting to the resolution scheme. The European Commission’s decision is subject to approval or objection by the European Council only when the amount of resources drawn from the SRF is modified or if there is no public interest in resolving the bank. If the European Council or the European Commission objects to the resolution scheme, the SRB must amend it. The resolution scheme, once approved, is implemented by the national resolution authorities. If resolution entails state aid, the European Commission must approve the aid before the SRB can adopt the resolution scheme.

The SRB also determines the MREL that banks are required to comply with at all times; see “—*Resolution tools*” below.

All the banks in the participating Member States contribute to the SRF. The SRF was established for the purpose of ensuring the efficient application of the resolution tools and exercise of the resolution powers by the resolution authorities. The SRF consists of contributions from credit institutions and certain investment firms in the participating Member States of the SRM. The SRF has a target funding level of €55 billion (expected to be reached by 31 December 2023) and, as of

17 July 2019, the current total amount in the SRF was just under €33 billion. The SRF is owned and administered by the SRB.

### *Recovery and resolution powers*

The resolution powers in respect of banks are divided into three categories:

- **Preparation and prevention:** Banks are required to prepare recovery plans while the relevant resolution authority (in the case of the Bank, the SRB) prepares a resolution plan for each bank. The resolution authorities have supervisory powers to address or remove impediments to resolvability. Financial groups may also enter into intra-group support agreements to limit the development of a crisis;
- **Early intervention:** The competent authority (which, in the case of the Bank and for this purpose is the ECB) may arrest a bank's deteriorating situation at an early stage so as to avoid insolvency. Its powers in this respect include requiring a bank to implement its recovery plan, replacing existing management, drawing up a plan for the restructuring of debt with its creditors, changing its business strategy and changing its legal or operational structures. If these tools are insufficient, new senior management or a new management body may be appointed subject to the approval of the resolution authority which is also entitled to appoint one or more temporary administrators; and
- **Resolution:** This involves reorganising or winding down the bank in an orderly fashion outside special liquidation proceedings while preserving its critical functions and limiting to the maximum extent possible taxpayer losses.

### *Conditions for resolution*

The conditions that have to be met before the resolution authority takes a resolution action in relation to a Greek bank are:

- the competent authority, after consulting with the resolution authority, determines that the bank is failing or likely to fail. A bank will be deemed to be failing or likely to fail in one or more of the following circumstances:
  - it infringes or is likely to infringe the requirements for continuing authorisation in a way that would justify the withdrawal of its authorisation, for example by incurring losses that will deplete all or a significant amount of its own funds;
  - its assets are, or there is objective evidence that its assets will in the near future be, less than its liabilities;
  - it is, or there is objective evidence that it will in the near future be, unable to pay its debts or other liabilities as they fall due; or
  - extraordinary public financial support is required, unless the support takes one of the forms specified in the BRRD;
- having regard to timing and other relevant circumstances, there is no reasonable prospect that any alternative private sector or supervisory action, including early intervention measures or the write down or conversion of relevant capital instruments and eligible liabilities, would prevent the failure of the bank within a reasonable timeframe; and
- a resolution action is in the public interest, that is, it is necessary for the achievement of, and is proportionate to, one or more of the resolution objectives set out in the BRRD law and the winding up of the bank under normal special liquidation proceedings would not meet those resolution objectives to the same extent.



## Resolution tools

When the trigger conditions for resolution are satisfied, the relevant resolution authority may apply any or all of the following tools:

- the **sale of business tool**, which enables the resolution authority to transfer ownership of, or all or any assets, rights or liabilities of, the bank to a purchaser (that is not a bridge institution) on commercial terms without requiring the consent of the shareholders or, save as required by the BRRD law, complying with the procedural requirements that would otherwise apply;
- the **bridge institution tool**, which enables the resolution authority to transfer ownership of, or all or any assets, rights or liabilities of, the bank to a publically controlled entity known as a bridge institution without requiring the consent of the shareholders. The operations of the bridge institution are temporary, the aim being to sell the business to the private sector when market conditions are appropriate;
- the **asset separation tool**, which enables the resolution authority to transfer some or all of the assets, rights and liabilities of the bank, without obtaining the consent of shareholders, to an asset management vehicle to allow them to be managed and worked out over time. This tool may only be used when: (i) the market situation for the assets concerned is such that their liquidation under normal special liquidation proceedings could have an adverse effect on one or more financial markets; or (ii) the transfer is necessary to ensure the proper functioning of the bank under resolution or the bridge institution; or (iii) the transfer is necessary to maximise liquidation proceeds. This tool may be used only in conjunction with other tools to prevent an undue competitive advantage for the failing bank; and
- the **bail-in tool**, which gives the resolution authority the power to write down eligible liabilities of the bank and/or to convert such claims to equity. The resolution authority may use this tool only (i) to recapitalise the bank to the extent sufficient to restore its ability to comply with the conditions for its authorisation, to continue to carry out the activities for which it is authorised and to restore it to financial soundness and long-term viability or (ii) to convert to equity or reduce the principal amount of obligations or debt instruments that are transferred to a bridge institution (with a view to providing capital to the bridge institution) or that are transferred under the sale of business tool or the asset separation tool.

When using the bail-in tool, the relevant resolution authority must write down or convert obligations of a bank under resolution in the following order:

- (i) CET1;
- (ii) Additional Tier 1 instruments;
- (iii) Tier 2 instruments;
- (iv) other subordinated debt, in accordance with the ranking of claims in special liquidation proceedings; and
- (v) other eligible liabilities, in accordance with the ranking of claims in special liquidation proceedings.

A number of liabilities are excluded from the bail-in tool, including covered deposits and secured liabilities (including covered bonds). For the purposes of the bail-in tool, banks are required to maintain at all times a sufficient aggregate amount of own funds and eligible liabilities, the aim of which is to ensure that banks have sufficient loss-absorbing capacity.

The ranking of liabilities in the case of special liquidation proceedings against a credit institution are provided for by Article 145A of Greek law 4261/2014, as amended and in force.

The preferentially ranked claims are:

- (a) claims deriving from the provision of employment services and legal fees to the extent that the claims arose during the two years prior to the declaration of bankruptcy, claims of the Greek state for value added tax and other taxes aggregated with any surcharges and interest accrued, and claims of social security organisations;
- (b) Greek state claims arising in the case of a recapitalisation by the Greek state of institutions pursuant to the BRRD's extraordinary capital support provisions;
- (c) claims deriving from guaranteed deposits or claims of the HDIGF in respect of depositors' rights and obligations which have been compensated by the HDIGF, and for the amount of such compensation;
- (d) any type of Greek state claim aggregated with any surcharges and interest charged on these claims;
- (e) the following claims on a pro rata basis:
  - claims of the SRF, to the extent it has provided financing to the institution; and
  - claims in respect of eligible deposits to the extent that they exceed the coverage threshold for deposits of natural persons and micro, small and medium-sized enterprises;
- (f) claims deriving from investment services covered by the HDIGF or claims of the HDIGF in respect of the rights and obligations of investors which have been compensated by the HDIGF, and for the amount of such compensation;
- (g) claims deriving from eligible deposits to the extent that they exceed the coverage limit and do not fall under (e) above;
- (h) claims deriving from deposits exempted from compensation, excluding claims deriving from transactions of investors for which a final court decision has been issued for a penal violation of anti-money laundering rules; and
- (i) all claims that do not fall within the above listed points and are not subordinated claims as per the relevant agreement governing them, including but not limited to, liabilities under loan agreements and other credit agreements, from debt instruments issued by the credit institution, from agreements for the supply of goods or for the provision of services or from derivatives.

This class of preferred liabilities does not include claims resulting from debt instruments that meet the following conditions; namely: (a) the original contractual maturity of the debt instruments is at least one year; (b) the debt instruments contain no embedded derivatives and are not derivatives themselves; and (c) the relevant contractual documentation and, where applicable, the prospectus related to the issuance explicitly refer to this lower ranking. Such claims are classified as common claims without preference and rank *pari passu*, pursuant to Article 145A of Greek law 4261/2014, as amended and currently applicable, with obligations of the Bank under unsecured and unsubordinated debt instruments issued by the Bank and guarantees related to such debt instruments issued by the Bank's subsidiaries that have been issued or provided for, respectively, prior to 18 December 2018 (i.e. the date of entry into force of article 104 of Greek Law 4583/2018 which has transposed into Greek law Directive 2017/2399).

A further tool, a moratorium tool, has recently been endorsed by the European Parliament, see “— *The Capital Adequacy Framework—Recent Developments—Moratorium power for resolution authorities*” above.

### *Extraordinary Public Financial Support*

In an exceptional systemic crisis, extraordinary public financial support may be provided through the public financial stabilisation tools listed below as a last resort and only after having assessed and utilised, to the maximum extent, the other resolution tools, in order to avoid, through direct intervention, the winding-up of the relevant bank and to enable the resolution purposes to be accomplished. The use of extraordinary public financial support requires a decision of the Minister of Finance following a recommendation from the Systemic Stability Board (Greek Ministry of Finance) and consultation with the relevant resolution authorities.

The public financial stabilisation tools are:

- public capital support provided by the Ministry of Finance or by the HFSF following a decision by the Minister of Finance; and
- temporary public ownership of the bank by the Greek state or a company which is wholly owned and controlled by the Greek state.

All of the following conditions must be met for the public financial stabilisation tools to be implemented:

- the bank meets the conditions for resolution;
- the shareholders, owners of other instruments of ownership, holders of relevant capital instruments and the holders of eligible liabilities have contributed, through conversion, write down or by any other means, to the absorption of losses and the recapitalisation by an amount equal to at least 8 per cent. of the total liabilities, including own funds, of the bank, calculated at the time of the resolution action; and
- prior and final approval by the European Commission regarding the EU state aid framework for the use of the chosen tool has been granted.

In addition to the above, for the provision of public financial support, one of the following conditions must also be met:

- the application of the resolution tools would not be sufficient to avoid a significant adverse effect on financial stability;
- the application of the resolution tools would not be sufficient to protect the public interest, where extraordinary liquidity assistance from the central bank has previously been given to the institution; and/or
- in respect of the temporary public ownership tool, the application of the resolution tools would not be sufficient to protect the public interest, where capital support through the public capital support tool has previously been given to the bank.

By way of exception, extraordinary public financial support may be granted to a bank in the form of an injection of own funds or the purchase of capital instruments without the implementation of resolution measures, if all of the following conditions, to the extent relevant, are satisfied:

- in order to remedy a serious disturbance in the economy of an EU Member State and preserve financial stability;
- in relation to a solvent bank in order to address a capital shortfall identified in a stress test, assets quality review or equivalent exercise;

- at prices and on terms that do not confer an advantage upon the bank;
- on a precautionary and temporary basis;
- subject to final approval of the European Commission;
- not to be used to offset losses that the bank has incurred or is likely to incur in the near future;
- the bank has not infringed, and there is no objective evidence that the bank will in the near future infringe, its authorisation requirements in a way that would justify the withdrawal of its authorisation;
- the assets of the bank are not, and there is no objective evidence that the assets of the bank will in the near future be, less than its liabilities;
- the bank is not, and there is no objective evidence that the bank will be, unable to pay its debts or other liabilities when they fall due; and
- the circumstances for the exercise of the write-down or conversion powers in respect of Additional Tier 1 and Tier 2 capital instruments of the bank do not apply.

#### *Resolution authority's powers*

The resolution authority has a broad range of powers when applying resolution measures and tools. When applying the resolution tools and exercising its resolution powers, the resolution authority must have regard to the following objectives:

- ensuring the continuity of critical functions;
- avoiding significant adverse effects on financial stability, including by preventing contagion, and maintaining market discipline;
- protecting public funds by minimising reliance on extraordinary public financial support;
- avoiding unnecessary deterioration of value and seeking to minimise the cost of resolution;
- protecting depositors and investors covered by deposit guarantee schemes and investor compensation schemes, respectively; and
- protecting client funds and client assets,

as well as the following principles:

- the shareholders of the bank under resolution bear losses first;
- the creditors of the bank under resolution bear losses after the shareholders in accordance with the order of priority of their claims under normal special liquidation proceedings;
- senior management or the management body of the bank under resolution is replaced unless it is deemed that retaining management is necessary for resolution purposes;
- senior management or the management body of the bank under resolution shall provide all necessary assistance for the achievement of the resolution objectives;
- natural and legal persons remain liable, under applicable law, for the failure of the bank;
- except where specifically provided in the BRRD law, creditors of the same class are treated in an equitable manner;

- no creditor incurs greater losses than would be incurred if the bank would have been wound up under normal special liquidation proceedings;
- covered deposits are fully protected; and
- resolution action is taken in accordance with the applicable safeguards provided in the BRRD law.

### ***The Hellenic Financial Stability Fund (HFSF)***

The HFSF is a private law entity, having as a purpose the contribution to the maintenance of the stability of the Greek banking system for the sake of public interest. The HFSF acts in line with Greek Law 3864/2010 as amended and in force and the relevant commitments under the memorandum of understanding of 15 March 2012, a draft of which was ratified by Greek Law 4046/2012, as amended from time to time and the memorandum of understanding of 19 August 2015, a draft of which was ratified by Greek Law 4336/2015, as amended from time to time. The HFSF shall comply with, and is authorised to take any actions to comply with and to give full effect to its obligations under, or arising out of or in connection with the Master Financial Facility Agreement of 15 March 2012, a draft of which was ratified by Greek Law 4060/2012, as in force, and under the Financial Assistance Facility Agreement of 19 August 2015, a draft of which was ratified by Greek Law 4336/2015, as in force, respectively. The HFSF operates on the basis of a comprehensive strategy with regards to the financial sector and the management of NPLs, which constitutes the subject matter of an agreement between the Ministry of Finance, the Bank of Greece and the HFSF, as amended from time to time.

In pursuing its objective, the HFSF shall: (a) provide capital support to credit institutions, pursuant to Greek Law 3864/2010, as amended and in force, and in adherence to the EU regulation regarding state aid; (b) monitor and assess how credit institutions to which the HFSF provides capital support comply with their restructuring plans, whilst ensuring that such credit institutions operate on an autonomous market basis and in such a manner that ensures in a transparent way private investor participation in their capital; (c) exercise its shareholding rights deriving from its participation in the credit institutions; (d) dispose in whole or partially financial instruments issued by the credit institutions in which it participates; (e) provide loans to the HDIGF for resolution purposes; (f) facilitate the management of NPLs of the credit institutions; and (g) enter into a relationship framework agreement or amend the existing relationship framework agreement with all credit institutions that are or have been beneficiaries of financial assistance by the EFSF and the ESM, in order to ensure the implementation of its objectives and rights, as long as the HFSF holds shares or other capital instruments in such financial institutions or monitors the restructuring plan of such credit institutions.

The temporary liquidity support provided under Greek Law 3723/2008, as in force, or as part of the operations of the Eurosystem or the Bank of Greece, does not fall within the scope of the HFSF's objective. The duration of the HFSF shall be until 30 June 2022. Following a decision of the Minister of Finance, its duration may be extended, if deemed necessary for the fulfilment of its scope. The HFSF's capital shall emanate from: (a) funds raised from the EU and IMF financial support mechanism for Greece pursuant to Greek Law 3845/2010, as in force, and pursuant to the Master Financial Assistance Facility Agreement of 15 March 2012; and (b) funds provided under the Financial Facility Agreement of 19 August 2015, as amended from time to time. Said capital may be paid gradually by the Greek government and is incorporated into non-transferable securities until the end of the HFSF's duration. The HFSF's participation in the Bank following the 2013 Share Capital Increase was 81 per cent. In April 2014 the Bank undertook a second offer of shares amounting to 1.75 billion, which was fully covered by private investors from both the Greek and the international markets. This resulted in a decrease in the HFSF's participation to 67 per cent. Finally, following the Bank's recapitalisation in late 2015, the HFSF's stake was further decreased to 26.4 per cent.

### ***Administrative Structure of the HFSF***

Greek Law 3864/2010, as in force following consecutive amendments, contains detailed provisions regarding the modus operandi, administrative structure and competences of the HFSF. The HFSF has two administrative bodies with decision-making functions, namely (a) the General Council, which consists of seven members, two of which are representatives of the Ministry of Finance and the Bank of Greece, respectively and (b) the Executive Board, which consists of three members, one of which will be nominated by the Bank of Greece. One executive member of the Executive Board will be assigned the task to enhance the role of the HFSF in facilitating the resolution of the NPLs of the credit institutions in which the HFSF has participation. Moreover, the members of the General Council and the Executive Board shall be selected, following a public invitation of interest, by a Selection Panel which has been established pursuant to a decision of the Ministry of Finance. With the exception of the representative of the Ministry of Finance and the nominee from the Bank of Greece, all appointments, including renewal of appointments shall require the prior agreement of the Eurogroup Working Group, including their respective remuneration.

The main responsibilities of the Selection Panel as stipulated in “Article 4A, Selection Panel” of Greek Law 3864/2010, as in force, are the following:

- The annual evaluation of the members of the General Council and the Executive Board including the assessment, based on criteria set by the Selection Panel which will ensure the proper implementation of the objectives of the HFSF in accordance with each body’s mandate.
- The pre-selection of the members of the HFSF’s General Council and the Executive Board, the proposal of their remuneration, as well as other conditions of their employment.
- The removal of any member of the General Council and the Executive Board.

### ***Supply of Capital Support by the HFSF***

With regards to the supply of capital support, a credit institution experiencing a capital shortfall, as such shortfall has been determined by the competent authority, may submit a request for capital support to the HFSF, up to the amount of the determined capital shortfall, accompanied by a letter of the competent authority determining (a) the capital shortfall, (b) the date by which the credit institution needs to meet the said shortfall and (c) the capital raising plan submitted to the competent authority.

For credit institutions with an existing restructuring plan approved by the European Commission at the time of such request, said request shall be accompanied by a draft amended restructuring plan. The draft restructuring plan (for credit institutions without an existing approved restructuring plan), or the draft amended restructuring plan, shall describe by what means the credit institution shall return to sufficient profitability in the next three to five years, under prudent assumptions. The HFSF shall monitor and evaluate the proper implementation of the restructuring plan and any amended restructuring plan, as the case may be. The HFSF may request amendments and addendums to the above-mentioned restructuring plan.

Any restructuring plan approved by the HFSF shall comply with EU rules on state aid and shall be approved by a decision of the European Commission. Additionally, it shall ensure the credit institution’s restoration of adequate profitability, the burden-sharing to its shareholders and the minimisation of any hindrance caused to competition. The HFSF monitors and evaluates the implementation of such approved restructuring plans.

The HFSF may grant a credit institution a letter of commitment that it will participate in the recapitalisation of such credit institution, subject to and in accordance with the procedure laid down in Greek Law 3864/2010 (Articles 6A and 7), as in force, and up to the amount of capital shortfall

identified by the competent authority provided that the credit institution falls within the exception of item d(cc) of paragraph 3 of Article 32 of Greek Law 4335/2015, as in force (the “Greek BRRD Law”) (in other words, the credit institution is not deemed by the SSM to be failing or likely to fail and such capital support will constitute precautionary recapitalisation). The HFSF grants said letter without the procedure stipulated under Article 6A regarding the compulsory application of the burden sharing process. The above-mentioned commitment does not apply if for any reason the licence of the credit institution is revoked, or any of the resolution measures provided for in the Greek BRRD Law is undertaken. The HFSF provides capital support for the sole purpose of covering the capital shortfall of the credit institution, as determined by the competent authority and up to the amount remaining uncovered, as long as such support is preceded by the application of the measures of the capital raising plan (referred to in article 6 of Greek Law 3864/2010, as in force), any participation of private sector investors, the European Commission’s approval of the restructuring plan and either:

- (i) any mandatory burden sharing measures (of article 6A of Law 3864/2010 as in force), where the European Commission confirms as part of the approval of the restructuring plan that the credit institution falls within the exception of item d(cc) of Article 32 (3) of the Greek BRRD Law (the financial institution is not failing nor likely to fail and the capital support is provided in the context of precautionary recapitalisation); or
- (ii) where the credit institution has been placed under resolution, and measures have been taken pursuant to the Greek BRRD Law.

The relationship framework agreement has to be duly signed before any capital support is provided. Capital support shall be provided through the participation of the HFSF in the share capital increase of the credit institution through the issuance of ordinary shares with voting rights or the issuance of contingent convertible bonds or other convertible instruments which shall be subscribed by the HFSF. The breakdown of the above participation of the HFSF between ordinary shares and contingent convertible bonds or other convertible instruments is defined by Cabinet Act No. 36, dated 2 November 2015.

The HFSF may exercise, dispose or waive its pre-emption rights with respect to share capital increases or issues of contingent convertible bonds or other convertible instruments of credit institutions that submit a request for capital support. Without prejudice to the applicable provisions of Greek Law 4548/2018 on *sociétés anonymes*, the subscription price for the shares is the market price derived from a book building process carried out by each credit institution. By decision of its General Council, the HFSF shall accept this price, provided that the HFSF has commissioned and obtained an opinion from an independent financial advisor opining that the book building process complies with international best practice applicable in the particular circumstances. The offering price of the new shares to the private sector shall not be lower than the subscription price of those shares subscribed by the HFSF in the context of the same issuance. The offer price may be lower than the price of the shares already subscribed by the HFSF or than the current stock market price. The condition above need not be met where the HFSF is called upon to cover the remaining amount not covered by private participation in share capital increases of credit institutions pursuant to measures of public financial stability or when such institutions are not subject to a restructuring plan already approved by the European Commission at the time a request for capital support from the HFSF is made.

### ***Implementation of public financial stability measures***

Following the decision of the Minister of Finance, pursuant to paragraph 4 of internal Article 56 of Article 2 of the Greek BRRD Law, on the implementation of the measure of public capital support, the HFSF shall be designated as the vehicle for applying Article 57 of the Greek BRRD Law. In this case the HFSF participates in the recapitalisation of the credit institution and receives in return the instruments set forth in paragraph 1 of Article 57 of the Greek BRRD Law. The HFSF participates

in the capital increase and receives in return capital instruments after the application of any measures adopted in accordance with Article 2 of the Greek BRRD Law.

### ***Powers of the HFSF***

The HFSF shall fully exercise the voting rights attached to the shares undertaken under capital support, following the amendment of Greek Law 3864/2010 by Greek Law 4340/2015, as in force. The HFSF will continue to exercise the voting rights with the limitations set out below in the following cases:

- (a) for the shares taken by the HFSF during its first participation in the recapitalisation of credit institutions in 2013, when certain limitations applied with regards to the HFSF's voting rights due to the private sector participation in the said increase being at least 10 per cent. of the amount of the share capital. Since the involvement of the private sector fell short of 10 per cent. the HFSF could exercise without any limitation its voting rights with regards to its participation in the relevant systemic bank; and
- (b) for the shares acquired during the period when the HFSF contributed in the recapitalisation of credit institutions under conditional voting rights, but said restrictions did not apply, however, due to the failure to reach the required percentage of private sector involvement. These restrictions on the HFSF's voting rights apply, provided that private participation in the first share capital increase, following the effective date of Greek Law 4254/2014, as in force, which amended Greek Law 3864/2010, as in force, was at least equal to 50 per cent.

For the shares mentioned under (a) and (b) above, the HFSF may vote in the General Meeting only for decisions amending the statutes, including capital increases or capital decreases or the provision of the relevant authorisation to the board of directors, merger, division, conversion, revival, extension of term or dissolution of the asset transfer company, including the sale of subsidiaries or for any other subject matter that requires an increased majority, as provided for by Greek Law 4548/2018, as in force. For the purposes of calculating both the quorum and the majority at the General Assembly, these shares are not taken into account when deciding on matters other than the above issues.

Even in cases where the above-mentioned restrictions are in force the HFSF will fully exercise the voting rights attached to those shares under points (a) and (b), without the above-mentioned restrictions, as long as it is established by a decision of the General Council of the HFSF that the Bank has failed to fulfil essential obligations provided for in the restructuring plan or described in the relationship framework agreement of Article 2 of Greek Law 3864/2010, as amended and in force.

Any disposal of shares by the HFSF to private sector investors that takes place, either pursuant to sale of the HFSF's participation or following the exercise of warrants issued by the HFSF, shall be deemed to result in a reduction in the participation of the HFSF with regards first to the shares upon which the HFSF exercises limited voting rights. The HFSF is represented by one member in the credit institution's Board of Directors. The HFSF's representative in the Board of Directors shall have the following rights, which shall be exercised taking into account the business autonomy of the credit institution:

- (a) to call the General Assembly of Shareholders;
- (b) to veto any decision of the credit institution's Board of Directors:
  - (i) regarding the distribution of dividends and the benefits and bonus policy concerning the Chairman, the Chief Executive Officer and the other members of the Board of Directors, as well as any person who exercises general manager's powers and their deputies;



- (ii) where the decision in question could seriously compromise the interests of depositors, or impair the credit institution's liquidity or solvency or its overall sound and smooth operation (e.g. business strategy, asset/liability management, etc); and
  - (iii) related to corporate actions of par. 3 of Article 7a, which might substantially influence the HFSF's participation at the share capital of the credit institution.
- (c) to request an adjournment of any meeting of the credit institution's Board of Directors for three business days, until instructions are given by the HFSF's Executive Board. Such right may be exercised by the end of the meeting of the credit institution's Board of Directors;
  - (d) to request that the Board of Directors of the credit institution be convened;
  - (e) to approve the appointment of the Chief Financial Officer; and
  - (f) to have free access to all books and records of the bank with executives and consultants of its choice.

The HFSF, with the assistance of an independent consultant of international reputation and established experience and expertise, shall evaluate the corporate governance arrangements of credit institutions with which the HFSF has signed relationship framework agreements and especially the boards, the board committees as well as other committees of these credit institutions which the HFSF deems necessary to evaluate for the fulfilment of its objectives. The evaluation will extend also to the individual members of the boards and the committees concerned. The HFSF shall evaluate the boards and the committees described above in particular with regards to their size, organisation structure, allocation of tasks and responsibilities assigned to their members, in view of the business needs of the banks and of needs related to the structure of the boards and committees concerned.

The HFSF with the assistance of an independent consultant will develop criteria for the evaluation of the above elements and the members of the boards and committees of these credit institutions according to best international practices and develop specific recommendations for changes and improvements in the corporate governance of each credit institution in addition to certain minimum criteria set by the Greek Law 3864/2010, as in force. The members of the boards and committees shall cooperate with the HFSF and its consultants in conducting the review and providing necessary information for the purposes of the review.

Further to the criteria developed by the HFSF (assisted by the independent consultant), the evaluation includes certain minimum criteria, for each member of the board and the committees as set out below:

- (a) at least ten years of experience in senior management positions in the banking, auditing, risk management or management of risk assets sectors, from which, especially for non-executive members, three years as a member of the board of a credit institution or of a company active in the financial sector or in an international financial institution;
- (b) the individual is not, and has not been entrusted in the last four years prior to its appointment, with prominent public functions, such as Heads of State or of Government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations, or important political party officials; and
- (c) each individual must declare all financial connections with the bank before being appointed and the competent authority must confirm that the individual is fit and proper for the relevant position. Additional criteria defining specific skills needed for specific tasks within the board will be determined by the HFSF in cooperation with the independent consultant under the corporate governance review. The criteria will be updated at least once every two

years and more often if there is material change in the financial position of the bank. The size and the collective knowledge of the boards and the committees shall reflect the business model and the financial status of the credit institution. Further, the evaluation of the members of the boards and the committees shall secure their proper size and composition. The evaluation of the structure and composition of the boards and committees shall have the following minimum criteria:

- (i) the Bank's Board of Directors includes as non-executive members at least three independent international experts with adequate knowledge and long-term experience of at least 15 years in relevant financial institutions, of which at least three years as members of an international banking group with no activity in the Greek market. These members must not have any affiliation over the previous ten years with Greek financial institutions;
- (ii) the aforementioned independent non-executive members chair all board committees; and
- (iii) at least one board member shall have relevant expertise and international experience of at least 5 years in risk management and/or the management of Non-Performing Loans. This individual focuses on and has as sole power the management of Non-Performing Loans and chairs any special board committee of the credit institution dealing with Non-Performing Loans. In the case that a review or evaluation determines that the subject of the review does not meet the relevant criteria, the HFSF will inform the board and, if the board does not take action to implement the recommendations, it will call a meeting of shareholders to inform them and recommend the necessary changes. The HFSF will send the findings of the review to the competent authorities. In the case of a board or committee member that does not meet the relevant criteria, or of a board which collectively does not satisfy the recommended structure with respect to the size, allocation of tasks and expertise within the board and the necessary changes cannot be achieved otherwise, these recommendations shall include that certain board or committee members need to be replaced. In the event that the shareholders' meeting does not agree to replace board members who fail to meet these criteria within three months, the HFSF shall publish a report on its website within four weeks naming the bank, the recommendations and the number of board members that do not meet the relevant criteria and specify the criteria that the board and its individual members do not meet. Nothing in the above changes the obligation of shareholders to ensure that the board and board committees are staffed by members with an appropriate level of experience and competence and acting in the best interests of the bank and all stakeholders.

For the achievement of the objectives of the HFSF and the exercise of its rights, the HFSF defines the outline of the relationship framework agreement or the amended relationship framework agreement with all credit institutions which receive or have received capital support by the EFSF or the ESM. The credit institutions sign the aforementioned relationship framework agreement and provide to the HFSF all information that the EFSF or the ESM might reasonably ask for, with a view to the HFSF transmitting such information to the EFSF or the ESM, except if the HFSF informs the credit institutions that they are under the obligation to transmit said information directly to the EFSF or the ESM. Piraeus Bank's relationship with the HFSF following the completion of the 2013 Share Capital Increase, according to the provisions of Greek Law 3864/2010 as in force at the time, is governed by the Relationship Framework Agreement, which was executed on 10 July 2013. In view of the substantial amount of capital injected into the Bank in December 2015 and in order for the HFSF to fulfil its objectives under Greek Law 3864/2010, as in force, exercise its rights and obligations and comply with the commitments undertaken through the Financial Facility Agreement signed on 19 August 2015 by and between the ESM, the Hellenic Republic, the Bank of Greece and the HFSF and through the MoU, the HFSF and the Bank entered into a new Relationship

Framework Agreement on 27 November 2015, amending and replacing the initial RFA. In addition to the above-mentioned powers, by virtue of the Relationship Framework Agreement as in force and for the period which the HFSF holds shares or contingent convertible bonds of the Bank, the HFSF's appointed representative has the power, among other things, to include items in the agenda of the General Meeting of its ordinary shareholders, of its Board of Directors and of the above committees of the Bank in which the representative participates. In addition, in accordance with the Relationship Framework Agreement as in force, at least one of the HFSF's Representatives is appointed as a member of the Audit Committee, the Risk Management Committee, the Remuneration Committee, the Succession and Nomination Committee of the Board and the Strategy Committee. Such HFSF's Representative has the right to include items in the agenda of the meetings of the committee in which he participates and to request the convocation of such committee within seven days of his written request to the chairman of the relevant committee. The HFSF has also appointed an observer who will participate in all Committees of the Bank (but will have no voting rights), as well as in the Board of Directors of the Bank.

Furthermore, in accordance with the Relationship Framework Agreement, the Bank has the obligation to obtain the prior written consent of the HFSF for all material matters set forth in such agreement, including, inter alia, its connected borrowers policy, all material corporate actions (e.g. capital increases, mergers, etc.), material investments or transfers of assets, the management of the Non-Performing Loans, the recruitment policy and appointment of the Board members, its restructuring plan contemplated in Greek Law 3864/2010, as in force, and the appointment of auditors.

Under the Relationship Framework Agreement, the Bank's decision-making bodies will continue to determine independently the Bank's day-to-day business, its commercial strategy and policy in accordance with its restructuring plan. The Relationship Framework Agreement remains in force for as long as the HFSF holds either shares or contingent convertible bonds at the Bank, irrespective of the percentage of its holding. The Relationship Framework Agreement may be amended pursuant to Greek Law 3864/2010, as in force.

### ***Resolution Loan***

The HFSF may grant a "resolution loan" (as defined in the Financial Facility Agreement of 19 August 2015) to the HDIGF for the purposes of funding bank resolution costs in compliance with EU rules on state aid. For the repayment of such loan the credit institutions participating in the HDIGF are liable as guarantors at the ratio of their contribution either in the resolution scheme or in the deposit guarantee scheme, as the case may be. The amount, the time and the manner of drawdown on such loan, as well as any other necessary matter in connection therewith, are determined on an *ad hoc* basis by a decision of the Minister of Finance, following a request by the HDIGF and the opinion of the Bank of Greece.

In the case that either (i) the Bank of Greece has issued a decision stating that a credit institution does not seem capable of returning a deposit for reasons directly linked to its financial situation and the credit institution is not expected to recover so as to become capable of returning the deposit in the near future or (ii) a court judgment has been issued resulting in the suspension of the depositors' right to raise claims against the credit institution, the HDIGF shall pay to the depositors the remuneration within seven business days of the date on which it has been determined that the credit institution became unable to pay deposits and following set off of the credit balances of the deposit accounts against any kind of counterclaims that the credit institution may have against the beneficiary depositor, provided and to the extent that such counterclaims have become due and payable on or prior to the date on which the credit institution became unable to pay deposits pursuant to article 440 et seq. of the Greek Civil Code. The indemnification by the HDIGF of the beneficiaries-investors in relation to claims arising from covered investment services is payable within three months of delivery by the HDIGF to the Bank of Greece of the relevant

decision/judgment, in accordance with the procedure and subject to the conditions set out in Law 4370/2016, as in force.

In case of emergency and until the grant of the above resolution loan, the deposit guarantee scheme of the HDIGF may pay in advance, temporarily, to the resolution scheme, by way of loan, the necessary funds in order to cover the expenses for the funding of the resolution of banks by the resolution scheme.

### ***Contingent Convertible Bonds***

#### General Terms

The contingent convertible bonds issued in accordance with Article 7 of Greek law 3864/2010, as in force, are governed by Greek law and may be issued in dematerialised form and be included, following an application of the HFSF, in the electronic files of non-listed securities maintained by the ATHEX.

The contingent convertible bonds are issued following a decision by the General Meeting of Shareholders before or after the completion of a share capital increase according to Article 7 of Law 3864/2010, as in force. The bonds are transferred only with the consent of the credit institution, not to be unreasonably withheld and the consent of the supervisory authorities, according to Article 7 paragraph 5(c) of Greek law 3864/2010, as in force.

The bonds have a nominal value of €100,000 each, are issued at par and are of indefinite duration without a fixed repayment date. They are direct, unsecured and subordinated investments in the credit institution and rank at all times *pari passu* with themselves. The bonds' terms do not expressly contain events of default and as a consequence all bondholders will be able to enforce the terms of the bonds only during the liquidation procedure.

In case a credit institution is placed under special liquidation they rank:

- (a) after all other claims (including those of subordinated creditors), including (indicatively) claims against the credit institution from liabilities recognised as Additional Tier 1 or Tier 2 Capital, but with the exception of Same Ranking Liabilities (the "Higher Ranking Liabilities"); and
- (b) *pari passu* with the credit institution's common shares and any other claim, which is agreed to rank *pari passu* with the bonds ("Same Ranking Liabilities").

During the special liquidation of the credit institution, the bondholders, prior to any conversion date, have a right over any remaining assets of the credit institution (available for distribution after repayment in full of all Higher Ranking Liabilities) for the nominal amount of their bonds plus any accrued and unpaid interest.

Subject to any mandatory provisions of law, the bondholders do not have any set-off right, security or guarantee that may upgrade the ranking of their claim during special liquidation.

#### Conversion

If, at any time, the credit institution's CET1 capital ratio, calculated on a consolidated or individual basis, is below 7 per cent. ("Activation Event"), the credit institution must:

- (a) convert the bonds by issuing to each bondholder Conversion Shares (as defined below), the number of which is determined by dividing 116 per cent. of the outstanding bonds' nominal value by the conversion price and further dividing by the percentage by which the bondholder participates in the total amount of the bond loan;

- (b) procure the publication of a conversion notification towards the bondholders, informing them, among other things, of the relevant conversion date, which may not be later than one month (or earlier if required by the supervising authorities), after which date the bonds will be converted; and
- (c) inform immediately the ECB, acting in the context of the SSM, of the occurrence of an Activation Event.

The above Law defines as Conversion Shares the common shares of the credit institution issued upon conversion of the bonds by dividing 116 per cent. of the specific nominal value by the price per common share of the credit institution, as set at the share capital increase taking place in accordance with Article 7 of Greek law 3864/2010, as in force.

Following their conversion as per the above, the bonds will be cancelled and may not be reissued nor may their nominal value be restored for any reason. The terms and conditions of the bonds provide for readjustments to the conversion price on standard terms in case of specific corporate actions.

The bonds are converted automatically to common shares of the credit institution if for any reason the credit institution does not pay, in full or in part, the interest due on two, not necessarily consecutive, interest payment dates.

#### Interest

The bonds have an interest rate equal to (a) an annual rate of 8 per cent. (the “Initial Interest Rate”) from the issue date and up to the seventh anniversary of the issue date and (b) following this, if not repaid, the current Adjusted Interest Rate. The “Adjusted Interest Rate” is defined as the sum of (a) the seven-year mid-swap rate for the relevant interest period plus (b) a margin equal to the difference between the Initial Interest Rate and the seven-year mid-swap rate applicable on the issue date.

Payment of interest (in full or in part) is exclusively at the discretion of the board of directors of the credit institution, but if paid, it is payable in cash. If the credit institution elects not to pay interest, such interest is cancelled and does not accumulate. The credit institution may not pay dividends on its common shares if it has decided not to pay interest on the preceding interest payment date.

The credit institution’s board of directors may, in its absolute discretion, pay interest in the form of common shares of the credit institution. The number of common shares issued according to this option must be equal to the amount of interest divided by the price of common shares on the interest payment date (for as long as the common shares are listed in an organised market), otherwise to the value of CET1 capital corresponding to one common share as deriving from the financial statements of the credit institution most recently published prior to the payment date or the nominal value of the common share, whichever is higher. If so decided by the board of directors of the credit institution, the share capital increase takes place automatically and without any other procedural requirements or corporate decisions (including the shareholders’ consent) and the corresponding common shares are issued automatically. Any interest payment is subject to the restrictions of the maximum distributable amount according to Article 141 of CRD IV (article 131 of Greek law 4261/2014).

The credit institution may, in its absolute discretion, elect to repay all or some of the bonds at any time, at their nominal value, plus any accrued and unpaid interest (excluding any cancelled interest), provided that it has received the consent required at the time according to CRD IV or the Banking Law and that other claims, the repayment or repurchase of which must precede, as may be determined by CRD IV, have been repaid. Repayment by choice of the credit institution must be in cash.

Bondholders may not request the repayment of their bonds but only their conversion into common shares on the seventh anniversary.

If, due to a legislative change, either (a) the bonds cease to be included in the credit institution's CET1 capital or (b) a tax burden arises for the credit institution in relation to the bonds, as provided for in the above Act, the credit institution may substitute all the bonds or amend their terms, without the consent or approval of the bondholders, so that they may continue to be recognised in the credit institution's regulatory capital on terms that are not materially less beneficial to the bondholders.

*Cabinet Act No. 44/5.12.2015*

Cabinet Act No. 44/5.12.2015, issued under the new Article 6a paragraph 11 of Greek law 3864/2010, as amended by virtue of both Greek laws 4340/2015 and 4346/2015, replaced Cabinet Act No. 11/11.4.2014.

Cabinet Act No. 44/5.12.2015 determines the procedure for the appointment by the Bank of Greece of a valuator for the valuation of the assets and the liabilities of the credit institution in case of and prior to the implementation of the burden sharing measures of article 6A of Greek law 3864/2010, as well as the content and purpose of such valuation.

The aforementioned act further specifies the details for the implementation of the mandatory measures of Article 6A of Greek Law 3864/2010, as in force and the details for the determination of any compensation claimed by the holders of the capital instruments and liabilities subject to the mandatory burden sharing measures of article 6A of Greek law 3864/2010, as in force.

## FORM OF THE DEED OF GUARANTEE

The following is the form of the Deed of Guarantee of Piraeus Bank.

**THIS DEED OF GUARANTEE** is made on 10 February 2020 in London, England

**BY:**

- (1) **PIRAEUS BANK S.A.**, a company incorporated in the Hellenic Republic (the “Guarantor”).

**IN FAVOUR OF:**

- (2) **THE HOLDERS** and **THE ACCOUNTHOLDERS** (each as defined below) (together, the “Beneficiaries”).

**WHEREAS:**

- (A) Piraeus Bank S.A., in its capacity as an issuer and Piraeus Group Finance PLC (“Piraeus PLC” and together with Piraeus Bank S.A. in its capacity as an issuer, together, the “Issuers”) have established a Euro Medium Term Note Programme (the “Programme”) for the issuance of notes. The Guarantor has authorised the giving of its irrevocable guarantee in relation to the notes issued by Piraeus PLC (the “Notes”).
- (B) The Issuers and the Guarantor have, in relation to the notes issued under the Programme, entered into a fiscal agency agreement (as amended, supplemented and/or restated from time to time, the “Agency Agreement”) dated 10 February 2020 with Deutsche Bank AG, London Branch as fiscal agent (the “Agent”, which expression shall include any successor) and the other paying agents named therein.
- (C) The Issuers have, in relation to the notes issued under the Programme, executed in London, England an amended and restated deed of covenant (as amended, supplemented and/or restated from time to time, the “Deed of Covenant”) dated 11 August 2017.
- (D) The Guarantor has agreed to irrevocably guarantee the payment of all sums expressed to be payable from time to time by Piraeus PLC in respect of the Notes and under the Deed of Covenant.
- (E) The Guarantor entered into a deed of guarantee dated 5 October 2018 in relation to the Notes (such deed of guarantee, the “Original Deed of Guarantee”).
- (F) The Guarantor agrees to make certain modifications to the Original Deed of Guarantee.
- (G) This Deed of Guarantee amends and restates the Original Deed of Guarantee. Any Notes issued under the Programme by Piraeus PLC on or after the date hereof shall be issued subject to this Deed of Guarantee (other than any such Notes issued so as to be consolidated and form a single series with any Notes issued prior to the date hereof which shall continue to be subject to the Original Deed of Guarantee).

**THIS DEED OF GUARANTEE WITNESSES** as follows:

### 1. Construction

#### 1.1 Definitions and Interpretation

“Accountholder” means any accountholder or participant with a Clearing System which at the Relevant Date has credited to its securities account with such Clearing System one or

more Entries in respect of a Global Note issued by Piraeus PLC, except for any Clearing System in its capacity as an accountholder of another Clearing System;

“Clearing System” means each of Euroclear and Clearstream, Luxembourg, and any other clearing system specified in the applicable Final Terms;

“Clearstream, Luxembourg” means Clearstream Banking S.A.;

“Conditions” means the terms and conditions of the relevant Notes, including those contained in the applicable Final Terms, as the same may be modified or supplemented in accordance with the terms thereof, and any reference to a numbered “Condition” is to the correspondingly numbered provision thereof;

“Direct Rights” means the rights referred to in Clause 3 of the Deed of Covenant;

“Entry” means, in relation to a Global Note issued by Piraeus PLC, any entry which is made in the securities account of any Accountholder with a Clearing System in respect of Notes represented by such Global Note;

“Euroclear” means Euroclear Bank SA/NV;

“Holder” means, in relation to any Note, at any time, the person who is the bearer of such Note;

“person” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality; and

“Relevant Date” means, in relation to the payment of any sum expressed to be payable by Piraeus PLC in respect of a Note, whichever is the later of:

- (a) the date on which the payment in question first becomes due; and
- (b) if the full amount payable has not been received by the Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Holders.

1.2 Terms defined in the Conditions have the same meanings in this Deed of Guarantee.

1.3 Any reference in this Deed of Guarantee to any obligation or payment under or in respect of the Notes shall be construed to include a reference to any obligation or payment under or pursuant to Clause 3 of the Deed of Covenant.

1.4 Any reference in this Deed of Guarantee to a Clause is, unless otherwise stated, to a clause hereof.

1.5 Headings are inserted for convenience and ease of reference only and shall not affect the interpretation of this Deed of Guarantee.

## **2. Guarantee and Indemnity**

2.1 The Guarantor hereby irrevocably guarantees:

- (a) to each Holder the due and punctual payment of all sums from time to time payable by Piraeus PLC in respect of the Notes as and when the same become due and payable and accordingly undertakes to pay to such Holder, forthwith upon the demand of such Holder and in the manner and currency prescribed by the Conditions



for payments by Piraeus PLC in respect of the Notes, any and every sum or sums which Piraeus PLC is at any time liable to pay in respect of the Notes and which Piraeus PLC has failed to pay; and

- (b) to each Accountholder the due and punctual payment of all sums from time to time payable by Piraeus PLC to such Accountholder in respect of the Direct Rights as and when the same become due and payable and accordingly undertakes to pay to such Accountholder, forthwith upon the demand of such Accountholder and in the manner and currency prescribed by the Conditions for payments by Piraeus PLC in respect of the Notes, any and every sum or sums which Piraeus PLC is at any time liable to pay to such Accountholder in respect of the Notes and which Piraeus PLC has failed to pay.

2.2 The Guarantor irrevocably undertakes to each Beneficiary that, if any sum referred to in subclause 2.1 is not recoverable from the Guarantor thereunder for any reason whatsoever (including, without limitation, by reason of any Note, the Deed of Covenant or any provision thereof being or becoming void, unenforceable or otherwise invalid under any applicable law), then (notwithstanding that the same may have been known to such Beneficiary) the Guarantor will, forthwith upon demand by such Beneficiary, pay such sum by way of a full indemnity in the manner and currency prescribed by the Conditions. This indemnity constitutes a separate and independent obligation from the other obligations under this Deed of Guarantee and shall give rise to a separate and independent cause of action if any sum is not recoverable under subclause 2.1.

2.3 Notwithstanding the foregoing provisions of subclauses 2.1 and 2.2 hereof, it is specifically agreed that the place of performance of any and all obligations under this Deed of Guarantee shall be London, England and consequently any and all payments of the Guarantor under this Deed of Guarantee shall be made out of or to the credit of bank accounts maintained with banks legally operating and situated in London, England.

### **3. Negative Pledge**

The Guarantor covenants in favour of each Holder that it will duly perform and comply with the obligations expressed to be undertaken by it in Condition 5.

### **4. Taxation**

The Guarantor covenants in favour of each Holder that it will duly perform and comply with the obligations expressed to be undertaken by it in Condition 11. In particular, if in respect of any payment to be made under this Deed of Guarantee, any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature is payable, the Guarantor shall pay the additional amounts referred to in Condition 11, all subject to and in accordance with the provisions of Condition 11.

### **5. Preservation of Rights**

5.1 The obligations of the Guarantor hereunder shall be deemed to be undertaken as principal obligor and not merely as surety.

5.2 The obligations of the Guarantor hereunder shall be continuing obligations notwithstanding any settlement of account or other matter or thing whatsoever and, in particular but without limitation, shall not be considered satisfied by any intermediate payment or satisfaction of all or any of Piraeus PLC's obligations under any Note or the Deed of Covenant and shall continue in full force and effect until all sums due from Piraeus PLC in respect of the Notes and under the Deed of Covenant have been paid, and all other obligations of Piraeus PLC thereunder have been satisfied, in full.

- 5.3 Subject to recovery, resolution, burden-sharing or other similar measures that may be ordered by a resolution or other authority in a competent jurisdiction affecting the Guarantor and/or Piraeus PLC, neither the obligations expressed to be assumed by the Guarantor herein nor the rights, powers and remedies conferred upon the Beneficiaries by this Deed of Guarantee or by law shall be discharged, impaired or otherwise affected by:
- (a) the winding-up, liquidation or dissolution of Piraeus PLC or analogous proceeding in any jurisdiction or any change in its status, function, control or ownership;
  - (b) any of the obligations of Piraeus PLC under or in respect of the Notes or the Deed of Covenant being or becoming illegal, invalid or unenforceable;
  - (c) time or other indulgence being granted or agreed to be granted to Piraeus PLC in respect of any of its obligations under or in respect of the Notes or the Deed of Covenant;
  - (d) any amendment to, or any variation, waiver or release of, any obligation of Piraeus PLC under or in respect of the Notes or the Deed of Covenant or any security or other guarantee or indemnity in respect thereof; or
  - (e) any other act, event or omission which, but for this sub-clause, might operate to discharge, impair or otherwise affect the obligations expressed to be assumed by the Guarantor herein or any of the rights, powers or remedies conferred upon the Beneficiaries or any of them by this Deed of Guarantee or by law.
- 5.4 Any settlement or discharge between the Guarantor and the Beneficiaries or any of them shall be conditional upon no payment to the Beneficiaries or any of them by Piraeus PLC or any other person on Piraeus PLC's behalf being avoided or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency or liquidation for the time being in force and, in the event of any such payment being so avoided or reduced, the Beneficiaries shall be entitled to recover the amount by which such payment is so avoided or reduced from the Guarantor subsequently as if such settlement or discharge had not occurred.
- 5.5 No Beneficiary shall be obliged before exercising any of the rights, powers or remedies conferred upon it by this Deed of Guarantee or by law:
- (a) to make any demand of Piraeus PLC, save for the presentation of the relevant Note;
  - (b) to take any action or obtain judgment in any court against Piraeus PLC; or
  - (c) to make or file any claim or proof in a winding-up or dissolution of Piraeus PLC,
- and (save as aforesaid) the Guarantor hereby expressly waives presentment, demand, protest and notice of dishonour in respect of each Note.
- 5.6 The Guarantor agrees that, so long as any sums are or may be owed by Piraeus PLC in respect of the Notes or under the Deed of Covenant or Piraeus PLC is under any other actual or contingent obligation thereunder or in respect thereof, the Guarantor will not exercise any right which the Guarantor may at any time have by reason of the performance by the Guarantor of its obligations hereunder:
- (a) to be indemnified by Piraeus PLC;
  - (b) to claim any contribution from any other guarantor of Piraeus PLC's obligations under or in respect of the Notes or the Deed of Covenant;

- (c) to take the benefit (in whole or in part) of any security enjoyed in connection with the Notes or the Deed of Covenant by any Beneficiary; or
- (d) to be subrogated to the rights of any Beneficiary against Piraeus PLC in respect of amounts paid by the Guarantor under this Deed of Guarantee.

- 5.7 The Guarantor irrevocably undertakes that its obligations hereunder in respect of Notes specified in the applicable Final Terms as Senior Preferred Liquidity Notes will constitute direct, general, unconditional and preferred obligations of the Guarantor which will at all times rank (i) *pari passu* with all present and future preferred obligations of the Guarantor under article 145A, paragraph 1(i)<sup>4</sup> of Greek law 4261/2014 and with lower priority to all present and future preferred obligations of the Guarantor under article 145A, paragraph 1 of Greek law 4261/2014, (ii) in priority to Senior Non-Preferred Notes issued by it and (iii) in priority to Guarantor Junior Liabilities (to Senior Preferred Notes).
- 5.8 The Guarantor irrevocably undertakes that its obligations hereunder in respect of Notes specified in the applicable Final Terms as Tier 2 Notes will constitute direct, general, unconditional, subordinated and unsecured obligations of the Guarantor which will be subordinated to the claims of Senior Creditors of the Guarantor (to Tier 2 Notes) in that, in the event of a winding-up or special liquidation within the meaning of article 145 of Greek law 4261/2014 of the Guarantor, payments under this Deed of Guarantee will be conditional upon the Guarantor being solvent at the time of payment by the Guarantor and in that no amount shall be payable under this Deed of Guarantee at such time except to the extent that the Guarantor could make such payment and still be solvent immediately thereafter. For this purpose, the Guarantor shall be considered to be solvent if it can pay principal and interest in respect of the Tier 2 Notes and still be able to pay its outstanding debts to Senior Creditors of the Guarantor (to Tier 2 Notes), which are due and payable.
- 5.9 In the case of dissolution, liquidation, special liquidation within the meaning of article 145 of Greek law 4261/2014 and/or bankruptcy (as the case may be and to the extent applicable) of the Guarantor, the holders of Tier 2 Notes will only be paid by the Guarantor after all Senior Creditors of the Guarantor (to Tier 2 Notes) have been paid in full and such holders of Tier 2 Notes irrevocably waive their right to be treated equally with all other unsecured, unsubordinated creditors of the Guarantor in such circumstances. Such waiver constitutes a genuine contract benefitting third parties and, according to article 411 of the Greek Civil Code, or, as the case may be, any other equivalent provision of the law applicable to the Tier 2 Notes, creates rights for Senior Creditors of the Issuer (to Tier 2 Notes).
- 5.10 Subject to applicable law, in relation to Tier 2 Notes no Noteholder may exercise or claim any right of set-off in respect of any amount owed to it by the Guarantor arising under or in connection with this Deed of Guarantee, and each Noteholder shall, by virtue of its subscription, purchase or holding of any Tier 2 Note, be deemed to have waived irrevocably all such rights of set-off. To the extent that any set-off takes place, whether by operation of law or otherwise, between: (y) any amount owed by the Guarantor to a Noteholder arising under or in connection with this Deed of Guarantee; and (z) any amount owed to the Guarantor by such Noteholder, such Noteholder will immediately transfer such amount which is set-off to the Guarantor or, in the event of its special liquidation within the meaning of article 145 of Greek law 4261/2014, winding up or dissolution, the special liquidator, administrator or other relevant insolvency official of the Guarantor, to be held on trust for or on behalf and in the name of (as applicable) the Senior Creditors of the Guarantor (to Tier 2 Notes).
- 5.11 If “Substitution and Variation” is specified as being applicable in the relevant Final Terms, and any variation to this Guarantee is required to be made as a result of a decision taken

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<sup>4</sup> Paragraph 1(θ) in the Greek text.

by the Issuer and the Guarantor pursuant to and in accordance with Condition 7(m), then the Guarantor shall make such amendments to this Deed of Guarantee as shall be required to effect such variation.

## **6. Deposit of Deed of Guarantee**

An original of this Deed of Guarantee shall be deposited with and held by the Agent until the date which is two years after all the obligations of Piraeus PLC under or in respect of the Notes and the Deed of Covenant have been discharged in full. The Guarantor hereby acknowledges the right of every Beneficiary to the production of this Deed of Guarantee.

## **7. Stamp Duties**

The Guarantor shall pay all stamp, registration and other similar taxes and duties (including any interest and penalties thereon or in connection therewith) which are payable upon or in connection with the execution and delivery of this Deed of Guarantee, and shall, to the extent permitted by law, indemnify each Beneficiary against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, any reasonable and properly documented legal fees and any applicable value added tax) which it incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.

## **8. Benefit of Deed of Guarantee**

8.1 This Deed of Guarantee shall take effect as a deed poll for the benefit of the Beneficiaries from time to time.

8.2 This Deed of Guarantee shall enure to the benefit of each Beneficiary and its (and any subsequent) successors and assigns, each of which shall be entitled severally to enforce this Deed of Guarantee against the Guarantor.

8.3 The Guarantor shall not be entitled to assign or transfer all or any of its rights, benefits and obligations hereunder. Each Beneficiary shall be entitled to assign all or any of its rights and benefits hereunder.

8.4 No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed, but that does not affect any right or remedy of any person which exists or is available apart from the Act.

## **9. Partial Invalidity**

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any applicable jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the laws of any other applicable jurisdiction shall in any way be affected or impaired thereby.

## **10. Notices**

10.1 All notices and other communications to the Guarantor hereunder shall be made in writing (by letter, fax or e-mail) or by telephone and shall be sent to the Guarantor at:

Address: 94, Vas. Sofias Ave. & Kerasountos 1  
11528 Athens  
Greece

Tel: +30 216 300 4330

Fax: + 30 210 325 4207

E-mail: debt\_issuance@piraeusbank.gr

Attention: Piraeus Financial Markets – Treasury/Debt Issuance Desk

or to such other address, fax number, telephone number or e-mail or for the attention of such other person or department as the Guarantor has notified to the Beneficiaries in the manner prescribed for the giving of notices in connection with the Notes.

10.2 Every notice, demand or other communication sent in accordance with subclause 10.1 shall be effective as follows:

- (a) if by telephone, when made;
- (b) if sent by letter or fax, upon receipt by the Guarantor; and
- (c) if sent by e-mail, when sent, subject to no delivery failure notification being received by the sender within 24 hours of the time of sending,

*provided that* any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the Guarantor.

## 11. Statutory Loss Absorption

So far as Condition 19 applies to this Deed of Guarantee, the provisions of Condition 19 shall apply, *mutatis mutandis*, to this Deed of Guarantee.

## 12. Governing Law and Jurisdiction

12.1 This Deed of Guarantee (other than subclauses 5.8, 5.9, 5.10 and 11) and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law. Subclauses 5.8, 5.9, 5.10 and 11 are governed by and shall be construed in accordance with, Greek law.

12.2 The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed of Guarantee, including any dispute as to its existence, validity, interpretation, performance, breach or termination or the consequences of its nullity and any dispute relating to any non-contractual obligations arising out of or in connection with this Deed of Guarantee (a "Dispute") and the Issuers submit to the exclusive jurisdiction of the English courts. For the purposes of this subclause 11.2, the Issuers waive any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

12.3 The Guarantor agrees that the process by which any proceedings are begun may be served on it by being delivered to Piraeus Bank S.A., London Branch at Tower 42, 25 Old Broad Street, London EC2N 1PB. If the Guarantor ceases to maintain a branch in England, the Guarantor shall appoint a further person in England to accept service of process on its behalf. Nothing in this sub-clause shall affect the right to serve process in any other manner permitted by law.

## 13. Modification

The Agency Agreement contains provisions for convening meetings of Holders to consider matters relating to the Notes, including the modification of any provision of this Deed of

Guarantee. Any such modification may be made by supplemental deed poll if sanctioned by an Extraordinary Resolution and shall be binding on all Beneficiaries.

**IN WITNESS** whereof this Deed of Guarantee has been executed by the Guarantor and is intended to be and is hereby delivered on the date first before written.

EXECUTED as a deed  
by  
acting as attorney-in-fact  
for and on behalf of  
**PIRAEUS BANK S.A.**  
in the presence of:

Signature of witness: .....

Name of Witness: .....

Address: .....

Occupation: .....

## **GUARANTEE OF DEBT SECURITIES BY THE HELLENIC REPUBLIC**

Under Greek Law 3723/2008 of the Hellenic Republic, as in force, in conjunction with Chapter B of Greek Law 4549/2018, the Minister of Economy and Finance (now called “Minister of Finance”) has the power to provide a guarantee on behalf of the Hellenic Republic for debt securities issued by the credit institutions licensed by the Bank of Greece. This power under Greek Law 3723/2008, was granted as part of a package of measures designed to stabilise the financial markets in the Hellenic Republic. The support package has been approved by the European Commission as being compatible with EC Treaty state aid rules.

### **Nature of the guarantee**

Pursuant to Greek Law 3723/2008, as in force, a credit institution may apply to the Minister of Finance for debt securities to be guaranteed by the Hellenic Republic provided such securities fulfil certain criteria. Securities with the benefit of a guarantee from the Hellenic Republic granted pursuant to Greek Law 3723/2008, as in force, in conjunction with Chapter B of Greek Law 4549/2018 will be guaranteed pursuant to a guarantee to be given by the Hellenic Republic in favour of the holders of the relevant securities. Where the applicable Final Terms indicate that such debt securities are unconditionally and irrevocably guaranteed by the Hellenic Republic pursuant to Greek Law 3723/2008, as in force, in conjunction with Chapter B of Greek Law 4549/2018 and associated Ministerial decisions (“Guaranteed Debt Securities”) such debt securities will be unconditionally and irrevocably guaranteed by the Hellenic Republic.

### **Exemption from the provisions of the Prospectus Regulation**

Pursuant to Article 1, paragraph 2(d) of the Prospectus Regulation the provisions of the Prospectus Regulation will not apply to any issue of Guaranteed Debt Securities. No election has been made by Piraeus Bank for Guaranteed Debt Securities to be treated as being within the scope of the Prospectus Regulation.

***No Notes issued pursuant to this Offering Circular will be Guaranteed Debt Securities and Guaranteed Debt Securities may not be offered to the public in any country of the EU or admitted to trading on the regulated market of any country of the EU using this Offering Circular. In respect of an issue of Guaranteed Debt Securities under the Programme, a separate information memorandum will be prepared.***

## TAXATION

**The comments below are of a general nature and are not intended to be exhaustive. Any Noteholders who are in doubt as to their own tax position should consult their professional advisers.**

### **Taxation in the Hellenic Republic**

The following discussion of Greek taxation, as it relates to the Notes and the Guarantee, is of a general nature and is based on the provisions of the income tax law, Greek Law 4172/2013, as amended and in force as at the date of this Offering Circular. It should be noted, however, that Greek tax law is subject to frequent changes, and consequently, Noteholders should consult their professional advisers prior to purchasing, selling or otherwise transacting in Notes, as the discussion below is not exhaustive and does not purport to deal with all the tax consequences applicable to all possible categories of holders of Notes, some of which may be subject to special rules. Further, Non-Resident Noteholders (as defined below), may have to submit a tax residence certificate or produce documentation evidencing non-residence in order to claim any exemption under applicable tax laws of Greece or in the context of a DTT (as defined below) entered into between Greece and the jurisdiction in which a Non-Resident Noteholder is a tax resident.

Prospective holders of Notes are advised to consult their own tax advisers as to the laws of Greece and other tax consequences of the purchase, ownership and disposal of the Notes.

#### *Payment of principal under the Notes and the Guarantee*

No Greek income tax will be imposed on payments of principal to any Noteholders in respect of Notes:

- (a) issued by Piraeus PLC or Piraeus Bank; or
- (b) issued by Piraeus PLC and made by Piraeus Bank under the Guarantee.

#### *Payments of interest on the Notes*

Payments of interest on the Notes issued by Piraeus PLC and held by:

- (a) Noteholders who neither reside nor maintain a permanent establishment in Greece for Greek tax law purposes (the “Non-Resident Noteholders”) will not be subject to Greek income tax,; and
- (b) Noteholders who either reside or maintain a permanent establishment in Greece for Greek tax law purposes (the “Resident Noteholders”) will be subject to Greek withholding income tax currently at a flat rate of 15 per cent., if such payments are made directly to Resident Noteholders by a paying or other similar agent who either resides or maintains a permanent establishment in Greece for Greek tax law purposes. This withholding tax may not exhaust the tax liability of certain types of Resident Noteholders.

Payments of interest on Listed Notes issued by either Piraeus PLC or Piraeus Bank and held by:

- (a) Non-Resident Noteholders will not be subject to Greek withholding income tax; and
- (b) Resident Noteholders will be subject to Greek withholding income tax currently at a flat rate of 15 per cent., if such payments are made directly to Resident Noteholders by a paying or other similar agent who either resides or maintains a permanent establishment in Greece for Greek tax law purposes. This withholding tax may not exhaust the tax liability of certain types of Resident Noteholders.



### *Payments of interest under the Guarantee*

Payments of interest by Piraeus Bank under the Guarantee made to:

- (a) Resident Noteholders shall have the same tax treatment as payment of interest on the Notes described above; and
- (b) Non-Resident Noteholders will not be subject to Greek withholding income tax.

### *Disposal of Notes – Capital Gains*

Capital gains resulting from the transfer of Notes issued by Piraeus PLC or Piraeus Bank pursuant to Greek Law 4548/2018, as in force, and earned by Non-Resident Noteholders or Resident Noteholders will not be subject to Greek income tax by virtue of article 14 of Greek Law 3156/2003.

### **Taxation in the United Kingdom**

The following is a summary of the Issuer's understanding of United Kingdom law and published HM Revenue and Customs' practice relating only to the United Kingdom withholding taxation treatment at the date hereof in relation to payments of interest (as that term is understood for United Kingdom tax purposes) in respect of the Notes. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of the Notes. The comments are made on the assumption that Piraeus Bank is not resident in the United Kingdom for United Kingdom tax purposes and that any interest on Notes issued by Piraeus Bank (other than through its UK branch) will not have a UK source. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders should be aware that the particular terms of issue of any Series of Notes as specified in the applicable Final Terms may affect the tax treatment of that and other Series of Notes. The following is a general guide and should be treated with appropriate caution. Noteholders who are in any doubt as to their tax position should consult their professional advisers.

Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments of interest in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

#### **A. No UK Withholding Tax on non-UK Source Interest**

Payments of interest on Notes that do not have a United Kingdom source may be made without deduction or withholding on account of United Kingdom income tax.

#### **B. UK Withholding Tax on UK Source Interest**

Payments of interest on Notes that have a United Kingdom source may be made without deduction or withholding on account of United Kingdom income tax in any of the following circumstances.

##### *B.1 Notes Listed on a Recognised Stock Exchange*

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes carry a right to interest and the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of Section 1005 of the

Income Tax Act 2007 (the “Act”). The Luxembourg Stock Exchange is a recognised stock exchange. The Notes will satisfy this requirement if they are admitted to trading on the Luxembourg Stock Exchange’s regulated market and they are officially listed in Luxembourg in accordance with provisions corresponding to those generally applicable in EEA states. Provided, therefore, that the Notes carry a right to interest and are and remain so listed on a “recognised stock exchange”, interest on the Notes will be payable without withholding or deduction for or on account of United Kingdom income tax.

#### *B.2 Notes issued by Piraeus Bank acting through its UK branch*

In addition to the exemption set out in B.1 above, interest on Notes issued by Piraeus Bank acting through its UK branch may be paid without withholding or deduction for or on account of United Kingdom income tax provided that, and for so long as Piraeus Bank continues to act through its UK branch, it is and continues to be a “bank” within the meaning of section 991 of the Act, the interest on the Notes is and continues to be paid in the ordinary course of its business within the meaning of section 878 of the Act.

#### *B.3 Notes with short maturity dates*

Payments of interest on Notes may be paid without withholding or deduction for or on account of United Kingdom income tax if the relevant interest is paid on Notes with a maturity of less than 365 days from the date of issue and which do not form part of a scheme or arrangement of borrowing intended to be part of a borrowing intended to be capable of remaining outstanding for more than 364 days.

#### *B.4 All other Notes*

In all other cases, an amount must generally be withheld from payments of interest on the Notes which has a UK source on account of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to any other available exemptions and reliefs. However, where an applicable double taxation treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HM Revenue and Customs can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double taxation treaty).

### **C. Payments by the Guarantor**

The United Kingdom withholding tax treatment of payments by the Guarantor under the terms of the Guarantee which have a United Kingdom source is uncertain. In particular, such payments by the Guarantor may not be eligible for the exemptions described above in relation to payments of interest. Accordingly, if the Guarantor makes any such payments, these may be subject to United Kingdom withholding tax at the basic rate (currently 20 per cent.), subject to such relief as may be available under an applicable double taxation treaty or to any other exemption which may apply.

### **D. Payments under the Deed of Covenant**

Any payments made by an Issuer under the Deed of Covenant may not qualify for the exemptions from United Kingdom withholding tax described above.

### **E. Other rules relating to United Kingdom Withholding Tax**

Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Notes will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned in B above.

Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest may be subject to United Kingdom withholding tax, as outlined above.

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax paid if there is an appropriate provision in any applicable double taxation treaty.

The references to “interest” in A to E above mean “interest” as such term is understood for United Kingdom tax purposes. The statements in A to E above do not take account of any different definition of “interest” which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an issuer pursuant to Condition 17 of the Notes or otherwise and does not consider the tax consequences of such a substitution.

## **Luxembourg Taxation**

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

### ***Withholding Tax***

#### *(i) Non-resident holders of Notes*

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

#### *(ii) Resident holders of Notes*

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 (the “Relibi Law”) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Accordingly, payments of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 20 per cent.

## **The Proposed Financial Transactions Tax (“the FTT”)**

On 14 February 2013, the European Commission published a proposal (the “Commission’s Proposal”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (excluding Estonia, the “participating Member States”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

## **FOREIGN ACCOUNT TAX COMPLIANCE ACT**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting or related requirements. The Issuers are foreign financial institutions for these purposes. A number of jurisdictions (including the UK and Greece) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. federal register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of an Issuer). However, if additional Notes (as described under Condition 18) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Noteholders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.

## **SUBSCRIPTION AND SALE**

The Dealers have in an amended and restated programme agreement (the “Programme Agreement”) dated 10 February 2020 agreed with Piraeus Bank and Piraeus PLC a basis upon which they or any of them may from time to time agree to subscribe Notes. Any such agreement will extend to those matters stated under “Form of the Notes” and “Terms and Conditions of the Notes” above. In the Programme Agreement, Piraeus Bank and Piraeus PLC have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### **United States**

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

The applicable Final Terms will identify whether TEFRA C rules (“TEFRA C”) or TEFRA D rules (“TEFRA D”) apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of all the Notes of the Tranche of which such Notes are a part within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

### **Prohibition of sales to EEA and UK Retail Investors**

Unless the Final Terms in respect of any Notes specify “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the EEA or in the United Kingdom. For the purposes of this provision the expression “retail investor” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

## **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “FIEA”) and each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## **United Kingdom**

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) in relation to any Notes issued by Piraeus PLC having a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not, or in the case of the Guarantor would not, if it was not an authorised person, apply to the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## **Singapore**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor

(as defined in Section 4A of the SFA pursuant to Section 274 of the SFA), (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

## **General**

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief having made all due and proper enquiries) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of Piraeus PLC, Piraeus Bank and any other Dealer shall have any responsibility therefor.

None of Piraeus PLC, Piraeus Bank or any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

## GENERAL INFORMATION

### Authorisation

The establishment and update of the Programme and the issue of Notes by Piraeus PLC have been duly authorised by resolutions of the Board of Directors of Piraeus PLC dated 2 June 2004, 21 July 2005, 14 June 2007, 27 June 2008, 28 July 2009, 5 August 2010, 14 July 2011, 14 June 2012, 14 June 2013, 21 July 2014, 13 July 2016, 11 July 2017, 5 September 2018 and 30 January 2020. The establishment and update of the Programme and the giving of the Deed of Guarantee have been duly authorised by resolutions of the Board of Directors of Piraeus Bank dated 12 May 2004, 13 July 2005, 18 April 2007, 31 October 2007, 8 April 2009, 17 March 2010, 14 July 2010, 20 July 2011, 13 June 2012, 28 June 2013, 28 June 2017 and 24 October 2019.

Any issue of Notes by Piraeus Bank under the Programme is subject to the prior decision of the Board of Directors of Piraeus Bank.

### Approval, listing and admission to trading

Application has been made to the CSSF to approve this document as a base prospectus in respect of Piraeus PLC and in respect of Piraeus Bank. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange.

The regulated market of the Luxembourg Stock Exchange is a regulated market for the purposes of MiFID II.

### Documents Available

For so long as any Notes are listed on the Luxembourg Stock Exchange and, in any event, for the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available for inspection free of charge at the registered office of each Issuer and online at <https://www.piraeusbankgroup.com/en/> or (in the case of (ii) below) <https://beta.companieshouse.gov.uk/>:

- (i) the constitutional documents of Piraeus Bank (in English);
- (ii) the constitutional documents of Piraeus PLC;
- (iii) the Agency Agreement, the Deed of Covenant, the Deed of Guarantee, the forms of the temporary global Notes, the permanent global Notes, the Notes in definitive form, the Coupons and the Talons;
- (iv) a copy of this Offering Circular; and
- (v) any future offering circulars, prospectuses, information memoranda and supplements to this Offering Circular and Final Terms and any other documents incorporated herein or therein by reference.

In addition, copies of this Offering Circular, each Final Terms relating to Notes which are admitted to trading on the Luxembourg Stock Exchange's regulated market and each document incorporated by reference herein are available on the Luxembourg Stock Exchange's website at [www.bourse.lu](http://www.bourse.lu).



## **Clearing Systems**

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1 210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L- 1855 Luxembourg.

## **Method for determining price**

The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer in consultation with the relevant Dealer prior to the relevant issue of Notes and will depend, amongst other things, on prevailing market conditions at that time.

The issue price in respect of any Notes to be issued under the Programme will be disclosed either in the applicable Final Terms or will be published on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)).

## **Material or Significant Change**

There has been no material adverse change in the prospects of Piraeus Bank, or the Group, since 31 December 2018, and no significant change in the financial performance or position of Piraeus Bank or the Group since 30 September 2019.

There has been no material adverse change in the prospects of Piraeus PLC since 31 December 2018 and, save in respect of the substitution of Piraeus PLC as issuer of the 2019 Notes by Piraeus Bank (as disclosed in the "*Piraeus Bank and the Piraeus Bank Group - Recent Developments (since 31 December 2018)*"), no significant change in the financial performance or position of Piraeus PLC since 30 June 2019.

## **Litigation**

Other than as disclosed in Note 21 to the unaudited consolidated interim financial statements of Piraeus Bank in respect of the three and nine months ended 30 September 2019, none of Piraeus PLC, Piraeus Bank or any subsidiary of Piraeus Bank is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Piraeus PLC or Piraeus Bank is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of Piraeus PLC, Piraeus Bank or Piraeus Bank Group.

## **Auditors of Piraeus PLC**

The current statutory auditors of Piraeus PLC are Deloitte LLP of Hill House, 1 Little New Street, London EC4A 3TR, United Kingdom (member of the Institute of Chartered Accountants in England and Wales).

The financial statements of Piraeus PLC for the years ended 31 December 2018 and 31 December 2017 were prepared in accordance with IFRS and have been audited without qualification by Deloitte LLP, independent auditors, as stated in their reports which have been incorporated by reference.

The statement in the independent auditor's report in respect of Piraeus PLC's audited annual financial statements as at and for the financial year ended 31 December 2018 that the financial statements "have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"" should instead read "have been properly prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union".

### **Auditors of Piraeus Bank**

The current statutory auditors of Piraeus Bank are Deloitte Certified Public Accountants S.A., 3a Fragkoklissias & Granikou Str., GR-151 25 Maroussi, Athens, Greece (member of the Institute of Certified Public Accountants of Greece).

The audited consolidated financial statements of the Group as of 31 December 2018 and 31 December 2017 were prepared in accordance with the IFRS and have been audited without qualification by Deloitte Certified Public Accountants S.A., Athens, independent auditors as stated in their reports which have been incorporated by reference.

### **Yield**

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

### **Conflicts**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for Piraeus PLC and/or Piraeus Bank and/or their respective affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of Piraeus PLC and/or Piraeus Bank and/or their respective affiliates. Certain of the Dealers or their affiliates that have a lending relationship with Piraeus PLC and/or Piraeus Bank and/or their respective affiliates routinely hedge their credit exposure to the relevant entity consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the securities of Piraeus PLC and/or Piraeus Bank and/or their respective affiliates, including potentially any Notes offered hereby. Any such short positions could adversely affect future trading prices of any Notes offered hereby. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**ISSUER**

**Piraeus Group Finance PLC**  
 Tower 42  
 25 Old Broad Street  
 London EC2N 1PB  
 United Kingdom

**ISSUER AND GUARANTOR**

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 4 Amerikis Str.  
 105 64 Athens  
 Greece

**ISSUER**

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 25 Old Broad Street  
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 United Kingdom

**AGENT**

**Deutsche Bank AG, London Branch**  
 Winchester House  
 1 Great Winchester Street London EC2N 2DB  
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