



## ERB HELLAS PLC

*(incorporated with limited liability in England and Wales)  
as Issuer*

## ERB HELLAS (CAYMAN ISLANDS) LIMITED

*(incorporated with limited liability in the Cayman Islands)  
as Issuer*

and

## EUROBANK ERGASIAS S.A.

*(incorporated with limited liability in the Hellenic Republic)  
as Issuer and as Guarantor*

### €25,000,000,000

## Programme for the Issuance of Debt Instruments

Under this €25,000,000,000 Programme for the Issuance of Debt Instruments (the "Programme"), each of ERB Hellas PLC, ERB Hellas (Cayman Islands) Limited and Eurobank Ergasias S.A. ("Eurobank" or the "Bank" and, together with ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited, the "Issuers" and each an "Issuer" and references herein to the "relevant Issuer" being to the Issuer of the relevant Instruments (as defined herein)) may from time to time issue debt instruments ("Instruments") denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined herein).

Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited will be guaranteed by the Bank (in such capacity, the "Guarantor").

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "CSSF") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities (the "Prospectus Act 2005") to approve this document as a base prospectus. The CSSF assumes no responsibility as to the economic and financial soundness of the transactions contemplated by this Prospectus or the quality or solvency of any of the Issuers or the Guarantor in accordance with Article 7(7) of the Prospectus Act 2005. Application has also been made to the Luxembourg Stock Exchange for Instruments 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. References in this Prospectus to Instruments which are intended to be "listed" (and all related references) on the Luxembourg Stock Exchange shall mean that such Instruments have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

The requirement to publish a prospectus under the Prospectus Directive (as defined below) only applies to Instruments which are to be admitted to trading on a regulated market in the European Economic Area and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive (as implemented in the relevant Member State(s)) ("PD Instruments"). References in this Prospectus to "Exempt Instruments" are to Instruments for which no prospectus is required to be published under the Prospectus Directive. **The CSSF has neither approved nor reviewed information contained in this Prospectus in connection with Exempt Instruments and the CSSF assumes no responsibility in relation to issues of Exempt Instruments.**

The Programme provides that Instruments 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. Each Issuer may also issue unlisted Instruments and/or Instruments not admitted to trading on any market.

In the case of each Tranche (as defined under "Terms and Conditions of the Instruments") of PD Instruments, notice of the aggregate nominal amount of the PD Instruments, interest (if any) payable in respect of the PD Instruments, the issue price of the PD Instruments and certain other information which is applicable to the relevant Tranche will be set out in a final terms document (the "Final Terms") which will be filed with the CSSF. Copies of the Final Terms in relation to PD Instruments 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)). In the case of each Tranche of Exempt Instruments, notice of the aggregate nominal amount of Exempt Instruments, interest (if any) payable in respect of the Exempt Instruments, the issue price of the Exempt Instruments and certain other information which is applicable to the relevant Tranche will be set out in a pricing supplement document (the "Pricing Supplement"). In the case of Exempt Instruments, references herein to "Final Terms" shall be deemed to be references to "Pricing Supplement", so far as the context admits.

**An investment in Instruments involves certain risks. Prospective purchasers of Instruments should ensure that they understand the nature of the relevant Instruments and the extent of their exposure to risks and that they consider the suitability of the relevant Instruments as an investment in the light of their own circumstances and financial condition. CERTAIN ISSUES OF INSTRUMENTS INVOLVE A HIGH DEGREE OF RISK AND POTENTIAL INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT. It is the responsibility of prospective purchasers to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the relevant Instruments and are not relying on the advice of the relevant Issuer, (if applicable) the Guarantor or any Dealer in that regard. For a discussion of these risks see "Risk Factors" below.**

Each of Fitch Ratings Ltd. ("Fitch"), Moody's Investors Service Limited ("Moody's") and Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's") is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation"). As such each of Fitch, Moody's and Standard & Poor's is included in the list of credit rating agencies registered in accordance with the CRA Regulation and 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. Instruments may be rated or unrated by either of the rating agencies referred to above. Where a Tranche of Instruments is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. 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.

*Arranger and Dealer*

**EUROBANK ERGASIAS S.A.**

## IMPORTANT INFORMATION

This Prospectus constitutes a base prospectus in respect of all Instruments other than Exempt Instruments issued under the Programme for the purposes of Article 5.4 of the Prospectus Directive. "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

The Bank accepts responsibility for the information set out in this Prospectus and any applicable Final Terms. Having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the knowledge of the Bank, in accordance with the facts and does not omit anything likely to affect the import of such information.

In relation to Exempt Instruments, the applicable Pricing Supplement will (if applicable) specify the nature of the responsibility taken by the relevant Issuer and (if applicable) the Guarantor for the information relating to any Reference Item(s) (as defined under "Risk Factors" below) to which the relevant Exempt Instruments relate and which is contained in such Pricing Supplement. However, unless otherwise expressly stated in the applicable Pricing Supplement, any information contained therein relating to any Reference Item(s) will only consist of extracts from, or summaries of, information contained in financial and other information released publicly by the issuer, owner or sponsor, as the case may be, of such Reference Item(s). Unless otherwise expressly stated in the applicable Pricing Supplement, the relevant Issuer and (if applicable) the Guarantor accept responsibility for accurately reproducing such extracts or summaries (insofar as it is applicable) and, so far as the relevant Issuer and (if applicable) the Guarantor are aware and are able to ascertain from information published by the issuer, owner or sponsor, as the case may be, of such Reference Item(s), no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Prospectus should be read and construed with any supplement hereto and with any documents which are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference") and, in relation to any Tranche of Instruments, should be read and construed together with the applicable Final Terms.

No person has been authorised by any Obligor (as defined in "Risk Factors" below) to give any information or to make any representation not contained in, or not consistent with, this Prospectus or any other document entered into in relation to the Programme or any information supplied by an Obligor and, if given or made, such information or representation should not be relied upon as having been authorised by any Obligor or any Dealer.

No representation or warranty is made or implied by any of the Dealers or any of their respective affiliates, and none of the Dealers and their respective affiliates makes any representation or warranty or accepts any responsibility, as to the accuracy or completeness of the information contained in this Prospectus. Neither the delivery of this Prospectus or any Final Terms nor the offering, sale or delivery of any Instrument shall, in any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date hereof or the date upon which this Prospectus has been most recently supplemented or that there has been no material adverse change in the prospects of any Obligor since the date thereof or, if later, the date upon which this Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Prospectus and any Final Terms and the offering, sale and delivery of Instruments in certain jurisdictions may be restricted by law. Persons into whose possession this

Prospectus or any Final Terms comes are required by each Obligor and the Dealers to inform themselves about, and to observe, any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Instruments and on the distribution of this Prospectus or any Final Terms and other offering material relating to the Instruments, see "Subscription and Sale". In particular, the Instruments have not been and will not be registered under the United States Securities Act of 1933 (as amended) and are subject to U.S. tax law requirements. Subject to certain exceptions, Instruments may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. In addition, unless specifically indicated to the contrary in the applicable Pricing Supplement in the case of an issue of Exempt Instruments, no action has been taken by any Obligor or the Dealers which is intended to permit a public offering of any Instruments outside Luxembourg or any other Member State of the European Economic Area to which this document may be passported in accordance with the procedures under Article 18 of the Prospectus Directive or distribution of this Prospectus in any jurisdiction where action for that purpose is required.

Neither this Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Instruments and should not be considered as a recommendation by any Obligor, the Dealers or any of them that any recipient of this Prospectus or any Final Terms should subscribe for or purchase any Instruments. Each recipient of this Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the relevant Issuer and (if applicable) the Guarantor.

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**In connection with the issue of any Tranche of Instruments, the Dealer or Dealers (if any) named as the Stabilising Institution(s) (or persons acting on behalf of any Stabilising Institution(s)) in the applicable Final Terms may over-allot Instruments or effect transactions with a view to supporting the market price of the Instruments at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Institution(s) (or persons acting on behalf of a Stabilising Institution) will undertake stabilisation action. 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 Instruments is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Instruments and 60 days after the date of the allotment of the relevant Tranche of Instruments. Any such stabilisation action or over-allotment must be conducted by the relevant Stabilising Institution(s) (or person(s) acting on behalf of any Stabilising Institution(s)) in accordance with all applicable laws and rules.**

## RISK FACTORS

THE PURCHASE OF CERTAIN INSTRUMENTS 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 RELEVANT INSTRUMENTS. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE PURCHASERS SHOULD CONSIDER CAREFULLY, IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES, (I) ALL THE INFORMATION SET FORTH IN THIS PROSPECTUS AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW AND (II) ALL THE INFORMATION SET FORTH IN THE APPLICABLE FINAL TERMS. PROSPECTIVE PURCHASERS SHOULD MAKE SUCH ENQUIRIES AS THEY DEEM NECESSARY WITHOUT RELYING ON THE RELEVANT ISSUER, (IF APPLICABLE) THE GUARANTOR OR ANY DEALER.

AN INVESTMENT IN EXEMPT INSTRUMENTS LINKED TO ONE OR MORE REFERENCE ITEM(S) MAY ENTAIL SIGNIFICANT RISKS NOT ASSOCIATED WITH INVESTMENTS IN A CONVENTIONAL DEBT SECURITY, INCLUDING BUT NOT LIMITED TO THE RISKS SET OUT BELOW. THE AMOUNT PAID BY THE RELEVANT ISSUER ON REDEMPTION OF SUCH EXEMPT INSTRUMENTS MAY BE LESS THAN THE NOMINAL AMOUNT OF SUCH INSTRUMENTS, TOGETHER WITH ANY ACCRUED INTEREST, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO.

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

*Each of ERB Hellas PLC, ERB Hellas (Cayman Islands) Limited and the Bank (each an “Obligor” and, together the “Obligors”) believes that the following factors may affect its ability to fulfil its obligations under Instruments issued under the Programme. All of these factors are contingencies which may or may not occur and none of the Obligors is in a position to express a view on the likelihood of any such contingency occurring.*

*Factors which the Obligors believe may be material for the purpose of assessing the market risks associated with Instruments issued under the Programme are also described below.*

*Each of the risks highlighted below could adversely affect the trading price of any Instruments or the rights of investors under any Instruments and, as a result, investors could lose some or all of their investment.*

*Each of the Obligors believes that the factors described below represent the principal risks inherent in investing in Instruments issued under the Programme, but the relevant Issuer or (if applicable) the Guarantor may be unable to pay interest, principal or other amounts on or in connection with any Instruments for other reasons and none of the Obligors represents that the statements below regarding the risks of holding any Instruments are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision as these risk factors cannot be deemed complete.*

*Capitalised terms used herein and not otherwise defined shall bear the meanings ascribed to them in “Terms and Conditions of the Instruments” below.*

## **FACTORS THAT MAY AFFECT AN OBLIGOR'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER INSTRUMENTS ISSUED UNDER THE PROGRAMME**

### **Factors relating to ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited**

Each of ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited is a finance vehicle whose principal purpose is to raise debt to be deposited with the Bank. Accordingly, neither ERB Hellas PLC nor ERB Hellas (Cayman Islands) Limited has any trading assets and generates trading income. Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited under the Programme are guaranteed on a subordinated or an unsubordinated basis, as specified in the applicable Final Terms, pursuant to the Deed of Guarantee. Accordingly, if the Guarantor's financial condition was to deteriorate, such Issuers and investors in such Instruments may suffer direct and materially adverse consequences.

The auditor's report given in respect of the audited non-statutory financial statements of ERB Hellas (Cayman Islands) Limited for the year ended 31 December 2014 contained the following paragraph:

#### *"Emphasis of Matter*

Without qualifying our opinion, we draw attention to the disclosures made in:

1. note 2.1 to the financial statements, which refers to the material uncertainties associated with the current economic conditions in Greece and the ongoing developments, that affect the banking sector and in particular its liquidity. These material uncertainties may cast significant doubt on the Parent Company's (Eurobank Ergasias S.A.) and therefore the Company's ability to continue as a going concern
2. notes 3 and 4 to the financial statements, which refer to the methodology applied to value the available for sale equity securities for which no active market existed at the balance sheet date and the possible impact of valuation sensitivities on the financial position of the Company and
3. note 19 to the financial statements, which refers to the significant decrease of the fair value of the abovementioned equity securities after the balance sheet date. The decrease has no impact on the financial statements for the period ended 31 December 2014."

The auditor's report given in respect of the audited non-statutory financial statements of ERB Hellas (Cayman Islands) Limited for the year ended 31 December 2013 contained the following paragraph:

#### *"Emphasis of matter*

Without qualifying our opinion, we draw attention to notes 3 and 4, which refer to the methodology applied to value the available for sale equity securities for which no active market existed at the balance sheet date and the possible impact of valuation sensitivities on the financial position of the Company."

References above to "notes 3 and 4" are to the notes to the audited non-statutory financial statements of ERB Hellas (Cayman Islands) Limited for the year ended 31 December 2013 incorporated by reference in this Prospectus.

The auditor's report given in respect of the audited financial statements of ERB Hellas PLC for the year ended 31 December 2014 contained the following paragraph:

#### *"Emphasis of matter - Going concern*

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern. The current conditions in Greece could result in significant disruption in the Greek economy which may impact the profitability, capital adequacy and liquidity of Eurobank Ergasias S.A. and therefore its ability to repay fully and on time the loan to the Company. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern."

## **Risks Relating to Greece**

***Uncertainty resulting from Greece's financial and economic crisis has had and is likely to continue to have a significant adverse impact on the Bank's business, results of operations, financial condition and prospects.***

The composition of the Bank's assets, business, results of operations, financial condition and prospects depend on the macroeconomic and political conditions in Greece. As at and for the period ended 31 December 2014, 72.0 per cent. of the Bank's operating income and 82.6 per cent. of the Bank's total assets were derived from or related to the Bank's operations in Greece.

In 2013 the Greek economy experienced its sixth consecutive year of economic depression. In 2014, although it achieved a positive growth rate (0.77 per cent.), it continued to face unprecedented pressure in its public finances. Over the last two years, Greece has committed to certain structural measures intended to restore competitiveness and promote economic growth in the country, as part of a bailout package agreed with the IMF, the European Commission and the ECB (collectively referred to as the "Institutions"), involving implementation of fiscal adjustment policies and growth-enhancing structural reforms.

As a result of the PSI (the programme of voluntary exchange of Greek Government bonds completed in April 2012 which offered private investors the opportunity to exchange certain eligible Greek Government bonds on certain terms), as well as the Second Economic Adjustment Programme (the IMF/Eurozone stabilisation and recovery programme as replaced by a second economic adjustment programme in March 2012 and amended in November 2012 (the "Second Economic Adjustment Programme")) for the financial support of Greece and provisions which have been established for providing additional debt relief to Greece and Greek banks, Greece managed to achieve a time extension needed to implement fiscal adjustment policies and growth-enhancing structural reforms. In addition, the PSI has resulted in a significant gross relief of the Greek sovereign debt burden by more than 50 per cent. of GDP, as well as a sharp reduction in debt servicing needs through lower interest rates and a substantial extension of the average debt maturity of Greek Government bonds. However, the net impact of these actions was substantially reduced by the assumption of new sovereign borrowing of €50 billion from the European Financial Stability Facility (the "EFSF") in order to recapitalise the Greek banks. The completion of the buy-back of Greek Government bonds by Greece in December 2012 (the "Buy-Back Programme") pursuant to the Second Economic Adjustment Programme provided an additional debt relief of more than 10 per cent. of GDP, while the restructuring of interest payments under loans owed to the EFSF and the further decrease in interest rates of official sector loans granted to Greece will further decrease the servicing cost of the Greek sovereign debt burden. These actions, however, have resulted in significant impairment losses for Greek banks, including Eurobank.

Eurobank and its consolidated subsidiaries (the "Group") participated in the PSI by exchanging all its eligible Greek Government bonds and loans guaranteed by the Greek state with a nominal value of €7.3 billion for (i) new Greek Government bonds with a face value equal to 31.5 per cent. of the old

Greek Government bonds, (ii) EFSF notes having a face amount of 15 per cent. of the exchanged securities and (iii) a security linked to Greek GDP in accordance with the terms announced by the Greek Government. For the year ended 31 December 2011, as a result of participating in the PSI, the Group recognised an impairment loss of €5.8 billion, which was calculated based on the difference between the carrying amount of the Group's Greek Government bonds and the fair value of the new Greek Government securities that were received in the exchange, based on the assumption that there was an inactive market for the new Greek Government bonds issued in the PSI. The reassessment of market conditions in 2012 led to the recognition of an additional impairment loss resulting from the exchange amounting to €428 million before tax.

The Group also participated in Greece's invitation of December 2012 concerning the Buy-Back Programme, submitting for exchange all its Greek Government bonds of a nominal value of €2.3 billion and a carrying amount of €0.6 billion. As a result of its participation in the Buy-Back Programme, the Group recognised a gain of €192 million before tax in the fourth quarter of 2012.

The Second Economic Adjustment Programme also includes a comprehensive strategy for the recapitalisation of the Greek banking system following PSI-related losses and the detrimental impact of a prolonged recession on quality of loans made by Greek banks.

Despite the successful completion of the PSI and the debt Buy-Back program, the significant progress in fiscal deficit reduction, the adjustment in the labour market and external balance, the Greek economy continues to face macroeconomic challenges. Uncertainty about debt sustainability and the ability for the transition to a new sustainable export oriented model of economic growth, which will boost fiscal consolidation and improve public debt dynamics, remains high. Failure to successfully implement the Second Economic Adjustment Programme may lead to termination of the financial support by the IMF and the EU, which could create the conditions for a new credit event with respect to Greek sovereign debt or could lead to a default by Greece on its sovereign debt which could include both marketable instruments and official sector loans from EU Member States.

On 8 December 2014, the Eurogroup announced that it will withhold the disbursements due under the Second Economic Adjustment Programme and announced a "technical extension" of the EU side of the Second Economic Adjustment Programme, initially set to be completed by the end of 2014, to end February 2015.

On 20 February 2015, the Eurogroup agreed to a four-month extension of the Master Financial Assistance Facility Agreement (MFFA) underpinning the Second Economic Adjustment Programme. As part of the agreement to extend the MFFA, the Greek government has presented a list of reform measures which has been in principle accepted by the Eurozone Member-States and the Institutions and the details of which were to be agreed with the Institutions by the end of April 2015. There are risks related to the Greek State's ability to cover its financing needs from own resources after the expiration of the Second Economic Adjustment Programme.

The Eurogroup's stated purpose in extending the MFFA was to ensure the successful completion of the pending programme review, which must be successfully completed in order to allow for any disbursement of the outstanding financings under the programme. The continuing delay in the completion of the pending programme review (IMF 6th review) and the non-disbursement of about €7.3 billion of related financing from the EU and the IMF as of December 2014, in conjunction with uncertainty surrounding the potential modalities of Greece's exit process from the Second Economic Adjustment Programme, have resulted in weakening financial market sentiment.

Greece has little, if any, margin to absorb additional adverse shocks or slippages in the implementation of the Second Economic Adjustment Programme and/or the reform measures that will be specified and agreed between Greece and the Institutions. In the event that policy implementation takes longer than expected or falls short of expectations, the Greek economy takes

longer than expected to respond to labour market and other structural reforms designed to help enhance competitiveness, or the fiscal impact of recession is higher than estimated, the likely result would be a higher debt trajectory than that suggested by the post-PSI analysis underlying the Second Economic Adjustment Programme. Such slippages could even outweigh the benefits from the additional debt and funding relief provided to Greece by the decisions of the Eurozone finance ministers (the “Eurogroup”) and the IMF of 27 November 2012 and 13 December 2012 and the successful completion of the Buy-Back Programme in December 2012.

Even if Greece successfully implements the Second Economic Adjustment Programme, government debt as a percentage of GDP was 175.1 per cent. in 2013 (174.2 per cent. in 2014) according to the IMF (June 2014) and is projected to be 171.0 per cent. of GDP in 2015. The debt sustainability depends on the difference between the real GDP growth rate and the real interest rate and on the level of primary government surplus. It remains uncertain whether the Greek economy will grow sufficiently in order to keep pace with the GDP growth targets for debt sustainability, and additional debt relief may be needed. This relief could occur through new changes in conditions of official sector loans, further restructuring of Greek Government bonds or a direct haircut on official sector loans or loans from the EFSF or any other measure. Failure of Greece to agree with its creditors on a credible way to restore long-term debt sustainability and cover possible additional needs of the country for external financing in upcoming years, in the event there are deviations from the Second Economic Adjustment Programme, may result in a credit crisis with respect to Greek sovereign debt occurring prior to the completion of the Second Economic Adjustment Programme.

The uncertainty relating to the implementation of the Second Economic Adjustment Programme and to the outcome of the negotiations between Greece and the Institutions regarding the reforms and next steps for the financing of the Greek economy has directly affected the capital levels, liquidity and profitability of the Greek financial system and consequently of the Bank. The limited liquidity in the Greek banking system reflects an effective closing of market financing since the end of 2009 and a sizeable contraction of the domestic deposit base since the third quarter of 2009 (31.4 per cent. cumulatively as at 31 December 2013, according to Bank of Greece data).

A failure of the Second Economic Adjustment Programme to result in a marked improvement in the Greek economy and/or failure of the Greek Government to come to an agreement with the Institutions on the specifics of its reform package and further financing steps would have significant adverse consequences for the Bank. If another credit crisis with respect to the Greek sovereign debt or an additional restructuring of Greek Government bonds were to occur, the Bank’s regulatory capital would be severely affected due to the Bank’s direct exposure to Greek sovereign debt, requiring the Bank to raise additional capital and thus diluting existing shareholders significantly. Furthermore, there would be no assurance that the Bank could raise all of the required additional capital on acceptable terms.

Even if the Second Economic Adjustment Programme is successfully implemented and Greece agrees with the Institutions on the specifics of its reform programme and further financial assistance, the Greek economy may not achieve the sustained and robust growth that is necessary to ease the financial constraints on the country and improve conditions for foreign direct investment and the availability of funding from the capital markets. Notwithstanding the Second Economic Adjustment Programme, as amended and/or replaced after its expiry at the end of June 2015, the Greek economy will continue to be affected by the credit risk of other countries in the EU, the creditworthiness of commercial counterparties internationally and the repercussions arising from changes to the European institutional framework, which may contribute to continuing investor fears regarding Greece’s capacity to honour its financial commitments. In addition, a continued depression in the Greek economy will have a material adverse effect on the Bank’s business, financial condition, results of operations and prospects.

***Recessionary pressures in Greece stemming from the Second Economic Adjustment Programme have had and may continue to have an adverse effect on the Bank's business, financial condition, results of operations and prospects***

The Bank's business activities are dependent on the level of demand for the banking, finance and financial products and services the Bank offers, as well as the Bank's customers' capacity to repay their liabilities. In particular, the levels of savings and credit demand are heavily dependent on customer confidence, employment trends and the availability and cost of funding.

If the Second Economic Adjustment Programme is not implemented successfully - especially with respect to the structural reform agenda - or if additional austerity measures beyond those agreed to in the Second Economic Adjustment Programme are required to counterbalance potential deviations from the Second Economic Adjustment Programme's targets (such as what took place in Cyprus, see "Risks Relating to the Bank's Business - The debt crisis in Cyprus and the sustainability problems which its financial sector faces, the consequences of which cannot be immediately and accurately determined, has caused intense uncertainty and may adversely affect the Bank's business, financial condition, results of operations and prospects"), the Greek economy may experience a continuation of the recession or a slower than anticipated recovery in 2014 and 2015, as it did in 2011 and 2012, resulting in a further delayed recovery and a further adverse effect on the Bank's business, financial condition, results of operations and prospects. Nevertheless, according to the more recently published data, in the third and in the fourth quarter of 2014, the Greek real GDP (non seasonally adjusted data) grew on yearly basis by 1.97 per cent. and 1.15 per cent. respectively, according to the Hellenic Statistical Authority.

The protracted period of financial recession in Greece has and could continue to materially and adversely affect the liquidity, business activity and financial conditions of borrowers, which in turn has and may lead to further increases in 90dpd loans, impairment charges on the Bank's loans and other financial assets and decreased demand for borrowings in general and increased deposit outflows.

***Eurobank is currently restricted in its ability to obtain funding in the capital markets and is heavily dependent on the ECB and the Bank of Greece for funding; changes in ECB and Bank of Greece rules relating to the eligibility of collateral used for funding could further restrict the Bank's access to funding***

The on-going economic crisis in Greece has adversely affected the Bank's credit risk profile, restricted its access to the international markets for funding, increased the cost of such funding and the need for additional collateral requirements in secured funding arrangements, including those with the Eurosystem. Concerns relating to the on-going impact of these conditions may further restrict the Bank's ability to obtain funding in the capital markets in the medium term. The severity of pressure experienced by Greece in its public finances has restricted the access of the Bank to the capital markets for funding because of concerns by counterparty banks and other lenders, particularly for unsecured funding and funding from the short-term inter-bank market. These markets had been effectively closed to all Greek banks since the end of 2009. As a result, maturing inter-bank liabilities have not been renewed, or have been renewed only at higher costs. In Q1 2014, for the first time since 2009, one of the four systemic banks successfully tapped the debt capital markets with the issuance of a EUR 500 million three-year senior note while the Greek state returned to the international capital markets for the first time since 2010, in April 2014, with the successful issuance of a five-year euro-bond. The trend followed with the issuance of notes from all remaining systemic banks including Eurobank. Despite positive market reaction and the improvement in the economic climate, Greek banks continue to face the consequences of an economy just getting out of a very prolonged recession and the inability of many borrowers to service their debt obligations.

Political initiatives at the EU level for amendments to the framework for supporting credit institutions could result in the shareholders, creditors and unsecured depositors sharing the burden of the

recapitalisation and/or liquidation of troubled banks, and/or the taxation of deposits, which may result in a loss of customer confidence in the countries in which the Bank operates and further outflows of deposits from the banking system (see “—An accelerated outflow of funds from customer deposits could cause an increase in the Bank’s costs of funding and have a material adverse effect on the Bank’s business, financial condition, results of operations and prospects”). Consequently, the Bank’s ECB funding and funding from the Bank of Greece, through the ELA (which has less strict collateral rules but carries a higher rate of interest, currently at 1.55 per cent. compared to 0.05 per cent. for ECB funding), has increased considerably since the start of the crisis. As at December 2013, the Bank’s Eurosystem funding amounted to €16.9 billion, of which €5.6 billion was through the ELA, while as at 27 February 2015, the Bank’s Eurosystem funding amounted to €29 billion of which €19.5 billion was through ELA.

In addition, if the ECB or the ELA were to revise their collateral standards or increase the rating requirements for collateral securities that the Bank currently pledges with the ECB and the ELA, including the Bank’s covered bonds, then, the Bank’s funding costs could potentially increase and its access to liquidity could become more limited. For example, this occurred in the second half of 2012, when the ECB revised its collateral standards, which resulted in the Bank being unable to access ECB funding and being forced to utilise funding from the ELA, significantly increasing its cost of funding due to the higher interest rate of ELA funding compared with ECB funding. The ECB has announced that, as at March 2015, the use as collateral of uncovered government-guaranteed bank bonds that have been issued by the counterparty itself or any entity closely linked to that counterparty will not be permitted for funding through the ECB and a similar limitation for their use as collateral in ELA funding could be established in the future. In addition, the Bank uses its covered bonds as collateral with the ELA which may also become ineligible for use as collateral in the future, as a result of further credit rating downgrades or changes in the ELA rules currently permitting this collateral. A further downgrade or withdrawal of Greek sovereign ratings could potentially have a material adverse effect on the Bank’s ability to continue to access current levels of funding from the ECB, the ELA or from any other source.

On 10 February 2015 the ECB announced that its Governing Council had assessed that the conditions for the granting of a suspension of the Eurosystem’s minimum requirements for credit quality thresholds applicable to marketable debt instruments issued or fully guaranteed by the Hellenic Republic were no longer in place; in particular, the Governing Council was of the opinion that the Hellenic Republic is no longer deemed to be in compliance with the conditionality of the Second Economic Adjustment Programme. As a consequence, the Eurosystem’s credit quality thresholds in respect of marketable debt instruments issued or fully guaranteed by the Hellenic Republic became applicable as of 11 February 2015 which in turn, led to an increase of the Bank’s funding through the ELA.

A continued loss of deposits and the prolonged need for additional Eurosystem funding may result in the exhaustion of the instruments held by the Group that are eligible to be used as collateral to obtain funding from the Eurosystem and may lead to funding issues for the Group.

***An accelerated outflow of funds from customer deposits could cause an increase in the Bank’s costs of funding and have a material adverse effect on the Bank’s business, financial condition, results of operations and prospects***

Historically, one of the Bank’s principal sources of funds has been customer deposits. Since the Bank relies on customer deposits for the majority of its funding, if the Bank’s depositors were to withdraw their funds at a rate faster than the rate at which borrowers repay their loans and/or the Bank is unable to obtain the necessary liquidity by other means including the ECB, then, the Bank would be unable to maintain its current levels of funding without incurring significantly higher funding costs or having to liquidate certain of the Bank’s assets. As at 31 December 2014, the Group’s customer deposits in Greece stood at €31 billion compared to €32.9 billion at 31 December 2013, as, since

December 2014 and due to the political instability, the system and Eurobank as well have witnessed significant deposit outflows affecting the bank's liquidity position.

The on-going availability of customer deposits to fund the Group's loan portfolio is subject to potential changes in certain factors outside the Group's control, such as depositors' concerns relating to the economy in general, the financial services industry or the Group specifically, the risk of implementation of changes in the framework for supporting the financial credit institutions that are having problems by requiring the participation of their respective shareholders, their creditors and their non-secured depositors and/or initiatives for taxation of deposits, significant further deterioration in economic conditions in Greece and the availability and extent of deposit guarantees. Any of these factors separately or in combination could lead to a sustained reduction in the Group's ability to access customer deposit funding on appropriate terms in the future, which would impact the Group's ability to fund its operations and meet its minimum liquidity requirements and have an adverse effect on the Group's business, financial condition, results of operations and prospects. Unusually high levels of withdrawals could have the result that the Bank or another member of the Group may not be in a position to continue to operate without additional funding support, which it may be unable to secure.

***There are risks associated with the Bank's need for additional capital and liquidity, most notably from impairments, as well as deterioration in the Bank's portfolio's quality compared to previous estimates***

The Group is required by regulators in Greece and other countries in which it undertakes regulated activities to maintain adequate capital. Where it undertakes regulated activities elsewhere in the European Economic Area ("EEA"), it will remain subject to the minimum capital requirements prescribed by the regulatory authority in Greece, except in jurisdictions where it has regulated subsidiaries, which will be subject to the capital requirements prescribed by local regulatory authorities. In jurisdictions where it has branches, including within the EEA, the Bank is also subject to local regulatory capital and liquidity requirements. The Bank, its regulated subsidiaries and its branches are subject to the risk of having insufficient capital or funding resources to meet the minimum regulatory capital and/or liquidity requirements. In addition, those minimum regulatory capital requirements are likely to increase in the future and the methods of calculating capital resources may change. Likewise, liquidity requirements may come under heightened scrutiny, and may place additional stress on the Group's liquidity in the jurisdictions in which it operates.

As at 31 December 2014, the Group maintained a Common Equity Tier 1 ("CET1") ratio equal to 16.2 per cent. and a pro forma CET1 ratio equal to 15.2 per cent by taking into account the new regulatory treatment of Deferred Tax Assets ("DTA"), where DTA related to loan loss provisions and PSI loss, is eligible to be converted into Deferred Tax Credits ("DTC") DTAs treated as DTCs are not deducted from Common Equity Tier I capital and are risk weighted at 100 per cent. Transitional rules apply for 2018 phasing and final rules will be fully implemented starting from 1 January 2024, which allow for deferred tax assets dependent on future profitability and arising from other temporary differences to contribute a maximum of 10 per cent to CET1 capital. DTAs arising from other temporary differences not deducted from CET1 capital are to be risk-weighted at 250 per cent. Based on the above assumptions and assuming the full implementation of the Basel III rules in effect as of 1 January 2014, the pro forma Common Equity Tier 1 ratio and total capital adequacy ratio as at 31 December 2014 would have been 10.5 per cent.

In addition, following the BlackRock Updated Exercise conducted on the instructions of the Bank of Greece, on 6 March 2014, the Bank of Greece initially announced that the Group's additional capital needs were €2,945 million under the baseline scenario of the stress test and €4,980 million under the adverse scenario of the stress test. The Bank of Greece requested the Bank to submit its capital enhancement plan based on the baseline scenario by 15 April 2014 and its contingency plan, in the event that the adverse scenario were to materialise, for creating the relevant capital buffers, by 15

May 2014. The Bank submitted its capital enhancement plan based on the baseline scenario in March 2014. Following submission to the Bank of Greece of the Bank's capital enhancement plan, the initial assessment of €2,945 million was adjusted to €2,864 million. The main risks to the Bank's causing additional recapitalisation needs are: (a) the adverse economic environment in Greece, which may result in (i) a sharper deterioration in the quality of the loan portfolio than those projected by the BlackRock Updated Exercise and (ii) weak pre-provision profits in the domestic market; and (b) a weaker international environment, which may lead to lower-than projected profits from the Bank's international subsidiaries.

The objective of the Share Capital Increase was to increase the Bank's Core Tier I capital by €2,864 million as prescribed by Decision 109/8.4.2014 of the Credit and Insurance Committee of the Bank of Greece on 8 April 2014. However, even though the Bank has met these capital requirements, the above risks could result in further recapitalisation needs in the future.

On 26 October 2014, the European Central Bank ("ECB") and the European Banking Authority ("EBA") announced the results of the Comprehensive Assessment ("CA") of the European Union's ("EU") systemically important banks, which was conducted in cooperation with National Competent Authorities ("NCAs") and the EBA. The CA was undertaken prior to the transfer of full responsibility for banking supervision from national authorities to the ECB in November 2014 under the Single Supervisory Mechanism ("SSM"). The CA assesses the resilience of each bank, using a common methodology and applying it consistently across all participating banks. The results have been derived taking into account the combined effect of the following two main pillars:

- An Asset Quality Review ("AQR") – to enhance the transparency of bank balance sheets, by reviewing the quality of banks' assets, including the adequacy of asset and collateral valuation and related provisions;
- A Stress Test ("ST") – performed in cooperation with the EBA to examine the resilience of banks' balance sheets to two stress test scenarios: baseline and adverse.

Capital adequacy was assessed over a three-year time period (2014-2016) against a Common Equity Tier I ("CET 1") ratio benchmark of 8.0 per cent. and 5.5 per cent. in the baseline and adverse scenario, respectively. Furthermore, the CA was carried out on both the Static and Dynamic balance sheet assumptions. According to the Static balance sheet assumption, the actual balance sheet as of 31 December 2013 was used as reference, thus not taking into account any subsequent capital action and/or executed capital raising as well as structural operating performance improvement. According to the Dynamic balance sheet assumption, the effect of measures announced and committed in the Restructuring Plan ("RP") approved by the European Commission for the 2014-2016 period, have been incorporated. These were then stress-tested under the baseline and adverse scenario.

The CA represents an unprecedented exercise, given the wide, rigorous and detailed review of 130 banks and a key milestone in the harmonisation and strengthening of the European financial system. This exercise will also contribute to the enhancement of the financial stability of the EU banking system and provide confidence in the resilience of all tested banks. In particular, in the case of Eurobank, under the AQR, 84 per cent. of the Bank's total loan portfolio was reviewed. Specifically regarding the Greek corporate portfolio, credit file reviews and collateral valuation on €9.9 billion loans were performed, representing 64 per cent. of the relevant portfolio (note 6 to the consolidated accounts).

Taking into account the €2.9 billion raised pursuant to the share capital increase completed in May 2014, the results determine that Eurobank meets the capital benchmark set out for the purpose of the AQR, resulting in a CET1 ratio of 15.3 per cent. post AQR impact, compared to an 8 per cent. benchmark. Regarding ST outcome, ECB stated that the Dynamic scenario will be taken into

consideration for assessing the Group's capital position and has also stated that Eurobank has "practically no shortfall". More specifically, according to the Dynamic baseline scenario, the Group concludes the exercise with a CET1 ratio of 15.1 per cent. while, according to the adverse scenario, with 5.5 per cent. As a result, the Group meets the CA benchmarks in both baseline and adverse scenario and no capital shortfall arises from such extensive exercise.

Furthermore, a number of additional factors create a capital buffer of €1.4 billion, increasing the stressed CET1 ratio under the Dynamic adverse scenario from 5.5 per cent. to 9.5 per cent.

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 new state support, thereby increasing the likelihood that the shareholders will be subject to limitations on their rights, suffer significant dilution in their shareholding and/or incur significant losses in their investments.

***Eurobank's wholesale borrowing costs and access to liquidity and capital depend on the credit ratings of both the Bank and Greece***

A downgrade in the credit ratings of the Bank or that of Greece may have an adverse effect on the Bank's access to and cost of funding.

Negative publicity following a downgrade in the Bank's credit rating may have an adverse effect on depositors' sentiment, which may increase the Bank's dependency on Eurosystem funding. Eurobank is currently restricted in its ability to obtain funding in the capital markets and is heavily dependent on the Eurosystem for funding, and any further reductions in the long-term credit ratings of the Bank could delay the Bank's return to the capital and interbank markets for funding, increase the Bank's borrowing costs and/or restrict the potential sources of funding available to the Bank. It could also, coupled with deterioration in market conditions, have an adverse effect on the Bank's ability to use its collateral to secure funding.

Since 2009, Greece has experienced a series of credit rating downgrades and at the end of 2010 moved to below investment grade. In early 2012, following announcement of the reduction of public debt in Greece through the PSI, Greece was given default ratings by Standard & Poor's Credit Market Services ("S&P"), Moody's Investors Service ("Moody's") and Fitch Ratings Limited ("Fitch"). Since then, Greece's sovereign ratings improved due to attainment of certain fiscal targets and the on going implementation of structural reforms under the Economic Adjustment Programmes. As at the date of this Prospectus, Greece was rated CCC+ by S&P, Caa2 by Moody's, CCC by Fitch and B by DBRS. As at the date of this prospectus, Greece had been given a negative ratings outlook by all (except Fitch (stable outlook)) above mentioned international credit rating agencies, reflecting increased risks stemming from the recent political instability. A further downgrade of Greece's rating may occur in the event of a failure to implement the Second Economic Adjustment Programme or if the Second Economic Adjustment Programme fails to produce the intended results. Accordingly, the cost of risk for Greece could increase further, with negative effects on the cost of risk for Greek banks and thereby on their results. Further downgrades of Greece's sovereign credit rating could result in a corresponding downgrade in the Bank's credit rating.

As at the date of this Prospectus, the Bank's long term credit ratings as assigned by the international credit rating agencies are:

- Standard & Poor's: "CCC+" Negative Outlook
- Fitch: "CCC" Stable Outlook
- Moody's: "Caa3" Negative Outlook

***Deteriorating asset valuations resulting from poor market conditions may adversely affect the Bank's business, financial condition, results of operations and prospects***

The global economic slowdown and the economic crisis in Greece from 2009 to 2014 have resulted in an increase in past due loans and significant changes in the fair values of the Bank's financial assets. A substantial portion of the Group's loans to corporate and individual borrowers are secured by collateral such as real estate, securities, term deposits and receivables. In particular, as mortgage loans are one of the Bank's principal assets (€18.4 billion as at 31 December 2014) Eurobank is currently highly exposed to developments in real estate markets, especially in Greece. From 2002 to 2007, demand for housing and mortgage financing in Greece increased significantly, driven by, among other things, economic growth, positive expectations about the future prospects of the Greek economy, declining unemployment rates, demographic and social trends and historically low interest rates in the Eurozone. Construction activity has contracted sharply since 2009. From 2009 to 2013, the cumulative decrease of Gross fixed capital formation (in chain linked volumes (2010)) in total construction was equal to 61 per cent, according to the Hellenic Statistical Authority. Housing prices began decreasing in 2009 and these decreases have continued in 2014 due to further contraction of disposable income and high supply of houses available for sale. More specifically, during the period between the first quarter of 2009 to the fourth quarter of 2014, the average annual change of apartment prices was equal to -7.33 per cent., according to the Bank of Greece. The sharp increase in unemployment rate during the economic crisis, which in 2014 was 26.6 per cent., compared to 7.8 per cent. in the corresponding period in 2008, according to the Hellenic Statistical Authority, aggravated the situation, with mortgage delinquencies increasing further.

Decreases in the value of collateral to levels lower than the outstanding principal balance of the corresponding loans, in particular with respect to loans granted in the years prior to the Greek economic crisis, an inability to provide additional collateral, a continued downturn of the Greek economy or a further deterioration of the financial conditions in any of the sectors in which the Bank's debtors conduct business may cause the Group to suffer further impairment losses and provisions to cover credit risk, which could exceed those projected by the Bank as included in the assessment of the Group by the Bank of Greece under its adverse scenario.

A decline in the value of the collateral securing the Group's loans may also result from a further deterioration of financial conditions in Greece or the other markets where the collateral is located. In addition, the Bank's failure to recover the expected value of collateral in the case of foreclosure, or the Bank's inability to initiate foreclosure proceedings due to domestic legislation, may expose the Bank to losses which could have a material adverse effect on the Bank's business, results of operations and financial condition. Specifically, foreclosures initiated by credit institutions for satisfaction of claims against the primary residence of debtors who meet certain eligibility criteria have been forbidden since 1 July 2010, and such prohibition was recently expanded until 31 December 2014, pursuant to Law 4224/2013 which was enacted on 21 December 2013. There can be no assurance that this prohibition will not be extended beyond this date, or that the private debt resolution mechanism to be proposed by a special governmental council established by virtue of Law 4224/2013 will not restrict the Bank's ability to take enforcement measures against the Bank's debtors. See "*Regulation and Supervision of Banks in Greece*".

In addition, an increase in financial, property and other markets volatility or adverse changes in the marketability of the Bank's assets could impair the Bank's ability to value certain of the Bank's assets and exposures. The value ultimately realised by the Bank will depend on their fair value determined at that time and may be materially different from their current carrying or book value. Any decrease in the value of such assets and exposures could require the Bank to recognise additional impairment charges, which could adversely affect the Bank's business, financial condition, results of operations and prospects, as well as the Bank's capital adequacy.

***Eurobank is exposed to the risk of political instability in Greece***

The political and economic environment in Greece remains fluid and subject to significant uncertainty. Any aggravation of the economic environment or of social tensions could precipitate a change of government or a revision of policies. Following the parliamentary elections of 25 January 2015 a new coalition government is in office with an aim to implement radical reforms in all sectors of the economy and administration with a strong focus to reinstatement of social injustices and easing of the impact of the austerity measures included in the current Second Economic Adjustment Programme on low income individuals. These policies may contradict the principles applicable in the current Second Economic Adjustment Programme and may lead to a disruption in the relationship between Greece and its Eurozone partners. This could affect the Bank's business and strategic orientation, which may adversely affect the Bank's business, financial condition, results of operations and prospects.

***The Bank may not be able to pay dividends to its holders of ordinary shares and preference shares***

As a result of the Bank's participation in the Hellenic Republic Bank Support Plan (see "*Regulation and Supervision of Banks in Greece*"), the Bank paid dividends to holders of its ordinary shares in relation to the financial year ended 31 December 2008 in the form of ordinary shares. In relation to the financial years ended 31 December 2009 and 2010, the Bank did not pay any dividends to holders of its ordinary shares, but it did pay the fixed return to the Greek state as holder of its preference shares. In relation to the financial years ended 31 December 2011, 2012, 2013 and 2014, the Bank neither paid dividends to holders of its ordinary shares nor the fixed return to the Greek state, as a result of the losses generated in these financial years. In addition, under the terms of the Bank's preference shares and Law 3723/2008, payment of the fixed return to the Greek state should be made before any payment of dividends to the Bank's ordinary shareholders and is subject to an annual step up of 2 per cent. in case the Bank's preference shares have not been redeemed five years after their issuance.

As a result of the Bank's participation in the Hellenic Republic Bank Support Plan, the Greek state has appointed a representative to the Board of Directors of the Bank with the right to veto any decision for the distribution of dividends either at the instruction of the Minister of Finance or at his own initiative if he considers that such decision may jeopardise the interests of the Bank's depositors or materially affect the solvency and the orderly operation of the Bank. Additionally, as a consequence of the Bank's recapitalisation exclusively by the HFSF in May 2013, pursuant to Law 3864/2010, the HFSF representative on the Board of Directors of the Bank has the right to veto decisions about the distribution of dividends.

Moreover, under the commitments that the Greek Government has undertaken under the Second Economic Adjustment Programme which are binding on the Bank (see "*Regulation and Supervision of Banks in Greece*") and the terms of Eurobank's revised restructuring plan approved by the European Commission on 29 April 2014 (see "*Risks Relating to Our Business—The Group could be subject to a variety of risks as a result of implementing its state aid restructuring plan*"), unless the European Commission otherwise agrees to an exception, neither the Bank nor any member of the Group will pay any dividend prior to the end of its restructuring period, which is defined in the Bank's revised restructuring plan as 31 December 2018, other than where there is a legal obligation to do so, while the Bank will not release reserves to put itself in such a position.

Consequently, for as long as the Bank continues to participate in the Hellenic Republic Bank Support Plan and/or is subject to Law 3864/2010 and/or is bound by the above commitments, as well as the terms of the Bank's revised restructuring plan, it may be prohibited from paying dividends to the holders of ordinary shares.

***The EU regulatory and supervisory framework may constrain the economic environment and adversely impact the operating environment of the Bank.***

In May 2013, two regulations on economic governance were enacted by the European Parliament: (i) Regulation (EU) 473/2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area; and (ii) Regulation (EU) 472/2013 on the strengthening of economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability. These two regulations which became effective in May 2013 introduced provisions for enhanced monitoring of countries' budgetary policies. In addition, greater emphasis is being placed on the debt criterion of the Stability and Growth Pact, under which Member States whose debt exceeds 60 per cent. of GDP (the EU's debt reference value), such as Greece, would be required to take steps to reduce their debt at a pre-defined pace, even if their deficit is below 3 per cent. of GDP (the EU's deficit reference value). As a preventive measure, an expenditure benchmark has been proposed, which implies that annual expenditure growth should not exceed a reference medium-term rate of GDP growth. A new set of financial sanctions have been proposed for Member States in the euro area that do not comply with the excessive deficit procedure as described in Regulation 473/2013 of the European Union; such sanctions would be triggered at a lower deficit level and would use a graduated approach. Given the dimensions of Greece's public debt imbalance, these measures are likely to have the effect of limiting the government's capacity to stimulate economic growth through spending or through a reduction of the tax burden for a long period. Any limitation on growth of the Greek economy is likely to adversely affect the Group's business, financial condition, results of operations and prospects.

## **Risks relating to Volatility in the Global Financial Markets**

### ***The Group is vulnerable to the on-going political disruptions and volatility in the global financial markets***

Most of the economies with which Greece has strong export links, including a number of Eurozone countries, continue to face significant economic headwinds. The outlook for the global economy over the medium term remains challenging, with predictions for stagnant or modest levels of gross domestic product growth in the European Monetary Union. Economic activity remains dependent on highly accommodative macroeconomic policies and is subject to downside risks, as room for countercyclical policy measures has sharply diminished. Policymakers in many advanced economies have publicly acknowledged the need to urgently adopt 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 business, financial condition, results of operations and prospects.

In financial markets, during the period of 2010 – early 2013, concerns surfaced in a progressive widening of intra-Eurozone government bond and sovereign credit default swap ("CDS") spreads for several Eurozone government issuers with large fiscal imbalances. Against a background of increasing unease over the sizeable fiscal imbalances, investors had reduced their investments in these countries. However, since then, market concerns over the aforementioned issues have eased considerably, aided by actions taken or announced by the ECB, resulting in a gradual tightening of Eurozone government credit spreads providing a positive impetus on investment flows. Nevertheless, renewed uncertainty and/or deterioration of investment flows may retard economic recovery, with a corresponding negative impact on the Bank's business, financial condition, results of operations and prospects, including the Bank's ability to fund its operations.

The Bank's results of operations, both in Greece and abroad, in the past have been, and in the future may continue to be, materially affected by many factors of a global nature, including: political and regulatory risks and the condition of public finances; the availability and cost of capital; the liquidity of global markets; the level and volatility of equity prices and interest rates; currency values; the availability and cost of funding; inflation; the stability and solvency of financial institutions and other

companies; investor sentiment and confidence in the financial markets; or a combination of any of the above factors.

***Eurobank is exposed to risks faced by other financial institutions that are the Bank's counterparties***

The Bank routinely transacts with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients. Sovereign credit pressures may weigh on other financial institutions, limiting their funding operations and weakening their capital adequacy by reducing the market value of their sovereign and other fixed income holdings. These liquidity concerns have adversely impacted, and may continue to adversely impact, inter-institutional financial transactions in general. Concerns about, or a default by, one financial institution could lead to significant liquidity problems and losses or defaults by other financial institutions, as the commercial and financial soundness of many financial institutions may be closely related as a result of credit, trading, clearing and other relationships. Many of the routine transactions the Bank enters into expose it to significant credit risk in the event of default by one of the Bank's significant counterparties. Even the perceived lack of creditworthiness of, or questions about, a counterparty may lead to market-side liquidity pressures or losses or an inability of the Bank or other Group members to pay the debt. In addition, the Bank's credit risk may be exacerbated when the collateral the Bank holds cannot be enforced or is liquidated at prices not sufficient for the Bank to recover the full amount of the loan or derivative exposure. A default by a significant financial and credit counterparty, or liquidity problems in the financial services industry in general, could have a material adverse effect on the Bank's business, financial condition, results of operations, prospects and capital position.

**Risks relating to the Bank's business**

***The Greek state has the ability to exercise, and currently exercises, significant influence on the Bank***

The Greek state directly owns all of the Bank's 345.5 million non-voting, non-transferable, redeemable preference shares issued pursuant to Law 3723/2008 under the Hellenic Republic Bank Support Plan (see "*Regulation and Supervision of Banks in Greece*"). This direct stake of the Greek state in the Bank provides the Greek state, among other things, with voting rights at the general meeting of preferred shareholders, the right to appoint a representative on the Board of Directors, who has the ability to veto decisions relating to strategic issues or decisions that could have a material impact on the legal or financial status of the Bank and for which the approval of the general meeting of the Bank's ordinary shareholders ("General Meeting") is required, or decisions referring to the distribution of dividends and the remuneration of the Bank's Chairman, Chief Executive Officer and the remaining members of the Bank's Board of Directors and the Bank's general managers and their deputies pursuant to a relevant decision of the Ministry of Finance, or in the case that the representative believes that such a decision may jeopardise the interests of the depositors or may materially affect the Bank's solvency and orderly operation. In addition, the representative of the Greek state has full access to the Bank's liquidity, books and records, restructuring and viability reports, plans for medium-term financing needs, as well as data relating to the level of funding of the economy. The representative of the Greek State also partakes in the General Meeting and has a veto right during the discussion and the decision-making regarding the abovementioned matters.

The Greek state also has interests in other Greek financial institutions and an interest in the financial soundness of the Greek banking industry and other industries generally, and those interests may not always be aligned with the commercial interests of the Group or its shareholders.

***The European Commission has the ability to exercise, and currently exercises, significant influence on the Bank***

Greece, as part of the Second Economic Adjustment Programme, made a series of commitments to the European Commission regarding the restructuring of Greek banks, including the appointment of a monitoring trustee, who acts on behalf of the European Commission and aims to ensure the compliance of the Bank and its subsidiaries with the aforementioned commitments (the “Monitoring Trustee”), which are in force during the period of the restructuring plan to be agreed and approved by the EU unless otherwise provided for in the decision of the EU Directorate-General for Competition of the European Commission approving the Bank’s restructuring plan. On 22 February 2013 Grant Thornton S.A. was appointed as Monitoring Trustee of the Bank after prior approval by the European Commission. The Monitoring Trustee is responsible for monitoring the compliance of the Bank with Law 2190/1920 on sociétés anonymes, the corporate governance provisions and in general the banking regulatory framework, and will monitor the implementation of the restructuring plan and the organisational structure of the Bank in order to ensure that the internal audit and risk management departments of the Bank are fully independent from commercial networks. The Monitoring Trustee may attend the meetings of the audit committee, the Group asset-liability committee (“G-ACLO”) and risk management committee of the Bank as an observer, reviews the annual audit plan and may require additional investigations, receives all reports emanating from internal control bodies of the Bank and is entitled to interview any auditor. Furthermore, the Monitoring Trustee monitors the commercial practices of the Bank, with a focus on credit policy and deposit policy. Accordingly, the Monitoring Trustee attends the meetings of the credit committees of the Bank as an observer, and monitors the development of the loan portfolio, the maximum amount that can be granted to borrowers, the transactions with related parties and other relevant matters. The Monitoring Trustee also has access to all the relevant credit files and the right to interview credit analysts and risk officers. Furthermore, the Monitoring Trustee monitors the management of claims and litigations of the Bank. As a result, the Bank’s management’s discretion is subject to further oversight and certain decisions may be constrained by powers accorded to the Monitoring Trustee.

***The HFSF as shareholder has certain rights and currently exercises significant influence over the Bank on all important decisions***

As a result of the Bank’s recapitalisation exclusively by the HFSF in May 2013 pursuant to Law 3864/2010 (see “*Regulation and Supervision of Banks in Greece*”), the HFSF had acquired unrestricted shareholder voting rights in respect of its shareholdings in the Bank. Following the successful participation of private investors in the Share Capital Increase of the Bank in May 2014, which exceeded the minimum requirement of 50 per cent., and the decrease in the percentage of the ordinary shares with voting rights held by HFSF from 95.23 per cent. to 35.41 per cent., under article 7A, paragraph 2(b) of Law 3864/2010, as amended pursuant to 4254/2014 the HFSF’s voting rights in the Bank will be exercised at the General Meeting of the Bank’s ordinary shareholders only with respect to resolutions relating to the amendment of the Bank’s Articles of Association, including resolutions relating to the increase or decrease of the Bank’s share capital, or the granting of a relevant authorisation to the Bank’s Board of Directors, resolutions relating to mergers, divisions, conversions, revivals, extensions of the term or dissolution of the Bank, resolutions relating to transfers of assets, including the sale of subsidiaries, or resolutions with respect to any other matter requiring approval by an increased majority in accordance with Law 2190/1920. In addition, under article 10, paragraph 2(b)(iii) of Law 3864/2010, as amended pursuant to Law 4254/2014, the HFSF representative on the Bank’s Board of Directors will be entitled to veto any decision of the Bank’s Board of Directors relating to any of the above matters, to the extent that such decision is likely to significantly affect the participation of the HFSF in the Bank’s share capital. Furthermore, the initial relationship framework agreement dated 12 July 2013 between the Bank and the HFSF, concluded pursuant to article 6, paragraph 5 of Law 3864/2010, was replaced in its entirety by a new relationship framework agreement dated 26 August 2014 (the “Relationship Framework Agreement”).

Following the above, under Law 3864/2010, as amended by Law 4254/2014 and as in force today, and in accordance with the terms of the Relationship Framework Agreement, the HFSF’s appointed representative on the Bank’s Board of Directors, as a non-executive member, is entitled, among

other things: (i) to request the convocation of the Shareholders' General Meeting within shortened deadlines; (ii) to veto any decision of the Bank's Board of Directors (A) regarding the distribution of dividends and the remuneration policy concerning the Bank's Chairman, Chief Executive Officer and the remaining members of the Bank's Board of Directors and the Bank's general managers and their deputies; (B) where the decision in question could jeopardise the interests of depositors or materially and adversely affect the Bank's liquidity or solvency or the overall prudent and orderly operation of the Bank; or (C) concerning corporate actions relating to resolutions regarding an amendment of the Bank's Articles of Association, including resolutions relating to the increase or decrease of the Bank's share capital or the granting of a relevant authorisation to the Bank's Board of Directors, resolutions relating to mergers, divisions, conversions, revivals, extensions of the term or dissolution of the Bank, resolutions relating to transfers of assets, including the sale of subsidiaries or resolutions with respect to any other matter requiring approval by an increased majority in accordance with Law 2190/1920, to the extent such decision is likely to significantly affect the HFSF's participation in the Bank's share capital; (iii) to request an adjournment of any meeting of the Board of Directors for up to three (3) business days in order to get instructions from the HFSF's Executive Committee, following consultation with the Bank of Greece; (iv) to request the convocation of the Board of Directors; (v) to approve the Bank's Chief Financial Officer (CFO). In addition, the HFSF has the right to appoint a representative on the Audit Committee, the Risk Committee, the Remuneration Committee and the Nomination Committee, request the convocation of the aforementioned committees of the Board of Directors in which such representative participates, add items to the agendas of general meetings of the Bank's shareholders and meetings of the Board of Directors and of the aforementioned Committees of the Board of Directors in which such representative participates, as well as to monitor the Bank's business performance and risk profile to ensure that the objectives of the Bank's restructuring plan and the control environment standards are met. See "*Regulation and Supervision of Banks in Greece—The Hellenic Financial Stability Fund ("HFSF")*".

The Bank also has the obligation to seek and obtain the prior written consent of the HFSF in relation to certain material matters, including any material corporate transactions, such as acquisitions or disposals, mergers, restructurings, capital increases and capital reductions.

Consequently, although under the terms of the Relationship Framework Agreement the HFSF has undertaken certain commitments in relation to the Bank's business autonomy and independence in the Bank's decision making, there is a risk that the HFSF may exercise the rights it has to exert influence over the Bank and may disagree with certain decisions of the Bank and the Group relating to dividend distributions, benefits policies and other commercial and management decisions which will ultimately limit the operational flexibility of the Group.

***The Group could be subject to a variety of risks as a result of implementing its state aid restructuring plan***

Following the execution of the Presubscription Agreement on 28 May 2012 between the HFSF the Bank and the EFSF as subsequently amended on 21 December 2012 and 30 April 2013 (the "Presubscription Agreement") the HFSF contributed EFSF notes to the Bank of nominal value €3,970 million, €1,341 million and €528 million respectively (total of €5,839 million) as an advance payment against the total amount of recapitalisation required by the Bank, the Bank submitted to the EU Directorate-General for Competition on 31 October 2012 (through the Ministry of Finance) a restructuring plan in accordance with Law 3864/2010. As the restructuring plan the Bank submitted no longer adequately reflects the Bank's business prospects because of the Bank's recapitalisation by the HFSF and its acquisitions of New TT HPB and New Proton Bank, the EU Directorate-General for Competition requested the submission of a revised restructuring plan.

On 16 April 2014, Eurobank, through the Ministry of Finance, submitted to the European Commission the Bank's revised restructuring plan, which was approved by the Bank's Board of Directors on 11 April 2014 and by the General Council of the HFSF on 14 April 2014. The revised restructuring plan,

which was approved by the European Commission on 29 April 2014, was based on macroeconomic assumptions in line with those provided by the HFSF and comprises the following principal commitments, to be implemented by 31 December 2018:

- the reduction of the Bank's total costs in Greece (Greek banking and non banking activities) to below €800 million for the year ending 31 December 2017;
- the reduction of the Bank's cost of deposits collected in Greece (including savings, sight and term deposits and other similar products offered to customers and which costs are borne by the Bank);
- the reduction of the net loan to deposit ratio for the Bank's Greek banking activities to no higher than 115 per cent. by 31 December 2017;
- the reduction of the Bank's portfolio of foreign assets (defined as assets related to the activities of customers outside Greece, independently of the country where the assets are booked) to a maximum of €8.77 billion by 30 June 2018;
- the sale of a minimum 80 per cent. shareholding in the Group's insurance activities (life and non life) by 31 December 2015;
- the reduction of the Bank's shareholding in Grivalia Properties to 20 per cent. by 31 December 2016, with the remainder of the Bank's shareholding to be sold by 31 December 2018;
- selling down the Bank's portfolio of equity securities and subordinated bonds and hybrid bonds (subject to certain exceptions) to less than €35 million by 31 December 2015;
- commitments not to provide the Bank's foreign subsidiaries with additional equity or subordinated capital in excess of a specified threshold (calculated as a percentage of the weighted assets of each subsidiary up to a maximum percentage per subsidiary, unless the regulatory framework of each relevant jurisdiction requires otherwise), not to purchase any non investment grade securities (subject to certain exceptions) and to institute a cap on the remuneration of the Bank's employees and managers, in each case subject to certain exceptions;
- commitments relating to the credit policy to be adopted by the Group, including specific requirements applying to connected borrowers (defined as including, among others, the Group's employees, management and shareholders, public institutions and government controlled organisations and political parties); and
- certain other commitments, including (i) restrictions on the Bank's ability to make certain acquisitions and (ii) commitments not to make discretionary payments of coupons in accordance with the terms of the notes included in the Bank's regulatory capital, exercise voluntary call options on own funds instruments and subordinated debt instruments or buy back hybrid capital instruments.

The implementation of these commitments may have a material adverse effect on the Bank's business, operating results and financial condition. If the Group fails to complete any of the required disposals within the agreed timeframes, subject to the terms of the state aid decision approving the Bank's revised restructuring plan, a divestiture trustee may be empowered to conduct the disposals, with the mandate to complete the disposal at no minimum price.

Any inability on the Bank's part to comply with the terms of the Bank's revised restructuring plan may result in the European Commission initiating a procedure to investigate the misuse of aid, which may

result in the partial or entire recovery of state aid and/or the imposition of additional conditions, including limiting the Bank's ability to support the Bank's foreign subsidiaries, introducing additional limitations on the Bank's ability to hold and manage its securities portfolio, introducing additional limitations on the Bank's investment policy and other conditions, in line with previous requests to banks in the European Union that have received state aid.

Furthermore, if the European Commission decides that there has been a misuse of aid, the Hellenic Republic may be required to recover all or a portion of the state aid which has been misused by returning all or a portion of the capital support that the Bank has received from the HFSF. In addition, material obligations of the Group that are set forth in the Bank's revised restructuring plan or further its implementation would have been breached, and pursuant to article 7, par. 4 of Law 3864/2010, as amended pursuant to Law 4254/2014, the HFSF would be entitled to exercise its voting rights deriving from the ordinary shares it owns in the Bank (as set out in "*The HFSF as shareholder has certain rights and currently exercises significant influence over the Bank on all important decisions*" above) without restrictions.

***Market fluctuations and volatility may result in significant losses in the commercial and investment activities of the Group***

The Bank maintains positions in its trading and investment portfolio that relate to the debt, currency, equity and other markets. These positions could be adversely affected by continuing volatility in financial and other markets as well as the Greek sovereign debt crisis, increasing the probability of substantial losses. Declines in perceived or actual values of the Group's assets have been observed in previous market events.

Continuing volatility and further dislocation affecting certain financial markets and asset classes could further impact the Group's results of operations, financial condition and prospects. In the future these factors could have an impact on the mark to market valuations of assets in the Group's available for sale and trading portfolios and financial assets and liabilities for which the fair value option has been elected. In addition, any further deterioration in the performance of the assets in the Group's investment securities portfolios could lead to additional impairment losses. Investment securities accounted for 23.6 per cent. and 24.1 per cent. of the Group's total assets as at 31 December 2014 and 31 December 2013, respectively.

Volatility can also lead to losses relating to a broad range of other trading securities and derivatives that the Bank holds, including swaps, futures, options and structured products.

***The increase of past due loans may have a negative impact on the Group's operations in the future***

Loans more than 90 days past due represented 33.4 per cent. of the Bank's loans as at 31 December 2014, compared to 29.4 per cent. as at 31 December 2013. The effect of the economic crisis in Greece and adverse macroeconomic conditions in the countries in which the Bank operates may result in further adverse effects on the credit quality of the Bank's borrowers, with increasing delinquencies and defaults. As at 31 December 2014, the Bank had cumulative provisions for impairment losses on loans and advances to customers of €9,748 million, an increase of €1,418 million compared to 31 December 2013 (excluding in 2014 an adjustment of €442 million for reclassified loans). Any further deterioration in the credit quality of the Bank's loan portfolio, and any resulting increase in delinquencies and defaults, could lead the Bank to further increase its provision for impairment losses, which could have a material adverse effect on the Bank's capital position, financial condition and results of operations. Moreover, as a result of the financial crisis, and for the protection of the weaker debtors, foreclosure actions have been suspended until 31 December 2014, in cases involving the primary residence of an individual (see "*Regulation and Supervision of Banks in Greece*").

***Volatility in interest rates may negatively affect the Bank's net interest income and have other adverse consequences***

Interest rates are highly sensitive to many factors beyond the Bank's control, including monetary policies and domestic and international economic and political conditions. Events in the future could alter the interest rate environment in Greece and the other markets in which the Group operates. Cost of funding is especially at risk for the Bank due to increased Eurosystem funding and the tight liquidity conditions in the Greek domestic deposit market.

As with any bank, changes in market interest rates may affect the interest rates the Bank earns on its interest earning assets differently than the interest rates the Bank pays on its interest bearing liabilities. This difference could reduce the Bank's net interest income. Since the majority of the Bank's loan portfolio effectively re-prices within a year, rising interest rates may also result in an increase in the Bank's allowance for impairment on loans and advances to customers if customers cannot refinance in a higher interest rate environment. Further, an increase in interest rates may reduce the Bank's clients' capacity to repay in the current economic circumstances. Conversely, an environment of falling or very low interest rates may likely alleviate the aforementioned risks, as it may improve both the clients' ability to refinance and capacity to service or repay their loans.

***Further deterioration in macroeconomic conditions could negatively affect the Bank's fee-generating businesses***

Potential adverse macroeconomic developments in Greece, such as a further decline in GDP or a further increase in unemployment, would place additional pressure on the Bank's fee-generating businesses, including the Bank's insurance, mutual funds, capital markets, network fees and lending businesses, and their contributions to the Bank's overall profitability. During Greece's economic crisis, the Bank's fee and commission income decreased from 0.9 per cent. of total assets in 2007 to 0.4 per cent. in 31 December 2014. The Bank's fee and commission income is highly correlated to the macroeconomic environment and market performance generally, and any deterioration in the macroeconomic environment in Greece or market conditions generally could have a material adverse effect on the Bank's fee-generating businesses.

***Changes in consumer protection laws may limit the fees that the Group can 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, credit cards and funds transfers and remittances. If introduced, such laws could reduce the Group's net income, which could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

***Laws regarding the bankruptcy of individuals and laws governing creditors' rights in Greece and various European countries may limit the Group's ability to receive payments on past due loans***

Laws regarding the bankruptcy of individuals and other laws and regulations governing creditors' rights generally vary significantly within the region in which the Group operates. In some countries, the laws offer significantly less protection for creditors than the bankruptcy regime in the United States. If the current economic crisis persists or worsens, bankruptcies could intensify, or applicable bankruptcy protection laws and regulations may change to limit the impact of the recession on corporate and retail borrowers. Such changes may have an adverse effect on the Group's business, operating results and financial condition.

***The Bank's business is subject to increasingly complex regulation, which may increase the Bank's regulatory and capital requirements***

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 significant changes to current bank regulatory frameworks, including those pertaining to capital adequacy, liquidity and the scope of banks' operations. As a result of these and other on-going and possible future changes in the financial services regulatory framework (including requirements imposed by virtue of the Bank's participation in any government or regulator-led initiatives, such as the Hellenic Republic Bank Support Plan), the Bank expects to face greater regulation in Greece and New Europe. Compliance with such regulations may increase the Bank's capital requirements and costs, heighten Bank Support Plan), the Bank may face stricter regulation. Current and future regulatory requirements may be different across jurisdictions, and even requirements with EEA-wide application may be implemented or applied differently in different jurisdictions.

For example, regulation of the banking industry in Greece has changed in recent years largely as a result of Greece's implementation of applicable EU directives and in response to the economic crisis in Greece. During 2011 and the beginning of 2012, the Bank of Greece issued a series of Governor's Acts (GA/Bank of Greece) aiming to further strengthen the regulatory framework of financial institutions and to incorporate specific European guidelines. In June 2013, the European Parliament and the Council adopted Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, and Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, which incorporates respective amendments that have been proposed by the Basel Committee for Banking Supervision (the "Basel Committee") ("Basel III"). The majority of the provisions of Directive 2013/36/EU was enacted in Greece pursuant to Greek law 4261/2014 (see also "*Regulation and Supervision of Banks in Greece*").

The new regime amends current rules on the capital requirements for banks and investment firms, aiming to further transpose into EU law the Basel III requirements, including rules regarding capital requirements, capital conservation and buffers, and liquidity and leverage. The rules have been in force since 1 January 2014, with full implementation on 1 January 2019.

In addition, the Solvency II Directive (2009/138/EC) is a fundamental review of the capital adequacy regime for the European insurance industry. This directive entered into force on 1 January 2014, but because the Omnibus II Directive, which directly effects the implementation date of Solvency II, has not yet been approved, implementation is now expected to be delayed until 2016. Once implemented, the capital structure and overall governance of the Group's life insurance business will change significantly, and this may have an adverse impact on the Bank's business, financial condition, results of operations and prospects. For additional information see "*Regulation and Supervision of Banks in Greece*").

Furthermore, the revised definitions and policies relating to restructured and non-performing loans and predetermined processes for calculating risk parameters announced by the ECB pursuant to the ECB Assessment and the ECB's assumption of prudential supervisory duties as part of the SSM may differ from those already used by the Bank's management and may affect credit risk monitoring. As a result, the ECB Assessment may reflect a different credit quality than the existing credit quality of the Bank's loan portfolio.

Compliance with these new requirements may increase the Bank's regulatory capital and liquidity requirements and costs and the Bank's disclosure requirements, restrict certain types of transactions, affect the Bank's strategy and limit or require the modification of rates or fees that the Bank charges on certain loan and other products, any of which could lower the return on the Group's investments, assets and equity. Eurobank may also face increased compliance costs and limitations on the Bank's ability to pursue certain business opportunities. The new regulatory framework may have significant scope and may have unintended consequences for the global financial system, the Greek financial system or the Bank's business, including increasing competition, increasing general uncertainty in the markets or favouring or disfavouring certain lines of business. Eurobank cannot predict the effect of any such changes on its business, financial condition, results of operations and prospects.

***The planned creation of a deposit guarantee system applicable throughout the European Union may result in additional costs to the Group***

The harmonisation of the deposit guarantee systems will represent significant changes to the mechanisms of the deposit guarantee systems currently in force in individual countries. Harmonisation of the deposit guarantee systems contemplates increasing ex ante funding to approximately 75 per cent. of total funds and increasing the target levels of the deposit guarantee systems to 2 per cent. of eligible deposits. Currently, the Greek deposit guarantee system guarantees up to 2.7 per cent. of eligible deposits (one of the highest in the EU).

If the contributions by the European Commission for the deposit guarantee scheme are higher than the ones currently in place in Greece and in the other countries in which the Bank operates this may result in the Bank increasing its contributions in this scheme which in turn may adversely affect the Bank's operating results.

Although the harmonisation of the deposit guarantee systems is currently expected to maintain the level of coverage at €100,000, the pressure on the EU authorities to simplify eligibility criteria and put swifter payment procedures in place may lead to additional adjustments in the level and scope of coverage, resulting in higher bank contributions to the deposit guarantee schemes.

***The new framework on bank recovery and resolution may adversely affect the rights of the creditors and shareholders of the Bank, the Bank's financial condition, results of operations and prospect***

The Council of the European Union has adopted a Bank Recovery and Resolution Directive which is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The implementation of the Directive or the taking of any action under it could materially affect the value of any Instruments.

On 2 July 2014, Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU) (the "Bank Recovery and Resolution Directive" or "BRRD") entered into force. The BRRD was due to be transposed into the laws of the member states by 1 January 2015, except for the provisions on bail-in which are due to be transposed by 1 January 2016. Greece has not yet transposed the BRRD.

The Directive provides for either the reorganisation or the liquidation of credit institutions facing financial difficulties and the allocation of the losses to their shareholders and creditors and the establishment of a single resolution fund which would be financed by bank levies raised at national level. The new framework may materially and adversely affect the rights of creditors and shareholders of the Bank, as well as the Bank's financial condition, results of operations and prospects (for a detailed analysis of the proposed framework please see "*Regulation and Supervision of Banks in Greece*").

***The Bank conducts significant international activities outside of Greece and as a result, the Group is exposed to political turmoil and other risks in these countries***

In addition to the Bank's operations in Greece, the Bank has substantial operations in Bulgaria, Romania, Serbia, Cyprus and Luxembourg. The Group's international operations accounted for 14.6 per cent. of its €51.9 billion gross loans as at 31 December 2014 (compared to 15.0 per cent. as at 31 December 2013) and 27.0 per cent. of its net interest income for the period ended 31 December 2014 (compared to 31.3 per cent. for the period ended 31 December 2013). The Group's international operations are exposed to the risk of adverse political, governmental or economic developments in the countries in which the Group operates. Furthermore, the majority of the countries outside Greece where the Group conducts business are "emerging economies" in which the Group faces particular financial and operational risks. These factors could have a material adverse effect on the Bank's business, results of operations and financial condition. The Bank's international operations also expose the Bank to foreign currency risk. A decline in the value of the currencies in which the Bank's international subsidiaries receive their income or value their assets relative to the value of the euro may have an adverse effect on the Bank's results of operations and financial condition.

***The debt crisis in Cyprus and the sustainability problems which its financial sector faces, the consequences of which cannot be immediately and accurately determined, may adversely affect the Bank's business, financial condition, results of operations and prospects***

On 25 March 2013, the European Commission reached an agreement with the Government of Cyprus, regarding a programme of macroeconomic adjustment, aiming at re-establishing the viability of the financial sector and implementing fiscal reforms for the following years. As part of this programme, Cyprus will receive €10 billion and two of the largest banks in Cyprus, Cyprus Popular Bank and Bank of Cyprus, have been subject to reorganisation measures resulting in the winding up of Cyprus Popular Bank and combining its operations with Bank of Cyprus. In particular, this programme aims to ensure that all deposits below €100,000 are insured and that the domestic banking sector as a percentage of GDP will reach the average of the EU by 2018 and withholding tax on capital returns and the corporate income tax rate will increase. Cyprus and the European Commission in cooperation with the ECB and the IMF, agreed on a memorandum of understanding for this programme in early April 2013, which was enacted by the parliament of Cyprus and intends to fully cover the financing needs of Cyprus for the 2013–2016 period. Nevertheless, additional measures may be necessary in the event of deviations.

As part of the Cyprus programme, Cyprus Popular Bank is under liquidation, as a result of which its depositors with deposits above €100,000 will incur losses and could have deposits over €100,000 wiped out entirely, and with regard to Bank of Cyprus, its depositors with deposits above €100,000 will participate in its recapitalisation by exchanging part of their deposits for Bank of Cyprus shares, which may lead to significant deposit withdrawals.

As at 31 December 2014, the Bank's Cypriot subsidiary Eurobank Cyprus Ltd. had total assets of €4.3 billion. As at 31 December 2014, Eurobank Cyprus Ltd. had total deposits of €3.3 billion, which represented 8.1 per cent. of total deposits of the Group, compared to 6.0 per cent. as at 31 December 2013. As at and for the period ended 31 December 2014, operating income of the Bank's Cypriot subsidiary amounted to €64.7 million (after the deduction of intragroup transactions), which represented 3.4 per cent. of the Group's consolidated operating income.

The consequences from the implementation of the new regime in the Cypriot economy and the financial system of Cyprus as well as the extent of the recession cannot be currently foreseen and may adversely affect the Bank's business, financial condition, results of operations and prospects.

***If the Group's reputation is damaged, this would affect its image and customer relations, which could adversely affect the Bank's business, financial condition, results of operation and prospects***

Reputational risk is inherent to the Group's business activity. Negative public opinion towards the Group or the financial services sector as a whole could result from real or perceived practices in the banking sector in general, such as money laundering, negligence during the provision of financial products or services, or even from the way that the Group conducts, or is perceived to conduct, its business. Negative publicity and negative public opinion could adversely affect the Group's ability to maintain and attract customers, in particular, institutional and retail depositors, which could adversely affect the Group's business, financial condition, results of operations and prospects and, in an extreme case, could lead to an accelerated outflow of funds from customer deposits which could result in the Bank or another member of the Group being unable to continue operating without additional funding support, which it may not be able to secure.

***The loss of senior management may adversely affect the Bank's ability to implement its strategy***

The Bank's current senior management team includes a number of executives whom the Bank believes contribute significant experience and expertise to the Bank's management in the banking sectors in which the Bank operates. The continued performance of the Bank's business and the Bank's ability to execute its business strategy will depend, in large part, on the efforts of the Bank's senior management. If any of the Bank's senior management were to leave, the Bank's business may be materially adversely affected.

***Eurobank may be unable to recruit or retain experienced and/or qualified personnel***

The Bank's competitive position depends, in part, on the Bank's ability to continue to attract, retain and motivate qualified and experienced banking and management personnel. Competition for personnel with relevant expertise is high due to the relatively limited availability of qualified individuals. Under the terms of the Hellenic Republic Bank Support Plan, as currently applicable, the Bank is prohibited from paying bonuses to the members of the Board of Directors, the Chief Executive Officer and any general managers or their deputies. Furthermore, as a result of the economic crisis and regulatory restrictions on bonus payments, the Bank is limiting or restricting the bonuses and other performance incentives the Bank pays its personnel, which may inhibit the retention and recruitment of qualified and experienced personnel. The inability to recruit and retain qualified and experienced personnel in Greece and countries where the Bank operates, or manage the Bank's current personnel successfully, could adversely affect the Bank's business, financial condition, results of operations and prospects.

***The Greek banking sector is subject to strikes, which may adversely affect the Group's operations***

Most of the Bank's employees belong to a union, and the Greek banking industry has been subject to strikes over the issues of pensions and wages. Greek bank unions in general participate in general strikes, which have increased. Prolonged labour unrest or collective action in which a significant number of the Bank's employees participate could have a material adverse effect on the Bank's operations in Greece, either directly or indirectly, for example on the willingness or ability of the government to pass the reforms necessary to successfully implement the Second Economic Adjustment Programme.

***The value of certain financial instruments recorded at fair value is determined using financial models incorporating assumptions, judgments and estimates that may change over time or may not be accurate***

In establishing the fair value of certain financial instruments, the Group relies on quoted market prices or, where the market for a financial instrument is not sufficiently active, internal valuation models that utilise observable financial market data. In certain circumstances, the data for individual financial instruments or classes of financial instruments utilised by such valuation models may not be available or may become unavailable due to changes in financial market conditions. In such circumstances, the Group's internal valuation models require the Group to make assumptions, judgments and estimates to establish fair value. These internal valuation models are complex, and the assumptions, judgments and estimates the Group is required to make often relate to matters that are inherently uncertain, such as expected cash flows. Such assumptions, judgments and estimates may need to be updated to reflect changing facts, trends and market conditions. The resulting change in the fair values of the financial instruments could have a material adverse effect on the Group's earnings and financial condition. Also, recent market volatility and illiquidity has challenged the factual bases of certain underlying assumptions and has made it difficult to value certain of the Group's financial instruments. Valuations in future periods, reflecting prevailing market conditions, may result in changes in the fair values of these instruments, which could have a material adverse effect on the Group's financial condition, results of operations and prospects.

***Eurobank is exposed to credit risk, operational risk and liquidity risk***

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

*Credit Risk*

The Group takes on exposure to credit risk, which is the risk that a counterparty will be unable to fulfil its payment obligations. Impairment provisions are recognised as losses incurred at the balance sheet date. Significant changes in the economy or in the state of a particular sector of activity forming an important part of the Group's portfolio may lead to losses differing from those recognised on the balance sheet date. Therefore the Bank's management is cautious in the handling of exposure to credit risk. Market Risk

The Group is exposed to market risks. Market risks are created by open positions in interest rate products, products based on exchange rates or shares, or a combination thereof, which are affected by general and specific market fluctuations. More specifically, the market risks to which the Group is exposed are as follows:

(a) Interest rate risk

The Group is exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

(b) Currency risk

The Group's financial position and cash flows are exposed to risks from the effects of fluctuations in the prevailing foreign currency exchange rates in relation to the reference currency (EUR).

(c) Equity Risk

Equity price risk is the risk of decrease in fair values as a result of changes in equity indices and the value of individual stocks. The exposure to fluctuations in equity prices that the Group undertakes arises mainly from the investment portfolio.

### *Operational Risk*

Operational risk is the risk of loss due to inadequate or failed internal processes, or due to external events, whether deliberate, accidental or natural occurrences. The events associated to internal processes include, but are not limited to, fraud and mistakes by employees, clerical and record keeping errors and information system malfunctions or manipulations. External events include floods, fires, earthquakes, civil unrest or terrorist attacks, fraud by outsiders and equipment failures. Finally, the Bank may also fail to comply with regulatory requirements or conduct of business rules.

### *Liquidity Risk*

The Group is exposed daily to liquidity risks due to deposit withdrawals, maturity of medium or long term notes, loan draw downs and guarantees. Furthermore, changes in secured funding transactions (repo type agreements with the market), secured funding facilities with Central Banks and risk mitigation contracts involving provisions of collateral in the form of cash (CSAs, GMRAs) result in variations in the levels of liquidity the Bank holds at any point in time.

Since 2011 and due to the Greek debt crisis, Greek banks had to rely on the European Central Bank (ECB) and the Bank of Greece (BoG) for a significant part of their funding requirements. In December 2013 the financing received by the ECB and the BoG, net of related costs, amounted to €16.9 billion compared to €28.9 billion as at December 2012 and €32.2 billion as at 31 December 2011. As of 31 December 2014, the financing received from ECB, net of related costs, amounted to €12.6 billion.

Continuing volatility as a result of market forces that are beyond the Bank's control could result in the Group's liquidity position to deteriorate again. Such deterioration would increase both the funding requirement from the ECB/BoG and the cost of funding, thus affecting the Bank's Capital generating capacity and Capital ratios.

### ***Eurobank is exposed to the risk of fraud and illegal activities***

Like all financial institutions, the Bank is exposed to risks of fraud and other illegal activities, which, could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects. Although the Bank believes it has effective policies designed to prevent fraud, the Group's risk management procedures may not be able to eliminate all cases of fraud.

The Group is also subject to rules and regulations related to money laundering and terrorism financing. Compliance with anti-money laundering and anti-terrorist financing rules entails significant cost and effort. Non-compliance with these rules may have serious consequences, including adverse legal and reputational consequences. Although the Bank believes that its current anti-money laundering and anti-terrorist financing policies and procedures are adequate to ensure compliance with applicable legislation, the Bank may not be able to comply at all times with all rules applicable to money laundering and terrorism financing as extended to the whole Group and applied to the Banks workers in all circumstances. A violation, or even any suspicion of a violation, of these rules may have serious legal and financial consequences, which could have a material adverse effect on the Bank's business, reputation, financial condition, results of operations and prospects.

### ***Eurobank's economic hedging may not prevent losses***

If any of the variety of instruments and strategies that the Bank uses to economically hedge its exposure to market risk is not effective, the Bank may incur losses. Many of the Bank's strategies are

based on historical trading patterns and correlations. Unexpected market developments therefore may adversely affect the effectiveness of the Bank's hedging strategies. Moreover, the Bank does not economically hedge all of its risk exposure in all market environments or against all types of risk. The Group is exposed to several types of risk including, but not limited to, counterparty risk, which is taken into consideration in the valuation of the fair values of the various items, or currency risk from the Bank's participations in certain non Eurozone foreign subsidiaries, where currency derivatives against local currencies may be unavailable. Even when the Bank is able to hedge certain of its risk exposures, the methodology by which certain risks are economically hedged may not qualify for hedge accounting, which may result in additional volatility in the Group's income statement.

***Transactions in the Bank's own portfolio involve risks***

The Bank carries out various proprietary activities, such as trading in primary and secondary markets for government/corporate securities or interest rate futures. The management of the Bank's own portfolio includes taking positions in fixed income and equity markets, both through spot and derivative products and other financial instruments. Trading on account of the Bank's own portfolio carries risks, since the Bank's results from proprietary trading depends partly on market conditions. Moreover, the Bank relies on a vast range of reporting and internal management tools in order for its management to be able to report its exposure to such transactions correctly and in due time. The Bank may incur significant losses from proprietary trading, which could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects

***The Group's operational systems and networks have been, and will continue to be, vulnerable to an increasing risk of continually evolving cybersecurity or other technological risks, which could result in the disclosure of confidential client or customer information, damage to the Group's reputation, additional costs to the Group, regulatory penalties and financial losses***

A significant portion of the Group's operations relies heavily on the secure processing, storage and transmission of confidential and other information, as well as the monitoring of a large number of complex transactions on a real time basis. The Group stores an extensive amount of personal and client specific information for its retail, corporate and governmental customers and clients and must accurately record and reflect their extensive account transactions. The proper functioning of the Bank's payment systems, financial and sanctions controls, risk management, credit analysis and reporting, accounting, customer service and other information technology systems, as well as the communication networks between its branches and main data processing centres, are critical to the Bank's operations. These activities have been, and will continue to be, subject to an increasing risk of cyber attacks, the nature of which is continually evolving. The Group's computer systems, software and networks have been and will continue to be vulnerable to unauthorised access, loss or destruction of data (including confidential client information), account takeovers, unavailability of service, computer viruses or other malicious code, cyber attacks and other events. These threats may derive from human error, fraud or malice on the part of employees or third parties, or may result from accidental technological failure. If one or more of these events occurs, it could result in the disclosure of confidential client information, damage to the Group's reputation with its clients and the market, additional costs to the Group (such as repairing systems or adding new personnel or protection technologies), regulatory penalties and financial losses, to both the Group and its clients. Such events could also cause interruptions or malfunctions in the operations of the Group (such as the lack of availability of the Group's online banking systems), as well as the operations of its clients, customers or other third parties. Given the volume of transactions the Group processes, certain errors or actions may be repeated or compounded before they are discovered and rectified, which would further increase these costs and consequences.

In addition, third parties with which the Group does business may also be sources of cybersecurity or other technological risks. The Group outsources a limited number of supporting functions, which involve the storage and processing of customer information. Although the Group adopts a range of

actions to eliminate the exposure resulting from outsourcing, such as not allowing third party access to the active IT systems and operating a highly controlled IT environment, unauthorised access, loss or destruction of data or other cyber incidents could occur, resulting in costs and consequences to the Group similar to those discussed above. While the Group maintains insurance coverage that may, subject to policy terms and conditions, cover certain aspects of cyber risks such as fraud and financial crime, such insurance coverage may be insufficient to cover all losses.

### ***Eurobank's loan portfolio in Greece may continue to contract***

In the current recessionary economic environment, the Group's loan portfolio in Greece may continue to contract, and the Group's loan portfolio outside of Greece may not grow at historic rates or may even decline. Furthermore, the number of high credit quality customers of the Group, and for which

the Group competes, is limited. Developments in the Bank's loan portfolio will be affected mainly by, among other factors, the health of the Greek economy and the successful implementation of the Second Economic Adjustment Programme. The continuing decline in the Bank's loan portfolio, in combination with past due loans, may limit the Bank's net interest income, which could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

### ***Additional taxes may be imposed on the Group***

Law 4110/2013 imposed an increase in the tax rate for legal entities from 20 per cent. to 26 per cent. for fiscal years 2013 and onwards. In addition, the Greek income tax regime has been reformed pursuant to Law 4172/2013, which applies to income and profits earned as at 1 January 2014. Additional taxes and penalties may be imposed on Group companies with respect to unaudited tax years, subject to the statute of limitation applicable to each entity based on local tax legislation. For unaudited tax years from tax year 2011 and onwards, Group entities in Greece that have obtained an "unqualified" annual tax certificate from statutory auditors, may be under certain conditions subject to a tax re-audit from tax authorities within specific deadlines. For the year ended 31 December 2011, any "re audit" conducted by the Ministry of Finance should have been completed by 30 April 2014. Since this deadline has expired and provided that no tax issues had been identified in the tax authorities' potential re audits, the tax audit for the year ended 31 December 2011 is considered final, subject to certain reservations (e.g. further tax audits may be effected only if there is evidence of, or information regarding breaches of the money laundering legislation, forced or fictitious invoices, transactions with non-existent companies or breaches of transfer pricing rules, which the first tax audit has not identified).

Any additional taxes imposed on the Bank in the future, or any increases in tax rates, may have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

### **Risks relating to the Acquisitions**

#### ***Potential liabilities may result in a write down of assets, charges or other expenses that are higher than expected***

In the process of integrating New TT HPB and New Proton Bank (the "Acquired Businesses"), the Bank may discover issues relating to the Acquired Businesses, including legal, regulatory, control, compliance and operational issues, that may have a material adverse effect on the Bank's business, results of operations, financial condition and reputation. In particular, the decision regarding which assets would be transferred to New TT HPB and New Proton Bank upon the break up of Hellenic Postbank and Proton Bank, respectively, was made by the Bank of Greece without the Bank's

participation. In addition, the values of some of the assets of New TT HPB and New Proton Bank have further deteriorated since the Bank acquired those businesses.

Events and circumstances leading to the acquisitions of New TT HPB and New Proton Bank were such that the Bank is not able, despite its best efforts, to apply the Bank's normal due diligence procedures to the operations, risks, uncertainties, liabilities, assets and prospects of the businesses acquired. The Bank was therefore unable to verify the accuracy and completeness of the information provided to the Bank prior to the relevant acquisitions. Despite the passage of time and the partial integration of those businesses into the Bank's Group, Eurobank may still be unaware of material liabilities, risks and uncertainties relating to those businesses. As a result, liabilities associated with any or all of the Acquired Businesses, including provisions, may be substantial and may exceed the amount of liabilities the Bank initially anticipated.

Eurobank's assessment of the risks presented by the Acquisitions may not be accurate. Should circumstances arise that the Bank did not identify, anticipate or correctly evaluate, any necessary provisions, write downs, charges or other expenses could be significant and could lead to significant losses, which could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

***The historical financial information Eurobank includes in this Prospectus are not necessarily representative of the results of operations the Bank would have achieved as a stand alone company and may not be reliable indicators of the Bank's future results***

The Bank's historical financial and other statistical data included elsewhere in this Prospectus do not reflect the financial condition, results of operations or cash flows the Bank would have achieved as a stand alone company, following the integration of the Acquired Businesses, during the periods presented or those the Bank will achieve in the future. This is primarily the result of the following factors:

- the Bank's historical financial and other data for the year ended 31 December 2013 reflects the New TT HPB Acquisition and the New Proton Bank Acquisition only from the time of acquisition by the Bank; and
- the financial and statistical information we present elsewhere in this Prospectus does not include certain important historical financial information relating to the Acquisitions.

Accordingly, the historical financial information included elsewhere in this Prospectus may not reflect what the Bank's results of operations and financial condition would have been had the Bank been a combined entity during the entirety of the periods presented, or what the Bank's results of operations and financial condition will be in the future, which may be materially different from amounts reflected in the Bank's consolidated historical financial information presented in this Prospectus. As a result of the Acquisitions, the financial information presented in this Prospectus, including the Bank's historical financial statements, is not indicative of the Bank's future results of operations and financial condition, and it will be difficult for investors to compare the Bank's future results to historical results or to evaluate the Bank's relative performance or trends in the Bank's business.

***A failure to integrate the Acquired Businesses effectively and in a timely manner could adversely affect the Bank's business***

Mergers and acquisitions involve a number of risks inherent in assessing the value of the acquired assets and the profitability of merger or acquisition candidates, as well as their operational advantages and disadvantages, including:

- adverse short term effects of mergers and acquisitions on operating results;

- the need for management and other personnel resources to pay close attention to the completion of the merger or the acquisition at the expense of their other responsibilities;
- the importance of retaining key personnel;
- failure to retain customers of the Acquired Businesses; and
- risks associated with unanticipated problems, including unanticipated expenses.

In addition to the usual risks relating to mergers and acquisitions, problems may appear during the integration of the operations of the Acquired Businesses, including their IT systems, with the Bank's own, and the Bank may face difficulties managing an integration process of this magnitude in light of the size of the Acquired Businesses and their impact on the size of the Group.

Although the Bank has acquired and successfully integrated several banks in the past, the Bank could encounter significant unexpected difficulties or incur material unexpected expenditures in connection with the integration of the Acquired Businesses. In particular, the Bank will likely face costs, which may be material, associated with operating separate IT systems in parallel until the Bank is able fully to integrate or standardise the various IT systems employed by the Bank and the Acquired Businesses. The failure to integrate the Acquired Businesses successfully and on a timely and efficient basis, as well as to achieve expected income return and to capitalise on funding synergies to achieve economies of scale, could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

#### **Factors which are material for the purpose of assessing the market risks associated with Instruments issued under the Programme**

Each of the risks highlighted below could adversely affect the trading price of any Instruments or the rights of investors under any Instruments and, as a result, investors could lose some or all of their investment.

#### ***Instruments may not be a suitable investment for all investors***

Each potential investor in any Instruments must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Instruments, the merits and risks of investing in the relevant Instruments and the information contained or incorporated by reference in this Prospectus, the applicable Final Terms or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Instruments and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Instruments, including where principal or interest is payable in one or more currencies or where the currency for principal or interest payments is different from the currency in which such investor's financial activities are principally denominated;
- (iv) understand thoroughly the terms of the relevant Instruments and be familiar with the behaviour of any relevant indices and financial markets; and

- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

In addition, an investment in any Exempt Instruments that are Reference Item Linked Instruments may entail significant risks not associated with investments in conventional securities such as debt or equity securities, including, but not limited to, the risks set out in “Risks related to the structure of a particular issue of Instruments” set out below.

Some Instruments are complex financial instruments and such Instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Instruments which are complex financial instruments unless it has the expertise (either alone or with the assistance of a financial adviser) to evaluate how such Instruments will perform under changing conditions, the resulting effects on the value of such Instruments and the impact this investment will have on the potential investor’s overall investment portfolio.

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

A wide range of Instruments may be issued under the Programme. A number of these Instruments may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

#### ***Instruments subject to optional or mandatory redemption by the relevant Issuer***

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

In respect of Instruments which are conventional debt securities, the relevant Issuer may be expected to redeem such Instruments when its cost of borrowing is lower than the interest rate on the Instruments. 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 Instruments 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.

In the event that the relevant Issuer determines that the performance of the relevant Issuer’s obligations under any Instruments or (if applicable) the Guarantor’s obligations in respect thereof under the Deed of Guarantee has or will become unlawful, illegal, or otherwise prohibited in whole or in part, the relevant Issuer may redeem all (but not some only) of such Instruments, each Instrument being redeemed at the Early Termination Amount specified in the applicable Pricing Supplement, together, if appropriate, with accrued interest.

If Autocall is specified as applying in the applicable Pricing Supplement and an Autocall Event (as set out in the applicable Pricing Supplement) occurs, the relevant Issuer will redeem all (but not some only) of the Exempt Instruments, each Exempt Instrument being redeemed at the Autocall Redemption Amount specified in the applicable Pricing Supplement.

#### ***Reference Item Linked Instruments***

Each Issuer may issue Exempt Instruments (“Reference Item Linked Instruments”, such term to include, but not be limited to, Dual Currency Instruments, Index Linked Instruments and Equity Linked Instruments) with principal and/or interest determined by reference to an underlying

comprising one or more equity securities, indices, debt securities, commodities, interest rates, currency exchange rates or other item(s) (each a "Reference Item"). Potential investors should be aware that:

- (i) the market price of such Exempt Instruments may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) the amount of principal payable at redemption may be less than the nominal amount of such Exempt Instruments or even zero;
- (v) a Reference Item may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Reference Item is applied to Exempt Instruments in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Reference Item on principal or interest payable is likely to be magnified; and
- (vii) the timing of changes in a Reference Item may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Reference Item, the greater the effect on yield.

***Reference Item Linked Instruments may involve a high degree of risk.***

Prospective investors in Reference Item Linked Instruments should understand the risks of transactions involving Reference Item Linked Instruments and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Reference Item Linked Instruments in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Reference Item Linked Instruments and the particular Reference Item(s) to which the value of, or payments in respect of, the relevant Reference Item Linked Instruments may relate, as specified in the applicable Pricing Supplement.

As the amount of interest payable periodically and/or the Maturity Redemption Amount payable at maturity may be linked to the performance of the Reference Item(s), an investor in a Reference Item Linked Instrument must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the Reference Item(s).

Where the applicable Pricing Supplement specifies one or more Reference Item(s), the relevant Reference Item Linked Instruments will represent an investment linked to the economic performance of such Reference Item(s) and prospective investors should note that the return (if any) on their investment in Reference Item Linked Instruments will depend upon the performance of such Reference Item(s). Potential investors should also note that whilst the market value of such Reference Item Linked Instruments is linked to such Reference Item(s) and will be influenced (positively or negatively) by such Reference Item(s), any change may not be comparable and may be disproportionate. It is impossible to predict how the level of the Reference Item(s) will vary over time. In contrast to a direct investment in the Reference Item(s), Reference Item Linked Instruments represent the right to receive payment of the relevant Maturity Redemption Amount on the relevant Maturity Date as well as periodic payments of interest (if specified in the applicable Pricing Supplement), all or some of which may be determined by reference to the performance of the Reference Item(s). The applicable Pricing Supplement will set out the provisions for the determination of the Maturity Redemption Amount and of any periodic interest payments.

**PROSPECTIVE INVESTORS MUST REVIEW THE APPLICABLE PRICING SUPPLEMENT TO ASCERTAIN WHAT THE REFERENCE ITEM(S) ARE AND TO SEE HOW BOTH THE MATURITY REDEMPTION AMOUNT AND ANY PERIODIC INTEREST PAYMENTS ARE DETERMINED AND WHEN ANY SUCH AMOUNTS ARE PAYABLE, BEFORE MAKING ANY DECISION TO PURCHASE ANY REFERENCE ITEM LINKED INSTRUMENTS.**

Fluctuations in the value and/or volatility of the Reference Item(s) may affect the value of the relevant Reference Item Linked Instruments. Investors in Reference Item Linked Instruments may risk losing their entire investment if the value(s) of the Reference Item(s) does/do not move in the anticipated direction.

There is no return on Reference Item Linked Instruments other than the potential payment of the Maturity Redemption Amount on maturity and payment of any periodic interest payments.

Other factors which may influence the market value of Reference Item Linked Instruments include interest rates, potential dividend or interest payments (as applicable) in respect of the Reference Item(s), changes in the method of calculating the level of the Reference Item(s) from time to time and market expectations regarding the future performance of the Reference Item(s), its constituents and such Reference Item Linked Instruments.

If any of the Reference Item(s) is an index, the value of such Reference Item on any day will reflect the value of its constituents on such day. Changes in the composition of such Reference Item and factors (including those described above) which either affect or may affect the value of the constituents, will affect the value of such Reference Item and therefore may affect the return on an investment in the relevant Reference Item Linked Instruments.

An Issuer may issue several issues of Reference Item Linked Instruments relating to particular Reference Item(s). However, no assurance can be given that any Issuer will issue any Reference Item Linked Instruments other than the Reference Item Linked Instruments to which the applicable Pricing Supplement relates. At any given time, the number of Reference Item Linked Instruments outstanding may be substantial. Reference Item Linked Instruments provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the Reference Item(s) to which such Reference Item Linked Instruments relate.

If any of the Reference Item(s) is an equity security or a basket of equity securities, an investment in the relevant Reference Item Linked Instruments may bear similar market risks to a direct equity investment and investors should take advice accordingly.

**PROSPECTIVE PURCHASERS OF REFERENCE ITEM LINKED INSTRUMENTS MUST REVIEW THE APPLICABLE PRICING SUPPLEMENT TO ASCERTAIN WHAT PROVISIONS AS DESCRIBED HEREIN ARE RELEVANT IN RELATION TO SUCH EXEMPT INSTRUMENTS AND HOW SUCH PROVISIONS APPLY.**

***Dual Currency Instruments***

Dual Currency Instruments may be redeemable by payment of either the par value amount or an amount determined by reference to the value of the Reference Item(s), which may be less than the par value amount. Interest payable on Dual Currency Instruments may be calculated by reference to the value of one or more Reference Item(s).

***Equity Linked Instruments***

Each Issuer may issue Exempt Instruments where the amount of principal (“Equity Linked Redemption Instruments”) and/or interest (“Equity Linked Interest Instruments”) payable is dependent

upon the price of or changes in the price of an equity security or a basket of equity securities (together, "Equity Linked Instruments").

Potential investors in any such Exempt Instruments should be aware that, depending on the terms of the Equity Linked Instruments (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment. In addition, movements in the price of the equity security or basket of equity securities may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or any relevant indices and the timing of changes in the relevant price of the equity security or equity securities may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the equity security or equity securities, the greater the effect on yield.

If a Disrupted Day (being a day on which a relevant Exchange or Related Exchange fails to open or on which a Market Disruption Event occurs) occurs, this may have an effect on the timing of valuation and consequently the value of the Exempt Instruments and/or may delay (i) any applicable interest payments, in the case of Equity Linked Interest Instruments, or (ii) settlement, in the case of Equity Linked Redemption Instruments. Prospective purchasers should review the Terms and Conditions of the Exempt Instruments and the applicable Pricing Supplement to ascertain whether and how such provisions apply to the Exempt Instruments.

If Potential Adjustment Events and/or De-listing, Merger Event, Nationalisation and Insolvency and/or Tender Offer is/are specified as applying in the applicable Pricing Supplement, the Exempt Instruments may be subject to adjustment, including, if applicable, the substitution of the Underlying Equity or Underlying Equities or, in the case of the occurrence of a De-listing, Merger Event, Nationalisation or Insolvency and/or Tender Offer, may be redeemed as further provided in Condition 9.2.

In respect of Equity Linked Instruments relating to an equity security or equity securities originally quoted, listed and/or dealt as of the relevant Trade Date in a currency of a member state of the European Union that has not adopted the single currency in accordance with the Treaty on the Functioning of the European Union, as amended, if such equity security or equity securities is/are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange, prospective purchasers should note that the Calculation Agent will adjust any one or more of the relevant Interest Amount and/or the Maturity Redemption Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of the Terms and Conditions and/or the applicable Pricing Supplement as the Calculation Agent determines in its sole and absolute discretion to be appropriate to preserve the economic terms of the Exempt Instruments. Prospective purchasers should also note that the Calculation Agent will make any conversion necessary for the purposes of any such adjustment as of the relevant Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the relevant Valuation Time.

The market price of such Exempt Instruments may be volatile and may be affected by the time remaining to the redemption date, the volatility of the equity security or equity securities, the dividend rate (if any) and the financial results and prospects of the issuer or issuers of the relevant equity security or equity securities as well as economic, financial and political events in one or more jurisdictions, including factors affecting the stock exchange(s) or quotation system(s) on which any such securities may be traded.

### ***Index Linked Instruments***

Each Issuer may issue Exempt Instruments where the amount of principal ("Index Linked Redemption Instruments") and/or interest ("Index Linked Interest Instruments") payable is dependent

upon the level, or changes in the level, of an index or a basket of indices (together, “Index Linked Instruments”).

Potential investors in any such Exempt Instruments should be aware that, depending on the terms of the Index Linked Instruments (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time than expected and (iii) they may lose all or a substantial portion of their principal investment. In addition, movements in the level of the index or basket of indices may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant level of the index or indices may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the level of an index or result of a formula, the greater the effect on yield.

If a Disrupted Day (being a day on which either a relevant Exchange or Related Exchange fails to open or the relevant index level is not published or on which a Market Disruption Event occurs) occurs, this may have an effect on the timing of valuation and consequently the value of the Exempt Instruments and/or may delay (i) any applicable interest payments, in the case of Index Linked Interest Instruments, or (ii) settlement, in the case of Index Linked Redemption Instruments. Prospective purchasers should review the Terms and Conditions of the Exempt Instruments and the applicable Pricing Supplement to ascertain how such provisions apply to the Exempt Instruments.

If an Index Adjustment Event (as defined in the “Terms and Conditions of the Instruments” and relating to a relevant index modification, cancellation or disruption) occurs, the relevant Issuer may either require the Calculation Agent to determine if such Index Adjustment Event has a material effect on the Exempt Instruments and if so, to calculate the Reference Price as further provided in Condition 8.2(ii)(A), may require the Calculation Agent to substitute the relevant Index with a replacement index using the same or a substantially similar method of calculation as used in the calculation of the relevant Index or the relevant Issuer may elect to redeem all (but not some only) of the Exempt Instruments, each Calculation Amount being redeemed at the Early Termination Amount.

The market price of such Exempt Instruments may be volatile and may be affected by the time remaining to the redemption date and the volatility of the level of the index or indices. The level of the index or indices may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which any securities comprising the index or indices may be traded.

#### ***Additional Disruption Events (Index Linked Instruments and Equity Linked Instruments only)***

If Additional Disruption Events are specified as applying in the applicable Pricing Supplement and any such event as specified occurs, the Exempt Instruments will be subject to adjustment or may be redeemed, each Calculation Amount being redeemed at the Early Termination Amount specified in the applicable Pricing Supplement. Prospective investors must review the “Terms and Conditions of the Instruments” and the applicable Pricing Supplement to ascertain whether and how such provisions apply to the Exempt Instruments.

#### ***Partly Paid Instruments***

In the case of Exempt Instruments only, each Issuer may issue Exempt Instruments where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

### ***Variable rate Instruments with a multiplier or other leverage factor***

Instruments with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

### ***Inverse Floating Rate Instruments***

Inverse Floating Rate Instruments have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of such Instruments typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Instruments are more volatile because an increase in the reference rate not only decreases the interest rate of the Instruments, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Instruments.

### ***Fixed/Floating Rate Instruments***

Fixed/Floating Rate Instruments may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The relevant Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Instruments since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Instruments may be less favourable than then prevailing spreads on comparable Floating Rate Instruments tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Instruments. If the relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Instruments.

### ***Instruments issued at a substantial discount or premium***

The market values of securities issued at a substantial discount or premium to their nominal 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 to conventional interest-bearing securities with comparable maturities.

### ***The relevant Issuer's obligations under Subordinated Instruments are subordinated***

As described under Condition 3B under "Terms and Conditions of the Instruments", the payment obligations of the relevant Issuer in respect of Subordinated Instruments issued by it will be subordinated and will rank behind the claims of Senior Creditors of the Issuer. "Senior Creditors of the Issuer" means creditors of the relevant Issuer who are either unsubordinated creditors of the relevant Issuer or who are subordinated creditors of the relevant Issuer but whose claims are expressed to rank in priority to the claims of the Holders of Subordinated Instruments (whether only in the winding-up of the relevant Issuer or otherwise). Payments of principal and interest in respect of Subordinated Instruments (whether in the winding-up of the relevant Issuer or otherwise) will be conditional upon the relevant Issuer being solvent at the time of making such payments. Principal or interest will not be paid in respect of Subordinated Instruments except to the extent that the relevant Issuer could make such payment and still be solvent immediately thereafter.

In the event of the dissolution, liquidation, special liquidation and/or bankruptcy (to the extent applicable) of the relevant Issuer, the Holders of Subordinated Instruments will only be paid by the relevant Issuer after all Senior Creditors of the Issuer have been paid in full.

***The Guarantor's obligations under the Deed of Guarantee in respect of Subordinated Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited are subordinated***

As described under Condition 4B under "Terms and Conditions of the Instruments", the payment obligations of the Guarantor under the Deed of Guarantee in respect of Subordinated Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited will be subordinated and will rank behind the claims of Senior Creditors of the Guarantor. "Senior Creditors of the Guarantor" means creditors of the Guarantor who are either unsubordinated creditors of the Guarantor or who are subordinated creditors of the Guarantor but whose claims are expressed to rank in priority to the claims of the Holders of Subordinated Instruments or other persons claiming under the Deed of Guarantee (whether only in the winding-up of the Guarantor or otherwise). Payments under the Deed of Guarantee will be conditional upon the Guarantor being solvent at the time of making such payments. Payment will not be made under the Deed of Guarantee except to the extent that the Guarantor could make such payment and still be solvent immediately thereafter.

In the event of the dissolution, liquidation, special liquidation and/or bankruptcy (to the extent applicable) of the Guarantor, the Holders of Subordinated Instruments will only be paid by the Guarantor after all Senior Creditors of the Guarantor have been paid in full.

Although Subordinated Instruments may pay a higher rate of interest than comparable Instruments which are not subordinated, there is a significant risk that an investor in Subordinated Instruments will lose all or some of his investment in the event that the relevant Issuer and (if applicable) the Guarantor become insolvent. Furthermore, pursuant to Law 3864/2010 as amended by Law 4254/2014, in certain circumstances where a credit institution has been unable to cover a capital shortfall through voluntary measures, subordinated instruments may mandatorily be converted into Tier 1 capital instruments including ordinary shares, or the nominal value of such subordinated obligations may mandatorily be decreased.

**General risks related to a particular issue of Instruments**

***No Claim against any Reference Item(s)***

An Exempt Instrument will not represent a claim against any Reference Item(s) and, in the event that the amount paid on redemption of the Exempt Instruments is less than the nominal amount of the Exempt Instruments, a Holder will not have recourse under any Exempt Instrument to any Reference Item(s).

**An investment in Exempt Instruments linked to one or more Reference Item(s) may entail significant risks not associated with investments in conventional debt securities, including but not limited to the risks set out in this section "General risks related to a particular issue of Instruments". The amount paid on redemption of such Exempt Instruments may be less than the nominal amount of the Exempt Instruments, together with any accrued interest, and may in certain circumstances be zero.**

***Hedging***

In the ordinary course of its business, including without limitation in connection with its market making activities, the Bank and/or any of its affiliates may effect transactions for its own account or for the account of its customers and hold long or short positions in the Reference Item(s) or related derivatives. In addition, in connection with an offering of Exempt Instruments, the relevant Issuer, (if applicable) the Guarantor and/or any of their respective affiliates may enter into one or more hedging transactions with respect to the Reference Item(s) or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the

relevant Issuer, (if applicable) the Guarantor and/or any of their respective affiliates, the relevant Issuer, (if applicable) the Guarantor and/or any of their respective affiliates may enter into transactions in the Reference Item(s) or related derivatives which may affect the market price, liquidity or value of the relevant Instruments and which could be deemed to be adverse to the interests of the Holders of such Exempt Instruments.

### ***Potential Conflicts of Interest***

Where the relevant Issuer or (if applicable) the Guarantor acts as Calculation Agent or the Calculation Agent is an affiliate of the relevant Issuer or (if applicable) the Guarantor, potential conflicts of interest may exist between the Calculation Agent and Holders of the relevant Instruments, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the terms of such Instruments that may influence the amount receivable in respect of the relevant Instruments. The relevant Issuer, (if applicable) the Guarantor and/or any Dealer may at the date hereof or at any time hereafter be in possession of information in relation to any Reference Item(s) that is or may be material in the context of an issue of Instruments and may or may not be publicly available to Holders of the relevant Instruments. There is no obligation on the relevant Issuer, (if applicable) the Guarantor or any Dealer to disclose to Holders of the relevant Instruments any such information. The relevant Issuer, (if applicable) the Guarantor and/or any of their respective affiliates may have existing or future business relationships with any Reference Item(s) (including, but not limited to, lending, depositary, risk management, advisory and banking relationships), and will pursue actions and take steps that they or it deems necessary or appropriate to protect their and/or its interests arising therefrom without regard to the consequences for a Holder of any Instrument.

### ***Impact of the bank recovery and resolution directive***

On 2 July 2014, the BRRD entered into force. The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD provides that it will be applied by Member States from 1 January 2015, except for the general bail-in tool (see below) which is to be applied from 1 January 2016. Greece has not yet transposed the BRRD.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business – which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution – which enables resolution authorities to transfer all or part of the business of the firm to a “bridge institution” (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in – which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims including Instruments to equity (the “general bail-in tool”), which equity could also be subject to any future write-down.

The BRRD also provides for a Member State as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools.

These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

In addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power to permanently write-down or convert into equity capital instruments such as Subordinated Instruments at the point of non-viability and before any other resolution action is taken (“non-viability loss absorption”). Any shares issued to holders of Subordinated Instruments upon any such conversion into equity may also be subject to any application of the general bail-in tool.

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the BRRD is the point at which the relevant authority determines that the institution meets the conditions for resolution (but no resolution action has yet been taken) or that the institution will no longer be viable unless the relevant capital instruments (such as Subordinated Instruments) are written-down or converted or extraordinary public support is to be provided and without such support the appropriate authority determines that the institution would no longer be viable.

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Once the BRRD is implemented, holders of Instruments may be subject to write-down or conversion into equity on any application of the general bail-in tool and, in the case of Subordinated Instruments, non-viability loss absorption, which may result in such holders losing some or all of their investment. The exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of Holders of Instruments, the price or value of their investment in the Instruments and/or the ability of the relevant Issuer to satisfy its obligations under the Instruments and (if applicable) the ability of the Guarantor to satisfy its obligations under the Guarantee.

### **Risks related to Instruments generally**

Set out below is a brief description of certain risks relating to the Instruments generally:

#### ***Modification, waivers and substitution***

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

The Terms and Conditions of the Instruments also provide that each Issuer may, without the consent of any Holder, substitute for itself any other body corporate incorporated in any country in the world as the debtor in respect of the outstanding Instruments issued by such Issuer upon notice by the relevant Issuer and the substituted debtor provided that certain conditions as set out in Condition 21 of the Terms and Conditions of the Instruments are complied with. These conditions include the relevant Issuer not being in default in respect of any amount payable under the Instruments and the relevant Issuer and the substituted debtor entering into such documents as are necessary to give effect to the substitution. Upon such substitution, the substituted debtor shall succeed to, and be substituted for, and may exercise every right and power, of the relevant Issuer under the outstanding Instruments issued by the relevant Issuer with the same effect as if the substituted debtor had been named as the issuer thereof.

## ***EU Savings Directive***

Under Council Directive 2003/48/EC on the taxation of savings income (the “Savings Directive”), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted a Council Directive (the “Amending Directive”) amending and broadening the scope of the requirements described above. The Amending Directive requires Member States to apply these new requirements from 1 January 2017, and if they were to take effect the changes would expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. They would also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the relevant Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Instrument as a result of the imposition of such withholding tax. The Issuers are required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

## ***U.S. Foreign Account Tax Compliance Act Withholding***

Whilst the Instruments are in global form and held within Euroclear Bank SA/NV or Clearstream Banking, société anonyme (together the “ICSDs”), in all but the most remote circumstances, it is not expected that the new reporting regime and potential withholding tax imposed by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“FATCA”) will affect the amount of any payment received by the ICSDs (see “Taxation – Foreign Account Tax Compliance Act”). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it

receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Instruments are discharged once it has made payment to, or to the order of, the common depository or common safekeeper for the ICSDs (as bearer of the Instruments) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries. Further, foreign financial institutions in a jurisdiction which has entered into an intergovernmental agreement with the United States (an "IGA") are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make.

### ***Hiring Incentives to Restore Employment Act Withholding***

The U.S. Hiring Incentives to Restore Employment Act (the "HIRE Act") imposes a 30 per cent. withholding tax on amounts attributable to U.S. source dividends that are paid or "deemed paid" under certain financial instruments if certain conditions are met. While significant aspects of the application of the relevant provisions of the HIRE Act to the Instruments are uncertain, if the Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld. Prospective investors should refer to the section "Taxation – Hiring Incentives to Restore Employment Act".

### ***Change of law***

The Terms and Conditions of the Instruments are based on English law (save for (i) in the case of Instruments issued by the Bank, the subordination provisions in Condition 3B, (ii) in the case of Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited, the subordination provisions in Condition 4B and the subordination provisions set out in the Deed of Guarantee, and (iii) Condition 22 which are governed by the laws of the Hellenic Republic) in effect as at the date of issue of the relevant Instruments. No assurance can be given as to the impact of any possible judicial decision or change to English law (or the Hellenic Republic law or to the European legislative regime, as applicable) or administrative practice after the date of issue of the relevant Instruments.

### ***Instruments where denominations involve integral multiples: Definitive Instruments***

In relation to any issue of Instruments which have denominations consisting of a minimum denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Instruments may be traded in amounts that are not integral multiples of such minimum denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum 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 Instruments at or in excess of the minimum denomination such that its holding amounts to a denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum denomination in his account with the relevant clearing system at the relevant time may not receive a Definitive Instrument in respect of such holding (should Definitive Instruments be printed) and would need to purchase a principal amount of Instruments at or in excess of the minimum denomination such that its holding amounts to a denomination.

If Definitive Instruments are issued, holders should be aware that Definitive Instruments which have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade.

***Because the Global Instruments 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***

Instruments issued under the Programme may be represented by one or more Global Instruments. Such Global Instruments 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 Instrument, investors will not be entitled to receive definitive Instruments. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Instruments. While the Instruments are represented by one of more Global Instruments, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

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

Holders of beneficial interests in the Global Instruments will not have a direct right to vote in respect of the relevant Instruments. 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 Instruments will not have a direct right under the Global Instruments to take enforcement action against the relevant Issuer in the event of a default under the relevant Instruments.

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

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

#### ***The secondary market generally***

Instruments may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Instruments 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 for Instruments 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 Instruments generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Instruments.

#### ***Exchange rate risks and exchange controls***

The relevant Issuer will pay principal and interest on the Instruments and (if applicable) the Guarantor will make any payments under the Deed of Guarantee in the Currency of Payment specified in the applicable Final Terms. 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 Currency of Payment. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Currency of Payment 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 Currency of Payment would decrease (i) the Investor’s Currency-equivalent yield on the Instruments, (ii) the Investor’s Currency-equivalent value of the principal payable on the Instruments and (iii) the Investor’s Currency-equivalent market value of the Instruments.

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.

### ***Interest rate risks***

Investment in fixed rate Instruments involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Instruments, this will adversely affect the value of the Fixed Rate Instruments.

### ***Credit ratings may not reflect all risks***

One or more independent credit rating agencies may assign credit ratings to an issue of Instruments. 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 Instruments. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU 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). The list of registered and certified rating agencies published by 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 will be disclosed in the applicable Final Terms.

### ***Market Value of Instruments***

The market value of an issue of Instruments will be affected by a number of factors independent of the creditworthiness of the relevant Issuer or (if applicable) the Guarantor, including, but not limited to:

- (i) in the case of Reference Item Linked Instruments, the value and volatility of the Reference Item(s) and, where the Reference Item(s) is/are equity securities, the dividend rate on the Reference Item(s) and the financial results and prospects of the issuer of each Reference Item;
- (ii) market interest and yield rates;

- (iii) fluctuations in exchange rates;
- (iv) liquidity of the Instruments or any Reference Item(s) in the secondary market;
- (v) the time remaining to any redemption date or the maturity date; and
- (vi) economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange(s) on which any Reference Item may be traded.

In relation to Reference Item Linked Instruments, the price at which a Holder will be able to sell any such Exempt Instruments prior to maturity may be at a discount, which could be substantial, to the market value of such Exempt Instruments on the issue date, if, at such time, the market price of the Reference Item(s) is below, equal to or not sufficiently above the market price of the Reference Item(s) on the issue date. The historical market prices of any Reference Item should not be taken as an indication of such Reference Item's future performance during the term of any such Exempt Instrument.

***Legal investment considerations may restrict certain investments***

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) Instruments are legal investments for it, (ii) Instruments can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Instruments. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Instruments under any applicable risk-based capital or similar rules.

***Additional Risk Factors***

Additional risk factors in relation to specific issues of Exempt Instruments may be included in the applicable Pricing Supplement.

**Prospective investors who consider purchasing any Instruments should reach an investment decision only after carefully considering the suitability of such Instruments in light of their particular circumstances.**

## OVERVIEW OF THE PROGRAMME

The following is an overview only and should be read in conjunction with the rest of this Prospectus and, in relation to any Instruments, in conjunction with the applicable Final Terms and, to the extent applicable, the Terms and Conditions of the Instruments set out herein. Any decision to invest in any Instruments should be based on a consideration of this Prospectus as a whole, including any documents incorporated by reference, by any investor. The Issuers, the Guarantor and any relevant Dealer may agree that Instruments shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of PD Instruments only and, if appropriate, a supplement to this Prospectus or a new Prospectus will be published.

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No. 809/2004 (as amended) implementing the Prospectus Directive (the “Prospectus Regulation”).

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

### Information relating to the Issuers and the Guarantor

Issuers:	<p>ERB Hellas PLC, a public limited company incorporated under the laws of England and Wales with registration number 3798157. The registered office of ERB Hellas PLC is at 1st Floor, 25 Berkeley Square, London W1J 6HN, United Kingdom, with telephone number +44(0)207 973 8630.</p> <p>ERB Hellas (Cayman Islands) Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands with number CR 117363. The registered office of ERB Hellas (Cayman Islands) Limited is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111 Cayman Islands, with telephone number +1 (345) 945 3901.</p> <p>Eurobank Ergasias S.A., a public company limited by shares incorporated under the laws of the Hellenic Republic with General Commercial Registry number 000223001000. The registered office of ERB Eurobank Ergasias S.A. is at 8 Othonos Street, Athens 10557, Greece, with telephone number +30 210 333 7000.</p>
Guarantor of Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited:	Eurobank Ergasias S.A.
Business of ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited:	Each of ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited is a finance subsidiary of the Bank whose principal business is raising debt to be deposited with the Bank.
Business of the Bank:	<p>The Bank is currently the third largest bank in Greece in terms of assets.</p> <p>In Greece, the Bank enjoys leading positions in Retail Banking, Small and Medium-Sized Enterprises (“SMEs”), Investment</p>

Banking, Capital Markets, Private Banking and Asset Management. The Bank is also active in the wider financial services sector, with a presence in areas such as insurance, real estate and payroll services.

The Bank operated a total network of more than 1,100 branches, business centres and points of sale as at the end of 2013, in Greece and in Central, Eastern and South-eastern Europe (“New Europe”), offering a wide range of banking and financial services to its individual and corporate clients. The Bank is a public company under Greek law, listed on the Athens Exchange since April 1999. It is subject to regulation and supervision by the Bank of Greece and as of 3 November 2014 by the ECB (as defined below) pursuant to the provisions of Regulation 1024/2013. The Bank is also regulated by the Hellenic Capital Market Commission.

Risk Factors:

*Risks relating to ERB Hellas PLC, ERB Hellas (Cayman Islands) Limited and Eurobank Ergasias S.A.*

There are certain factors which may affect the relevant Issuer’s ability to fulfil its obligations under any Instruments issued by it and (if applicable) the Guarantor’s ability to fulfil its obligations under the Deed of Guarantee. These include the following:

- each of ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited is a finance vehicle whose principal purpose is to raise debt to be deposited with the Bank. Accordingly, if the Bank’s financial condition was to deteriorate, the Issuers and investors in the Instruments may suffer direct and materially adverse consequences;
- uncertainty resulting from Greece’s financial and economic crisis is likely to continue to have a significant adverse impact on the Bank’s business;
- recessionary pressures in Greece stemming from the Second Economic Adjustment Programme may have a continuing adverse effect on the Bank;
- the Bank is currently restricted in its ability to obtain funding in the capital markets;
- an accelerated outflow of funds from customer deposits could cause an increase in costs of funding;
- there are risks associated with the Bank’s need for additional capital and liquidity;
- the Bank’s wholesale borrowing costs and access to liquidity and capital have been negatively affected by a series of recent credit rating downgrades of the Bank and may be negatively affected by further downgrades;

- the Bank's borrowing costs and liquidity levels may be negatively affected by deteriorating asset valuations;
- the Bank is exposed to the risk of political instability in Greece;
- the Bank may not be able to pay dividends to its holders of ordinary shares and preference shares;
- the EU regulatory and supervisory framework may constrain the economic environment and adversely impact the operating environment of the Bank;
- the Group is vulnerable to on-going political disruptions and volatility in the global financial markets, including the sovereign debt crisis in the Eurozone;
- the Greek state, the European Commission and the HFSF exercise significant influence on the Bank;
- the implementation of the state aid restructuring plan could subject the Group to a variety of risks;
- changes in interest rates, foreign exchange rates, equity prices and other market factors affect the Bank's businesses;
- risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties;
- each of the Bank's businesses is subject to substantial regulation and regulatory oversight. Any significant regulatory developments could have an effect on how the Bank conducts its business and on the results of its operations;
- the Bank conducts significant international activities outside Greece and as a result, the Group is exposed to risks in these countries;
- liquidity risk is inherent in the Bank's businesses;
- operational risks are inherent in the Bank's businesses;
- the Bank is exposed to the risk of fraud and illegal activity and various cyber security and technological risks;
- additional taxes may be imposed on the Group; and
- there are risks to the Bank's business relating to the Bank's acquisition of New TT HPB and New Proton

Bank.

*Risks relating to Instruments*

Certain issues of Instruments may involve a high degree of risk.

There are certain factors which are material for the purpose of assessing the market risks associated with investing in any Instruments, which include, without limitation, the fact that Instruments are unsecured obligations of the relevant Issuer and (if applicable) the fact that the obligations of the Guarantor under the Deed of Guarantee (as defined below) are unsecured, that there may be a time lag between valuation and settlement in relation to an Instrument, that there may be potential conflicts of interest, that market disruptions or other events may occur in respect of the particular Reference Item(s) (as defined under "Risks related to the structure of a particular issue of Instruments" in "Risk Factors") to which the amounts payable in respect of the relevant Instruments may relate, as specified in the applicable Pricing Supplement in the case of an issue of Exempt Instruments, that there may be taxation risks, that there may be illiquidity of the Instruments in the secondary market, that there may be the risk that performance of the relevant Issuer's obligations under the Instruments or (if applicable) the Guarantor's obligations under the Deed of Guarantee in respect thereof may become illegal, that there may be exchange rate risks and exchange controls and that the market value of the Instruments may be affected by the creditworthiness of the relevant Issuer and/or (if applicable) the Guarantor and a number of additional factors.

In addition, prospective investors in Exempt Instruments that are Reference Item Linked Instruments (as defined under "Risks related to the structure of a particular issue of Instruments" in "Risk Factors") should understand the risks of transactions involving Reference Item Linked Instruments and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Reference Item Linked Instruments in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Reference Item Linked Instruments and the particular Reference Item(s) to which the value of, or payments in respect of, the relevant Reference Item Linked Instruments may relate, as specified in the applicable Pricing Supplement.

Where the applicable Pricing Supplement specifies one or more Reference Item(s), the relevant Instruments will represent an investment linked to the performance of such Reference Item(s) and prospective investors should note that the return (if any) on their investment in the Instruments will depend upon the performance of such Reference Item(s).

See “Risks related to the structure of a particular issue of Instruments” in “Risk Factors”.

**PROSPECTIVE PURCHASERS OF REFERENCE ITEM LINKED INSTRUMENTS MUST REVIEW THE APPLICABLE PRICING SUPPLEMENT TO ASCERTAIN WHAT THE REFERENCE ITEM(S) ARE AND TO SEE HOW BOTH THE MATURITY REDEMPTION AMOUNT AND ANY PERIODIC INTEREST PAYMENTS ARE DETERMINED AND WHEN ANY SUCH AMOUNTS ARE PAYABLE BEFORE MAKING ANY DECISION TO PURCHASE ANY REFERENCE ITEM LINKED INSTRUMENTS.**

**CERTAIN ISSUES OF INSTRUMENTS (INCLUDING REFERENCE ITEM LINKED INSTRUMENTS) INVOLVE A HIGH DEGREE OF RISK AND POTENTIAL INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT.**

#### **Information relating to the Programme**

Arranger: Eurobank Ergasias S.A.

Dealer: Eurobank Ergasias S.A.

and any other Dealers appointed from time to time by the Issuers either generally in respect of the Programme or in relation to a particular Tranche (as defined below).

Issue and Paying Agent: Deutsche Bank AG, London Branch

Initial Programme Amount: €25,000,000,000 in aggregate principal amount of Instruments outstanding at any one time, which may be increased, subject to compliance with the provisions of the Dealership Agreement (as defined under “Subscription and Sale”).

Distribution: Instruments will be issued on a syndicated or non-syndicated basis. Instruments will be issued in series (each, a “Series”). Each Series may comprise one or more tranches (“Tranches” and each, a “Tranche”) issued on different issue dates. The Instruments of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Instruments of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Instruments of different denominations.

Form of Instruments: Instruments will be issued in bearer form or, in the case of Exempt Instruments, if so specified in the applicable Pricing Supplement, in registered form. Each Tranche of Instruments to be issued in bearer form will be represented by a Temporary Global Instrument or (if so specified in the applicable Final Terms in respect of Instruments to which U.S. Treasury

Regulation §1.163-5(c)(2)(i)(C) (or any successor Treasury Regulation section including, without limitation, regulations issued in accordance with United States Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the “TEFRA C Rules”) applies or to which TEFRA does not apply) a Permanent Global Instrument. Each Temporary Global Instrument will be exchangeable for a Permanent Global Instrument or, if so specified in the applicable Final Terms, for Definitive Instruments. Each Permanent Global Instrument will be exchangeable for Definitive Instruments in accordance with its terms (see further under “Provisions Relating to the Instruments Whilst in Global Form” below). In respect of each Tranche of Exempt Instruments to be issued in registered form, the provisions applicable thereto will be specified in the applicable Pricing Supplement. Any such Instruments in registered form will be held outside Euroclear and Clearstream, Luxembourg. In relation to Instruments in bearer form, see “Provisions Relating to the Instruments Whilst in Global Form” below.

Currencies: Instruments may be denominated in any currency or currencies.

Status of Instruments: Instruments may be issued on a subordinated or unsubordinated basis, as specified in the applicable Final Terms. Unsubordinated Instruments will contain a negative pledge as set out in Condition 5 and events of default, including a cross-acceleration provision as set out in Condition 11.1. Subordinated Instruments will not contain a negative pledge and will have limited events of default (with no cross-acceleration provision) as set out in Condition 11.3.

Status of Guarantee: Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited will be unconditionally and irrevocably guaranteed by the Guarantor on a subordinated or an unsubordinated basis, as specified in the applicable Final Terms, pursuant to a Deed of Guarantee dated 27 May 2014 (the “Deed of Guarantee”).

Issue Price: Instruments may be issued at any price and either on a fully or, in the case of Exempt Instruments only, partly paid basis, as specified in the applicable Final Terms.

Terms of the Instruments: The following types of Instrument may be issued: (i) Instruments which bear interest at a fixed rate or a floating rate; (ii) Instruments which do not bear interest; (iii) Exempt Instruments which bear interest, and/or the Maturity Redemption Amount of which is, calculated by reference to specified Reference Item(s) such as movements in interest rates within specified range(s) or by reference to specified benchmark(s) or movements in an index or indices or movements in a currency exchange rate or changes in the prices of one or more equity securities; and (iv) Instruments

which have any combination of the foregoing features

Interest periods, rates of interest and the terms of and/or amounts payable on redemption will be specified in the applicable Final Terms.

**Change of Interest/Payment Basis:** Instruments may be converted from one interest and/or payment basis to another if so provided in the applicable Final Terms.

**Maturities:** Any maturity.

Any Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited which (i) have a maturity of less than one year and (ii) in the case of ERB Hellas (Cayman Islands) Limited only, if the issue proceeds are accepted in the United Kingdom, must (a) have a minimum denomination of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or 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 or (b) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "FSMA").

**Exempt Instruments:** The Issuers may issue Exempt Instruments which are Index Linked Instruments, Dual Currency Instruments or Exempt Instruments redeemed in one or more instalments. The Issuers may also issue Exempt Instruments which are Partly Paid Instruments in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the relevant Issuer and the relevant Dealer may agree.

***Index Linked Instruments:*** Payments of principal in respect of Index Linked Redemption Instruments or of interest in respect of Index Linked Interest Instruments will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the relevant Issuer and the relevant Dealer may agree.

***Dual Currency Instruments:*** Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Instruments will be made in such currencies, and based on such rates of exchange, as the relevant Issuer and the relevant Dealer may agree.

***Instruments redeemable in instalments:*** The relevant Issuer may issue Exempt Instruments which may be redeemed in separate instalments in such amounts and on such dates as the relevant Issuer and the relevant Dealer may agree.

The relevant Issuer, and in the case of Exempt Instruments

issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited, the Guarantor, may agree with any Dealer that Exempt Instruments may be issued in a form not contemplated by the Terms and Conditions of the Instruments, in which event the relevant provisions will be included in the applicable Pricing Supplement.

**Index Linked Instruments:**

Index Linked Instruments are Exempt Instruments. Payments of interest in respect of Index Linked Interest Instruments will be calculated by reference to a single index or a basket of indices and/or such formula as specified in the applicable Pricing Supplement.

Payments of principal in respect of Index Linked Redemption Instruments will be calculated by reference to a single index or a basket of indices. Each nominal amount of such Exempt Instruments equal to the Calculation Amount specified in the applicable Pricing Supplement will be redeemed by payment of the Maturity Redemption Amount specified in the applicable Pricing Supplement.

If an Index Adjustment Event (as defined in the “Terms and Conditions of the Instruments” and relating to a relevant index modification, cancellation or disruption) occurs, the relevant Issuer may require certain adjustments to be made including potentially a substitution of the relevant index or may redeem the Exempt Instruments, each Calculation Amount being redeemed at the Early Termination Amount specified in the applicable Pricing Supplement.

Prospective investors must review the “Terms and Conditions of the Instruments” and the applicable Pricing Supplement to ascertain whether and how such provisions apply to the Exempt Instruments.

**Equity Linked Instruments:**

Equity Linked Instruments are Exempt Instruments. Payments of interest in respect of Equity Linked Interest Instruments will be calculated by reference to a single equity security or basket of equity securities on such terms as specified in the applicable Pricing Supplement.

Payments of principal in respect of Equity Linked Redemption Instruments will be calculated by reference to a single equity security or a basket of equity securities. Each nominal amount of such Exempt Instruments equal to the Calculation Amount specified in the applicable Pricing Supplement will be redeemed by payment of the Maturity Redemption Amount specified in the Pricing Supplement. An investment in Equity Linked Redemption Instruments may bear similar risks to a direct equity investment and investors should take advice accordingly.

If Potential Adjustment Events and/or De-listing, Merger Event, Nationalisation and Insolvency and/or Tender Offer are

specified as applying in the applicable Pricing Supplement, the Exempt Instruments may be subject to adjustment (including, if “Equity Substitution” is specified as applying in the applicable Pricing Supplement, substitution of a relevant equity security by another) or, if De-listing, Merger Event, Nationalisation and Insolvency and/or Tender Offer are specified as applying in the applicable Pricing Supplement, redeemed, each Calculation Amount being redeemed at the Early Termination Amount specified in the applicable Pricing Supplement.

Prospective investors must review the “Terms and Conditions of the Instruments” and the applicable Pricing Supplement to ascertain whether and how such provisions apply to such Exempt Instruments.

Payments of principal and interest in respect of Equity Linked Instruments will be settled in cash only.

Additional Disruption Events (Index Linked Instruments and Equity Linked Instruments only):

Additional Disruption Events are applicable in the case of Exempt Instruments only. If Additional Disruption Events are specified as applying in the applicable Pricing Supplement and any such event as specified occurs, the Exempt Instruments will be subject to adjustment or may be redeemed, each Calculation Amount being redeemed at the Early Termination Amount specified in the applicable Pricing Supplement.

Prospective investors must review the “Terms and Conditions of the Instruments” and the applicable Pricing Supplement to ascertain whether and how such provisions apply to the Exempt Instruments.

Disrupted Days:

Disrupted Days are applicable in the case of Exempt Instruments only. Where the Exempt Instruments are Index Linked Instruments or Equity Linked Instruments, the Calculation Agent may determine that a Disrupted Day has occurred or exists at a relevant time. Any such determination may have an effect on the value of the Exempt Instruments and/or may delay settlement in respect of the Instruments.

Prospective investors must review the “Terms and Conditions of the Instruments” and the applicable Pricing Supplement to ascertain whether and how such provisions apply to the Exempt Instruments.

Illegality:

In the event that the relevant Issuer determines that the performance of the relevant Issuer’s obligations under any Instruments or (if applicable) the Guarantor’s obligations in respect thereof under the Deed of Guarantee has or will become unlawful, illegal, or otherwise prohibited in whole or in part, the relevant Issuer may redeem all (but not some only) of such Instruments, each Calculation Amount being redeemed at the Early Termination Amount specified in the applicable Final Terms, together, if appropriate, with accrued interest.

Autocallable Instruments:	Autocallable Instruments are Exempt Instruments. If Autocall is specified as applying in the applicable Pricing Supplement and an Autocall Event (as set out in the applicable Pricing Supplement) occurs, the Exempt Instruments will be redeemed, each Calculation Amount being redeemed at the Autocall Redemption Amount specified in the applicable Pricing Supplement.
Redemption:	<p>The applicable Final Terms relating to each Tranche will indicate either that such Instruments cannot be redeemed prior to their stated maturity (other than in the case of Exempt Instruments in specified instalments (see below), if applicable, or for taxation reasons or following an Event of Default or on an illegality or, in the case of Exempt Instruments to which Autocall is specified as applying in the applicable Pricing Supplement, following an Autocall Event, or, in the case of Index Linked Instruments, following an Index Adjustment Event, or, in the case of Equity Linked Instruments and if so specified as applying in the applicable Pricing Supplement, following a De-listing, Merger Event, Nationalisation and Insolvency and/or Tender Offer, or, in the case of Index Linked Instruments or Equity Linked Instruments and if so specified in the applicable Pricing Supplement, following an Additional Disruption Event subject, in the case of Subordinated Instruments, under the requirements of applicable law, to consent thereto having been obtained from the Bank of Greece or the ECB (as defined below), as the case may be) or that such Instruments will be redeemable at the option of the relevant Issuer and/or the Holders upon giving the required notice, on a specified date or dates and at a price or prices and on such terms as are indicated in the applicable Final Terms.</p> <p>The applicable Pricing Supplement may provide that Exempt Instruments may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Pricing Supplement.</p>
Denominations:	Instruments will be issued in such denominations as may be specified in the applicable Final Terms. The minimum denomination of each PD Instrument admitted to trading on a regulated market within the European Economic Area and/or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €100,000 (or the equivalent amount in the relevant currency).
Taxation:	Unless required by law, all payments in respect of the Instruments will be made without deduction for, or on account of, withholding taxes of the United Kingdom (in the case of Instruments issued by ERB Hellas PLC) or the Cayman Islands (in the case of Instruments issued by ERB Hellas (Cayman Islands) Limited) or the Hellenic Republic (in the case of Instruments issued by Eurobank Ergasias S.A.), as the

case may be, and (in the case of Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited) all payments by the Guarantor under the Deed of Guarantee will be made without deduction for, or on account of, withholding taxes of the Hellenic Republic, as provided in Condition 12. In the event that any such deduction is required, the relevant Issuer or, as the case may be, the Guarantor (if applicable) will, save in certain limited circumstances provided in Condition 12, be required to pay additional amounts as will result in the receipt by Holders of the relevant Instruments of such net amount as they would have received had no such deduction been required.

All payments in respect of the Instruments will be made subject to any withholding or deduction required pursuant to FATCA (as defined below), as provided in Condition 13C.

**Governing Law:**

The Instruments and the Deed of Guarantee and any non-contractual obligations arising out of or in connection with them shall be governed by, and construed in accordance with, English law except that (i) in the case of Instruments issued by the Bank, the subordination provisions in Condition 3B, (ii) in the case of Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited, the subordination provisions in Condition 4B and the subordination provisions set out in the Deed of Guarantee, and (iii) Condition 22 shall be governed by, and construed in accordance with, the laws of the Hellenic Republic and Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 (the “Regulation”).

**Listing and Admission to Trading:**

Application has been made to the CSSF to approve this Prospectus as a base prospectus. Application has also been made for PD Instruments issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange’s regulated market.

Instruments may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets or not listed or admitted to trading on any market. The applicable Final Terms will state whether or not the relevant Instruments are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

**Terms and Conditions:**

Final Terms will be prepared in respect of each Tranche of Instruments. A copy of such Final Terms will, in the case of PD Instruments to be listed on the Luxembourg Stock Exchange or offered to the public in the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, be delivered to the Luxembourg Stock Exchange and/or the CSSF on or before the date of issue of such PD Instruments. The terms and conditions applicable to each Tranche of PD Instruments will

be those set out herein under “Terms and Conditions of the Instruments” as completed by Part A of the applicable Final Terms. The terms and conditions applicable to each Tranche of Exempt Instruments will be those set out herein under “Terms and Conditions of the Instruments” as modified, amended and/or completed by Part A of the applicable Pricing Supplement.

For Instruments in global form, holders will have the benefit of, in the case of Instruments issued by ERB Hellas PLC, a Deed of Covenant executed by ERB Hellas PLC dated 27 May 2014, in the case of Instruments issued by ERB Hellas (Cayman Islands) Limited, a Deed of Covenant executed by ERB Hellas (Cayman Islands) Limited dated 27 May 2014 and, in the case of Instruments issued by the Bank, a Deed of Covenant executed by the Bank dated 27 May 2014, copies of which will be available for inspection at the specified office of the Issue and Paying Agent.

Clearing Systems: Euroclear, Clearstream, Luxembourg and/or, in relation to any Instruments, any other clearing system as may be specified in the applicable Final Terms.

Bondholders' Agent: In the case of Instruments issued by the Bank (“Bank Instruments”) to which Greek law 3156/2003 applies and for the purposes of which the appointment of a Bank Holders’ Agent (as defined below) is required, as per Greek law 3156/2003, the Bank shall appoint an agent of the Holders of Bank Instruments (the “Bank Holders’ Agent”) in accordance with Condition 22 of the Instruments.

Selling Restrictions: For a description of certain restrictions on offers, sales and deliveries of Instruments and on the distribution of offering material in the United States of America, the European Economic Area (including the United Kingdom, Greece and the Republic of France), Japan and the Cayman Islands, see under “Subscription and Sale”.

## DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) the audited consolidated annual financial statements of the Bank for each of the financial years ended 31 December 2014 and 31 December 2013, as contained within Part III (*Consolidated Financial Statements for the 2014 Financial Year (Auditor's Report included)*) of the Bank's Annual Financial Report for the Year Ended 31 December 2014 and Part III (*Consolidated Financial Statements for the 2013 Financial Year (Auditor's Report included)*) of Annual Financial Report for the Year Ended 31 December 2013, in each case prepared in accordance with International Financial Reporting Standards, as adopted by the European Union ("IFRS"), including the information set out at the following pages of the Bank's 'Consolidated Financial Statements for the Year Ended 2014' and 'Consolidated Financial Statements for the Year Ended 2013', respectively:

	2014	2013
Independent Auditors' Report.....	page 1-2	page 1-2
Consolidated Income Statement .....	page 4	page 3
Consolidated Balance Sheet .....	page 3	page 4
Consolidated Statement of Comprehensive Income..	page 5	page 5
Consolidated Statement of Changes in Equity .....	page 6	page 6
Consolidated Cash Flow Statement .....	page 7	page 7
Notes to the Consolidated Financial Statements .....	pages 8-118	pages 8-117

- (b) the audited annual financial statements of ERB Hellas PLC for each of the financial years ended 31 December 2014 and 31 December 2013, in each case prepared in accordance with IFRS, including the information set out at the following pages of ERB Hellas PLC's 'Annual Report 2014' and ERB Hellas PLC's 'Annual Report 2013', respectively:

	2014	2013
Independent Auditors' Report.....	pages 10-12	pages 9-10
Statement of Comprehensive Income .....	page 13	page 11
Balance Sheet.....	page 14	page 12
Statement of Changes in Equity .....	page 15	page 13
Cash Flow Statement.....	page 16	page 14
Notes to the Financial Statements.....	pages 17-38	pages 15-38

- (c) the audited annual non-statutory financial statements of ERB Hellas (Cayman Islands) Limited for each of the financial years ended 31 December 2014 and 31 December 2013, in each case prepared in accordance with IFRS, including the information set out at the following pages of ERB Hellas (Cayman Islands) Limited's 'Annual Report 2014' and ERB Hellas (Cayman Islands) Limited's 'Annual Report 2013', respectively:

	2014	2013
Independent Auditors' Report.....	pages 8-9	pages 9-10
Statement of Comprehensive Income .....	page 10	page 11
Balance Sheet.....	page 11	page 12
Statement of Changes in Equity .....	page 12	page 13
Cash Flow Statement.....	page 13	page 14
Notes to the Financial Statements.....	pages 14-36	pages 15-40

Any information not referred to in the cross-reference lists above but included in the documents incorporated by reference is given for information purposes only rather than information required by the relevant Annexes of the Prospectus Regulation.

Following the publication of this Prospectus a supplement may be prepared by the Obligors and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

In the event of any significant new factor arising or any material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of any Instruments, the Obligors will prepare and publish a supplement to this Prospectus or prepare and publish a new prospectus for use in connection with any subsequent issue of Instruments.

Copies of documents incorporated by reference in this Prospectus can be obtained from the Luxembourg Stock Exchange's website at [www.bourse.lu](http://www.bourse.lu) and, free of charge, from the registered office of each Obligor.

## **IMPORTANT INFORMATION RELATING TO THE USE OF THIS PROSPECTUS AND OFFERS OF INSTRUMENTS GENERALLY**

This Prospectus has been prepared on the basis that would permit an offer of Exempt Instruments with a denomination of less than €100,000 (or its equivalent in any other currency) only in circumstances where there is an exemption from the obligation under the Prospectus Directive to publish a prospectus. As a result, any offer of Exempt Instruments in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) must be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Instruments. Accordingly any person making or intending to make an offer of Exempt Instruments in that Relevant Member State may only do so in circumstances in which no obligation arises for any of the relevant Issuer, (if applicable) the Guarantor and/or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the relevant Issuer, (if applicable) the Guarantor and any Dealer has authorised, nor does any of them authorise, the making of any offer of Instruments in circumstances in which an obligation arises for any of the relevant Issuer, (if applicable) the Guarantor and/or any Dealer to publish or supplement a prospectus for such offer.

Instruments will be issued in bearer form or, in the case of Exempt Instruments and if so specified in the applicable Pricing Supplement, in registered form. In respect of each Tranche of Instruments to be issued in bearer form, the relevant Issuer will deliver a temporary global Instrument (a “Temporary Global Instrument”) or (if so specified in the applicable Final Terms) a permanent global instrument (a “Permanent Global Instrument”). Such global Instrument, if the global Instruments are intended to be issued in new global instrument form (“NGI form”), as specified in the applicable Final Terms, will be delivered on or prior to the original issue date of the Tranche to a common safekeeper for Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”) and, if the global Instruments are not intended to be issued in NGI form, will be delivered on or prior to the original issue date of the Tranche to a common depository for Euroclear and Clearstream, Luxembourg. Each Temporary Global Instrument will be exchangeable for a Permanent Global Instrument or, if so specified in the applicable Final Terms, for Instruments in definitive bearer form (“Definitive Instruments”). Each Permanent Global Instrument will be exchangeable for Definitive Instruments in accordance with its terms. In respect of each Tranche of Exempt Instruments to be issued in registered form, the provisions applicable thereto will be specified in the applicable Pricing Supplement. Any such Exempt Instruments in registered form will be held outside Euroclear and Clearstream, Luxembourg. In relation to Instruments in bearer form, see “Provisions Relating to the Instruments Whilst in Global Form” below.

All references in this document to “U.S.\$” and “\$” are to United States dollars, those to “Sterling” and “£” are to pounds sterling and those to “€”, “euro”, “Euro” and “EUR” are to the lawful 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.

## SIZE OF THE PROGRAMME

This Prospectus and any supplement will only be valid for listing PD Instruments on the Luxembourg Stock Exchange during the period of 12 months from the date of approval of this Prospectus in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Instruments previously or simultaneously issued under the Programme, does not exceed €25,000,000,000 or its equivalent in other currencies. For the purpose of calculating the euro equivalent of the aggregate nominal amount of Instruments issued under the Programme from time to time:

- (a) the euro equivalent of Instruments denominated in another Currency of Denomination (as specified in the applicable Final Terms in relation to the relevant Instruments) shall be determined, at the discretion of the relevant Issuer, either as of the date on which agreement is reached for the issue of Instruments or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the euro against the purchase of such Currency of Denomination in the London foreign exchange market quoted by any leading international bank selected by the relevant Issuer on the relevant day of calculation;
- (b) the euro equivalent of Exempt Instruments with different Currency of Denomination and Currency of Payment, Index Linked Instruments, Equity Linked Instruments and Partly Paid Instruments (each as specified in the applicable Pricing Supplement in relation to the relevant Exempt Instruments) shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Exempt Instruments (in the case of Partly Paid Instruments regardless of the subscription price paid); and
- (c) the euro equivalent of Non-interest bearing Instruments (as specified in the applicable Final Terms in relation to the relevant Instruments) and other Instruments issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the relevant Issuer for the relevant issue.

## TERMS AND CONDITIONS OF THE INSTRUMENTS

*This section applies to both Exempt Instruments and PD Instruments (each as defined below).*

*The following are the Conditions of the Instruments which will be incorporated by reference into each Instrument in global form (a “Global Instrument”) and each definitive Instrument, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the relevant Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Instrument will have endorsed thereon or attached thereto such Conditions. The applicable Pricing Supplement in relation to any Tranche of Exempt Instruments may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Conditions, replace or modify the following Conditions for the purpose of such Exempt Instruments. The applicable Final Terms (in the case of PD Instruments) or the applicable Pricing Supplement (in the case of Exempt Instruments) (or, in either case, the relevant provisions thereof) will be endorsed upon, or attached to, each Global Instrument and definitive Instrument. Reference should be made (i) in the case of PD Instruments, to the “applicable Final Terms” for a description of the content of the Final Terms and (ii) in the case of Exempt Instruments, to the “applicable Pricing Supplement”, each of which will specify which of such terms are to apply in relation to the relevant Instruments.*

The Instruments are issued pursuant to and in accordance with an amended and restated issue and paying agency agreement (as amended, supplemented or replaced, the “Issue and Paying Agency Agreement”) dated 27 May 2014 and made between ERB Hellas PLC, ERB Hellas (Cayman Islands) Limited and Eurobank Ergasias S.A. (the “Bank”) (each of which may issue Instruments and references in these Terms and Conditions (the “Conditions”) to the “Issuer” are to the relevant Issuer of such Instruments as specified in the applicable Final Terms (as defined below) or an entity substituted for that Issuer in accordance with Condition 21), the Bank in its capacity as guarantor of Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited (in such capacity, the “Guarantor”), Deutsche Bank AG, London Branch in its capacity as issue and paying agent (the “Issue and Paying Agent”, which expression shall include any successor to Deutsche Bank AG, London Branch in its capacity as such) and the paying agents named therein (the “Paying Agents”, which expression shall include the Issue and Paying Agent and any substitute or additional paying agents appointed in accordance with the Issue and Paying Agency Agreement). If the Instruments are issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited they will be irrevocably and unconditionally guaranteed by the Guarantor pursuant and subject to the terms of the Deed of Guarantee (as defined below). References herein to the Guarantor and the Deed of Guarantee shall only be relevant where the Issuer is ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited and shall not apply where the Issuer is the Bank.

For the purposes of making determinations or calculations of interest rates, interest amounts, redemption amounts or any other matters requiring determination or calculation in accordance with the Conditions of any Series (as defined below) of Instruments, the Issuer may appoint a calculation agent (the “Calculation Agent”) for the purposes of such Instruments, in accordance with the provisions of the Issue and Paying Agency Agreement, and such Calculation Agent shall be specified in the applicable Final Terms.

The Instruments issued by ERB Hellas PLC have the benefit of a deed of covenant dated 27 May 2014 executed by ERB Hellas PLC, the Instruments issued by ERB Hellas (Cayman Islands) Limited have the benefit of a deed of covenant dated 27 May 2014, executed by ERB Hellas (Cayman Islands) Limited and the Instruments issued by the Bank have the benefit of a deed of covenant dated 27 May 2014 executed by the Bank (each, as amended, supplemented or replaced, a “Deed of Covenant” and references to the “Deed of Covenant” in these Conditions are to the Deed of Covenant executed by the Issuer of such Instruments as specified in the applicable Final Terms or an entity substituted for that Issuer in accordance with Condition 21).

The Guarantor has, for the benefit of the holders of Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited, executed and delivered an amended and restated deed of guarantee dated 27 May 2014 (as amended or supplemented from time to time, the “Deed of Guarantee”) under which it has guaranteed (on an unsubordinated basis in the case of Unsubordinated Instruments (as defined below) and on a subordinated basis in the case of Subordinated Instruments (as defined below)) the due and punctual payment of all amounts due by the Issuer under the Instruments and the Deed of Covenant as and when the same shall become due and payable.

In the case of Instruments issued by the Bank (“Bank Instruments”) to which Greek law 3156/2003 applies and for the purposes of which the appointment of a Bank Holders’ Agent (as defined below) is required, as per Greek law 3156/2003, the Bank shall appoint an agent of the Holders of Bank Instruments (the “Bank Holders’ Agent”) in accordance with Condition 22 below.

Copies of the Issue and Paying Agency Agreement, the Deed of Covenant, the Deed of Guarantee and (to the extent applicable) the Bank Holders’ Agency Agreement (as defined below) are available for inspection during normal business hours at the registered office of the Issuer and the Guarantor and at the specified office of each of the Paying Agents and, in the case of Bank Instruments, the Bank Holders’ Agent. All persons from time to time entitled to the benefit of obligations under any Instruments shall be deemed to have notice of, and shall be bound by, all of the provisions of the Issue and Paying Agency Agreement, the Deed of Covenant and the Deed of Guarantee insofar as they relate to the relevant Instruments.

The final terms for this Instrument (or the relevant provisions thereof) are set out in Part A of the Final Terms (the “Final Terms”) attached to or endorsed on this Instrument which complete these Conditions or, if this Instrument is an Instrument which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive (an “Exempt Instrument”), the final terms (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement (the “Pricing Supplement”) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Instrument (where this Instrument is an Exempt Instrument). References to the “applicable Final Terms” are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Instrument. Any reference in the Conditions to “applicable Final Terms” shall be deemed to include a reference to “applicable Pricing Supplement” where relevant. The expression “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

The Instruments are issued in series (each, a “Series”), and each Series may comprise one or more tranches (“Tranches” and each, a “Tranche”) of Instruments.

Each Tranche of Instruments listed on the Luxembourg Stock Exchange or offered to the public in the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive (“PD Instruments”), will be the subject of an applicable Final Terms document, a copy of which will be available on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu) and, free of charge, at the registered office of the Issuer and the Guarantor. Each Tranche of Exempt Instruments will be the subject of an applicable Pricing Supplement document, but a copy of which will only be available at the registered office of the Issuer and the Guarantor (if applicable) by a holder of the relevant Exempt Instruments where such holder produces evidence satisfactory to the Issuer or the Guarantor, as the case may be, as to its holding of such Exempt Instruments.

References in these Conditions to Instruments are to Instruments of the relevant Series and any references to Coupons (as defined in Condition 1.2) and, in the case of Exempt Instruments only,

Receipts (as defined in Condition 1.3) are to Coupons and, in the case of Exempt Instruments only, Receipts relating to Instruments of the relevant Series.

In these 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.

## **1. Form and Denomination**

### *Form of Instruments*

- 1.1 Unless the Instruments are Exempt Instruments and are specified in the applicable Pricing Supplement as being in registered form, the Instruments are issued in bearer form and if in definitive form are serially numbered. If the Instruments are Exempt Instruments and issued in registered form, the provisions applicable thereto will be set out in the applicable Pricing Supplement.
- 1.2 Interest-bearing Instruments have attached thereto at the time of their initial delivery coupons (“Coupons”), presentation of which will be a prerequisite to the payment of interest save in certain circumstances specified herein. In addition, in the case of Instruments which, when issued in definitive form, have more than 27 interest payments remaining, such Instruments will have attached thereto at the time of their initial delivery a talon (“Talon”) for further coupons and the expression “Coupons” shall, where the context so requires, include Talons.
- 1.3 This Condition 1.3 is applicable only to Exempt Instruments. Where the principal amount is repayable by instalments (“Instalment Exempt Instruments”), such Instalment Exempt Instruments have attached thereto at the time of their initial delivery payment receipts (“Receipts”) in respect of the instalments of principal.

### *Denomination of Instruments*

- 1.4 Instruments are in the denomination or denominations specified in the applicable Final Terms. Instruments of one denomination may not be exchanged for Instruments of any other denomination.

### *Currency of Instruments*

- 1.5 The Instruments are denominated in the currency specified in the applicable Final Terms. Any currency may be so specified, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

### *Partly Paid Instruments*

*This Condition 1.6 is applicable only to Exempt Instruments.*

- 1.6 Exempt Instruments may be issued on a partly paid basis (“Partly Paid Instruments”) if so specified in the applicable Pricing Supplement. The subscription moneys therefor shall be paid in such number of instalments (“Partly Paid Instalments”) in such amounts, on such dates and in such manner as may be specified in the applicable Pricing Supplement. The first such instalment shall be due and payable on the date of issue of the Exempt Instruments. For the purposes of these Conditions, in respect of any Partly Paid Instrument, “Paid Up Amount” means the aggregate amount of all Partly Paid Instalments in respect thereof as shall have fallen due and been paid up in full in accordance with the Conditions.

Not less than 14 days nor more than 30 days prior to the due date for payment of any Partly Paid Instalment (other than the first such instalment) the Issuer shall publish a notice in accordance with Condition 18 stating the due date for payment thereof and stating that failure to pay any such Partly Paid Instalment on or prior to such date will entitle the Issuer to forfeit the Instruments with effect from such date (“Forfeiture Date”) as may be specified in such notice (not being less than 14 days after the due date for payment of such Partly Paid Instalment), unless payment of the relevant Partly Paid Instalment together with any interest accrued thereon is paid prior to the Forfeiture Date. The Issuer shall procure that any Partly Paid Instalments paid in respect of any Instruments subsequent to the Forfeiture Date in respect thereof shall be returned promptly to the persons entitled thereto. The Issuer shall not be liable for any interest on any Partly Paid Instalment so returned.

Interest shall accrue on any Partly Paid Instalment which is not paid on or prior to the due date for payment thereof at the Interest Rate (in the case of non-interest bearing Instruments, at the rate applicable to overdue payments) and shall be calculated in the same manner and on the same basis as if it were interest accruing on the Instruments for the period from and including the due date for payment of the relevant Partly Paid Instalment up to but excluding the Forfeiture Date. For the purpose of the accrual of interest, any payment of any Partly Paid Instalment made after the due date for payment shall be treated as having been made on the day preceding the Forfeiture Date (whether or not a Business Day as defined in Condition 6.9).

Unless an Event of Default or a Subordinated Default Event (or an event which with the giving of notice, the lapse of time or the making or giving of any determination or certification would constitute an Event of Default or a Subordinated Default Event) shall have occurred and be continuing, on the Forfeiture Date, the Issuer shall forfeit all of the Instruments in respect of which any Partly Paid Instalment shall not have been duly paid, whereupon the Issuer shall be entitled to retain all Partly Paid Instalments previously paid in respect of such Exempt Instruments and shall be discharged from any obligation to repay such amount or to pay interest thereon.

## **2. Title and Transfer**

- 2.1 Title to Instruments and Coupons passes by delivery. References herein to the “Holders” of Instruments or of Coupons are to the bearers of such Instruments or such Coupons.
- 2.2 This Condition 2.2 is applicable only to Exempt Instruments. In the case of Exempt Instruments, title to Receipts passes by delivery. References herein to “Holders” of Receipts are to the bearers of such Receipts.
- 2.3 The Holder of any Instrument or Coupon will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Holder.

## **3. Status of the Instruments**

### *3A Status – Unsubordinated Instruments*

- 3A.1 This Condition 3A is applicable only in relation to Instruments specified in the applicable Final Terms as being unsubordinated or not specified as being subordinated (“Unsubordinated Instruments”).

3A.2 The Unsubordinated Instruments constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 5) unsecured obligations of the Issuer which will at all times rank *pari passu* without any preference among themselves and at least *pari passu* with all other present and future unsecured (subject as aforesaid) and unsubordinated obligations of the Issuer (save for such obligations as may be preferred by mandatory provisions of applicable law).

**3B Status – Subordinated Instruments**

3B.1 This Condition 3B is applicable only in relation to Instruments specified in the applicable Final Terms as being subordinated (“Subordinated Instruments”).

3B.2 The Subordinated Instruments constitute direct, unsecured and subordinated obligations of the Issuer and rank at all times *pari passu* among themselves.

The claims of the Holders will be subordinated to the claims of Senior Creditors of the Issuer (as defined below) in that payments of principal and interest in respect of the Instruments (whether in the winding-up of the Issuer or otherwise) 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 Subordinated Instruments (whether in the winding-up of the Issuer or otherwise) 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 Subordinated Instruments and still be able to pay its outstanding debts to Senior Creditors of the Issuer which are due and payable.

“Senior Creditors of the Issuer” means creditors of the Issuer (a) who are unsubordinated creditors of the Issuer, or (b) who are subordinated creditors of the Issuer whose claims are expressed to rank in priority to the claims of the Holders (whether only in the winding-up of the Issuer or otherwise).

In the case of dissolution, liquidation, special liquidation 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 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. Such waiver constitutes a genuine contract benefitting third parties and, according to article 411 of the Greek Civil Code, creates rights for Senior Creditors.

**4. Status of Guarantee**

**4A Status – Unsubordinated Guarantee**

4A.1 This Condition 4A is applicable only in relation to Unsubordinated Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited.

4A.2 The obligations of the Guarantor under the Deed of Guarantee constitute direct, general, unconditional and unsubordinated obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured (subject to the provisions of Condition 5) and unsubordinated obligations of the Guarantor (save for such obligations as may be preferred by mandatory provisions of applicable law).

**4B Status – Subordinated Guarantee**

4B.1 This Condition 4B is applicable only in relation to Subordinated Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited.

4B.2 The obligations of the Guarantor under the Deed of Guarantee constitute direct, general, unconditional, subordinated and unsecured obligations of the Guarantor. All claims under the Deed of Guarantee will be subordinated to the claims of Senior Creditors of the Guarantor (as defined below) in that payments under the Deed of Guarantee (whether in the winding-up of the Guarantor or otherwise) 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 (whether in the winding-up of the Guarantor or otherwise) 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 Instruments and still be able to pay, in accordance with the Deed of Guarantee, its outstanding debts to Senior Creditors of the Guarantor which are due and payable.

“Senior Creditors of the Guarantor” 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 or other persons claiming under the Deed of Guarantee (whether only in the winding-up of the Guarantor or otherwise).

In the case of dissolution, liquidation, special liquidation 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 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.

## 5. Negative Pledge

This Condition 5 is applicable only to Unsubordinated Instruments.

So long as any of the Instruments remains outstanding (as defined in the Issue and Paying Agency Agreement), neither the Issuer nor the Guarantor 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 Holders of the Instruments an equal and rateable interest in the same or providing to the Holders of the Instruments such other security as shall be approved by an Extraordinary Resolution (as defined in the Issue and Paying Agency Agreement) of the Holders of the Instruments, save that the Issuer or the Guarantor may create or permit to subsist a security interest or like arrangement 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 Holders of the Instruments either an equal and rateable interest in the same or such other security or like arrangement as aforesaid) where such security interest or like arrangement:

- (i) 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
- (ii) is granted in relation to any Covered Bonds issued by the Issuer or the Guarantor.

“Covered Bond” means any bond, note, debenture or other security (however defined) designated by the Issuer and the Guarantor as a covered bond and secured on a segregated pool of assets.

“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 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**

### *Interest*

- 6.1 Instruments may be interest-bearing or non interest-bearing, as specified in the applicable Final Terms. Words and expressions appearing in this Condition 6 and not otherwise defined herein or in the applicable Final Terms shall have the meanings given to them in Condition 6.9.

### *Interest-bearing Instruments*

- 6.2 Instruments which are specified in the applicable Final Terms as being interest-bearing shall bear interest from their Interest Commencement Date at the Interest Rate payable in arrear on each Interest Payment Date.

### *Floating Rate Instruments – Determination of Interest Rate*

- 6.3 If the applicable Final Terms specify the Interest Rate applicable to the Instruments as being Floating Rate they shall also specify which page (the “Relevant Screen Page”) on the Reuters Screen or any other information vending service shall be applicable. If such a page is so specified, the Interest Rate applicable to the relevant Instruments for each Interest Accrual Period shall be determined by the Calculation Agent on the following basis:
- (i) the Calculation Agent will determine the offered rate for deposits (or, as the case may require, the arithmetic mean (rounded, if necessary, to the nearest ten thousandth of a percentage point, 0.00005 being rounded upwards) of the rates for deposits) in the Specified Currency as specified in the applicable Final Terms for a period of the duration of the relevant Interest Accrual Period on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
  - (ii) if, on any Interest Determination Date, no such rate for deposits so appears (or, as the case may be, if fewer than two such rates for deposits so appear) or if the Relevant Screen Page is unavailable, the Calculation Agent will request appropriate quotations and will determine the arithmetic mean (rounded as aforesaid) of the rates at which deposits in the Specified Currency are offered by four major banks in the London interbank market (or, in the case of Instruments denominated or payable in euro, the euro zone interbank market), selected by the Calculation Agent, at approximately the Relevant Time on the Interest Determination Date to prime banks in the relevant interbank market, for a period of the duration of the relevant Interest Accrual Period and in an amount that is representative for a single transaction in the relevant market at the relevant time;

- (iii) if, on any Interest Determination Date, only two or three rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates so quoted; or
- (iv) if fewer than two rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates quoted by four major banks in the Relevant Financial Centre (or in such financial centre or centres within the euro zone as the Calculation Agent may select) selected by the Calculation Agent, at approximately 11.00 a.m. (Relevant Financial Centre time (or local time at such other financial centre or centres as aforesaid)) on the first day of the relevant Interest Accrual Period for loans in the relevant currency to leading European banks for a period of the duration of the relevant Interest Accrual Period and in an amount that is representative for a single transaction in the relevant market at the relevant time,

and the Interest Rate applicable to such Instruments during each Interest Accrual Period will be the sum of the relevant margin (the “Relevant Margin”) specified in the applicable Final Terms and the rate (or, as the case may be, the arithmetic mean (rounded as aforesaid) of the rates) so determined provided, however, that, if the Calculation Agent is unable to determine a rate (or, as the case may be, an arithmetic mean of rates) in accordance with the above provisions in relation to any Interest Accrual Period, the Interest Rate applicable to such Instruments during such Interest Accrual Period will be the sum of the Relevant Margin and the rate (or, as the case may be, the arithmetic mean (rounded as aforesaid) of the rates) determined in relation to such Instruments in respect of the last preceding Interest Accrual Period.

#### *ISDA Rate Instruments — Determination of Interest Rate*

- 6.4 If the applicable Final Terms specify the Interest Rate applicable to the Instruments as being ISDA Rate, each Instrument shall bear interest as from such date, and at such rate or in such amounts, and such interest will be payable on such dates, as would have applied (regardless of any event of default or termination event or tax event thereunder) if the Issuer had entered into an interest rate swap transaction with the Holder of such Instrument under the terms of an agreement to which the ISDA Definitions applied and under which:
- the Fixed Rate Payer, Fixed Amount Payer, Fixed Price Payer, Floating Rate Payer, Floating Amount Payer, the Floating Price Payer is the Issuer (as specified in the applicable Final Terms);
  - the Effective Date is the Interest Commencement Date;
  - the Termination Date is the Maturity Date;
  - the Calculation Agent is the Calculation Agent as specified in the applicable Final Terms;
  - the Calculation Periods are the Interest Accrual Periods;
  - the Period End Dates are the Interest Period End Dates;
  - the Payment Dates are the Interest Payment Dates;
  - the Reset Dates are the Interest Period End Dates;
  - the Calculation Amount is the principal amount of such Instrument;

- the Day Count Fraction applicable to the calculation of any amount is that specified in the applicable Final Terms or, if none is so specified, as may be determined in accordance with the ISDA Definitions;
- the Applicable Business Day Convention applicable to any date is that specified in the applicable Final Terms or, if none is so specified, as may be determined in accordance with the ISDA Definitions; and
- the other terms are as specified in the applicable Final Terms.

#### *Maximum or Minimum Interest Rate*

- 6.5 If any Maximum or Minimum Interest Rate is specified in the applicable Final Terms, then the Interest Rate shall in no event be greater than the maximum or be less than the minimum so specified.

#### *Accrual of Interest*

- 6.6 Interest shall accrue on the Outstanding Principal Amount of each Instrument during each Interest Accrual Period from, and including, the Interest Commencement Date. Interest will cease to accrue as from the due date for redemption therefor (or, in the case of an Instalment Exempt Instrument only, in respect of each instalment of principal, on the due date for payment of the relevant Instalment Amount) unless upon due presentation or surrender thereof (if required), payment in full of the Redemption Amount (as defined in Condition 7.12). In the case of Instalment Exempt Instruments only, the relevant Instalment Amount is improperly withheld or refused or default is otherwise made in the payment thereof in which case interest shall continue to accrue on the principal amount in respect of which payment has been improperly withheld or refused or default has been made (as well after as before any demand or judgment) at the Interest Rate then applicable or such other rate as may be specified for this purpose in the applicable Final Terms until the date on which, upon due presentation or surrender of the relevant Instrument (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Instrument is not required as a precondition of payment), the seventh day after the date on which, the Issue and Paying Agent having received the funds required to make such payment, notice is given to the Holders of the Instruments in accordance with Condition 18 that the Issue and Paying Agent has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

#### *Interest Amount(s), Calculation Agent and Reference Banks*

- 6.7 If a Calculation Agent is specified in the applicable Final Terms, the Calculation Agent, as soon as practicable after the Relevant Time on each Interest Determination Date (or such other time on such date as the Calculation Agent may be required to calculate any Redemption Amount or, in the case of Instalment Exempt Instruments only, Instalment Amount, obtain any quote or make any determination or calculation) will determine the Interest Rate and calculate the amount(s) of interest payable (the “Interest Amount(s)”) in respect of the Calculation Amount of the Instruments for the relevant Interest Accrual Period, calculate the Redemption Amount or, in the case of Instalment Exempt Instruments only, Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date or, as the case may be, the Redemption Amount or, in the case of Instalment Exempt Instruments only, any Instalment Amount to be notified to the Issue and Paying Agent, the Issuer, the Holders in accordance with Condition 18 and, if the Instruments are listed on a stock exchange and the rules of such exchange so requires, such

exchange as soon as possible after their determination or calculation but in no event later than the fourth London Banking Day thereafter or, if earlier in the case of notification to the stock exchange, no later than the first day of the relevant Interest Accrual Period. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of an Interest Accrual Period or the Interest Period. If the Instruments become due and payable under Condition 11, the Interest Rate and the accrued interest payable in respect of the Instruments shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made. The determination of each Interest Rate, Interest Amount, Redemption Amount and, in the case of Instalment Exempt Instruments only, Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon the Issuer, the Guarantor and the Holders and neither the Calculation Agent nor any Reference Bank shall have any liability to the Holders in respect of any determination, calculation, quote or rate made or provided by it.

The Issuer will procure that there shall at all times be such Reference Banks as may be required for the purpose of determining the Interest Rate applicable to the Instruments and a Calculation Agent, if provision is made for one in the Conditions.

If the Calculation Agent is incapable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Accrual Period or to calculate the Interest Amounts or any other requirements, the Issuer will appoint the London office of a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

#### *Calculations and Adjustments*

- 6.8 The amount of interest payable in respect of any Instrument for any period shall be calculated by multiplying the product of the Interest Rate and the Outstanding Principal Amount by the Day Count Fraction, save that if the applicable Final Terms specify a specific amount in respect of such period, the amount of interest payable in respect of such Instrument for such period will be equal to such specified amount. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in the applicable Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States Dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

#### *Definitions*

- 6.9 “Applicable Business Day Convention” means the “Business Day Convention” which may be specified in the applicable Final Terms as applicable to any date in respect of the Instruments. Where the applicable Final Terms specify “No Adjustment” in relation to any date, such date

shall not be adjusted in accordance with any Business Day Convention. Where the applicable Final Terms fail either to specify an applicable Business Day Convention or “No Adjustment” for the purposes of an Interest Payment Date or an Interest Period End Date, then in the case of Instruments which bear interest at a fixed rate, “No Adjustment” shall be deemed to have been so specified and in the case of Instruments which bear interest at a floating rate, the Modified Following Business Day Convention shall be deemed to have been so specified. Different Business Day Conventions may apply, or be specified in relation to, the Interest Payment Dates, Interest Period End Dates and any other date or dates in respect of any Instruments.

“Banking Day” means, in respect of any city, any day (other than Saturdays and Sundays) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in that city.

“Business Day” means a day (other than a Saturday or Sunday):

- (i) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;
- (ii) in relation to Instruments denominated or payable in euro, on which the TARGET2 System is operating; and
- (iii) in relation to Instruments payable in any other currency, on which commercial banks and foreign exchange markets settle payments and are open for general business in the Relevant Financial Centre in respect of the relevant currency.

“Business Day Convention” means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following Business Day Conventions, where specified in the applicable Final Terms in relation to any date applicable to any Instruments, shall have the following meanings:

- (i) “Following Business Day Convention” means that such date shall be postponed to the first following day that is a Business Day;
- (ii) “Modified Following Business Day Convention” or “Modified Business Day Convention” means that such date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) “Preceding Business Day Convention” means that such date shall be brought forward to the first preceding day that is a Business Day; and
- (iv) “FRN Convention” or “Eurodollar Convention” means that each such date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the applicable Final Terms after the calendar month in which the preceding such date occurred, provided that
  - (a) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (b) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless

that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

- (c) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred.

“Day Count Fraction” means, in respect of the calculation of an amount for any period of time (“Calculation Period”), such day count fraction as may be specified in the applicable Final Terms and

- (i) if “Actual/Actual (ICMA)” is so specified, means:
  - (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (A) the actual number of days in such Regular Period and (B) the number of Regular Periods in any year; and
  - (b) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (A) the actual number of days in such Regular Period and (B) the number of Regular Periods in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (A) the actual number of days in such Regular Period and (B) the number of Regular Periods in any year;
- (ii) if “Actual/Actual” or “Actual/Actual (ISDA)” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if “Actual/365 (Fixed)” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if “Actual/360” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation 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 Calculation 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;

- (vi) if “30E/360” or “Eurobond Basis” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

- (vii) if “30E/360 (ISDA)” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation 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 Calculation 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.

“euro zone” means the zone comprising the Member States of the European Union which adopt or have adopted the euro as their lawful currency in accordance with the Treaty.

“Interest Accrual Period” means, in respect of an Interest Period, each successive period beginning on, and including, an Interest Period End Date and ending on, but excluding, the next succeeding Interest Period End Date during that Interest Period provided always that the first Interest Accrual Period shall commence on and include the Interest Commencement Date.

“Interest Commencement Date” means the date of issue of the Instruments (as specified in the applicable Final Terms) or such other date as may be specified as such in the Final Terms.

“Interest Determination Date” means, in respect of any Interest Accrual Period, the date falling such number (if any) of Banking Days in such city(ies) as may be specified in the applicable Final Terms prior to the first day of such Interest Accrual Period, or if none is specified:

- (i) in the case of instruments denominated or payable in euro, the date falling two TARGET Business Days prior to the first day of such Interest Accrual Period; and
- (ii) in any other case, the date falling two London Banking Days prior to the first day of such Interest Accrual Period.

“Interest Payment Date” means the date or dates specified as such in, or, in the case of Exempt Instruments only, determined in accordance with the provisions of, the applicable Final Terms and, if an Applicable Business Day Convention is specified in the applicable Final Terms, as the same may be adjusted in accordance with the Applicable Business Day Convention or if the Applicable Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the applicable Final Terms as being the Interest Period, each of such dates as may occur in accordance with the FRN Convention at such specified period of calendar months following the date of issue of the Instruments (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case).

“Interest Period” means each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date provided always that the first Interest Period shall commence on and include the Interest

Commencement Date and the final Interest Period shall end on but exclude the date of final maturity.

“Interest Period End Date” means the date or dates specified as such in, or, in the case of Exempt Instruments only, determined in accordance with the provisions of, the applicable Final Terms and, if an Applicable Business Day Convention is specified in the applicable Final Terms, as the same may be adjusted in accordance with the Applicable Business Day Convention or, if the Applicable Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the applicable Final Terms as the Interest Accrual Period, such dates as may occur in accordance with the FRN Convention at such specified period of calendar months following the Interest Commencement Date (in the case of the first Interest Period End Date) or the previous Interest Period End Date (in any other case) or, if none of the foregoing is specified in the applicable Final Terms, means the date or each of the dates which correspond with the Interest Payment Date(s) in respect of the Instruments.

“Interest Rate” means the rate or rates (expressed as a percentage per annum) or amount or amounts (expressed as a price per unit of relevant currency) of interest payable in respect of the Instruments specified in, or, in the case of Exempt Instruments only, calculated or determined in accordance with the provisions of, the applicable Final Terms.

“ISDA Definitions” means the 2006 ISDA Definitions as amended and updated as at the date of issue of the first Tranche of the Instruments of the relevant Series (as specified in the applicable Final Terms) as published by the International Swaps and Derivatives Association, Inc.

“Outstanding Principal Amount” means, in respect of an Instrument, its principal amount less, in respect of any Instalment Exempt Instrument, any principal amount on which interest shall have ceased to accrue in accordance with Condition 6.6 or, in the case of a Partly Paid Instrument, the Paid Up Amount of such Exempt Instrument or otherwise as indicated in the applicable Pricing Supplement except that the Paid Up Amount shall be deemed to be nil for Exempt Instruments which have been forfeited by the Issuer on or after the Forfeiture Date as provided for in Condition 1.6.

“Reference Banks” means such banks as may be specified in the applicable Final Terms as the Reference Banks or, if none are specified, “Reference Banks” has the meaning given in the ISDA Definitions, *mutatis mutandis*.

“Regular Period” means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “Regular Date” means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next

Regular Date, where “Regular Date” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

“Relevant Financial Centre” means (i) in the case of a rate at which deposits are offered in the London interbank market, London or (ii) in the case of a rate at which deposits are offered in the euro zone interbank market, Brussels or, in the case of Exempt Instruments, such other financial centre or centres as may be specified in the applicable Pricing Supplement.

“Relevant Time” means 11:00 a.m. in the Relevant Financial Centre, or, in the case of Exempt Instruments, such other time as may be specified in the applicable Pricing Supplement.

“Reuters Screen” means, when used in connection with a designated page and any designated information, the display page so designated on the Reuters Monitor Money Rates Service (or such other page as may replace that page on that service for the purpose of displaying such information).

“TARGET2 System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

“TARGET Business Day” means a day on which the TARGET2 System is operating.

“Treaty” means the Treaty on the Functioning of the European Union, as amended.

#### *Non-Interest Bearing Instruments*

- 6.10 If any Redemption Amount (as defined in Condition 7.12) or, in the case of Instalment Exempt Instruments only, Instalment Amount (as defined in Condition 7.1) in respect of any Instrument which is non-interest bearing is not paid when due, interest shall accrue on the overdue amount at a rate per annum (expressed as a percentage per annum) equal to the Amortisation Yield specified in, or, in the case of Exempt Instruments only, determined in accordance with the provisions of, the applicable Final Terms or at such other rate as may be specified for this purpose in the applicable Final Terms until the date on which, upon due presentation or surrender of the relevant Instrument (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Instrument is not required as a precondition of payment), the seventh day after the date on which, the Issue and Paying Agent having received the funds required to make such payment, notice is given to the Holders of the Instruments in accordance with Condition 18 that the Issue and Paying Agent has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder). The amount of any such interest shall be calculated in accordance with the provisions of Condition 6.8 as if the Interest Rate was the Amortisation Yield, the Outstanding Principal Amount was the overdue sum and the Day Count Fraction was as specified for this purpose in the applicable Final Terms or, if not so specified, 30E/360 (as defined in Condition 6.9).

#### *Index Linked Interest Instruments*

*This Condition 6.11 is applicable only to Exempt Instruments.*

- 6.11 If the Instruments are Exempt Instruments and specified in the applicable Pricing Supplement as being Index Linked Interest Instruments, the provisions relating to the computation of interest for such Exempt Instruments will be set out in the applicable Pricing Supplement and the provisions of this Condition 6 will be subject to Condition 8.

## *Equity Linked Interest Instruments*

*This Condition 6.12 is applicable only to Exempt Instruments.*

- 6.12 If the Instruments are Exempt Instruments and specified in the applicable Pricing Supplement as being Equity Linked Interest Instruments, the provisions relating to the computation of interest for such Exempt Instruments will be set out in the applicable Pricing Supplement and the provisions of this Condition 6 will be subject to Condition 9.

## **7. Redemption and Purchase**

### *Redemption at Maturity*

- 7.1 Except in the case of Exempt Instruments which are Index Linked Redemption Instruments (in relation to which Condition 8.1 applies) and Exempt Instruments which are Equity Linked Redemption Instruments (in relation to which Condition 9.1 applies), unless previously redeemed, or purchased and cancelled or unless such Instrument is stated in the applicable Final Terms as having no fixed maturity date, each Instrument shall be redeemed at its maturity redemption amount (the "Maturity Redemption Amount") being (i) in the case of PD Instruments, at its Outstanding Principal Amount, (ii) in the case of Exempt Instruments, at its Outstanding Principal Amount or such other redemption amount as may be specified in or determined in accordance with the applicable Pricing Supplement on the Maturity Date or (iii), in the case of Instalment Exempt Instruments, in such number of instalments and in such amounts ("Instalment Amounts") as may be specified in, or determined in accordance with the provisions of, the applicable Pricing Supplement on the dates specified in the applicable Pricing Supplement.

### *Early Redemption for Taxation Reasons*

- 7.2 If, in relation to any Series of Instruments as a result of any change in the laws, regulations or rulings of the Taxing Jurisdiction of the Issuer or, as the case may be, the Guarantor or 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, regulations or rulings which becomes effective on or after the date on which agreement is reached to issue the first Tranche of such Instruments, the Issuer would be required to pay additional amounts as provided in Condition 12 or the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, the Issuer may, at its option (but, in the case of Subordinated Instruments, subject to consent thereto having been obtained from the Competent Authority), and having given no less than thirty nor more than sixty days' notice (ending, in the case of Instruments which bear interest at a floating rate, on a day upon which interest is payable) to the Holders of the Instruments in accordance with Condition 18 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Instruments comprising the relevant Series at their early tax redemption amount (the "Early Redemption Amount (Tax)") (which shall be their Outstanding Principal Amount or, in the case of Instruments which are non-interest bearing, their Amortised Face Amount (as defined in Condition 7.13) or such other redemption amount as may be specified in, or, in the case of Exempt Instruments only, determined in accordance with the provisions of, the applicable Final Terms), together with accrued interest (if any) thereon provided, however, that no such notice of redemption may be given earlier than 90 days (or, in the case of Instruments which bear interest at a floating rate, a number of days which is equal to the aggregate of the number of days falling within the then current interest period applicable to the Instruments plus 60 days) prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Instruments then due.

The Issuer may not exercise such option in respect of any Instrument which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Instrument under Condition 7.6.

“Competent Authority” means, pursuant to Council Regulation (EU) 1024/2013, (i) until and including 3 November 2014, the Bank of Greece and (ii) from and including 4 November 2014, the European Central Bank.

“Taxing Jurisdiction” means, in the case of ERB Hellas PLC, the United Kingdom, in the case of ERB Hellas (Cayman Islands) Limited, the Cayman Islands, in the case of the Bank, the Hellenic Republic and, in the case of the Guarantor, the Hellenic Republic.

#### *Optional Early Redemption (Call)*

- 7.3 If this Condition 7.3 is specified in the applicable Final Terms as being applicable, then the Issuer may, subject, in the case of Subordinated Instruments to the prior consent of the Competent Authority, having given the appropriate notice, and subject to such conditions as may be specified in the applicable Final Terms, redeem all (but not, unless and to the extent that the applicable Final Terms specify otherwise, some only) of the Instruments of the relevant Series at their call early redemption amount (the “Early Redemption Amount (Call)”) (which shall be their Outstanding Principal Amount or, in the case of Instruments which are non-interest bearing, their Amortised Face Amount (as defined in Condition 7.13) or such other redemption amount as may be specified in, or, in the case of Exempt Instruments only, determined in accordance with the provisions of, the applicable Final Terms), together with accrued interest (if any) thereon on the date specified in such notice.

The Issuer may not exercise such option in respect of any Instrument which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Instrument under Condition 7.6.

- 7.4 The appropriate notice referred to in Condition 7.3 is a notice given by the Issuer to the Holders of the Instruments of the relevant Series in accordance with Condition 18, which notice shall be irrevocable and shall specify
- the Series of Instruments subject to redemption;
  - whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of and (except in the case of a Temporary Global Instrument or Permanent Global Instrument) the serial numbers of the Instruments of the relevant Series which are to be redeemed;
  - the due date for such redemption, which shall be not less than thirty days nor more than sixty days after the date on which such notice is given and which shall be such date or the next of such dates (“Call Option Date(s)”) or a day falling within such period (“Call Option Period”), as may be specified in the applicable Final Terms and which is, in the case of Instruments which bear interest at a floating rate, a date upon which interest is payable; and
  - the Early Redemption Amount (Call) at which such Instruments are to be redeemed.

#### *Partial Redemption*

- 7.5 If the Instruments of a Series are to be redeemed in part only on any date in accordance with Condition 7.3, the Instruments to be redeemed shall be not less than the Minimum

Redemption Amount (if any) or not more than the Maximum Redemption Amount (if any), both as indicated in the applicable Final Terms and shall be drawn by lot in such European city as the Issue and Paying Agent may specify, or identified in such other manner or in such other place as the Issue and Paying Agent may approve and deem appropriate and fair, subject always to compliance with all applicable laws and the requirements of any stock exchange on which the relevant Instruments may be listed.

A list of the Instruments called for redemption will be published in accordance with Condition 18 not less than fifteen days prior to the date fixed for redemption.

#### *Optional Early Redemption (Put)*

7.6 This Condition 7.6 is applicable only to Unsubordinated Instruments.

If this Condition 7.6 is specified in the applicable Final Terms as being applicable, then the Issuer shall, upon the exercise of the relevant option by the Holder of any Instrument of the relevant Series, redeem such Instrument on the date specified in the relevant Put Notice (as defined below) at its put early redemption amount (the “Early Redemption Amount (Put)”) (which shall be its Outstanding Principal Amount or, if such Instrument is non-interest bearing, its Amortised Face Amount (as defined in Condition 7.13) or such other redemption amount as may be specified in, or, in the case of Exempt Instruments only, determined in accordance with the provisions of, the applicable Final Terms), together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, not less than forty-five days before the date on which such redemption is required to be made as specified in the Put Notice (which date shall be such date or the next of the dates (“Put Date(s)”) or a day falling within such period (“Put Period”) as may be specified in the applicable Final Terms), deposit the relevant Instrument (together, in the case of an interest-bearing Instrument, with all unmatured Coupons appertaining thereto other than any Coupon maturing on or before the date of redemption (failing which the provisions of Condition 13A.6 apply)) during normal business hours at the specified office of any Paying Agent together with a duly completed early redemption notice (“Put Notice”) in the form which is available from the specified office of any of the Paying Agents. No Instrument so deposited and option exercised may be withdrawn (except as provided in the Issue and Paying Agency Agreement).

The holder of an Instrument may not exercise such option in respect of any Instrument which is (a) the subject of an exercise by the Issuer of its option to redeem such Instrument under either Condition 7.2 or 7.3 or (b) a Subordinated Instrument.

#### *Purchase of Instruments*

7.7 The Issuer, the Guarantor and any of the Bank’s subsidiaries may at any time purchase Instruments in the open market or otherwise and at any price provided that all unmatured Coupons and, in the case of Exempt Instruments only, Receipts appertaining thereto are purchased therewith. Such Instruments may be held, reissued or, at the option of the Issuer or the Guarantor, surrendered to any Paying Agent for cancellation (subject, in the case of Subordinated Instruments, as provided in Condition 7.8 below).

#### *Cancellation of Redeemed and Purchased Instruments*

7.8 All unmatured Instruments and Coupons and unexchanged Talons redeemed or purchased, otherwise than in the ordinary course of business of dealing in securities or as a nominee in accordance with this Condition 7, will be cancelled forthwith and may not be reissued or resold. In the case of Subordinated Instruments, cancellation thereof may be subject to consent thereto having been obtained from the Competent Authority.

## *Illegality*

- 7.9 In the event that the Issuer determines that the performance of the Issuer's obligations under the Instruments or the Guarantor's obligations in respect thereof under the Deed of Guarantee has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, the Issuer having given not less than 10 nor more than 30 days' notice to Holders in accordance with Condition 18 (which notice shall be irrevocable), may, on expiry of such notice redeem all (but not some only) of the Instruments, each Calculation Amount (as set out in the applicable Final Terms) being redeemed at the Early Termination Amount (as defined below) together with all interest (if any) accrued thereon.

## *Autocallable Instruments*

*This Condition 7.10 is applicable only to Exempt Instruments.*

- 7.10 If Autocall is specified as applying in the applicable Pricing Supplement, unless previously redeemed or purchased and cancelled, upon the occurrence of an Autocall Event (as set out in the applicable Pricing Supplement), each nominal amount of the Instruments equal to the Calculation Amount set out in the applicable Pricing Supplement will be redeemed by the Issuer at the Autocall Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement on the Autocall Redemption Date.

If the Exempt Instruments are to be so redeemed, the Issuer will give notice to the Holders of the Exempt Instruments in accordance with Condition 18 as soon as practicable after the Autocall Event has been determined.

## *Further Provisions applicable to Redemption Amount and Instalment Amounts*

- 7.11 The provisions of Condition 6.7 and the last paragraph of Condition 6.8 shall apply to any determination or calculation of the Redemption Amount or, in the case of Instalment Exempt Instruments only, any Instalment Amount required by the applicable Final Terms to be made by the Calculation Agent.
- 7.12 References herein to "Redemption Amount" shall mean, as appropriate, the Maturity Redemption Amount, the final Instalment Amount (in the case of Instalment Exempt Instruments only), the Early Redemption Amount (Tax), the Early Redemption Amount (Call), the Early Redemption Amount (Put) and the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or, in the case of Exempt Instruments only, determined in accordance with the provisions of, the applicable Final Terms.
- 7.13 In the case of any Instrument which is non-interest bearing, the "Amortised Face Amount" shall be an amount equal to the sum of:
- (i) the Issue Price specified in the applicable Final Terms; and
  - (ii) the product of the Amortisation Yield (compounded annually) being applied to the Issue Price from (and including) the Issue Date specified in the applicable Final Terms to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Instrument becomes due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of the Day Count Fraction (as defined in Condition 6.9) specified in the applicable Final Terms for the purposes of this Condition 7.13.

- 7.14 In the case of any Instrument which is non-interest bearing, if any Redemption Amount (other than the Maturity Redemption Amount) is improperly withheld or refused or default is otherwise made in the payment thereof, the Amortised Face Amount shall be calculated as provided in Condition 7.13 but as if references in subparagraph (ii) to the date fixed for redemption or the date upon which such Instrument becomes due and repayable were replaced by references to the earlier of:
- (i) the date on which, upon due presentation or surrender of the relevant Instrument (if required), the relevant payment is made; and
  - (ii) (except where presentation or surrender of the relevant Instrument is not required as a precondition of payment), the seventh day after the date on which, the Issue and Paying Agent having received the funds required to make such payment, notice is given to the Holders of the Instruments in accordance with Condition 18 of that circumstance (except to the extent that there is a failure in the subsequent payment thereof to the relevant Holder).

## **8. Index Linked Instruments**

*This Condition 8 is applicable only to Exempt Instruments.*

If an Exempt Instrument is specified as an Index Linked Interest Instrument and/or Index Linked Redemption Instrument in the applicable Pricing Supplement then the provisions of this Condition 8 apply, as applicable, as modified by the applicable Pricing Supplement.

*Redemption at Maturity of Exempt Instruments that are Index Linked Redemption Instruments*

- 8.1 Unless previously redeemed or purchased and cancelled, each nominal amount of the Index Linked Redemption Instruments equal to the Calculation Amount set out in the applicable Pricing Supplement will be redeemed by the Issuer at the Maturity Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement on the Maturity Date.

*Adjustments to an Index*

- 8.2 (i) Successor Index Sponsor Calculates and Reports an Index

If a relevant Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (a "Successor Index Sponsor") acceptable to the Calculation Agent or (b) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then, in each case, that index (the "Successor Index") will be deemed to be the Index.

- (ii) Modification and Cessation of Calculation of an Index

If (a) on or prior to a Valuation Date or an Averaging Date the relevant Index Sponsor or, if applicable, the relevant Successor Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification

prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation, contracts or commodities and other routine events) (an “Index Modification”) or permanently cancels the Index and no Successor Index exists (an “Index Cancellation”), or (b) on a Valuation Date or an Averaging Date the relevant Index Sponsor or, if applicable, the relevant Successor Index Sponsor fails to calculate and announce a relevant Index (an “Index Disruption” and, together with an Index Modification and an Index Cancellation, each an “Index Adjustment Event”), then the Issuer may take the action described in (A) or (B) below:

- (A) in relation to any day on which the Calculation Agent is required to determine the Reference Price for such Index for such day, require the Calculation Agent to (x) determine if such Index Adjustment Event has a material effect on the Instruments and, if so, to calculate the Reference Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation but using only those securities/commodities that comprised that Index immediately prior to that Index Adjustment Event or (y) substitute the relevant Index with a replacement index using the same or a substantially similar method of calculation as used in the calculation of the relevant Index and the Calculation Agent shall determine the appropriate adjustment, if any, to be made to any one or more of the relevant Interest Amount and/or the Maturity Redemption Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement to account for such substitution;
- (B) give notice to the Holders in accordance with Condition 18 and redeem all (but not some only) of the Instruments, each Calculation Amount being redeemed at the Early Termination Amount.

(iii) Notice

Upon the occurrence of an Index Adjustment Event, the Issuer shall give notice as soon as practicable to Holders in accordance with Condition 18 giving details of the action proposed to be taken in relation thereto.

*Correction of an Index*

- 8.3 If Correction of Index Levels is specified as applying in the applicable Pricing Supplement and the level of an Index published on a Valuation Date or an Averaging Date used to determine the relevant Interest Amount and/or Maturity Redemption Amount, as the case may be, is subsequently corrected and the correction (the “Corrected Index Level”) is published by the Index Sponsor or (if applicable) the Successor Index Sponsor prior to the Correction Cut-Off Date specified in the applicable Pricing Supplement, then such Corrected Index Level shall be deemed to be the level for such Index for such Valuation Date or such Averaging Date, as the case may be, and the Calculation Agent shall use such Corrected Index Level in determining the relevant Interest Amount and/or the Maturity Redemption Amount, as the case may be.

*Definitions applicable to Exempt Instruments that are Index Linked Instruments*

- 8.4 “Averaging Date” means each date specified as an Averaging Date in the applicable Pricing Supplement or (if any such date is not a Scheduled Trading Day) the immediately following

Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (i) if “Omission” is specified in the applicable Pricing Supplement as applying, then such date will be deemed not to be an Averaging Date provided that, if through the operation of this provision there would not be an Averaging Date, then the provisions of the definition of “Valuation Date” will apply for the purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
- (ii) if “Postponement” is specified in the applicable Pricing Supplement as applying, then the provisions of the definition of “Valuation Date” will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (iii) if “Modified Postponement” is specified in the applicable Pricing Supplement as applying:
  - (a) where the Exempt Instruments relate to a single Index, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether the eighth Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (i)(b) of the definition of “Valuation Date” below; and
  - (b) where the Exempt Instruments relate to a Basket of Indices, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the “Scheduled Averaging Date”) and the Averaging Date for an Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index. If the first succeeding Valid Date in relation to such Index has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in relation to such Index, and (B) the Calculation Agent shall determine the relevant level, price or amount for such Averaging Date in accordance with sub-paragraph (ii)(b) of the definition of “Valuation Date” below.

If the applicable Pricing Supplement specifies a number of Averaging Roll Days (other than eight), references in this definition of “Averaging Date” to “eighth Scheduled Trading Day” (and related references) shall be construed with reference to such number of Averaging Roll Days.

“Disrupted Day” means (i) where the relevant Index is specified in the applicable Pricing Supplement as not being a Multi-Exchange Index, any Scheduled Trading Day on which a

relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred or (ii) where the relevant Index is specified in the applicable Pricing Supplement as being a Multi-Exchange Index, any Scheduled Trading Day on which (a) the relevant Index Sponsor fails to publish the level of the Index, (b) any Related Exchange fails to open for trading during its regular trading session or (c) a Market Disruption Event has occurred.

“Early Closure” means the closure on any Exchange Business Day of the Exchange in respect of any Component Security or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange, as the case may be, at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange, as the case may be, on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into the relevant Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

“Exchange” means:

- (i) where the relevant Index is specified in the applicable Pricing Supplement as not being a Multi-Exchange Index, each exchange or quotation system specified as such for such Index in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities/commodities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities/commodities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange); and
- (ii) where the relevant Index is specified in the applicable Pricing Supplement as being a Multi-Exchange Index, in relation to each component security of that Index (each a “Component Security”), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent.

“Exchange Business Day” means either (i) where the relevant Index is specified in the applicable Pricing Supplement as not being a Multi-Exchange Index, any Scheduled Trading Day on which each Exchange and each Related Exchange is open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time or (ii) where the relevant Index is specified in the applicable Pricing Supplement as being a Multi-Exchange Index, any Scheduled Trading Day on which (a) the Index Sponsor publishes the level of the Index and (b) each Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time.

“Exchange Disruption” means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component Security on the Exchange in respect of such Component Security; or (ii) futures or options contracts relating to the Index on any Related Exchange.

“Indices” and “Index” mean, subject to adjustment in accordance with Condition 8.2, the indices or index specified in the applicable Pricing Supplement and related expressions shall be construed accordingly.

“Index Sponsor” means, in relation to an Index, the corporation or other entity that (i) is responsible for setting and reviewing the rules and procedures and the methods of calculation

and adjustments, if any, related to such Index and (ii) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the applicable Pricing Supplement.

“Market Disruption Event” means, in respect of an Index:

- (i) where such Index is specified in the applicable Pricing Supplement as not being a Multi-Exchange Index:
  - (a) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time:
    - (A) of any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange, or otherwise, and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
      - (x) on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index; or
      - (y) in futures or options contracts relating to the relevant Index on any relevant Related Exchange; or
    - (B) of any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (I) to effect transactions in, or obtain market values for, on any relevant Exchange(s), securities that comprise 20 per cent. or more of the level of the relevant Index, or (II) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange; or
  - (b) the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities/commodities that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or, if earlier, (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day,

which in any such case the Calculation Agent determines is material; or

- (ii) where such Index is specified in the applicable Pricing Supplement as being a Multi-Exchange Index, in respect of a Component Security included in such Index either:
  - (a) (i) the occurrence or existence, in respect of any Component Security, of:
    - (A) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange in respect of such Component Security;

- (B) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange in respect of such Component Security; or
  - (C) an Early Closure in respect of such Component Security, which the Calculation Agent determines is material; and
- (ii) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; or
- (b) the occurrence or existence, in respect of futures or options contracts relating to the Index, of:
  - (A) a Trading Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange;
  - (B) an Exchange Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange; or
  - (C) an Early Closure,

in each case in respect of such futures or options contracts and which the Calculation Agent determines is material.

For the purpose of determining whether a Market Disruption Event exists in relation to an Index or in respect of a Component Security at any time, if an event giving rise to a Market Disruption Event occurs in respect of a security included in the Index or such Component Security at that time, then the relevant percentage contribution of that security or Component Security, as the case may be, to the level of that Index shall be based on a comparison of (x) the portion of the level of that Index attributable to that security or Component Security, as the case may be, and (y) the overall level of that Index, in each case either (a) except where the relevant Index is specified in the applicable Pricing Supplement as being a Multi-Exchange Index, immediately before the occurrence of such Market Disruption Event or (b) where the relevant Index is specified in the applicable Pricing Supplement as being a Multi-Exchange Index, using the official opening weightings as published by the Index Sponsor as part of the market "opening data".

The Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 18 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Valuation Date or an Averaging Date. Without limiting the obligation of the Issuer to give notice to the Holders as set forth in the preceding sentence, failure by the Issuer to notify the Holders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

"Reference Price" means:

- (i) where the Exempt Instruments are specified in the applicable Pricing Supplement to relate to a single Index, an amount equal to the official closing level of the Index as determined by the Calculation Agent (or if a Valuation Time other than the Scheduled Closing Time is specified in the applicable Pricing Supplement, the level of the Index determined by the Calculation Agent at such Valuation Time) on (a) if Valuation Dates

are specified in the applicable Pricing Supplement, a Valuation Date (as defined below) or (b) if Averaging Dates are specified in the applicable Pricing Supplement, an Averaging Date and, in either case, if specified in the applicable Pricing Supplement, without regard to any subsequently published correction; and

- (ii) where the Exempt Instruments are specified in the applicable Pricing Supplement to relate to a Basket of Indices, an amount equal to the sum of the values calculated for each Index as the official closing level of each Index as determined by the Calculation Agent (or if a Valuation Time other than the Scheduled Closing Time is specified in the applicable Pricing Supplement, the level of the Index determined by the Calculation Agent at such Valuation Time) on (a) if Valuation Dates are specified in the applicable Pricing Supplement, a Valuation Date or (b) if Averaging Dates are specified in the applicable Pricing Supplement, an Averaging Date and, in either case, if specified in the applicable Pricing Supplement, without regard to any subsequently published correction, multiplied by the relevant Multiplier specified in the applicable Pricing Supplement.

“Related Exchange” means, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where “All Exchanges” is specified as the Related Exchange in the applicable Pricing Supplement, “Related Exchange” shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or option contracts relating to such Index.

“Scheduled Closing Time” means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“Scheduled Trading Day” means (i) where the relevant Index is specified in the applicable Pricing Supplement as not being a Multi-Exchange Index, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions or (ii) where the relevant Index is specified in the applicable Pricing Supplement as being a Multi-Exchange Index, (a) any day on which the Index Sponsor is scheduled to publish the level of that Index and (b) each Related Exchange is scheduled to be open for trading for its regular trading session.

“Scheduled Valuation Date” means, in relation to a Valuation Date, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been that Valuation Date.

“Strike Price” means the price or prices specified in the applicable Pricing Supplement.

“Trading Disruption” means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange, as the case may be, or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on any Related Exchange.

“Valid Date” means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

“Valuation Date” means the date or, in the case of Index Linked Interest Instruments, each date specified as such in the applicable Pricing Supplement or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day then:

- (i) where the Exempt Instruments are specified in the applicable Pricing Supplement to relate to a single Index, that Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case (a) that eighth Scheduled Trading Day shall be deemed to be that Valuation Date (notwithstanding the fact that such day is a Disrupted Day) and (b) the Calculation Agent shall determine the Reference Price in the manner set out in the applicable Pricing Supplement or, if not set out or not practicable, determine the Reference Price by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security/commodity comprised in the Index (or if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day, its estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day); or
- (ii) where the Exempt Instruments are specified in the applicable Pricing Supplement to relate to a Basket of Indices, that Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and that Valuation Date for each Index affected by the occurrence of a Disrupted Day (each an “Affected Index”) shall be the next following Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Index. In that case, (a) that eighth Scheduled Trading Day shall be deemed to be that Valuation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day and (b) the Calculation Agent shall determine the Reference Price using, in relation to the Affected Index, the level of that Index determined in the manner set out in the applicable Pricing Supplement or, if not set out or if not practicable, using the level of that Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security/commodity comprised in that Index (or if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day, its estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day).

If the applicable Pricing Supplement specifies a number of Valuation Roll Days (other than eight), references in this definition of “Valuation Date” to “eight Scheduled Trading Days” and “eighth Scheduled Trading Day” (and related references) shall be construed with reference to such number of Valuation Roll Days.

“Valuation Time” means:

- (i) in respect of each Index specified in the applicable Pricing Supplement as not being a Multi-Exchange Index, the Valuation Time specified in the applicable Pricing Supplement or if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date or Averaging Date, as the case may be, in relation to such Index. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; or
- (ii) in respect of each Index specified in the applicable Pricing Supplement as being a Multi-Exchange Index, (a) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of a Component Security, the Scheduled Closing Time on the relevant Exchange and (y) in respect of any options contracts or futures contracts on the relevant Index, the close of trading on the relevant Related Exchange, and (b) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor. If, for the purposes of (a) above, the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

## 9. Equity Linked Instruments

*This Condition 9 is applicable only to Exempt Instruments.*

If an Exempt Instrument is specified as an Equity Linked Interest Instrument and/or Equity Linked Redemption Instrument in the applicable Pricing Supplement then the provisions of this Condition 9 apply, as applicable, as modified by the applicable Pricing Supplement.

*Redemption at Maturity of Exempt Instruments that are Equity Linked Redemption Instruments*

- 9.1 Unless previously redeemed or purchased and cancelled, each nominal amount of Equity Linked Redemption Instruments equal to the Calculation Amount set out in the applicable Pricing Supplement will be redeemed by the Issuer by payment of the Maturity Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement on the Maturity Date.

*Potential Adjustment Events, De-listing, Merger Event, Nationalisation and Insolvency, Tender Offer, Adjustments for Equity Linked Instruments in respect of Underlying Equities quoted in European Currencies and Correction of Underlying Equity Prices*

- 9.2 (i) If Potential Adjustment Events are specified in the applicable Pricing Supplement (as applicable), then following the declaration by an Equity Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative or other effect on the theoretical value of the Underlying Equities and, if so, will (a) make the corresponding adjustment, if any, to any one or more of the relevant Interest Amount and/or the Maturity Redemption Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement as the Calculation Agent determines appropriate to account for that diluting or concentrative or other effect (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Underlying Equity) including, if "Equity Substitution" is specified as applying in the applicable Pricing Supplement, the substitution of the Underlying Equity (the "Substituted Equity") the subject of the Potential Adjustment Event by an equity security selected by the Calculation Agent from the Reference Index (the "New Equity") and (b) determine the effective date of

that adjustment. If “Equity Substitution” is specified as applying in the applicable Pricing Supplement, and the Calculation Agent selects a New Equity in substitution for the Substituted Equity, the Issuer shall require the Calculation Agent to make such other adjustments to these Conditions and/or the applicable Pricing Supplement as it deems appropriate. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Underlying Equities traded on that options exchange.

In making any determination in respect of any such adjustment, the Calculation Agent shall not have regard to any interests arising from circumstances particular to individual Holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such determination for individual Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and no Holder shall be entitled to claim from the Issuer, the Guarantor, the Calculation Agent or any other person any indemnification or payment in respect of any tax consequences as a result of any such determination and/or adjustment upon individual Holders.

Upon the making of any such adjustment by the Calculation Agent, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 18, stating the adjustment to the relevant Interest Amount and/or the Maturity Redemption Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement and giving brief details of the Potential Adjustment Event.

- (ii) If (a) De-listing, Merger Event, Nationalisation and Insolvency is specified as applying in the applicable Pricing Supplement and/or (b) Tender Offer is specified as applying in the applicable Pricing Supplement and (in the case of (a)) a De-listing, Merger Event, Nationalisation or Insolvency occurs or (in the case of (b)) a Tender Offer occurs, in each case, in relation to an Underlying Equity, the Issuer may:
  - (A) require the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the relevant Interest Amount and/or the Maturity Redemption Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement to account for the De-listing, Merger Event, Nationalisation, Insolvency or Tender Offer, as the case may be, including, if “Equity Substitution” is specified as applying in the applicable Pricing Supplement, the substitution of the Substituted Equity the subject of the De-listing, Merger Event, Nationalisation, Insolvency or Tender Offer by a New Equity and determine the effective date of that adjustment; or
  - (B) give notice to the Holders in accordance with Condition 18 and redeem all (but not some only) of the Instruments, with each Calculation Amount being redeemed at the Early Termination Amount.

If the provisions of Condition 9.2(ii)(A) apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Nationalisation, Insolvency or Tender Offer, as the case may be, made by an options exchange to options on the Underlying Equities traded on that options exchange.

If “Equity Substitution” is specified as applying in the applicable Pricing Supplement, and the Calculation Agent selects a New Equity in substitution for the Substituted Equity, the Issuer shall require the Calculation Agent to make such other adjustments to these Conditions and/or the applicable Pricing Supplement as it deems appropriate.

In making any determination in respect of any such adjustment, the Calculation Agent shall not have regard to any interests arising from circumstances particular to individual Holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such determination for individual Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and no Holder shall be entitled to claim from the Issuer, the Guarantor, the Calculation Agent or any other person any indemnification or payment in respect of any tax consequences as a result of any such determination and/or adjustment upon individual Holders.

Upon the occurrence (as applicable) of a De-listing, Merger Event, Nationalisation, Insolvency or Tender Offer, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 18 stating the occurrence of the De-listing, Merger Event, Nationalisation, Insolvency or Tender Offer, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

- (iii) In respect of Exempt Instruments that are Equity Linked Instruments relating to Underlying Equities originally quoted, listed and/or dealt as of the Trade Date in a currency of a member state of the European Union that has not adopted the single currency in accordance with the Treaty, if such Underlying Equities are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange, then the Calculation Agent will adjust any one or more of the relevant Interest Amount and/or the Maturity Redemption Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement as the Calculation Agent determines to be appropriate to preserve the economic terms of the Exempt Instruments. The Calculation Agent will make any conversion necessary for the purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this Condition 9.2(iii) will affect the currency denomination of any payments in respect of the Instruments.

Upon the making of any such adjustment by the Calculation Agent, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 18, stating the adjustment to the relevant Interest Amount and/or the Maturity Redemption Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement.

- (iv) If Correction of Underlying Equity Prices is specified as applying in the applicable Pricing Supplement and the price of an Underlying Equity published on a Valuation Date or an Averaging Date used to determine the relevant Interest Amount and/or the Maturity Redemption Amount, as the case may be, is subsequently corrected and the correction (the “Corrected Underlying Equity Price”) is published on the relevant Exchange prior to the Correction Cut-Off Date specified in the applicable Pricing Supplement, then such Corrected Underlying Equity Price shall be deemed to be the price for such Underlying Equity for such Valuation Date or such Averaging Date, as the case may be, and the Calculation Agent shall use such Corrected Underlying

Equity Price in determining the relevant Interest Amount and/or the Maturity Redemption Amount, as the case may be.

*Definitions applicable to Exempt Instruments that are Equity Linked Instruments*

9.3 “Affiliate” means, in relation to any entity (the “First Entity”), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity, directly or indirectly, under common control with the First Entity. For these purposes “control” means ownership of a majority of the voting power of an entity.

“Averaging Date” means each date specified as an Averaging Date in the applicable Pricing Supplement or (if any such date is not a Scheduled Trading Day) the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (i) if “Omission” is specified in the applicable Pricing Supplement as applying, then such date will be deemed not to be an Averaging Date provided that, if through the operation of this provision there would not be an Averaging Date, then the provisions of the definition of “Valuation Date” will apply for the purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
- (ii) if “Postponement” is specified in the applicable Pricing Supplement as applying, then the provisions of the definition of “Valuation Date” will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (iii) if “Modified Postponement” is specified in the applicable Pricing Supplement as applying:
  - (a) where the Exempt Instruments relate to a single Underlying Equity, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether the eighth Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (i)(b) of the definition of “Valuation Date” below; and
  - (b) where the Exempt Instruments relate to a Basket of Underlying Equities, the Averaging Date for each Underlying Equity not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the “Scheduled Averaging Date”) and the Averaging Date for an Underlying Equity affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Underlying Equity. If the first succeeding Valid Date in relation to such Underlying Equity has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that eighth Scheduled

Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in relation to such Underlying Equity, and (B) the Calculation Agent shall determine the relevant level, price or amount for such Averaging Date in accordance with sub-paragraph (ii)(b) of the definition of “Valuation Date” below.

If the applicable Pricing Supplement specifies a number of Averaging Roll Days (other than eight), references in this definition of “Averaging Date” to “eighth Scheduled Trading Day” (and related references) shall be construed with reference to such number of Averaging Roll Days.

“De-listing” means, in respect of any Underlying Equity, the Exchange announces that pursuant to the rules of such Exchange, such Underlying Equity ceases (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union) or another exchange or quotation system located in another country which exchange or quotation system and country is deemed acceptable by the Calculation Agent.

“Disrupted Day” means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

“Exchange” means, in respect of an Underlying Equity, each exchange or quotation system specified as such for such Underlying Equity in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Underlying Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Underlying Equity on such temporary substitute exchange or quotation system as on the original Exchange).

“Exchange Business Day” means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

“Insolvency” means that by reason of the voluntary or involuntary liquidation, special liquidation and/or bankruptcy (as the case may be and to the extent applicable), insolvency, dissolution or winding-up of, or any analogous proceeding affecting, an Equity Issuer (i) all the Underlying Equities of that Equity Issuer are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Underlying Equities of that Equity Issuer become legally prohibited from transferring them.

“Market Disruption Event” means, in respect of an Underlying Equity:

- (i) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:
  - (a) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:

- (A) relating to the Underlying Equity on the relevant Exchange; or
  - (B) in futures or options contracts relating to the Underlying Equity on any relevant Related Exchange; or
- (b) any event (other than an event described in (ii) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, the Underlying Equities on the Exchange, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Underlying Equity on any relevant Related Exchange,
- (ii) the closure on any Exchange Business Day of any relevant Exchange(s) or Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or if earlier (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day,

which in any such case the Calculation Agent determines is material.

The Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 18 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Valuation Date or an Averaging Date. Without limiting the obligation of the Issuer to give notice to the Holders as set forth in the preceding sentence, failure by the Issuer to notify the Holders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

“Merger Date” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

“Merger Event” means, in respect of any relevant Underlying Equities, any:

- (i) reclassification or change of such Underlying Equities that results in a transfer of, or an irrevocable commitment to transfer, all such Underlying Equities outstanding to another entity or person; or
- (ii) consolidation, amalgamation, merger or binding share exchange of an Equity Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Equity Issuer is the continuing entity and which does not result in any such reclassification or change of all such Underlying Equities outstanding); or
- (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Equities of the Equity Issuer that results in a transfer of or an irrevocable commitment to transfer all such Underlying Equities (other than such Underlying Equities owned or controlled by such other entity or person); or
- (iv) consolidation, amalgamation, merger or binding share exchange of the Equity Issuer or its subsidiaries with or into another entity in which the Equity Issuer is the

continuing entity and which does not result in a reclassification or change of all such Underlying Equities outstanding but results in the outstanding Underlying Equities (other than Underlying Equities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Equities immediately following such event,

in each case where the Merger Date is on or before a Valuation Date or an Averaging Date.

“Nationalisation” means that all the Underlying Equities or all or substantially all the assets of an Equity Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

“Potential Adjustment Event” means any of the following:

- (i) a subdivision, consolidation or reclassification of relevant Underlying Equities (unless resulting in a Merger Event), or a free distribution or dividend of any such Underlying Equities to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the relevant Underlying Equities of (a) such Underlying Equities or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer equally or proportionately with such payments to holders of such Underlying Equities or (c) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer as a result of a spin-off or other similar transaction or (d) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an extraordinary dividend as determined by the Calculation Agent;
- (iv) a call by an Equity Issuer in respect of relevant Underlying Equities that are not fully paid;
- (v) a repurchase by an Equity Issuer or any of its subsidiaries of relevant Underlying Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (vi) in respect of an Equity Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Equity Issuer, pursuant to a shareholder rights plan or arrangement directed against hostile take-overs that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (vii) any other event that has or may have, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Underlying Equities.

“Reference Index” means, in relation to a Substituted Equity (as defined above), the index (i) of which the Substituted Equity is a component, or of which it has been a component at any time during the six months immediately preceding the relevant substitution, and (ii) over which futures contracts are actively traded, as determined by the Calculation Agent. If more than

one index satisfies the above criteria or if no index satisfies the above criteria, the Calculation Agent shall determine the Reference Index for the Substituted Equity by reference to such criteria as it deems appropriate.

“Reference Price” means:

- (i) where an Exempt Instrument is specified in the applicable Pricing Supplement to relate to a single Underlying Equity, an amount equal to the official closing price (or the price at the Valuation Time on a Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) of the Underlying Equity quoted on the relevant Exchange and, if specified in the applicable Pricing Supplement, without regard to any subsequently published correction as determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such official closing price (or, as the case may be, the price at the Valuation Time on a Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) can be determined at such time and, if that Valuation Date or that Averaging Date is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on that Valuation Date or that Averaging Date, if so specified in the applicable Pricing Supplement) and the closing fair market selling price (or the fair market selling price at the Valuation Time on that Valuation Date or that Averaging Date, if so specified in the applicable Pricing Supplement) for the Underlying Equity based, at the Calculation Agent’s discretion, either on the arithmetic mean of the foregoing prices or the middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Underlying Equity or on such other factors as the Calculation Agent shall decide). The amount determined pursuant to the foregoing shall be converted, if Exchange Rate is specified as applying in the applicable Pricing Supplement, into the Specified Currency at the Exchange Rate and such converted amount shall be the Reference Price; and
- (ii) where an Exempt Instrument is specified in the applicable Pricing Supplement to relate to a Basket of Underlying Equities, an amount equal to the sum of the values calculated for each Underlying Equity as the official closing price (or the price at the Valuation Time on a Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) of the Underlying Equity quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent and, if so specified in the applicable Pricing Supplement, without regard to any subsequently published correction (or if, in the opinion of the Calculation Agent, no such official closing price (or, as the case may be, the price at the Valuation Time on a Valuation Date or an Averaging Date, if so specified in the applicable Pricing Supplement) can be determined at such time and, if that Valuation Date or that Averaging Date is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on that Valuation Date or that Averaging Date, if so specified in the applicable Pricing Supplement) and the closing fair market selling price (or, as the case may be, the fair market selling price at the Valuation Time on that Valuation Date or that Averaging Date, if so specified in the applicable Pricing Supplement) for the Underlying Equity based, at the Calculation Agent’s discretion, either on the arithmetic mean of the foregoing prices or the middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Underlying Equity or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Multiplier. Each value determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applying in the

applicable Pricing Supplement, into the Specified Currency at the Exchange Rate and the sum of such converted amounts shall be the Reference Price.

“Related Exchange” means, in relation to an Underlying Equity, each exchange or quotation system specified as such in relation to such Underlying Equity in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Underlying Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Underlying Equity on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where “All Exchanges” is specified as the Related Exchange in the applicable Pricing Supplement, Related Exchange shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Underlying Equity.

“Scheduled Closing Time” means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“Scheduled Trading Day” means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

“Scheduled Valuation Date” means, in relation to a Valuation Date, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been that Valuation Date.

“Tender Offer” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Equity Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

“Valuation Date” means the date or, in the case of Equity Linked Interest Instruments, each date specified as such in the applicable Pricing Supplement or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day then:

- (i) where an Exempt Instrument is specified in the applicable Pricing Supplement to relate to a single Underlying Equity, that Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case (a) the eighth Scheduled Trading Day shall be deemed to be that Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (b) the Calculation Agent shall, where practicable, determine the Reference Price in the manner set out in the applicable Pricing Supplement or, if not set out or not so practicable, determine the Reference Price in accordance with its estimate of the value of the Underlying Equity as of the Valuation Time on that eighth Scheduled Trading Day and otherwise in accordance with the above provisions; or

- (ii) where an Exempt Instrument is specified in the applicable Pricing Supplement to relate to a Basket of Underlying Equities that Valuation Date for each Underlying Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and that Valuation Date for each Underlying Equity affected (each an “Affected Equity”) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Equity unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Equity. In that case, (a) that eighth Scheduled Trading Day shall be deemed to be that Valuation Date for the Affected Equity, notwithstanding the fact that such day is a Disrupted Day, and (b) the Calculation Agent shall determine, where practicable, the Reference Price using, in relation to the Affected Equity, a price determined in the manner set out in the applicable Pricing Supplement or, if not set out or if not practicable, using its estimate of the value for the Affected Equity as of the Valuation Time on that eighth Scheduled Trading Day and otherwise in accordance with the above provisions.

If the applicable Pricing Supplement specifies a number of Valuation Roll Days (other than eight), references in this definition of “Valuation Date” to “eight Scheduled Trading Days” and “eighth Scheduled Trading Day” (and related references) shall be construed with reference to such number of Valuation Roll Days.

“Valuation Time” means the Valuation Time specified in the applicable Pricing Supplement or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date or Averaging Date in relation to each Underlying Equity to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

## **10. Additional Disruption Events**

*This Condition 10 is applicable only to Exempt Instruments.*

### *Definitions*

- 10.1 “Additional Disruption Event” means any of Change in Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing and/or Loss of Stock Borrow, in each case if specified in the applicable Pricing Supplement.

“Change in Law” means that, on or after the Trade Date (as specified in the applicable Pricing Supplement) (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that (a) it has become illegal for the Issuer, the Guarantor and/or any of their Affiliates to hold, acquire or dispose of any relevant Underlying Equity (in the case of Equity Linked Instruments) or any relevant security/commodity comprised in an Index (in the case of Index Linked Instruments) or (b) the Issuer and/or the Guarantor will incur a materially increased cost in performing its obligations in relation to the Exempt Instruments (in the case of the Issuer) or the Deed of Guarantee (in the case of the Guarantor) (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer, the Guarantor and/or any of their Affiliates).

“Hedging Disruption” means that the Issuer, the Guarantor and/or any of their Affiliates is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Exempt Instruments, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

“Hedging Shares” means the number of Underlying Equities (in the case of Equity Linked Instruments) or securities/commodities comprised in an Index (in the case of Index Linked Instruments) that the Issuer deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Exempt Instruments.

“Increased Cost of Hedging” means that the Issuer, the Guarantor and/or any of their Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Exempt Instruments, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer, the Guarantor and/or any of their Affiliates shall not be deemed an Increased Cost of Hedging.

“Increased Cost of Stock Borrow” means that the Issuer, the Guarantor and/or any of their Affiliates would incur a rate to borrow any Underlying Equity (in the case of Equity Linked Instruments) or any security/commodity comprised in an Index (in the case of Index Linked Instruments) that is greater than the Initial Stock Loan Rate.

“Initial Stock Loan Rate” means, in respect of an Underlying Equity (in the case of Equity Linked Instruments) or a security/commodity comprised in an Index (in the case of Index Linked Instruments), the rate which the Issuer, the Guarantor and/or any of their Affiliates would have incurred to borrow such Underlying Equity or such security/commodity, as the case may be, as of the Trade Date, as determined by the Issuer.

“Insolvency Filing” means that an Equity Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation or special liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Equity Issuer shall not be deemed an Insolvency Filing.

“Loss of Stock Borrow” means that the Issuer, the Guarantor and/or any of their Affiliates is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Underlying Equity (in the case of Equity Linked Instruments) or any securities/commodities comprised in an Index (in the case of Index Linked Instruments) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

“Maximum Stock Loan Rate” means, in respect of an Underlying Equity (in the case of Equity Linked Instruments) or a security/commodity comprised in an Index (in the case of Index Linked Instruments), the lowest rate which the Issuer, the Guarantor and/or any of their

Affiliates, after using commercially reasonable efforts, would have incurred to borrow (and maintain a borrowing of) such Underlying Equity or such security/commodity, as the case may be, in an amount equal to the Hedging Shares, as of the Trade Date, as determined by the Issuer.

#### *Occurrence of Additional Disruption Events*

10.2 If an Additional Disruption Event occurs, the Issuer may take the action described in (i) or (ii) below:

- (i) require the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the relevant Interest Amount and/or the Maturity Redemption Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement to account for the Additional Disruption Event including, if “Equity Substitution” is specified as applying in the applicable Pricing Supplement, the substitution of the Substituted Equity the subject of the Additional Disruption Event by a New Equity and determine the effective date of that adjustment; or
- (ii) give notice to the Holders in accordance with Condition 18 and redeem all (but not some only) of the Exempt Instruments, each Calculation Amount being redeemed at the Early Termination Amount.

If the provisions of this Condition 10.2 apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Additional Disruption Event, made by an options exchange to options on the Underlying Equities traded on that options exchange.

In making any determination in respect of any such adjustment, the Calculation Agent shall not have regard to any interests arising from circumstances particular to individual Holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such determination for individual Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and no Holder shall be entitled to claim from the Issuer, the Guarantor, the Calculation Agent or any other person any indemnification or payment in respect of any tax consequences as a result of any such determination and/or adjustment upon individual Holders.

Upon the occurrence (if applicable) of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 18 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

## **11. Events of Default**

### **11.1 *Unsubordinated Instruments:***

This Condition 11.1 is applicable only in relation to Unsubordinated Instruments.

The following events or circumstances as, in the case of Exempt Instruments only, modified by, and/or such other events as may be specified in, the applicable Pricing Supplement (each an “Event of Default”) shall be acceleration events in relation to the Instruments of this Series, namely:

- (i) the Issuer fails to pay any amount of principal or interest in respect of the Instruments on the due date for payment thereof and such failure continues for a period of 14 days; or
- (ii) the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Instruments or Coupons and such default remains unremedied for 30 days after written notice thereof has been delivered by a Holder of any such Instrument to the Issuer or the Guarantor, as appropriate, requiring the same to be remedied; or
- (iii) the repayment of any indebtedness owing by the Issuer or 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 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 €15,000,000 (or its equivalent in any other currency or currencies) or, if higher, a sum equal to 0.025 per cent. of the gross consolidated assets of the Bank and its Subsidiaries as shown by the then latest published audited consolidated balance sheet of the Bank and its Subsidiaries; or
- (iv) any order shall be made by any competent court or resolution passed for the winding-up or dissolution of the Issuer or 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 Holders of the Instruments 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 the Bank or another of its Subsidiaries); or
- (v) the Issuer or 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 Holders of the Instruments 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 the Bank or another of its Subsidiaries); or
- (vi) the Issuer or 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 the Guarantor or any Material Subsidiary or in relation to the whole or over half of the assets of the Issuer or the Guarantor or any Material Subsidiary, or an interim supervisor of the Bank is appointed by the Bank of Greece or an encumbrancer shall take possession of the whole or over half of the assets of the Issuer or 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 the Guarantor and in any of the foregoing cases it or he shall not be discharged within 60 days; or

- (viii) the Issuer or 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 the Bank and its Subsidiaries as a whole, other than selling, transferring, lending or otherwise disposing on an arm's length basis; or
- (ix) with respect to any Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited, the Deed of Guarantee is not in full force and effect.

For the purposes of this Condition 11.1, "Material Subsidiary" means at any time any Subsidiary of the Bank:

- (i) whose profits or (in the case of a Subsidiary which has subsidiaries) consolidated profits, before taxation and extraordinary items or before taxation and after extraordinary items as shown by its latest audited profit and loss account are at least 15 per cent. of the consolidated profits before taxation and extraordinary items of the Bank and its Subsidiaries as shown by the latest published audited consolidated profit and loss account of the Bank and its Subsidiaries; or
- (ii) 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 the Bank and its Subsidiaries as shown by the then latest published audited consolidated balance sheet of the Bank and its Subsidiaries; or
- (iii) 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.

"Subsidiary" means, in respect of the Bank at any particular time, any other entity:

- (a) whose affairs and policies the Bank controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of such entity or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles or standards, consolidated with those of the Bank.

11.2 If any Event of Default shall occur and be continuing in relation to any Series of Instruments, any Holder of an Instrument of the relevant Series may, by written notice to the Issuer, at the specified office of the Issue and Paying Agent, declare that such Instrument shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its early termination amount (the "Early Termination Amount") (which shall be its Outstanding Principal Amount or, if such Instrument is non-interest bearing, its Amortised Face Amount (as defined in Condition 7.13) or, in the case of Exempt Instruments only, such other redemption amount as may be specified in, or determined in accordance with the provisions of, the applicable Pricing Supplement), together with all interest (if any) accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Instruments to the contrary notwithstanding, unless, prior thereto, all Events of Default in respect of the Instruments of the relevant Series shall have been cured.

### 11.3 *Subordinated Instruments:*

This Condition 11.3 is applicable only in relation to Subordinated Instruments. The events specified below are both “Subordinated Default Events”.

- (i) If default is made in the payment of any amount due in respect of the Instruments or any of them on the due date and such default continues for a period of 7 days, any Holder of an Instrument may institute proceedings for the winding-up of the Issuer, except where the Issuer is Eurobank.
- (ii) If, otherwise than for the purposes of a reconstruction or amalgamation on terms previously approved by Extraordinary Resolution of the Holders of the Instruments, an order is made or an effective resolution is passed for the winding-up of the Issuer, any Holder of an Instrument may, by written notice to the Issue and Paying Agent, declare such Instrument to be due and payable whereupon the same shall become immediately due and payable at its Early Termination Amount as may be specified in, or, in the case of Exempt Instruments only, determined in accordance with, the applicable Final Terms, together (if appropriate) with accrued interest to (but excluding) the date of redemption unless such Subordinated Default Event shall have been remedied prior to receipt of such notice by the Issue and Paying Agent.

## 12. **Taxation**

12.1 All amounts payable by the Issuer or, as the case may be, the Guarantor (whether in respect of principal, interest or otherwise) in respect of the Instruments and the Coupons will 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 imposed or levied by or on behalf of, the United Kingdom (where ERB Hellas PLC is the Issuer), the Cayman Islands (where ERB Hellas (Cayman Islands) Limited is the Issuer) or (where the Bank is the Issuer or in the case of the Guarantor) the Hellenic Republic or, in each case, any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the Holder after such withholding or deduction shall equal the respective amounts which would have been receivable by such Holder in the absence of such withholding or deduction; except that no such additional amounts shall be payable in relation to any payment in respect of any Instrument or Coupon:

- (i) the holder of which is liable to such taxes, duties, assessments or governmental charges in respect of such Instrument or Coupon by reason of his having some connection with the United Kingdom, the Cayman Islands or, as the case may be, the Hellenic Republic other than the mere holding of such Instrument or Coupon; or
- (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iii) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Instrument or Coupon to another Paying Agent in a Member State of the European Union; or

- (iv) presented for payment by or on behalf of, a person who is liable to such taxes, duties, assessments or governmental charges in respect of such Instrument or Coupon 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
- (v) presented for payment more than thirty days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on or before the expiry of such period of thirty days; or
- (vi) presented for payment in the Hellenic Republic, the Cayman Islands or the United Kingdom.

12.2 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 Issue and Paying 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 and being available for payment to Holders, notice to that effect shall have been duly given to the Holders of the Instruments of the relevant Series in accordance with Condition 18.

12.3 If the Issuer or the Guarantor becomes subject generally at any time to any taxing jurisdiction other than or in addition to the United Kingdom (where ERB Hellas PLC is the Issuer) or the Cayman Islands (where ERB Hellas (Cayman Islands) Limited is the Issuer) or the Hellenic Republic (where the Bank is the Issuer or in the case of the Guarantor) references in Condition 7.2 and Condition 12.1 to those jurisdictions shall be construed as references to the United Kingdom, the Cayman Islands and the Hellenic Republic and/or to such other jurisdiction(s).

12.4 Any reference in these Conditions to “principal” and/or “interest” in respect of the Instruments shall be deemed also to refer to any additional amounts which may be payable under this Condition 12. Unless the context otherwise requires, any reference in these Conditions to “principal” shall include any premium payable in respect of an Instrument, any Instalment Amount or Redemption Amount and any other amounts in the nature of principal payable pursuant to these Conditions and “interest” shall include all amounts payable pursuant to Condition 6 and any other amounts in the nature of interest payable pursuant to these Conditions.

### **13. Payments**

13A.1 Payment of amounts (other than interest) due in respect of Instruments will be made against presentation and (save in the case of partial payment or, in the case of Exempt Instruments only, payment of an Instalment Amount (other than the final Instalment Amount)) surrender of the relevant Instruments at the specified office of any of the Paying Agents.

*The following paragraphs of Condition 13A.1 are applicable only to Exempt Instruments.*

In the case of Instalment Exempt Instruments only, payment of Instalment Amounts (other than the final Instalment Amount) in respect of an Instalment Exempt Instrument which is a Definitive Instrument with Receipts will be made against presentation of the Instrument together with (where applicable) the relevant Receipt and surrender of such Receipt.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Exempt Instrument to which they relate will not represent any obligation of the Issuer. Accordingly, the presentation of an Exempt Instrument without the relative Receipt or the presentation of a Receipt without the Exempt Instrument to which it appertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.

13A.2 *Payment of amounts in respect of interest on Instruments will be made:*

- (i) in the case of Instruments without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Instruments at the specified office of any of the Paying Agents outside (unless Condition 13A.3 applies) the United States; and
- (ii) in the case of Instruments delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on a scheduled date for the payment of interest, against presentation of the relevant Instruments, in either case at the specified office of any of the Paying Agents outside (unless Condition 13A.3 applies) the United States.

13A.3 Payments of amounts due in respect of interest on the Instruments and exchanges of Talons for Coupon sheets in accordance with Condition 13A.6 will not be made at the specified office of any Paying Agent in the United States (as defined in the United States Internal Revenue Code and Regulations thereunder) unless (a) 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 Instruments in the manner provided below when due, (b) payment in full of amounts due in respect of interest on such Instruments when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (c) such payment or exchange is permitted by applicable United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer or the Guarantor. If paragraphs (a), (b) and (c) of the previous sentence apply, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

13A.4 If the due date for payment of any amount due in respect of any Instrument is not a Relevant Financial Centre Day and a Local Banking Day (each as defined in Condition 13B.2), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day, (or as otherwise specified in the applicable Final Terms) and from such day and thereafter will be entitled to receive payment by cheque on any Local Banking Day, and will be entitled to payment by transfer to a designated account on any day which is a Local Banking Day, a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such delay or adjustment unless there is a subsequent failure to pay in accordance with these Conditions in which event interest shall continue to accrue as provided in Condition 6.6 or, if appropriate, Condition 6.10.

13A.5 Each Instrument initially delivered with Coupons, Talons or, in the case of Exempt Instruments only, Receipts attached thereto should be presented and, save in the case of partial payment of the Redemption Amount, surrendered for final redemption together with all unmatured Coupons, Talons and, in the case of Exempt Instruments only, Receipts relating thereto, failing which:

- (i) if the applicable Final Terms specify that this paragraph (i) of Condition 13A.5 is applicable (and, in the absence of specification, this paragraph (i) shall apply to Instruments which bear interest at a fixed rate or rates or in fixed amounts) and subject as hereinafter provided, the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the Redemption Amount paid bears to the total Redemption Amount due) (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time within ten years of the Relevant Date applicable to payment of such Redemption Amount;
- (ii) if the applicable Final Terms specify that this paragraph (ii) of Condition 13A.5 is applicable (and, in the absence of specification, this paragraph (ii) shall apply to Instruments which bear interest at a floating rate or rates or in variable amounts) all unmatured Coupons (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) relating to such Instruments (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them;
- (iii) in the case of Instruments initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them; and
- (iv) in the case of Exempt Instruments initially delivered with Receipts attached thereto, all Receipts relating to such Exempt Instruments in respect of a payment of an Instalment Amount which (but for such redemption) would have fallen due on a date after such due date for redemption (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them.

The provisions of paragraph (i) of this Condition 13A.5 notwithstanding, if any Instruments should be issued with a maturity date and an Interest Rate or Rates such that, on the presentation for payment of any such Instrument without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (i) to be deducted would be greater than the Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Instrument, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (i) in respect of such Coupons as have not so become void, the amount required by paragraph (i) to be deducted would not be greater than the Redemption Amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to an Instrument to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

13A.6 In relation to Instruments initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 13A.3 applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 14 below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

13B *Payments – General Provisions*

13B.1 Payments of amounts due (whether principal, interest or otherwise) in respect of Instruments will be made in the currency in which such amount is due either (a) by cheque or (b) by transfer to an account denominated in the relevant currency specified by the payee.

13B.2 For the purposes of these Conditions:

- (i) "Relevant Financial Centre Day" means, in the case of any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in the Relevant Financial Centre and in any other Relevant Financial Centre specified in the applicable Final Terms or in the case of payment in euro, a day on which the TARGET2 System is operating; and
- (ii) "Local Banking Day" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place of presentation of the relevant Instrument or, as the case may be, Coupon.

13B.3 No commissions or expenses shall be charged to the holders of Instruments or Coupons in respect of such payments.

#### 13C *Payments Subject to Fiscal and Other Laws*

Payments will, without prejudice to the provisions of Condition 12, be subject in all cases to (i) any applicable fiscal or other laws and regulations in any jurisdiction, (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 Section 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or (without prejudice to the provisions of Condition 12) law implementing an intergovernmental approach thereto.

### **14. Prescription**

14.1 Claims against the Issuer and the Guarantor for payment of principal and interest in respect of Instruments will be prescribed and become void unless made, in the case of principal, within ten years or, in the case of interest, five years after the Relevant Date (as defined in Condition 12.2) for payment thereof.

14.2 In relation to Definitive Instruments initially delivered with Talons attached thereto, there shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void upon issue pursuant to Condition 13A.5 or the due date for the payment of which would fall after the due date for the redemption of the relevant Instrument or which would be void pursuant to this Condition 14 or any Talon the maturity date of which would fall after the due date for redemption of the relevant Instrument.

### **15. The Paying Agents and the Calculation Agent and Determinations**

15.1 The initial Paying Agents and their respective initial specified offices are specified below. The Calculation Agent in respect of any Instruments shall be specified in the applicable Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Issue and Paying Agent) or the Calculation Agent and to appoint additional or other Paying Agents or another Calculation Agent Provided that it will at all times maintain (i) an Issue and Paying Agent, (ii) a Paying Agent (which may be the Issue and Paying Agent) with a specified office in a continental European city other than the jurisdiction in which the Issuer or the Guarantor is incorporated, (iii) so long as the Instruments are listed

on the Luxembourg Stock Exchange and/or any other stock exchange and/or admitted to listing by any other relevant authority, a Paying Agent (which may be the Issue and Paying Agent) with a specified office in Luxembourg and/or in such other place as may be required by the rules of such other stock exchange or other relevant authority, (iv) in the circumstances described in Condition 13A.3, a Paying Agent with a specified office in New York City, (v) to the extent reasonably practicable, a Paying Agent with its specified office in a European Union Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying therewith, or introduced in order to conform to, such Directive and (vi) a Calculation Agent where required by the Conditions applicable to any Instruments (in the case of (i), (ii), (iii), (iv) and (v) with a specified office located in such place (if any) as may be required by the Conditions). Each of the Paying Agents and the Calculation Agent reserves the right at any time to change its specified office to some other specified office in the same city. Notice of all changes in the identities or specified offices of any Paying Agents or the Calculation Agent will be given promptly by the Issuer to the Holders in accordance with Condition 18.

- 15.2 The Paying Agents and the Calculation Agent act solely as agents of the Issuer and, save as provided in the Issue and Paying Agency Agreement or any other agreement entered into with respect to its appointment, do not assume any obligations towards or relationship of agency or trust for any Holder of any Instrument, Coupon or, in the case of Exempt Instruments only, Receipt and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Issue and Paying Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.
- 15.3 All determinations and calculations of the Calculation Agent made under the Instruments shall be made in its sole and absolute discretion and shall be binding on the Holders of the Instruments in the absence of manifest error. The Holders of the Instruments shall (in the absence as aforesaid) not be entitled to proceed against the Calculation Agent in connection with the exercise or non-exercise by it of its obligations, duties and discretions pursuant to the Instruments. If the Calculation Agent is incapable or unwilling to act as such or if the Calculation Agent fails duly to make any calculation required as set out herein or to fulfil any other requirement, relating to it in respect of the Instruments, the Issuer will appoint the London office of a financial institution to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## **16. Replacement of Instruments**

If any Instrument, Coupon or, in the case of Exempt Instruments only, Receipt is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issue and Paying Agent or such Paying Agent or Paying Agents as may be specified for such purpose in the applicable Final Terms ("Replacement Agent"), subject to all applicable laws and the requirements of any stock exchange or other relevant authority on which the Instruments are listed (if any), upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Replacement Agent may require. Mutilated or defaced Instruments, Coupons and, in the case of Exempt Instruments only, Receipts must be surrendered before replacements will be delivered therefor.

## **17. Meetings of Holders and Modification**

Without prejudice to the provisions for meetings of Holders of Bank Instruments referred to in Condition 22 below, the Issue and Paying Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of the Holders of Instruments of

any Series to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution (as defined in the Issue and Paying Agency Agreement) of these Conditions and the Deed of Covenant insofar as the same may apply to such Instruments. An Extraordinary Resolution passed at any meeting of the Holders of Instruments of any Series will be binding on all Holders of the Instruments of such Series, whether or not they are present at the meeting, and on all Holders of Coupons relating to Instruments of such Series.

The Issuer and the Guarantor may, with the consent of the Issue and Paying Agent, but without the consent of the Holders of the Instruments of any Series or Coupons, amend these Conditions, the Deed of Covenant and the Deed of Guarantee insofar as they may apply to such Instruments to correct a manifest error. Subject as aforesaid, no other modification may be made to these Conditions, the Deed of Covenant or the Deed of Guarantee except with the sanction of an Extraordinary Resolution.

## **18. Notices**

Notices to Holders of Instruments will, save where another means of effective communication has been specified in the applicable Final Terms, be deemed to be validly given if (i) published in a leading daily newspaper having general circulation in the United Kingdom (which is expected to be the *Financial Times*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe and (ii) in the case of any Instruments which are listed on the Luxembourg Stock Exchange (so long as such Instruments are listed on the Luxembourg Stock Exchange), published in accordance with the rules of that exchange, which is expected to be publication either on the Luxembourg Stock Exchange's website at [www.bourse.lu](http://www.bourse.lu) or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). The Issuer shall also ensure that notices are duly published in compliance with the requirements of each stock exchange on which the Instruments are listed. Any notice so given will be deemed to have been validly given on the first date on which publication shall have been made in accordance with the above. Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Instruments in accordance with this Condition.

Notices to Holders of Bank Instruments shall be given to the Bank Holders' Agent. Any such notice shall be deemed to have been given to the Holders of Bank Instruments on the seventh calendar day after the day on which the said notice was given to the Bank Holders' Agent unless the Bank Instruments have been placed and sold by way of a "public offer" in Greece for the purposes of article 2 paragraph 1(d) of Greek law 3401/2005 implementing into Greek law Directive 2003/71/EC, in which case any such notice will also be published in accordance with the provisions of article 5 of Greek law 3156/2003 should such law 3156/2003 apply to Bank Instruments.

## **19. Further Issues**

The Issuer may from time to time, without the consent of the Holders of any Instruments or Coupons, create and issue further instruments, bonds or debentures having the same terms and conditions as such Instruments in all respects (or in all respects except for the first payment of interest, if any, on them) so as to form a single series with the Instruments of any particular Series.

## **20. Waiver and Remedies**

No failure to exercise, and no delay in exercising, on the part of the Holder of any Instrument, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise

thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

## **21. Substitution of the Issuer**

21.1 The Issuer may, without the consent of any Holder, substitute for itself any other body corporate incorporated in any country in the world as the debtor in respect of the Instruments, any Coupons, the Deed of Covenant, the Issue and Paying Agency Agreement and (to the extent applicable) the Bank Holders' Agency Agreement (the "Substituted Debtor") upon notice by the Issuer and the Substituted Debtor to be given in accordance with Condition 18, *provided that*:

- (i) the Issuer is not in default in respect of any amount payable under the Instruments;
- (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 Holder to be bound by these Conditions and the provisions of the Issue and Paying Agency Agreement as the debtor in respect of the Instruments in place of the Issuer (or of any previous substitute under this Condition 21);
- (iii) the Substituted Debtor shall enter into a deed of covenant in favour of the holders of the Instruments then represented by a global Instrument on terms no less favourable than the Deed of Covenant then in force in respect of the Instruments;
- (iv) 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 Holder has the benefit of an undertaking in terms corresponding to the provisions of Condition 12, with the substitution of references to the Former Residence with references to the New Residence;
- (v) if the Issuer is ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited and the Substituted Debtor is not the Guarantor, the Deed of Guarantee extends to the obligations of the Substituted Debtor under or in respect of the Instruments, any Coupons, the Deed of Covenant and the Issue and Paying Agency Agreement and continues to be in full force and effect;
- (vi) if the Issuer is the Bank, unless the Successor in Business of the Bank is the Substituted Debtor, the Bank shall provide an unconditional and irrevocable guarantee in relation to the obligations of the Substituted Debtor under or in respect of the Instruments, any Coupons, the Deed of Covenant, the Issue and Paying Agency Agreement and (to the extent applicable) the Bank Holders' Agency Agreement;
- (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) each stock exchange or other relevant authority on which the Instruments are listed shall have confirmed that, following the proposed substitution of the Substituted

Debtor, the Instruments will continue to be listed on such stock exchange or other relevant authority; and

- (ix) 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 Instruments and any Coupons.

For the purposes of this Condition, "Successor in Business" means, in relation to the Bank, any company which effectively assumes all of the obligations of the Bank under, or in respect of, the Instruments and which:

- (A) owns beneficially the whole or substantially the whole of the undertaking, property and assets owned by the Bank immediately prior thereto; and
- (B) carries on, as successor to the Bank, the whole or substantially the whole of the business carried on by the Bank immediately prior thereto.

21.2 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 Instruments, any Coupons associated therewith, the Deed of Covenant, the Issue and Paying Agency Agreement and (to the extent applicable) the Bank Holders' 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 Instruments, any Coupons, the Deed of Covenant, the Issue and Paying Agency Agreement and (to the extent applicable) the Bank Holders' Agency Agreement.

21.3 After a substitution pursuant to Condition 21.1 the Substituted Debtor may, without the consent of any Holder, effect a further substitution. All the provisions specified in Condition 21.1 and 21.2 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.

21.4 After a substitution pursuant to Conditions 21.1 or 21.3 any Substituted Debtor may, without the consent of any Holder, reverse the substitution, *mutatis mutandis*.

21.5 The Documents shall be delivered to, and kept by, the Issue and Paying 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.

## **22. Bank Holders' Agent**

Prior to the issue of any Bank Instruments, if so required by Greek law 3156/2003 (to the extent applicable), the Bank shall appoint a Bank Holders' Agent by way of a written contract (the "Bank Holders' Agency Agreement") and in accordance with provisions of Greek law 3156/2003.

The Bank Holders' Agent shall be either a Credit Institution or an Investment Firm under Greek law 3606/2007, implementing into Greek law Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments ("MiFID"), which shall be authorised to render in Greece the regulated investment service of underwriting in respect of issues of any of the instruments listed in Section C of the Annex I of the MiFID and/or placing of such issues.

The Bank Holders' Agent shall *inter alia*:

- (i) represent the interests of the Holders of Bank Instruments *vis-à-vis* the Bank and any third parties;
- (ii) co-operate with Euroclear or Clearstream, Luxembourg, for the registration of the interests of the Holders of Bank Instruments in the accounts of Euroclear and/or Clearstream, Luxembourg;
- (iii) represent, in accordance with the provisions of Greek law 3156/2003, the Holders of Bank Instruments before the competent courts, in relation to matters concerning Bank Instruments; and
- (iv) generally perform any other duties and obligations, as set in Greek law 3156/2003 and these Conditions.

The Bank Holders' Agency Agreement shall include, *inter alia*, provisions for the meetings of the Holders of Bank Instruments in accordance with Greek law 3156/2003.

The meetings of the Holders of Bank Instruments shall be entitled to vary or terminate the appointment of the Bank Holders' Agent in accordance with the provisions of Greek law 3156/2003 and these Conditions.

The particular duties, rights and liabilities of the Bank Holders' Agent and any amendment to these Conditions relating to (i) the appointment of the Bank Holders' Agent; and (ii) the entering into the Bank Holders' Agency Agreement, shall be specified in the applicable Final Terms.

### **23. Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of this Instrument 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. This Condition shall not apply to (i) in the case of Instruments issued by the Bank, the subordination provisions in Condition 3B, (ii) in the case of Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited, the subordination provisions in Condition 4B and the subordination provisions set out in the Deed of Guarantee, and (iii) Condition 22.

### **24. Law and Jurisdiction**

#### *Governing Law*

- 24.1 The Instruments, the Issue and Paying Agency Agreement, the Deed of Covenant and the Deed of Guarantee, and any non-contractual obligations arising out of or in connection with the Instruments, the Issue and Paying Agency Agreement, the Deed of Covenant and the Deed of Guarantee, shall be governed by, and construed in accordance with, English law, save for (i) in the case of Instruments issued by the Bank, the subordination provisions in Condition 3B, (ii) in the case of Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited, the subordination provisions in Condition 4B and the subordination provisions set out in the Deed of Guarantee, and (iii) Condition 22, which shall be governed by, and construed in accordance with, the laws of the Hellenic Republic and Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013.

#### *Submission to Jurisdiction*

- 24.2 Each of the Issuer and the Guarantor irrevocably agrees, for the benefit of the Holders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise

out of or in connection with the Instruments and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Instruments and/or the Coupons) and accordingly submits to the exclusive jurisdiction of the English courts.

Each of the Issuer and the Guarantor waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Holders may take any suit, action or proceedings (together referred to as "Proceedings") arising out of or in connection with the Instruments and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Instruments and the Coupons) against the Issuer or the Guarantor, as the case may be, in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

#### *Appointment of Process Agent*

- 24.3 Each of ERB Hellas (Cayman Islands) Limited and the Guarantor appoints ERB Hellas PLC at 1st Floor, 25 Berkeley Square, London W1J 6HN as its agent for service of process, and undertakes that, in the event of ERB Hellas PLC ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

#### *Other documents and the Guarantor*

- 24.4 Each of the Issuer and, where applicable, the Guarantor has in the Issue and Paying Agency Agreement, the Deed of Covenant and the Deed of Guarantee submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

## PROVISIONS RELATING TO THE INSTRUMENTS WHILST IN GLOBAL FORM

Instruments will be issued in bearer form or, in the case of Exempt Instruments and if so specified in the applicable Pricing Supplement, in registered form. In respect of each Tranche of Instruments to be issued in bearer form, the relevant Issuer will deliver a Temporary Global Instrument or (if so specified in the applicable Final Terms) a Permanent Global Instrument. Such global Instrument, if the global Instruments are intended to be issued in NGI form, as specified in the applicable Final Terms, will be delivered on or prior to the original issue date of the Tranche to a common safekeeper for Euroclear and Clearstream, Luxembourg and, if the global Instruments are not intended to be issued in NGI form, will be delivered on or prior to the original issue date of the Tranche to a common depositary for Euroclear and Clearstream, Luxembourg. Each Temporary Global Instrument will be exchangeable for a Permanent Global Instrument or, if so specified in the applicable Final Terms, for Definitive Instruments. Each Permanent Global Instrument will be exchangeable for Definitive Instruments in accordance with its terms.

In respect of each Tranche of Exempt Instruments to be issued in registered form, the provisions applicable thereto will be specified in the applicable Pricing Supplement. Any such Exempt Instruments in registered form will be held outside Euroclear and Clearstream, Luxembourg.

### **(A) Relationship of Accountholders with Clearing Systems**

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as the holder of an Instrument represented by a Global Instrument (which expression includes a Temporary Global Instrument and a Permanent Global Instrument) must look solely to Euroclear, Clearstream, Luxembourg or such other clearing system (as the case may be) for such person's share of each payment made by the relevant Issuer to the bearer of such Global Instrument and in relation to all other rights arising under the Global Instruments, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such other clearing system (as the case may be). Such persons shall have no claim directly against such relevant Issuer in respect of payments due on the Instruments for so long as the Instruments are represented by such Global Instrument and such obligations of such relevant Issuer will be discharged by payment to the bearer of such Global Instrument in respect of each amount so paid. References in these provisions relating to the Instruments in global form to "holder" or "accountholder" are to those persons shown in the records of the relevant clearing system as a holder of an Instrument.

### **(B) Form and Exchange – Global Instruments**

- (1) *TEFRA D or TEFRA C*: The Final Terms shall specify whether U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor Treasury Regulation section including, without limitation, regulations issued in accordance with United States Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "TEFRA D Rules") or U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor Treasury Regulation section including, without limitation, regulations issued in accordance with United States Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "TEFRA C Rules") shall apply or that TEFRA is not applicable. Each Tranche of Instruments is represented upon issue by a Temporary Global Instrument, unless the Final Terms specify otherwise and/or the TEFRA C Rules apply.

Where the Final Terms applicable to a Tranche of Instruments specify that the TEFRA C Rules apply or that TEFRA is not applicable, such Tranche is (unless otherwise specified in the Final Terms) represented upon issue by a Permanent Global Instrument.

Interests in a Temporary Global Instrument may be exchanged for:

- (i) interests in a Permanent Global Instrument; or
- (ii) if so specified in the Final Terms, Definitive Instruments.

Exchanges of interests in a Temporary Global Instrument for Definitive Instruments or, as the case may be, a Permanent Global Instrument will be made only on or after the Exchange Date (as specified in the Final Terms) and (where TEFRA D Rules are applicable) provided certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Instrument or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received.

- (2) *Limitation on entitlement under a Temporary Global Instrument after Exchange Date:* Holders of interests in any Temporary Global Instrument shall not (unless, upon due presentation of such Temporary Global Instrument for exchange (in whole but not in part only) for a Permanent Global Instrument or for delivery of Definitive Instruments, such exchange or delivery is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment in respect of the Instruments represented by such Temporary Global Instrument which falls due on or after the Exchange Date or be entitled to exercise any option on a date after the Exchange Date.
- (3) *Certification of non-U.S. beneficial ownership:* Unless the Final Terms specify that the TEFRA C Rules are applicable or that TEFRA is not applicable to the Instruments and subject to paragraph (2) above, if any date on which a payment of interest is due on the Instruments of a Tranche occurs whilst any of the Instruments of that Tranche are represented by a Temporary Global Instrument, the related interest payment will be made on the Temporary Global Instrument only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Instrument or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received by Euroclear or Clearstream, Luxembourg or any other relevant clearing system which may be specified in the Final Terms. Payments of amounts due in respect of a Permanent Global Instrument will be made through Euroclear or Clearstream, Luxembourg or any other relevant clearing system without any requirement for certification.
- (4) *Exchange for Definitive Instruments:* Interests in a Permanent Global Instrument will be exchanged (subject to the period allowed for delivery as set out in (i) below), in whole but not in part only and at the request of the holder of such Global Instrument (in the case of (a), (b) or (c)) or the relevant Issuer (in the case of (d)), for Definitive Instruments, unless otherwise specified in the Final Terms, (a) if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 11.1 or 11.3, as appropriate, occurs or (c) at any time on the request of the bearer, if so specified in the Final Terms or (d) at the option of the relevant Issuer at any time. Whenever a Permanent Global Instrument is to be exchanged for Definitive Instruments, the relevant Issuer shall procure the prompt delivery of such Definitive Instruments, duly authenticated and where and to the extent applicable, with Receipts, Coupons and Talons attached (each as defined in Condition 1.2 and Condition 1.3), in an aggregate principal amount equal to the principal amount of such Permanent Global

Instrument to the holder of the Permanent Global Instrument against its surrender to, or to the order of, the relevant Issuer and Paying Agent and, in the case of Bank Instruments, the Bank Holders' Agent, within 30 days of the holder or such relevant Issuer, as appropriate, requesting such exchange.

Furthermore, if:

- (i) Definitive Instruments have not been delivered in accordance with the foregoing by 5.00 p.m. (London time) on the thirtieth day after the holder or the relevant Issuer, as appropriate, has requested exchange; or
- (ii) the Permanent Global Instrument (or any part thereof) has become due and payable in accordance with the Conditions or the date for final redemption of the Permanent Global Instrument has occurred and, in either case, payment in full of the amount of the Redemption Amount (as defined in Condition 7.12) together with all interest (if any) accrued thereon has not been made to the holder in accordance with the Conditions on the due date for payment,

then such Permanent Global Instrument (including the obligation to deliver Definitive Instruments) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (i) above) or at 5.00 p.m. (London time) on such due date (in the case of (ii) above) and the holder of the Permanent Global Instrument will have no further rights thereunder (but without prejudice to the rights which such Holder or others may have under, in the case of Instruments issued by ERB Hellas PLC, the Deed of Covenant (the "ERB Hellas PLC Deed of Covenant") executed by ERB Hellas PLC dated 27 May 2014 or, in the case of Instruments issued by ERB Hellas (Cayman Islands) Limited, the Deed of Covenant (the "ERB Hellas (Cayman Islands) Limited Deed of Covenant") executed by ERB Hellas (Cayman Islands) Limited dated 27 May 2014 or, in the case of Instruments issued by the Bank, the Deed of Covenant (the "Bank Deed of Covenant") executed by the Bank dated 27 May 2014, as the case may be). Under the ERB Hellas PLC Deed of Covenant, the ERB Hellas (Cayman Islands) Limited Deed of Covenant or the Bank Deed of Covenant, as the case may be, persons shown in the records of Euroclear and/or Clearstream, Luxembourg (or any other relevant clearing system) as being entitled to interests in the Instruments will acquire directly against the relevant Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Instrument became void, they had been the holders of Definitive Instruments in an aggregate principal amount equal to the principal amount of Instruments they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg or other relevant clearing system (as the case may be).

### **(C) Amendment to Conditions**

The Temporary Global Instruments and Permanent Global Instruments contain provisions that apply to the Instruments that they represent, some of which modify the effect of the Terms and Conditions of the Instruments set out in this Prospectus. The following is an overview of certain of those provisions:

- (1) *Meetings*: The holder of a Global Instrument shall (unless such Global Instrument represents only one Instrument) be treated as being two persons for the purposes of any quorum requirements of a meeting of holders and, at any such meeting, the holder of a Global Instrument shall be treated as having one vote in respect of each minimum integral amount of the Currency of Denomination of the Instruments specified in the applicable Final Terms.

- (2) *Cancellation:* Cancellation of any Instrument represented by a Global Instrument that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant Global Instrument.
- (3) *Purchases:* Instruments represented by a Global Instrument may only be purchased by the relevant Issuer or, as the case may be, the Guarantor or any of the Bank's subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.
- (4) *Issuer's Options:* Any option of the relevant Issuer provided for in the Conditions of the Instruments while such Instruments are represented by a Global Instrument shall be exercised by such relevant Issuer giving notice to the holders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Instruments drawn in the case of a partial exercise of an option and accordingly no drawing of Instruments shall be required. In the event that any option of the relevant Issuer is exercised in respect of some but not all of the Instruments of any Series, the rights of accountholders with a clearing system in respect of the Instruments will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or any other clearing system (as the case may be). In the case of a partial redemption of Instruments, the Instruments to be redeemed will be selected in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg or any other clearing system (as the case may be), to be reflected in the records of Euroclear, Clearstream, Luxembourg or such other clearing system as either a pool factor or a reduction in nominal amount, at their discretion.
- (5) *Holders' Options:* Any option of the holders provided for in the Conditions of any Instruments while such Instruments are represented by a Global Instrument may be exercised by the holder of such Global Instrument, giving notice to the Issue and Paying Agent within the time limits relating to the deposit of Instruments with a Paying Agent substantially in the form of the notice available from any Paying Agent except that the notice shall not be required to contain the serial numbers of the Instruments in respect of which the option has been exercised, and stating the principal amount of Instruments in respect of which the option is exercised and at the same time presenting for notation the Global Instrument to the Issue and Paying Agent, or to a Paying Agent acting on behalf of the Issue and Paying Agent.
- (6) *Notices:* So long as any Instruments are represented by a Global Instrument and such Global Instrument is held on behalf of a clearing system, notices to the holders of Instruments of that Series may be given by delivery of the relevant notice to the clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Instrument except that, so long as the Instruments are listed on the Luxembourg Stock Exchange, notice shall also be given in accordance with the rules of that exchange, which is expected to be publication either on the Luxembourg Stock Exchange's website at [www.bourse.lu](http://www.bourse.lu) or in a leading newspaper having general circulation in Luxembourg (which is expected to be the Luxemburger Wort).

**(D) Partly Paid Instruments**

While any Partly Paid Instalments due from the holder of Partly Paid Instruments are overdue, no interest in a Temporary Global Instrument representing such Exempt Instruments may be exchanged for an interest in a Permanent Global Instrument or for Definitive Instruments (as the case may be) and no interest in a Permanent Global Instrument may be exchanged for

Definitive Instruments. If any holder fails to pay any instalment due on any Partly Paid Instruments within the time specified, the relevant Issuer may forfeit such Instruments and shall have no further obligation to such holder in respect of them.

## FORM OF FINAL TERMS

*Pro Forma Final Terms for an issue of PD Instruments with a minimum denomination of at least €100,000 (or its equivalent).*

Date: [ ]

Series No.: [ ]

Tranche No.: [ ]

**[ERB Hellas PLC/  
ERB Hellas (Cayman Islands) Limited/  
Eurobank Ergasias S.A.]**

**€25,000,000,000 Programme for the Issuance of Debt Instruments**

**[guaranteed  
by Eurobank Ergasias S.A.]**

**Issue of  
[Aggregate Principal Amount of Tranche]  
[Title of Instruments]**

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “Conditions”) of the Instruments set forth in the Prospectus dated 13 May 2015 [and the supplement[s] to the Prospectus dated [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the “Prospectus”). This document constitutes the Final Terms of the Instruments described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus [as so supplemented]. Full information on the Issuer[, the Guarantor] and the offer of the Instruments is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the supplement[s] to the Prospectus] [is] [are] available for viewing on the Luxembourg Stock Exchange’s website at [www.bourse.lu](http://www.bourse.lu).

*(Include whichever of the following apply or specify as “Not Applicable”. 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)*

1. Guarantor: [Eurobank Ergasias S.A./Not Applicable] *(Insert ‘Not Applicable’ if the Instruments are issued by Eurobank Ergasias S.A.)*
  
2. Status:
  - (a) [of the Instruments:] [Unsubordinated (Condition 3A) / Subordinated (Condition 3B)]

- (b) [of the Guarantee: [Unsubordinated (Condition 4A) / Subordinated (Condition 4B)]
3. Currency:
- of Denomination: [Specify]
  - of Payment: [Specify]
- (Condition 1.5)
4. Aggregate Principal Amount of Tranche: [Specify]
5. If fungible into an existing Series: [Provide issue amount/ISIN/maturity date/issue date of earlier Tranches]
6. Issue Date: [Specify]
7. Issue Price: [ ] per cent.
8. Form of Instruments:
- (a) Initially represented by a Temporary Global Instrument or Permanent Global Instrument: [Specify] (If nothing is specified and these Final Terms do not specify that the TEFRA C Rules apply or that TEFRA does not apply, Instruments will be represented initially by a Temporary Global Instrument)
  - (b) Temporary Global Instrument exchangeable for [Permanent Global Instrument/Definitive Instruments] [Specify Exchange Date]<sup>1</sup>
  - (c) Permanent Global Instrument exchangeable: For Definitive Instruments [only] in the circumstances specified in “Provisions Relating to the Instruments Whilst in Global Form” paragraph (B)(4) [(a), (b) and (d) only (clearing system failure, Event of Default/Subordinated Default Event and at the option of the Issuer)]/[(c) (and (d)) (at any time at the option of the bearer or the Issuer)]<sup>1</sup>
  - (d) Coupons to be attached to Definitive Instruments: [Yes/No]
  - (e) Talons for future Coupons to be added to Definitive Instruments: [Yes/No] (Condition 1.2)

<sup>1</sup> N.B. Paragraphs (B)(4)(c) (at any time at the request of the bearer) and (d) (at any time at the option of the relevant Issuer) should not be expressed to be applicable if the Denomination of the Instruments in paragraph 11(a) includes language substantially to the following effect: “€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Instruments in definitive form will be issued with a denomination above €199,000”. Furthermore, such Denomination construction is not permitted in relation to any issue of Instruments which is to be represented on issue by a Temporary Global Instrument exchangeable for Definitive Instruments.

- (f) Definitive Instruments to be in ICMA or successor's format: [Yes/No] *(If nothing is specified Definitive Instruments will be security printed and in ICMA or successor's format)*
- (g) New Global Instrument: [Yes/No]
9. (a) Denomination(s): [Specify]  
(Condition 1.4)
- (N.B. Instruments must have a minimum denomination of EUR100,000 (or equivalent))*
- [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 Instruments in definitive form will be issued with a denomination above [€199,000]”*
- (b) Calculation Amount: [Specify]
- (If only one denomination, insert the denomination. If more than one denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more denominations)*
10. Date Board approval for issuance of Instruments obtained: [ ]
- (N.B. Only relevant where Board authorisation is required for the particular Tranche of Instruments)*

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

11. Interest: [Interest bearing/Non-interest bearing]  
(Condition 6)
12. Interest Rate: [[ ] per cent. Fixed Rate  
(Condition 6.2) [[specify Reference Rate] +/- [ ] per cent. Floating Rate]  
[Zero Coupon]  
(further particulars specified below)
13. Relevant Screen Page: [Reuters Screen/Other] page [ ]  
(Condition 6.3)
14. Relevant Margin: [Plus/Minus] [ ] per cent. per annum  
(Condition 6.3)
15. ISDA Rate: Issuer is [Fixed Rate/Fixed Amount/Fixed  
(Condition 6.4) Price/Floating Rate/Floating Amount/Floating Price] Payer

16. Minimum Interest Rate: (Condition 6.5) [ ] per cent. per annum
17. Maximum Interest Rate: (Condition 6.5) [ ] per cent. per annum
18. Interest Payment Dates or (if the Applicable Business Day Convention is the FRN Convention) Interest Period: [*Specify dates (or if the Applicable Business Day Convention is the FRN Convention) number of months*]
19. Interest Period End Dates or (if the Applicable Business Day Convention is the FRN Convention) Interest Accrual Period: [*Specify*] (*If nothing is specified Interest Period End Dates will correspond with Interest Payment Dates*)
20. Applicable Business Day Convention: [*Specify, unless no adjustment is required in which case specify "No Adjustment"*] (*Note that these conventions are only to apply for the purposes of accrual of interest. Thus, a fixed rate Instrument should normally specify "No Adjustment", but for purposes of payment, a modification may be required to match a swap (see paragraph 33 – "Payments" below). Care should be taken to match the maturity date (as well as other key dates) of the Instruments with any underlying swap transaction. Since maturity dates do not automatically move with business day conventions under ISDA, it may be necessary to specify "No Adjustment" in relation to the maturity date of the Instruments to disapply the Applicable Business Day Convention*)
- for Interest Payment Dates: [ ]
  - for Interest Period End Dates: [ ]
  - for Maturity Date: [ ]
  - any other date: [ ]
21. Day Count Fraction: (Condition 6.9) [Actual/Actual (ICMA)]  
 (Actual/Actual) [Actual/Actual (ISDA)]  
 [Actual/365 (Fixed)]  
 [Actual/360]  
 [30/360] [360/360] [Bond Basis]  
 [30E/360] [Eurobond Basis]  
 [30E/360 (ISDA)]
22. Interest Commencement Date: (Condition 6.9) [*Specify, if different from the Issue Date*]
23. Interest Determination Date: (Condition 6.9) [*Specify number of Banking Days in which city(ies), if different from Condition 6.9*]

24. Default Interest Rate: [Specify if different from the Interest Rate]  
(Condition 6.6)
25. Calculation Agent: [Specify name and specified office]  
(Condition 6.7)
26. Reference Banks: [Specify]  
(Condition 6.9)
27. If non-interest bearing:
- Amortisation Yield: [Specify]
  - Rate of interest on overdue amounts: [Specify, if not the Amortisation Yield]
  - Day Count Fraction: [Specify for the purposes of Condition 6.10 and Condition 7.13]

#### **PROVISIONS RELATING TO REDEMPTION**

28. Maturity Date: [Specify date (or Interest Payment Date occurring  
(Condition 7.1) in month and year if FRN Convention applies)]
- [(In the case of Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited, if the issue proceeds are accepted in the United Kingdom (in the case of Instruments issued by ERB Hellas (Cayman Islands) Limited only) and the Maturity Date is less than one year from the Issue Date, the Instruments 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 exemption from section 19 of the FSMA must be available))]*
29. Early Redemption for Taxation Reasons: (Condition 7.2)
- Early Redemption Amount (Tax): [Specify, if not the Outstanding Principal Amount or, in the case of any Instruments which are non-interest bearing, the Amortised Face Amount]
30. Optional Early Redemption (Call): [Yes/No]  
(Condition 7.3)
- (If yes specify any specific conditions required to permit such Optional Early Redemption)*
- (a) Early Redemption Amount (Call): [Specify, if not the Outstanding Principal Amount or, in the case of any Instruments which are non-interest bearing, the Amortised Face Amount]
- (b) Series redeemable in part: [Specify, otherwise redemption will only be permitted of entire Series]

- (c) Call Option Date(s)/Call Option Period: [Specify]
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
- (d) Maximum Redemption Amount: [None/Specify]  
(Condition 7.5)
- (e) Minimum Redemption Amount: [None/Specify]  
(Condition 7.5)
31. Optional Early Redemption (Put): [Yes/No]  
(Condition 7.6)
- (Only available for Unsubordinated Instruments)*
- (a) Early Redemption Amount (Put): [Specify, if not the Outstanding Principal Amount or, in the case of any Instruments which are non-interest bearing, the Amortised Face Amount]
- (b) Put Date(s)/Put Period: [Specify]
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
32. [Events of Default (Condition 11.1) / Subordinated Default Events (Condition 11.3) / Illegality (Condition 7.9)]:
- (a) Early Termination Amount: [Specify, if not the Outstanding Principal Amount or, in the case of any Instruments which are non-interest bearing, the Amortised Face Amount]
- [In respect of each Calculation Amount, an amount in [insert Currency] determined by the Calculation Agent which represents the fair market value of such Calculation Amount [(which for the avoidance of doubt shall be deemed to include amounts in respect of interest (if any))] immediately prior to the date on which the Instruments are to be redeemed less (except in

the case of early redemption pursuant to Condition 11) the cost to the Issuer[, the Guarantor] and/or any of their Affiliates of unwinding any related hedging arrangements. For the purposes of determining the fair market value of the Instruments for the purposes of Condition 11, no account shall be taken of the financial condition of the Issuer which shall be presumed to be able to perform fully its obligation in respect of the Instruments. If the Instruments have become redeemable pursuant to Condition 7.9 (Illegality), then Condition 7.9 shall be amended by the deletion of the words “together with all interest (if any) accrued thereon”. If the Instruments have become redeemable pursuant to Condition 11 (Events of Default), then Condition 11.2 shall be amended by the deletion of the words “together with all interest (if any) accrued thereon”]

33. Payments:  
(Condition 13)

- (a) Unmatured Coupons missing upon Early Redemption: [Specify whether paragraph (i) or paragraph (ii) of Condition 13A.5 applies. If nothing is specified paragraph (i) will apply to fixed rate or fixed coupon amount Instruments and paragraph (ii) will apply to floating rate or variable coupon amount Instruments]
- (b) Specify any modification to the adjustment provisions for payment dates: (Condition 13A.4) [Specify whether e.g. the Modified Following Business Day Convention should apply for purposes of payment]

34. Replacement of Instruments: (Condition 16) [Specify Replacement Agent, if other than (or in addition to) the Issue and Paying Agent]

35. Notices: (Condition 18) [Specify any other means of effective communication]

## PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on [specify relevant regulated market (for example the Bourse de Luxembourg)] of the Instruments described herein pursuant to the €25,000,000,000 Programme for the Issuance of Debt Instruments of ERB Hellas PLC, ERB Hellas (Cayman Islands) Limited and Eurobank Ergasias S.A.

**[ERB HELLAS PLC as Issuer**

By: .....  
*Authorised Signatory*

Date:.....]

**[ERB HELLAS (CAYMAN ISLANDS) LIMITED as Issuer**

By: .....  
*Authorised Signatory*

Date:.....]

**EUROBANK ERGASIAS S.A. as [Issuer/Guarantor]**

By: .....  
*Authorised Signatory*

Date: .....

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to Trading: [Application has been made by the Issuer (or on its behalf) for the Instruments to be admitted to trading on [specify relevant regulated market (for example the Bourse de Luxembourg) and, if relevant, listing on an official list (for example, the Official List of the Luxembourg Stock Exchange)] with effect from [ ].]

[Application is expected to be made by the Issuer (or on its behalf) for the Instruments to be admitted to trading on [specify relevant regulated market (for example the Bourse de Luxembourg) and, if relevant, listing on an official list (for example, the Official List of the Luxembourg Stock Exchange)] with effect from [ ]]

[Not Applicable]

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

### 2. RATINGS

Ratings: [The Instruments to be issued [[have been]/[are expected to be]] rated [insert details] by [insert the legal name of the relevant credit rating agency entity(ies)]]

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

[[Insert the legal name of the relevant credit rating agency entity] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).]

### 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 Instruments has an interest material to the offer.] *(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 Prospectus under Article 16 of the Prospectus Directive)]*

**[4. YIELD (FIXED RATE INSTRUMENTS ONLY)**

Indication of yield: [ ]

**[5. HISTORIC INTEREST RATES (Floating Rate Instruments only)**

Details of historic [LIBOR/EURIBOR/specify other Reference Rate] rates can be obtained from [Reuters].

**6. OPERATIONAL INFORMATION**

(i) ISIN Code: [ ]

(ii) Common Code: [ ]

(iii) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s), addresses and number(s)]

(iv) Settlement Procedures: [Specify whether customary medium term note/eurobond/other settlement and payment procedures apply]

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

(vi) Names and addresses of additional Paying Agent(s) (if any): [ ]

(vii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “Yes” simply means that the Instruments are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Instruments 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 Instruments are capable of meeting them the Instruments may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Instruments 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/*give names*]
- (iii) Date of [Subscription] Agreement: [ ]
- (iv) Stabilising Institution(s) (if any): [In connection with the issue of the Instruments, [*name of Stabilising Institution*] (or persons acting on behalf of [*name of Stabilising Institution*]) may over-allot Instruments or effect transactions with a view to supporting the market price of the Instruments at a level higher than that which might otherwise prevail. However, there is no assurance that [*name of Stabilising Institution*] (or persons acting on behalf of [*name of Stabilising Institution*]) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Instruments is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Instruments and 60 days after the date of the allotment of the Instruments. Any such stabilisation or over-allotment must be conducted by [*name of Stabilising Institution*] (or person(s) acting on behalf of [*name of Stabilising Institution*]) in accordance with all applicable laws and rules]
- (v) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (vi) U.S. Selling Restrictions: Regulation S, Category 2 restrictions apply to the Instruments  
  
[TEFRA C / TEFRA D / TEFRA not applicable]  
  
[Specify whether the Instruments are subject to TEFRA C or TEFRA D Rules or whether TEFRA is not applicable. In the absence of specification TEFRA D Rules will apply]

## APPLICABLE PRICING SUPPLEMENT

### EXEMPT INSTRUMENTS OF ANY DENOMINATION

*Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Instruments, whatever the denomination of those Exempt Instruments, issued under the Programme.*

### NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC FOR THE ISSUE OF EXEMPT INSTRUMENTS DESCRIBED BELOW.

Date: [ ]

Series No.: [ ]

Tranche No.: [ ]

[ERB Hellas PLC/  
ERB Hellas (Cayman Islands) Limited/  
Eurobank Ergasias S.A.]

**€25,000,000,000 Programme for the Issuance of Debt Instruments**

[guaranteed  
by Eurobank Ergasias S.A.]

Issue of  
[Aggregate Principal Amount of Tranche]  
[Title of Exempt Instruments]

### PART A – CONTRACTUAL TERMS

Any person making or intending to make an offer of the Exempt Instruments may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

This document constitutes the Pricing Supplement for the Exempt Instruments described herein. This document must be read in conjunction with the Prospectus dated 13 May 2015 [as supplemented by the supplement[s] dated [date] (the “Prospectus”). Full information on the Issuer[, the Guarantor] and the offer of the Exempt Instruments is only available on the basis of the combination of this Pricing Supplement and the Prospectus. Copies of the Prospectus may be obtained from [address].

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “Conditions”) set forth in the Prospectus [dated [original date] which are incorporated by reference in the Prospectus.]

*[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]*

1. Issuer: [ERB Hellas PLC/ERB Hellas (Cayman Islands)  
Limited/ Eurobank Ergasias S.A.]

2. Guarantor: [Eurobank Ergasias S.A./Not Applicable] (*Insert 'Not Applicable' if the Exempt Instruments are issued by Eurobank Ergasias S.A.*)
3. Status:
- (a) [of the Exempt Instruments:] [Unsubordinated (Condition 3A) / Subordinated (Condition 3B)]  
(*If nothing is specified, Exempt Instruments will be unsubordinated*)
- (b) [of the Guarantee:] [Unsubordinated (Condition 4A) / Subordinated (Condition 4B)]
4. Currency:
- of Denomination: [Specify]
- of Payment: [Specify]
5. Aggregate Principal Amount of Tranche: [Specify]
6. If fungible into an existing Series: [*Provide issue amount/ISIN/maturity date/issue date of earlier Tranches*]
7. Issue Date: [Specify]
8. Issue Price: [ ] per cent.
9. Form of Exempt Instruments: Bearer
10. (a) Initially represented by a Temporary Global Instrument or Permanent Global Instrument: [Specify] (*If nothing is specified and Pricing Supplement does not specify that the TEFRA C Rules apply or that TEFRA does not apply, Exempt Instruments will be represented initially by a Temporary Global Instrument*)
- (b) Temporary Global Instrument exchangeable for [Permanent Global Instrument/Definitive Instruments] [Specify Exchange Date]<sup>2</sup>
- (c) Permanent Global Instrument exchangeable: For Definitive Instruments [only] in the circumstances specified in “*Provisions Relating to the Instruments Whilst in Global Form*” paragraph (B)(4) [(a), (b) and (d) only (clearing system failure, Event of Default/Subordinated Default Event and at the option of the Issuer)]/[(c) (and (d)) (at any time at the option of the bearer

<sup>2</sup> N.B. Paragraphs (B)(4)(c) (*at any time at the request of the bearer*) and (d) (*at any time at the option of the relevant Issuer*) should not be expressed to be applicable if the Denomination of the Instruments in paragraph 11(a) includes language substantially to the following effect: “€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Instruments in definitive form will be issued with a denomination above €199,000”. Furthermore, such Denomination construction is not permitted in relation to any issue of Instruments which is to be represented on issue by a Temporary Global Instrument exchangeable for Definitive Instruments.

- or the Issuer)]<sup>1</sup>
- (d) Coupons to be attached to Definitive Instruments: [Yes/No]
- (e) Talons for future Coupons to be added to Definitive Instruments: [Yes/No]
- (f) Definitive Instruments to be in ICMA or successor's format: [Yes/No] *(If nothing is specified Definitive Instruments will be security printed and in ICMA or successor's format)*
- (g) New Global Instrument: [Yes/No]
11. (a) Denomination(s): [ ]
- (b) Calculation Amount: [Specify]
- (If only one denomination, insert the denomination. If more than one denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more denominations)*
12. Redenomination: [Not Applicable/The provisions annexed to this Pricing Supplement apply]
13. Partly Paid Instruments: [Yes/No]
- If yes, specify number, amounts and dates for, and method of, payment of instalments of subscription moneys and any further additional provisions (including Forfeiture Dates in respect of late payment of Partly Paid Instalments) [Give details]
14. Date Board approval for issuance of Instruments obtained: [ ]
- (N.B. Only relevant where Board authorisation is required for the particular Tranche of Instruments)*

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

15. Interest: [Interest bearing/Non-interest bearing]
16. Interest Rate: [Specify rate (if fixed) or Floating Rate (if floating) or ISDA Rate or formula]
17. Relevant Screen Page: [Reuters Screen/Other] page [ ]
18. Relevant Margin: [Plus/Minus] [ ] per cent. per annum
19. ISDA Rate: Issuer is [Fixed Rate/Fixed Amount/Fixed Price/Floating Rate/Floating Amount/Floating

- Price] Payer
20. Minimum Interest Rate: [ ] per cent. per annum
21. Maximum Interest Rate: [ ] per cent. per annum
22. Interest Payment Dates or (if the Applicable Business Day Convention is the FRN Convention) Interest Period: [*Specify dates (or if the Applicable Business Day Convention is the FRN Convention) number of months*]
23. Interest Period End Dates or (if the Applicable Business Day Convention is the FRN Convention) Interest Accrual Period: [*Specify*] (*If nothing is specified Interest Period End Dates will correspond with Interest Payment Dates*)
24. Applicable Business Day Convention: [*Specify, unless no adjustment is required in which case specify "No Adjustment" (Note that these conventions are only to apply for the purposes of accrual of interest. Thus, a fixed rate Instrument should normally specify "No Adjustment", but for purposes of payment, a modification may be required to match a swap (see paragraph 48 "Payments" below). Care should be taken to match the maturity date (as well as other key dates) of the Exempt Instruments with any underlying swap transaction. Since maturity dates do not automatically move with business day conventions under ISDA, it may be necessary to specify "No Adjustment" in relation to the maturity date of the Exempt Instruments to disapply the Applicable Business Day Convention)*]
- for Interest Payment Dates: [ ]
  - for Interest Period End Dates: [ ]
  - for Maturity Date: [ ]
  - any other date: [ ]
25. Relevant Financial Centres: [*Specify if different from Condition 6.9*]
26. Day Count Fraction: [*Specify*]
27. Interest Commencement Date: [*Specify, if different from the Issue Date*]
28. Interest Determination Date: [*Specify number of Banking Days in which city(ies), if different from Condition 6.9*]
29. Relevant Time: [*Specify if different from Condition 6.9*]
30. Default Interest Rate: [*Specify if different from the Interest Rate*]
31. Calculation Agent: [*Specify name and specified office*]

32. Reference Banks: [Specify]
33. If non-interest bearing:
- Amortisation Yield: [Specify]
  - Rate of interest on overdue amounts: [Specify, if not the Amortisation Yield]
  - Day Count Fraction: [Specify for the purposes of Condition 6.10 and Condition 7.13]
34. Index Linked Interest Instruments: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Formula for calculating interest rate including provisions for determining the Interest Amount where calculation by reference to Index/Indices is impossible or impracticable and other back-up provisions: [Give or annex details]
- (b) Whether the Exempt Instruments relate to a basket of indices or a single index, the identity of the relevant Index/Indices and details of the relevant index sponsors and whether such Index/Indices is/are a Multi-Exchange Index: [Basket of Indices/Single Index]  
[Give or annex details]  
[Details of each Index Sponsor]  
Multi-Exchange Index: [Yes/No]  
*(Multi-Exchange Index only applies in relation to the Euro Stoxx Indices unless otherwise agreed)*
- (c) Exchange(s): [ ]
- (d) Related Exchange(s): [[ ]/All Exchanges]
- (e) [Valuation Dates/Averaging Dates]: [ ]
- [Adjustment provisions in the event of a Disrupted Day: [Omission/Postponement/Modified Postponement]  
*(Only applicable where Averaging Dates are specified)*
- [Averaging Roll Days: [ ]  
*(Only applicable where Modified Postponement is specified)*
- [Valuation Roll Days: [ ]
- [Reference Price: [Condition 8.4 applies/other]

*(If fallback set out in the definition of “Valuation Date” in Condition 8.4 does not apply, set out method for determining the Reference Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day)]*

- (f) Valuation Time: [Condition 8 applies/other]
- (g) Strike Price(s): [ ]
- (h) Multiplier for each Index comprising the basket: [Insert details/Not Applicable]
- (i) Trade Date: [ ]
- (j) Correction of Index Levels: Correction of Index Levels [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction]

*(If Correction of Index Levels does not apply, delete the following subparagraph)*

[Correction Cut-Off Date: [ ] Business Days prior to each Interest Payment Date]/[In relation to Averaging Dates other than the final Averaging Date, [ ] days after the relevant Averaging Date and in relation to the final Averaging Date, [ ] Business Days prior to the Maturity Date]

- (k) Other terms and special conditions: [ ]

35. Equity Linked Interest Instruments: [Applicable/Not Applicable]

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

- (a) Formula for calculating interest rate including provisions for determining the Interest Amount where calculation by reference to Underlying Equity/Equities is impossible or impracticable and other back-up provisions: [Give or annex details]
- (b) Whether the Instruments relate to a basket of equity securities or a single equity security, and the identity of the relevant issuer(s) of the Underlying Equity/Equities: [Basket of Underlying Equities/Single Underlying Equity]  
[Give or annex details]
- (c) Exchange(s): [ ]

- (d) Related Exchange(s): [ ]/All Exchanges]
- (e) Potential Adjustment Events: [Applicable/Not Applicable]
- (f) De-listing, Merger Event, Nationalisation and Insolvency: [Applicable/Not Applicable]
- (g) Tender Offer: [Applicable/Not Applicable]
- (h) Equity Substitution: [Applicable/Not Applicable]
- (i) Correction of Underlying Equity Prices: Correction of Underlying Equity Prices [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction]
- (If Correction of Underlying Equity Prices does not apply, delete the following subparagraph)*
- [Correction Cut-Off Date: [ ] Business Days prior to each Interest Payment Date]/[In relation to Averaging Dates other than the Final Averaging Dates, [ ] days after the relevant Averaging Date and in relation to the Final Averaging Date, [ ] Business Days prior to the Maturity Date]
- (j) [Valuation Dates/Averaging Dates]: [ ]
- [Adjustment provisions in the event of a Disrupted Day: [Omission/Postponement/Modified Postponement]  
*(Only applicable where Averaging Dates are specified)*
- [Averaging Roll Days: [ ]  
*(Only applicable where Modified Postponement is specified)*
- [Valuation Roll Days: [ ]]
- [Reference Price: [Condition 9.3 applies/other]
- (If fallback set out in the definition of "Valuation Date" in Condition 9.3 does not apply, set out method for determining the Reference Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day)*
- (k) Valuation Time: [Condition 9.3 applies/other]
- (l) Strike Price: [ ]
- (m) Exchange Rate: [Applicable/Not Applicable] [Give details]

- (n) Multiplier for each Underlying Equity comprising the basket (which is subject to adjustment as set out in Condition 9.2): [Not Applicable/Give details]
- (o) Trade Date: [ ]
- (p) Other terms and special conditions: [ ]

## PROVISIONS RELATING TO REDEMPTION

36. Maturity Date: [Specify date (or Interest Payment Date occurring in month and year if FRN Convention applies)]
- (In the case of Exempt Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited, if the issue proceeds are received in the United Kingdom (in the case of Instruments issued by ERB Hellas (Cayman Islands) Limited only) and the Maturity Date is less than one year from the Issue Date, the Exempt Instruments 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 exemption from section 19 of the FSMA must be available))*
37. Dates for payment of Instalment Amounts (Instalment Exempt Instruments): [Specify dates (or Interest Payment Dates occurring in months and years if FRN Convention applies)]
38. Maturity Redemption Amount: [Specify, if not the Outstanding Principal Amount]
- (Where Instruments are Index Linked Redemption Instruments or Equity Linked Redemption Instruments, see paragraph 44, 45 or 46 below as applicable)*
39. Instalment Amounts: [Specify]
40. Early Redemption for Taxation Reasons:
- Early Redemption Amount (Tax): [Specify, if not the Outstanding Principal Amount or, in the case of any Exempt Instruments which are non-interest bearing, the Amortised Face Amount]
41. Optional Early Redemption (Call): [Yes/No]
- (a) Early Redemption Amount (Call): [Specify, if not the Outstanding Principal Amount or, in the case of any Exempt Instruments which

*are non-interest bearing, the Amortised Face Amount]*

(b) Series redeemable in part: [Applicable/Not Applicable]

(c) Call Option Date(s)/Call Option Period: [Specify]

*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*

(d) Maximum Redemption Amount: [None/Specify]

(e) Minimum Redemption Amount: [None/Specify]

42. Optional Early Redemption (Put): [Yes/No]

*(Only available for Unsubordinated Instruments)*

(a) Early Redemption Amount (Put): [ ] per Calculation Amount

(b) Put Date(s)/Put Period: [Specify]

*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*

43. [Autocall: [Applicable/Not Applicable]

[Autocall Event:] [ ]

[Autocall Redemption Amount:] [ ]

[Autocall Redemption Date:] [ ]]

44. Index Linked Redemption Instruments: [Applicable/Not Applicable]

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

- (a) Whether the Instruments relate to a basket of indices or a single index, the identity of the relevant Index/Indices and details of the relevant index sponsors and whether such Index/Indices is/are a Multi-Exchange Index: [Basket of Indices/Single Index]  
[Give or annex details]  
[Specify details of each Index Sponsor]  
Multi-Exchange Index: [Yes/No]  
*(Multi-Exchange Index only applies in relation to the Euro Stoxx Indices unless otherwise agreed)*
- (b) Calculation Agent responsible for making calculations pursuant to Condition 8: [Specify name and specified office]
- (c) Exchange(s): [ ]
- (d) Related Exchange(s): [[ ]/All Exchanges]
- (e) Maturity Redemption Amount: [Express per Calculation Amount]
- (f) [Valuation Date/Averaging Dates]: [ ]  
[Adjustment provisions in the event of a Disrupted Day: [Omission/Postponement/Modified Postponement]  
*(Only applicable where Averaging Dates are specified)*  
[Averaging Roll Days: [ ]  
*(Only applicable where Modified Postponement is specified)*  
[Valuation Roll Days: [ ]  
[Reference Price: [Condition 8.4 applies/other]  
*(If fallback set out in the definition of "Valuation Date" in Condition 8.4 does not apply, set out method for determining the Reference Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day)]*
- (g) Valuation Time: [Condition 8.4 applies/other]
- (h) Strike Price(s): [ ]
- (i) Multiplier for each Index comprising the basket: [Insert details/Not Applicable]
- (j) Trade Date: [ ]
- (k) Correction of Index Levels: Correction of Index Levels [applies/does not

apply and the Reference Price shall be calculated without regard to any subsequently published correction]

*(If Correction of Index Levels does not apply, delete the following subparagraph)*

[Correction Cut-Off Date: [[ ] Business Days prior to the Maturity Date/In relation to Averaging Dates other than the final Averaging Date, [ ] days after the relevant Averaging Date and in relation to the final Averaging Date, [ ] Business Days prior to the Maturity Date]]

(l) Other terms or special conditions: [ ]

45. Equity Linked Redemption Instruments: [Applicable/Not Applicable]

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

(a) Whether the Instruments relate to a basket of equity securities or a single equity security and the identity of the relevant issuer(s) of the Underlying Equity/Equities: [Basket of Underlying Equities/Single Underlying Equity]

*[Give or annex details of each Underlying Equity and each Equity Issuer]*

(b) Calculation Agent responsible for to making calculations pursuant Condition 9: *[Specify name and specified office]*

(c) Exchange(s): [ ]

(d) Related Exchange(s): [[ ]/All Exchanges]

(e) Potential Adjustment Events: [Applicable/Not Applicable]

(f) De-listing, Merger Event, Nationalisation and Insolvency: [Applicable/Not Applicable]

(g) Tender Offer: [Applicable/Not Applicable]

(h) Equity Substitution: [Applicable/Not Applicable]

(i) Correction of Underlying Equity Prices: Correction of Underlying Equity Prices [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction]

*(If Correction of Underlying Equity Prices does not apply, delete the following subparagraph)*

[Correction Cut-Off Date: [[ ] Business Days prior to the Maturity Date]

(j) Maturity Redemption Amount: *[Express per Calculation Amount]*

- [Valuation Date/Averaging Dates]: [ ]
- [Adjustment provisions in the event of a Disrupted Day: [Omission/Postponement/Modified Postponement]
- (Only applicable where Averaging Dates are specified)*
- [Averaging Roll Days: [ ]
- (Only applicable where Modified Postponement is specified)*
- [Valuation Roll Days: [ ]]
- [Reference Price: [ ]
- [Condition 9.3 applies [and the Reference Price shall be determined by reference to the price of the relevant Underlying Equity at the Valuation Time on the [Valuation Date]/[Averaging Date] [other]
- (If fallback set out in the definition of "Valuation Date" in Condition 9.3 does not apply, set out method for determining the Reference Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day)*
- (k) Valuation Time: [Condition 9.3 applies/other]
- (l) Strike Price: [ ]
- (m) Exchange Rate: [Applicable/Not Applicable]  
[Insert details]
- (n) Multiplier for each Underlying Equity comprising the basket (which is subject to adjustment as set out in Condition 9.2): [Insert details/Not Applicable]
- (o) Trade Date: [ ]
- (p) Other terms or special conditions: [ ]
46. Additional Disruption Events: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Change in Law: [Applicable/Not Applicable]
- (b) Hedging Disruption: [Applicable/Not Applicable]

- (c) Increased Cost of Hedging: [Applicable/Not Applicable]
- (d) Increased Cost of Stock Borrow: [Applicable/Not Applicable]
- (e) Loss of Stock Borrow: [Applicable/Not Applicable]
- (f) Equity Substitution: [Applicable/Not Applicable]
- (g) Trade Date: [ ]

47. [Events of Default (Condition 11.1) / Subordinated Default Events (Condition 11.3) / Illegality (Condition 7.9) / Adjustments to an Index (Condition 8.2) / De-listing, Merger Event, Nationalisation and Insolvency and/or Tender Offer (Condition 9.2) / Additional Disruption Events (Condition 10.2)]:

- (a) Early Termination Amount: *[Specify, if not the Outstanding Principal Amount or, in the case of any Exempt Instruments which are non-interest bearing, the Amortised Face Amount]*

[In respect of each Calculation Amount, an amount in *[insert Currency]* determined by the Calculation Agent which represents the fair market value of such Calculation Amount [(which for the avoidance of doubt shall be deemed to include amounts in respect of interest (if any))] immediately prior to the date on which the Instruments are to be redeemed less (except in the case of early redemption pursuant to Condition 11) the cost to the Issuer[, the Guarantor] and/or any of their Affiliates of unwinding any related hedging arrangements. For the purposes of determining the fair market value of the Instruments for the purposes of Condition 11, no account shall be taken of the financial condition of the Issuer which shall be presumed to be able to perform fully its obligation in respect of the Instruments. If the Instruments have become redeemable pursuant to Condition 7.9 (Illegality), then Condition 7.9 shall be amended by the deletion of the words “together with all interest (if any) accrued thereon”. If the Instruments have become redeemable pursuant to Condition 11 (Events of Default), then Condition 11.2 shall be amended by the deletion of the words “together with all interest (if any) accrued thereon”] (*Consider inserting for Index Linked Instruments or Equity Linked Instruments*

but also consider how any accrued interest is to be treated)

- (b) Any additional (or modifications to) [Events of Default/Subordinated Default Events]: [Specify]

48. Payments:

- (a) Unmatured Coupons missing upon Early Redemption: [Specify whether paragraph (i) or paragraph (ii) of Condition 13A.5 applies. If nothing is specified paragraph (i) will apply to fixed rate or fixed coupon amount Instruments and paragraph (ii) will apply to floating rate or variable coupon amount Instruments]
- (b) Specify any modification to the adjustment provisions for payment dates: [Specify whether e.g. the Modified Following Business Day Convention should apply for purposes of payment]

49. Replacement of Exempt Instruments: [Specify Replacement Agent, if other than (or in addition to) the Issue and Paying Agent]

50. Notices: [Specify any other means of effective communication]

**FURTHER INFORMATION**

51. Other Relevant Terms and Conditions: [ ]

**RESPONSIBILITY**

[Subject as set out below,] the Issuer [and the Guarantor] accept[s] responsibility for the information contained in this Pricing Supplement. [The information relating to [ ] (the "Reference Information") contained herein has been accurately reproduced from [insert information source(s)]. [Each of/The] Issuer [and the Guarantor] accepts responsibility that [the Reference Information] has been accurately reproduced and, so far as the Issuer [and the Guarantor] [is/are] aware and [is/are] able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

[**ERB HELLAS PLC** as Issuer

By: .....  
Authorised Signatory

Date:.....]

[**ERB HELLAS (CAYMAN ISLANDS) LIMITED** as Issuer

By: .....  
Authorised Signatory

Date:.....]

**EUROBANK ERGASIAS S.A.** as [Issuer/Guarantor]

By: .....  
*Authorised Signatory*

Date: .....

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Not listed/[ ]]  
*(Exempt Instruments may not be listed on a European Economic Area stock exchange)*
- (ii) Admission to trading: [Not Applicable/[ ]]  
*(Exempt Instruments may not be admitted to trading on a regulated market in the European Economic Area)*
- (iii) Estimate of total expenses related to admission to trading: [Not Applicable/[ ]]

### 2. RATINGS

- Ratings: [The Instruments to be issued [[have been]/[are expected to be]] rated *[insert details]* by *[insert the legal name of the relevant credit rating agency entity(ies)]*
- (The above disclosure should reflect the rating allocated to Instruments of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating)*
- [[Insert the legal name of the relevant credit rating agency entity] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).]*

### 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 Instruments has an interest material to the offer.] *(Amend as appropriate if there are other interests)*

### 4. OPERATIONAL INFORMATION

- (i) ISIN Code: [ ]
- (ii) Common Code: [ ]
- (iii) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/*give name(s), addresses) and number(s)*]
- (iv) Settlement Procedures: [*Specify whether customary medium term note/eurobond/other settlement and payment procedures apply*]

- (v) Delivery: Delivery [against/free of] payment
- (vi) Names and addresses of additional Paying Agent(s) (if any): [ ]
- (vii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “Yes” simply means that the Instruments are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Instruments 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 this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Instruments are capable of meeting them the Instruments may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Instruments 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.]

**5. DISTRIBUTION**

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/*give names*]
- (iii) Stabilising Institution(s) (if any): [In connection with the issue of the Instruments, [*name of Stabilising Institution*] (or persons acting on behalf of [*name of Stabilising Institution*]) may over-allot Instruments or effect transactions with a view to supporting the market price of the Instruments at a level higher than that which might otherwise prevail. However, there is no assurance that [*name of Stabilising Institution*] (or persons acting on behalf of [*name of Stabilising Institution*]) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Instruments is made and, if begun, may be ended at any time, but it must end no later than

the earlier of 30 days after the issue date of the Instruments and 60 days after the date of the allotment of the Instruments. Any such stabilisation or over-allotment must be conducted by [*name of Stabilising Institution*] (or person(s) acting on behalf of [*name of Stabilising Institution*]) in accordance with all applicable laws and rules]

(iv) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]

(v) U.S. Selling Restrictions: Regulation S, Category 2 restrictions apply to the Instruments

[TEFRA C / TEFRA D / TEFRA not applicable]

[Specify whether the Instruments are subject to TEFRA C or TEFRA D Rules or whether TEFRA is not applicable. In the absence of specification TEFRA D Rules will apply]

(vi) Other Selling Restrictions: [*Specify any modifications of or additions to selling restrictions contained in Dealership Agreement*]

## 6. OTHER INFORMATION

[*E.g. risk factors relating to a specific issue of Exempt Instruments*]

## **USE OF PROCEEDS**

The net proceeds of the issue of each Tranche of Instruments will be applied by the relevant Issuer to meet part of the general financing requirements of the Bank and its subsidiaries.

## EUROBANK ERGASIAS S.A.

### Overview

The Bank is a public company limited by shares incorporated under the laws of the Hellenic Republic with General Commercial Registry number 000223001000. The registered office of ERB Eurobank Ergasias S.A. is at 8 Othonos Street, Athens 10557, Greece, with telephone number +30 210 333 7000.

The Bank and its consolidated subsidiaries (the “Group”) is one of the four systemic banks in Greece, operating in key banking product and service markets. As at 31 December 2014, the Bank had a network of 539 branches in Greece (retail and corporate).

International presence of Eurobank includes six countries outside of Greece, with operations in Romania, Bulgaria, Serbia, Cyprus, Luxembourg and the United Kingdom with 450 branches and 34 business centres. The worldwide workforce of Eurobank amounted to 17,415 employees at 31 December 2014. Eurobank also has a presence in the Ukraine, which is accounted as held for sale.

Eurobank offers a wide range of financial services to the Bank’s retail and corporate clients. Eurobank has a strategic focus in Greece in fee-generating activities, such as asset management, private banking, equity brokerage, treasury sales, investment banking, leasing, factoring, life insurance, real estate and trade finance. The Bank is also among the leading providers of banking services and credit to SMEs, small businesses and professionals, large corporates and households.

In 2013, the Bank expanded its operations through the acquisitions of New TT Hellenic Postbank S.A. (“New TT HPB”) and New Proton Bank S.A. (“New Proton Bank”). The Bank acquired full ownership of New TT HPB and New Proton Bank on 30 August 2013. These Acquisitions improved the Bank’s size and profile and had a positive impact on its liquidity and capital base.

### Greek Economy Liquidity Support Program

The Bank participates in the Hellenic Republic’s plan to support liquidity in the Greek economy under Law 3723/2008, as amended by Laws /2010, 3845/2010, 3872/2010, 3965/2011, 4021/2011 and 4093/2012 and extended by relevant Ministerial decisions issued on 3 July 2014 and 14 January 2015 respectively, as follows:

(a) First stream – preference shares.

345,500,000 non-voting, non-listed, non-transferable, redeemable tax deductible, non-cumulative 10 per cent. preference shares with nominal value of €950 million were subscribed to by the Hellenic Republic on 21 May 2009 .

(b) Second stream – bonds guaranteed by the Hellenic Republic.

As at 31 December 2014, the government guaranteed bonds, of face value of €13,717 million, were retained by the Bank and its subsidiaries, with the exception of face value of €50 million which were held by third parties. In May 2014, government guaranteed bonds of face value of €332 million matured. Furthermore, the Bank in December issued new government guaranteed bonds of face value of €3,877 million and in June, September and October 2014 proceeded with the cancellation of government guaranteed bonds of face value of €1,910 million, €550 million and €1,300 million respectively.

(c) Third stream – lending of Greek Government bonds.

Liquidity obtained under this stream must be used to fund mortgages and loans to small and medium-size enterprises. As at 31 December 2014, the Bank had borrowed special Greek Government bonds of €1,918 million.

## **Recapitalisation**

The capital needs of Eurobank Group (or the “Group”) were assessed by the Bank of Greece (“BoG”) based on the credit loss projections from BlackRock’s 2013 diagnostic review and the estimated future ability of internal capital generation for the period June 2013-December 2016, based on a conservative adjustment of the Bank’s restructuring plan submitted in November 2013. On 8 April 2014, the BoG following (a) the assessment of Eurobank’s capital needs and (b) the capital enhancement plan submitted by the Bank, notified the Bank that its Core Tier I capital should increase by €2,864 million.

On 30 March 2014, the Greek Parliament under Law 4254/2014 that amended Law 3864/2010, reformed the framework for the recapitalisation of credit institutions operating in Greece, introducing significant amendments regarding the rights and discretions of the Hellenic Financial Stability Fund (“HFSF”) (note 6 to the consolidated accounts).

Following the assessment of the Bank’s capital needs by the BoG and according to the new recapitalisation framework, on 12 April 2014 the Bank’s Extraordinary Shareholders’ General Meeting approved the increase of the share capital of the Bank up to €2,864 million through payment in cash or/and contribution in kind, the cancellation of the pre-emption rights of the Bank’s ordinary shareholders, including HFSF, and the only preference shareholder, namely the Greek State, and the issuance of up to 9,546,666,667 new ordinary registered shares, of a nominal value of €0.30 each.

On 29 April 2014, the Bank announced that both the public offering of new ordinary registered shares to the public in Greece and the private placement of new ordinary registered shares to investors outside Greece were oversubscribed and the offer price set at €0.31 per offered new ordinary registered share. As a result, the share capital of the Bank increased by €2,771,612,903.10 and an aggregate of 9,238,709,677 new ordinary registered shares, each having a nominal value of €0.30, were issued, whereas the total above par value of €92,387,097.00 was credited to the Bank’s own funds account “Difference from the issuance of shares above par”. The new shares have been listed on the main market of the Athens Exchange and their trading commenced on 9 May 2014. The proceeds were used to increase the Tier I Capital according to 8 April 2014 resolution of the BoG. The successful completion of the Bank’s capital increase constitutes a step towards further strengthening its capital position and enhances its ability to support the Greek economy.

Following the completion of the Bank’s share capital increase in May 2014, the percentage of the ordinary shares with voting rights held by the HFSF decreased from 95.23 per cent. to 35.41 per cent., while in the context of the Law 3864/2010 (the “HFSF Law”) as amended by Law 4254/2014, the HFSF’s voting rights in the Bank’s General Assembly have been switched to restricted ones. Accordingly, as of early May, the HFSF is no more the controlling shareholder of the Group but is considered to have significant influence over it. Eurobank became the first Greek bank with majority of private shareholding, mainly constituted of international institutional investors (note 40 to the consolidated accounts).

### *Restructuring plan*

On 29 April 2014, the European Commission (“EC”) approved the Bank’s restructuring plan, as it was submitted through the Greek Ministry of Finance on 16 April 2014. The Hellenic Republic has committed that the Bank will implement in particular specific measures and actions and will achieve objectives which are integral part of said restructuring plan.

Principal commitments to be implemented by the end of 2018 relate to (a) the reduction of the total costs and the net loan to deposit ratio for the Group's Greek activities, (b) the reduction of the Bank's cost of deposits, (c) the reduction of the Group's foreign assets, (d) the decrease of the shareholding in specific non-banking subsidiaries, (e) the equity investments, subordinated and hybrid bonds portfolios' deleveraging, and (f) restrictions on the capital injection to the Group's foreign subsidiaries unless the regulatory framework of each relevant jurisdiction requires otherwise, the purchase of non-investment grade securities, the staff remuneration, the credit policy to be adopted and other strategic decisions.

The plan, adapted to the needs of, and the new conditions prevailing in, the Greek and international banking markets, will enable the further enhancing of Eurobank's capital base, allowing it to retain and increase its corporate value, its access to international markets and prompt return to organic profitability; in so doing, it will safeguard the Bank's ability to play a leading role in the national effort to exit the crisis and return to positive growth.

### *European Central Bank's Comprehensive Assessment*

On 26 October 2014, the European Central Bank ("ECB") and the European Banking Authority ("EBA") announced the results of the Comprehensive Assessment ("CA") of the European Union's ("EU") systemically important banks, which was conducted in cooperation with National Competent Authorities ("NCAs") and the EBA. The CA was undertaken prior to the transfer of full responsibility for banking supervision from national authorities to the ECB in November 2014 under the Single Supervisory Mechanism ("SSM").

The CA assesses the resilience of each bank, using a common methodology and applying it consistently across all participating banks. The results have been derived taking into account the combined effect of the following two main pillars:

- (a) An Asset Quality Review ("AQR") – to enhance the transparency of bank balance sheets, by reviewing the quality of banks' assets, including the adequacy of asset and collateral valuation and related provisions;
- (b) A Stress Test ("ST") – performed in cooperation with the EBA to examine the resilience of banks' balance sheets to two stress test scenarios: baseline and adverse.

Capital adequacy was assessed over a three-year time period (2014-2016) against a Common Equity Tier I ("CET 1") ratio benchmark of 8.0 per cent. and 5.5 per cent. in the baseline and adverse scenario, respectively. Furthermore, the CA was carried out on both the Static and Dynamic balance sheet assumptions. According to the Static balance sheet assumption, the actual balance sheet as of 31 December 2013 was used as reference, thus not taking into account any subsequent capital action and/or executed capital raising as well as structural operating performance improvement. According to the Dynamic balance sheet assumption, the effect of measures announced and committed in the Restructuring Plan ("RP") approved by the European Commission for the 2014-2016 period, have been incorporated. These were then stress-tested under the baseline and adverse scenario.

The CA represents an unprecedented exercise, given the wide, rigorous and detailed review of 130 banks and a key milestone in the harmonisation and strengthening of the European financial system. This exercise will also contribute to the enhancement of the financial stability of the EU banking system and provide confidence in the resilience of all tested banks. In particular, in the case of Eurobank, under the AQR, 84 per cent. of the Bank's total loan portfolio was reviewed. Specifically regarding the Greek corporate portfolio, credit file reviews and collateral valuation on €9.9 billion loans were performed, representing 64 per cent. of the relevant portfolio (note 6 to the consolidated accounts).

Taking into account the €2.9 billion raised pursuant to the share capital increase completed in May 2014, the results determine that Eurobank meets the capital benchmark set out for the purpose of the AQR, resulting in a CET1 ratio of 15.3 per cent. post AQR impact, compared to an 8 per cent. benchmark. Regarding ST outcome, the ECB stated that the Dynamic scenario will be taken into consideration for assessing the Group's capital position and has also stated that Eurobank has "practically no shortfall". More specifically, according to the Dynamic baseline scenario, the Group concludes the exercise with a CET1 ratio of 15.1 per cent. while, according to the adverse scenario, with 5.5 per cent. As a result, the Group meets the CA benchmarks in both baseline and adverse scenario and no capital shortfall arises from such extensive exercise.

Furthermore, a number of additional factors create a capital buffer of €1.4 billion, increasing the stressed CET 1 ratio under the Dynamic adverse scenario from 5.5 per cent. to 9.5 per cent.

## **Eurobank's Strategy**

The Bank has identified a set of drivers affecting its revenues, operating costs and cost of risk that the Bank believes provides the Group with a strategy to return to profitability in the medium term. Of these, the key drivers are:

- Recovery of fee and commission income — Eurobank believes its leading position in Greece in key fee-generating businesses positions the Bank well to benefit from the expected recovery in fee and commission income as the Greek economy recovers.
- Decrease in funding costs — Eurobank expects that time deposit spreads in Greece will further improve in the medium term, as a result of macroeconomic stabilisation and further consolidation of the Greek banking sector, which would have a positive effect on net revenues.
- Cost containment — Eurobank believes its cost containment efforts will be key to its return to profitability.
- Position Group to benefit from normalisation of cost of risk — Eurobank believes its strong and proactive remedial management framework and efficient collection capabilities will position it well to benefit from the expected improvement in the cost of risk in Greece. The cost of risk in Greece is expected to be positively affected by a general recovery in macroeconomic conditions.

In order to take advantage of these drivers, the Bank has initiated a strategic transformation program, the key components of which are as follows:

### *Enhance the Bank's client relationship-focused business model*

Eurobank's business model is built around meeting the savings, financing and investment, as well as the day-to-day banking, needs of the Bank's customers. Through this customer-focused model, the Bank is aiming to foster the healthy development of profitable client relationships.

Eurobank plans to enhance and refine this client-focused approach by strengthening its fee-generating businesses in order to maximise its revenues and increase the Bank's liquidity. Eurobank intends to achieve this through implementing a new client segmentation model, which identifies clients according to client size, complexity and revenue potential. This will enable the Bank to focus on clients that offer the highest profitability potential, with the aim of becoming their primary banking relationship partner, while allowing the Bank to manage clients that offer more limited opportunities.

### *Focus on the Bank's risk management framework and remedial and non-performing loan management*

The Bank's risk management framework and remedial management is one of its key strengths, which the Bank intends to continue to build on.

The Bank has implemented a structural reorganisation of its risk and remedial management functions, through the establishment of a centralised and dedicated corporate remedial unit focusing on SME clients, which was previously managed through the Bank's network of business centres. The Bank further centralised its household lending remedial activity. In addition, the Bank plans to manage non-performing customers based on total client exposure across all lending portfolios and products. The Bank believes these initiatives will strengthen and increase the capacity of its risk and remedial management capabilities. The Bank plans to further enhance its remedial management capabilities with further industry specialisations, and it is considering commercialising its remedial capabilities to serve third parties.

Furthermore, the Bank has identified a number of strategic initiatives and priorities that the Bank plans to apply to its overall lending activity designed to maintain and improve asset quality and mitigate credit risk. These include:

- pursuing a shift from unsecured to secured lending and shorter tenors;
- reducing the relative size of the Bank's consumer loan portfolio;
- targeting strategic sectors in business lending;
- implementing risk-based pricing; and
- focusing on remedial management.

### *Transform the Bank's operational model to increase efficiency and reduce costs*

Eurobank has identified a number of initiatives that it is pursuing to increase efficiency and reduce costs. These initiatives include:

- centralising the Bank's support functions (such as legal, marketing and loans administration) and consolidating reporting lines;
- adjusting the Bank's network footprint, including, where appropriate, closing branches, based on profitability potential and contribution to liquidity;
- reducing the Bank's non-staff related costs, including real estate and procurement;
- streamlining the Bank's operational processes (e.g., remedial management); and
- streamlining the Bank's product portfolios and reducing the number of product codes.

## **History and Development of the Group**

The Bank was incorporated under the laws of Greece on 11 December 1990 under the name "Euromerchant Bank S.A." Following the acquisition of a controlling interest in the Bank of Athens (incorporated as a legal entity in 1924) in 1998, the Bank was absorbed by the latter in March 1999 and is presently operating as a credit institution in the form of a société anonyme under Law 2190/1920 and Law 4261/2014, and is registered with the Hellenic Ministry of Finance, Infrastructure, Shipping and Tourism (General Electronic Commercial Registry (G.E.MI.) with registration number

000223001000). The Bank's ordinary shares were listed on the ATHEX in 1999. Today, Eurobank is the principal operating company of the Group and the direct or indirect parent company of the operating subsidiaries in the Group.

## **Banking Activities in Greece**

Eurobank is one of the four systemic banks in Greece, operating in key banking product and service markets, offering a wide range of financial services to retail and corporate clients. Eurobank has a strategic focus in Greece in fee-generating activities, such as asset management, private banking, equity brokerage, treasury sales, investment banking, leasing, factoring, life insurance, real estate and trade finance. The Bank is among the leading provider of banking services and credit to SMEs, small businesses and professionals, large corporates and households.

In 2013, the Eurobank Group acquired former "New TT Hellenic Postbank S.A." and former "New Proton Bank S.A", and enhanced its strategic position in the Greek banking system, creating significant synergies for its clients, employees and shareholders. The values of Eurobank, a dynamic, innovative and modern financial institution complement those of the New TT Hellenic Postbank (New TT HPB), an organisation with long history, strongly associated with the idea of 'Savings' in Greece and recognised for its friendly service.

The operational merger of New TT HPB with Eurobank was fully completed in May 2014, and puts into practice the Bank's responsible strategic decision to maintain two distinct branch networks: a network under the brand name Eurobank and a network under the brand name New TT Branch Network. The Bank recognises and respects the uniqueness of the customer experience offered by each network and provides seamless service continuity to all clients at the network of their choice.

## **Retail Banking**

### *Overview*

Eurobank is one of the leading financial institutions in Greece with a significant role in the country's retail banking landscape, with over seven million deposit accounts, 505 branches and 827 ATMs as at 31 December 2014. The Bank offers its retail customers a broad range of deposit, loan and investment products and other retail banking products and services.

The Bank's current retail banking model is structured around its core customer segments, a multi-channel distribution platform and centralised, integrated product factories. The Bank's core segments cover households (which includes affluent individuals, salary earners and mass clients), as well as small businesses and professionals. The Bank's distribution platform includes a network of lean branches with segment-based relationship managers, electronic banking channels (i.e., phone-banking, e-banking and m-banking), the Greek Postal Offices network as well as other third party partners (e.g. auto-dealers). Finally, the Bank's centralised product factories deliver the whole spectrum of retail banking products and services with a focus on customer-relevance and efficiency.

Eurobank has consistently differentiated itself against the competition primarily through its customer-driven and technology-enabled innovation, as well as excellence in customer service. The Bank's recent acquisition of New TT HPB combined with its dual brand strategy will enable it to further focus and penetrate the mass segment and become a stronger retail bank.

In light of current economic conditions in Greece, the Bank has continued to follow a conservative credit expansion policy, through low-risk promotion channels, approaching customers selected based on strict criteria.

Demand for mortgage lending was negatively affected by the prolonged recession in economic activity, which resulted in consumers becoming increasingly reluctant to take out mortgage loans. The overall demand for consumer credit has remained limited, while the liquidity needs of retail entrepreneurs have proved robust.

Despite the low demand for credit, the Group maintained the level of lending to retail customers in Greece during 2014, having disbursed €76 million in mortgage loans (including mortgages, home equity and green loans) and granted €243 million in new loans to small-sized enterprises. Eurobank has offered alternative solutions and special repayment facilities to customers in substantial economic hardship.

### *Retail banking network*

The retail banking network of Eurobank comprised of 536 branches as at 31 December 2012 covering all regions of Greece and a significant portion of the population and decreasing to 505 branches in December 2014 as a result of the Bank's targeted rationalisation efforts. Of the 505, 151 are HPB-branded branches that support the Bank's dual brand strategy (one bank, two brands) in order to provide access and service to different customer segments and needs. The main objective of the Bank's retail banking network is to service and support the overall needs of individual customers, independent professionals and small businesses while serving the basic transactional needs of other customers. Three main customer segments have been identified and are being especially addressed and serviced, through dedicated officers: Personal Banking, Small Business Banking and Individual Banking.

Personal Banking was launched in 2007 in order to capture the full potential of the affluent segment by implementing a client-centric model. Currently, Personal Banking serves about 100,000 customers and accounts for over 75 per cent. of Retail's total funds. Its clients have access to a number of exclusive products and services with preferential pricing, including a full assortment of deposit, transactional banking, investment and bancassurance products. Services vary from "branded" branch space and dedicated Relationship Managers accredited by the Bank of Greece, to global statement and exclusive phone-banking line Personal Banking clients have demonstrated, over time, increasing satisfaction, loyalty and product possession thereby resulting in increased profitability for the Bank.

In the Small Business client segment, significant synergies have been developed between Small Business and the affluent segment through the value-added project "Personal Business Banking", which covers (other than new officers) the professional and also the individual needs of the Bank's customers. All Small Business banking officers have been certified in Small Business Banking consulting, by the Hellenic Banking Institute.

Individual Banking currently addresses 4.4 million mass customers (90 per cent. of total Retail customers) by servicing their daily transactions, handling their savings and investment opportunities and covering their consumer, mortgage and bancassurance needs. Implementing a holistic customer approach and maintaining high-quality customer service, Individual Banking accepts and refers mass customers with higher business potential, which provides the main source of future Personal Banking and/or Small Business Banking customers.

In order to enhance the quality of transaction services and overall customer experience, Retail Network is supported by the Branch Network Customer Experience and Retail Transaction Banking Departments.

The Bank's Branch Network Customer Experience focuses on improving customer satisfaction, building strong relationships with customers and increasing customer loyalty. Branch Network Customer Experience continuously offers high levels of service and customers regularly identify the

service provided by branch staff and the relationships built as the primary component for their loyalty to the Bank.

Retail Transaction Banking specialises in developing and enhancing transactional banking services across all channels and segments with the goal of increasing fees from daily transactions.

In addition to providing specific products and services for each customer segment, Eurobank is one of the main Greek bancassurers. Bancassurance activity is fully integrated in the Bank's product portfolio offering. Despite the continuous decline through 2014 of consumers' disposable income, Eurobank's written premia increased by 22 per cent., proving that bancassurance is a valid part of retail customer needs.

The retail banking division of Eurobank is divided into the following product areas:

#### *Consumer Lending*

The Group's consumer loan portfolio in the Greek market, including car loans, stood at €4.0 billion of outstanding balance as at 31 December 2014.

The Bank has also continued its efforts to support existing customers who seek to improve their overall repayment ability by offering a number of customised debt consolidation programmes or settlement schemes that take account of each customer's financial circumstances, while at the same time protecting the interests of the Bank.

Going forward, the Bank's strategy in the consumer loans business is to focus on purpose-specific and consolidation loans, while implementing a sophisticated multichannel sales approach for both existing and prospective clients.

#### *Mortgage Lending*

The prolonged economic crisis has severely affected the property market, resulting in a significant decrease in the number of new mortgage loans. Within this context, Eurobank managed to play a leading role in this market in 2014, with total mortgage lending disbursements of €76 million.

The Group's mortgage loan portfolio balances in the Greek market amounted to €16.6 billion as at 31 December 2014.

Eurobank applies its customised "Risk & Value Based Pricing" policy in the sector of mortgage loans as well, which is designed to reward customers with a better credit profile and a broader relationship with the Bank. Particular emphasis is given to the pricing policies applied to certain customer groups with special characteristics, such as customers who have maintained their deposit or investment relationship with the Bank, as well as customers meeting certain other criteria, such as Group Sales customers and Personal and Private Banking customers. The pricing policies the Bank applies to these customer groups aim to preserve such customer groups in the Bank's customer base and enhance their relationship and cooperation with the Bank. Going forward, the Bank is planning to maintain its market share in Mortgage Lending by placing an emphasis on Home Repair Loans and the affluent clients segment.

#### *Credit, debit and prepaid cards and acceptance services*

Eurobank offers a wide variety of products in the credit, debit and prepaid cards market. The total number of cards (credit, debit and prepaid) under management by the Bank accounted to 2.1 million cards in December 2014 (of which approximately 600,000 were credit cards), and the total turnover (purchases and cash withdrawals) amount to €1.4 billion in 2014. The Bank's total credit card balances in the Greek market stood at €1.5 billion as at 31 December 2014.

The Bank's primary strategy for its credit cards issuing business is to focus on major co-brand partnerships and capitalise on the growth potential of its well-established loyalty programme. Thus, the Bank currently offers some of the most powerful co-brand schemes in the Greek market, providing customised rewards to customers according to their needs, in collaboration with Greece's number one telephone provider ("OTE"), number one mobile telecommunications provider (Cosmote) number one gas retailer ("EKO") and the developer of the three largest shopping malls. Further, with a view to maintaining and satisfying its customers, the Bank has significantly enhanced its card loyalty scheme "Epistrofi" that now comprises more than 6,000 merchants, constituting the most advanced and widespread card loyalty scheme in the Greek market. The programme is accompanied by "Epistrofi app", a pioneer smartphone application that offers a comprehensive tool to users for information and offer searching that now has 60,000 users. The programme's 11 strategic partners hold leading positions in their respective industries with broad national networks covering almost all consumer needs. As a result of the above, the programme's recognition has impressively increased, greatly affecting customer loyalty.

The Bank has also undertaken a number of actions intended to rationalise its portfolio and further improve the services offered to its customers, including replacing inactive products with others offering greater value both to the customer and to the Bank, reducing credit card limits for inactive customers and planning several targeted campaigns to selected segments of the clientele. In addition, further emphasis was placed on using the Bank's client base for cross-selling to existing creditworthy customers.

Responding to customers' tendency to increase debit card usage in points-of-sale ("POS") terminals, the Bank designed the most sophisticated tool compared to any other in the Greek market. Eurobank's debit card can be instantly obtained, has contactless functionality and rewards the customer through the "Epistrofi" loyalty scheme.

The Bank's card transactions acceptance and clearance services ("Acquiring Services") comprise approximately 45,000 physical POS, together with a network of more than 2,500 e-commerce associates. During 2014, the Bank's total Acquiring Services turnover reached €2.1 billion, an increase of 10 per cent. compared to 2013.

The Bank aims to remain aligned with its strategic focus on the "Travel & Entertainment" industry and take advantage of increasing international volumes. Moreover, emphasis will be placed on launching card acceptance initiatives in areas without terminals.

Finally, by utilising pioneer technologies, the Bank owns a card portfolio that carries the "Chip & PIN" functionality, whilst in 2012 introduced contactless transactions for the first time in Greece. As a result, the Bank managed to apply the most technologically advanced electronic payment methods to its credit and debit card offerings as well as to its card acceptance terminals. Already, more than 200,000 cards carry the contactless functionality and can be used for payment transactions in 8,500 acceptance points across the Greek market.

#### *Small Business and Professionals*

Despite the competitive environment in the Greek market for loan financing of small businesses and professionals, Eurobank managed to maintain its strong position in the small business lending sector, with a loan portfolio of €6.5 billion as at 31 December 2014, €243 million in new loans and approximately €780 million of total financing.

The strategy theme for 2014 introduces a new philosophy for servicing the SME Market: The new "business check-up" system, a CRM application allowing a total appraisal of a company's banking potential.

The new growth strategy also included:

- Identification & analysis of targeted market industries;
- Branch network empowerment, by training on the holistic customer approach, boosting both lending, transactions and deposits; and
- Direct client assignment to SBB Officers.

In order to keep the flow of liquidity to the market, the Small Business segment leveraged its own funds by active participation in all state-European financial instruments with significantly high capital consumption share in all activities, compared to the market share of the bank. In Q4 2014, a further agreement was signed with the Greek Investment Fund (IFG) for granting € 100 million to SME's at a particularly attractive cost. As of April 2015 said capital has already been absorbed.

- Income generating activities during 2014:
- The Successful roll-out of value-based pricing with concrete results in both deposits (+39 per cent. year-on-year in sight accounts) and transactional volumes (+22 per cent. year-on year);
- Focused positioning in industries breaking the recessional trend with emphasis in Tourism. The Tourism product bundle "Enterprise Tourism" boosted deposits by 11 per cent. in touristic areas; and
- Adoption of new, innovative products aiming to increase our market shares in trade financing (FX VIP, auto exports, EU imports via e-banking).

### *Deposit products*

Client deposits remain a strategic priority for the Bank with main focus on ensuring sufficient liquidity, and protecting and improving our profitability. Group Customer deposits amounted to €40.9 billion as at 31 December 2014 compared to €41.5 billion as at 31 December 2013.

In 2014 the Bank's customer-centric approach platform called "My own account" was enhanced with new Time Deposit products offering to the Bank's clients the possibility to design their own time deposit account based on their specific needs and preferred product features and at the same time choose how to gain extra benefits in the form of *Epistrofi* or health insurance.

During 2014 more than 49,000 new retail customers deposited their savings with Eurobank in Greece, by opening "Megalo Tamieftirio" ("Big Savings") accounts. Stressing the importance of saving as a new way of life, the Bank continues supporting clients who make the extra effort to save by providing incentives to regular savers. Acknowledging customer loyalty and trust as its major asset, the Bank focuses on savings, supporting families and children to realise their dreams. 180,000 children are already owners of the Saving Account "Megalono" (Growing Up) and are entitled to participate in the weekly draws linked to the Greek "Laiko" Lottery. In 2014 "Megalono" rewarded more than 800 children and their families by doubling the amount of their account balance.

Eurobank is consistently supporting the Greek economy and companies in the tourism industry. Aiming to further support businesses which operate in the areas focused and linked to tourism, Eurobank enriched the Tourist package offer with additional features. Enterprises spread all over Greece may boost their returns while receiving rewards for selecting the Bank as their main collaborative partner.

A big number of new customers were attracted by *Epistrofi*, the Bank's card loyalty scheme, which is offered to the Bank's deposit accounts through debit card usage. All deposit accounts provide

additional value to the Bank's clients' deposits by rewarding them for using their transactions debit card instead of cash while they perform their everyday shopping.

The Bank systematically evaluates the messages it receives by its customers, tailoring the products and services offered to modern demands and prevailing conditions. Listening to clients' needs for flexibility and reward, Eurobank created time deposit products offered to both networks "Yper sas" and "Anevaino Plus" aiming to offer a combination of characteristics that best match each client's need with regards to maturity and even the option to increase the initial capital during the time deposit's tenor.

### *Group sales*

Group Sales play an important role in the Bank's strategy and is one of the main sources of attracting new payroll customers as well as and developing existing customers under the principle: "track the customers' income, capture the customers' spending". Group Sales aims to contribute to the Bank's commissions income, increase profitability/customers, enhance loyalty and provide a unique customer experience by taking advantage of the Bank's competitive strengths (customer service quality, product solutions, tradition and trust). To achieve this, Eurobank has developed both a B2B and a B2C approach.

For the B2B approach, Eurobank offers HR and Payroll Business Process Outsourcing Advisory and Technology services through its subsidiary Eurobank Business Services S.A., the leading company in the Greek market in the field of payroll processing and HR outsourcing, with more than 550 customers and 39,000 employees. Moreover, Eurobank Business Services S.A. supports the monthly pension calculation of 25,000 retirees.

In the B2C field, Eurobank has developed the "Privileged Payroll Account" ("PPA"), a special payroll package for employees who receive their payroll through the Bank. Bundling several products and services, the PPA offers the Bank's customer benefits and privileges in all key banking products and services. As at 31 December 2014, the Bank's total active client base exceeded 10,000 companies and 540,000 customers (out of which 190,000 are private sector employees, 110,000 are public sector and 240,000 are retirees).

### **Group Corporate & Investment Banking**

The main objective of Group Corporate & Investment Banking ("GCIB") is to provide fully integrated business solutions to very large and complex corporate clients. Recently restructured internally to better address the needs of the Bank's corporate client base in a challenging business environment, the basic pillars of the Bank's Group Corporate & Investment Banking business model are the following:

#### *Global Corporate Clients*

Global Corporate Clients ("GCC") is responsible for covering the rising and complex strategic, financial, structuring and banking needs of very large and sophisticated corporate clients, private concerns as well as major enterprises in Southeastern Europe. GCC serves for its clients as the main point of contact for the provision of all financial solutions and products included in the Bank's portfolio. In total, the portfolio consists of more than 90 groups in Greece and is mainly focused on the energy, industrials, consumer and retail, services, health and construction sectors. The lending portfolio amounted to approximately €3.3 billion in 2014. In addition to its autonomous presence in Greece, GCC co-manages major clients in association with specialised teams in the Group's subsidiary banks in Romania, Serbia and Bulgaria, having arranged several landmark transactions over the last few years.

## *Structured Finance*

Structured Finance is responsible for providing specialised and specially structured financing and operates as a centre of expertise for all the countries of SEE where the Group has a presence. Structured Finance has three units, offering full and integrated services in the following areas:

### (i) *Project Finance*

Project Finance provides a broad range of services, primarily involving financial consulting and the structuring and arrangement of complex financing for major infrastructure and energy projects in Greece and the countries of SEE, as well as public private partnerships (PPPs), and monitoring the relevant portfolio. Since 2005, Project Finance has arranged transactions worth approximately €3 billion, although the unit's own debt portfolio has never exceeded €350 million. A material part of this portfolio, which has been allocated to the Greek Motorway's Concession Projects, has been significantly upgraded following the successful restructurings concluded in December 2013, during which the Project Finance team participated in three out of four Steering Committees, whereas the vast majority of the RES exposure comprising circa 1/3 of the portfolio (all of which are performing) is in the wind sector.

### (ii) *Commercial Real Estate Finance*

Commercial Real Estate Finance provides financial consulting services and the structuring and arrangement of complex financing transactions for all kinds of major commercial real estate (office, retail, mixed use). The unit is responsible for the Group's commercial real estate finance portfolio in Greece and in the countries of SEE and for financing in excess of €20 million. Over the last six years, the unit has co-arranged 13 financings in four countries. The unit's portfolio aggregates loans with a total value of approximately €500 million. The unit also provides real estate financial advisory services on a case-by-case basis, such as advising the Hellenic Republic Asset Development Fund on the monetisation aspect of its real estate portfolio through a sale and leaseback transaction.

### (iii) *Leverage Finance and Special Situations*

Leverage Finance and Special Situations is responsible for the structuring and arrangement of complex leverage finance transactions (LBOs, Public to Private, Pre-IPO financing, special cases of structured financing), and for managing relations with specialist investment capital companies (Private Equity and Special Situation Funds). The unit is responsible for the Bank's Leverage Finance portfolio in Greece and SEE, which despite Eurobank's leadership in arranging transactions in fee-generating businesses, is currently consisting of €100 million pre 2013 transaction and approximately €50 million of post 2013 transactions. Due to its structuring know-how and capabilities, the unit undertakes to support as an internal advisory department some of the most demanding and complex cases of loan restructuring in Greece and the other countries where the Group operates.

## *Loan Syndications & Debt Capital Markets*

Loan Syndications & Debt Capital Markets is responsible for arranging and implementing a broad range of specialised and highly structured financing deals. The unit undertakes the role of lead arranger for corporate syndicated loans/bond loans, convertible bonds and exchangeable bonds (in cooperation with Treasury and/or Investment Banking), holding a leading position in the syndicated loan market in Greece and acting as mandated lead arranger and coordinator in some of the most prominent transactions. In the last five years, Eurobank has arranged more than 77 transactions, raising over €15 billion of debt financing overall. The unit is also responsible for secondary loan

trading, reinforcing the position of Eurobank in the European markets and assisting in optimising the quality of its lending portfolio. In the last five years, Eurobank's Secondary Loan trading platform has traded over €450 million of loans and loan portfolios.

### *Investment Banking and Principal Capital Strategies*

Eurobank Investment Banking offers M&A and ECM advisory services to a wide range of corporate clients and private equity firms. In 2013 - 2014, Eurobank Investment Banking ("IB") participated in a number of important M&A and ECM transactions. In particular, in 2013-2014, the IB unit in its capacity as financial advisor to Hellenic Republic Asset Development Fund ("HRADF") completed important transactions, such as the privatisation of the state lotteries, in which it acted in partnership with Credit Suisse, and the sale of two key real estate properties, (Kassiopi in Corfu and Paliouri in Chalidiki), while continuing to be engaged as an advisor to HRADF for the privatisation of the Athens Water Supply and Sewerage Company, (Thessaloniki Water Supply and Sewerage Company) and as financial advisor to a potential investor in the privatisation of Independent Power Transmission Operator ("ADMIE"). Furthermore, during 2013-2014 the IB unit was engaged as advisor in a number of significant transactions in the private sector, such as advising OPAP on its privatisation, Grivalia Properties on the formation of a strategic alliance of Eurobank with Fairfax & Lamda Development the Board of Directors of Inform P.Lykos, M.J.Maillis, Athens Medical Center, DOL and Geniki Bank on the tender offers, Delphi Luxembourg Holdings on the tender offer launched for S & B. The IB unit during 2013-2014 acted as advisor to Eurobank Ergasias, Lamda Development, Tiletypos and Attica Bank on their share capital increases. Also in December 2014, Investment Banking and Principal Capital Strategies executed the sale of Eurobank Ergasias' stake in Chipita to Olayan Group while maintaining a portfolio of €33.4 million under its management.

### *Shipping*

The Shipping business unit finances shipping companies with an established presence either as private family companies (approximately 50 borrowing groups) or as parent companies listed on the stock exchange (6 borrowing groups). Shipping finance is extended solely to companies representing Greek interests with large or medium fleets, primarily in connection with the financing of purchases of second-hand vessels (and less frequently) newly constructed vessels employed in transporting dry bulk cargo, liquid cargo and containers.

The Shipping unit's primary strategic objective is to develop the Group's position in the Greek shipping market as a strategic player, extending financing under conservative terms using a full range of products and services. The Group's 20 years of coverage of the Greek shipping sector has enabled us to establish a large deposit base (USD 1.3 billion as at 31 December 2014), which, despite losses due to sovereign risks exposure, continues to exceed the total of its shipping loans (USD 1.15 billion as at 31 December 2014). In collaboration with other Eurobank teams (Treasury, Private Banking, Investment Banking, Structured Finance, Mortgage Lending), the specialised Shipping unit offers comprehensive services in the areas of corporate and private wealth management. The Group seeks to maintain the high credit quality of its shipping portfolio, further developing its long-standing relationships with its core client base and entering into new client relationships.

## Commercial Banking

The main objective of Commercial Banking (“CB”) is to build a strong holistic relationship with large and medium-sized enterprises, through provision of both plain and tailor-made financing solutions as well as a full spectrum of complimentary banking services, i.e. Transaction Banking services, in a most efficient manner. The calibre and drive of the experienced Relationship Managers comprising the CB team guarantee prompt delivery and quality service to our clients.

The lending portfolio amounted to €6 billion in 2014. CB is divided in two main business divisions: Central Commercial Banking (“CCB”), responsible for the coverage of the largest CB clients mainly in Attica Region and Commercial Banking Network (“CBN”) overseeing the relationship with medium-sized clients with nationwide coverage, via a network of 19 business centres.

This structure aims to ensure:

- i) Proximity and quality of services offered to clients through better business understanding.
- ii) Closer monitoring of clients’ performance and proactive action in order to mitigate risks and maintain the quality of the Bank’s assets.

The CB team coordinates the offering of products and services, including all sorts of funding solutions, treasury products, cash management and transaction services, investment banking and structured financing to clients, acting jointly with the respective specialised units of ERB.

In its mission to be the partner of choice for its clients and an active contributor to the Greek economy, CB has taken a series of initiatives and launched a number of campaigns such as: 1) Greek Exporters support, 2) Financing of Raw Materials and Intermediate Goods and 3) Medium Sized (viable) Business Support Initiative. Moreover, in the last quarter of 2014 CB launched a major effort to support strong medium-size companies which maintains a solid domestic or foreign market share. As a result, fresh funds were routed to a selective clientele of approximately 200 companies.

Finally, CB extended jointly with EIB new credit facilities totalling €92 million to SMEs and local authorities in 2014 and aims to provide in the first semester of 2015 additional funding of approximately €127 million to Greek enterprises through joint financing programs such as €TEPIX, ETEAN and IfG (Investment for Growth). In December 2014 Eurobank signed with IfG an agreement for a funding of nearly €100 million expected to be allocated to SMEs within the first semester of 2015.

### *Leasing*

Eurobank Leasing, a 100 per cent. subsidiary of Eurobank, is the largest Greek leasing company (financier of assets—mainly real estate) for the last 10 consecutive years, with a market share of approximately 25 per cent. The Bank’s strength is attributed to Eurobank Leasing’s professional expertise and a profound knowledge of the Greek market. Eurobank Leasing acts as the leasing product centre for Eurobank clients and underwriting is approved by Eurobank’s approving bodies.

Amidst the current adversarial economic conditions, Eurobank Leasing has consistently supported Eurobank clients participating in restructuring schemes for viable clients and other remedial activities and providing them with innovative solutions.

Focusing on optimising internal operations and by capitalising on best practices used in the sector, Eurobank Leasing launched and concluded a series of initiatives and actions to reinforce mechanisms and procedures for management of fixed assets and to rationalise the workings of its organisational structure.

## *Factoring*

The Bank's factoring subsidiary, Eurobank Factors SA, is the leading factoring company in Greece and a twice worldwide winner of Best Export-Import Factor Award (2009 and 2011). A key element of the Group's success has been its careful approach to risk management, given the particularly difficult business environment, the creation of pioneering financial instruments, such as reverse factoring, and the development of collaborations and products designed to strengthen the export activities of Greek businesses.

The Group also has a record of factoring in Bulgaria, Romania and Serbia.

## *Hotels and Leisure*

Hotels and Leisure Unit was established in 2013 as an experts' unit aiming to provide integrated services and meet the specialised needs of corporate clients in the hotel industry. The Unit loan portfolio of €1.4 billion as of 31 December 2014 focuses primarily on Hotel Capex & Opex financing, new project financing, cash management, as well as Hotel restructurings both in balance sheet and operational terms. This unit's core strategy is to capitalise on the strong fundamentals and macroeconomic trends of the hotel sector in order to improve the cash flow of the existing portfolio and assets, but also to pursue selective investments on the basis of strong cash flow and premium collaterals. Hotels and Leisure will also act as an integrated business advisor to Greek hoteliers, offering expertise on revenue management, strategic cooperations with international hotel companies and investors along with cost-effective operations. The Bank is strategically positioned in the largest hotel groups that collaborate with the top international tour operators. Currently, 80 per cent. of the Bank's exposure pertains to the 30 largest Greek hotel groups (160 medium/large resorts).

Over 85 per cent. of the hotels that receive financing are located at the three most popular holiday destinations for international tourists in Greece: Crete (40 per cent.), Rhodes (28 per cent.) and Kos (18 per cent.).

## **Corporate Transaction Banking**

Corporate Transaction Banking ("CTB") was established in 2008, with the objective to offer comprehensive and innovative transactional banking services to Eurobank's corporate clients by assisting them in streamlining and automating their daily processes, mitigating risk and expanding their reach. More specifically, these services include Cash Management, Liquidity Management and Trade Finance. In addition, CTB offers end-to-end support to Greek exporters through the dedicated "Ask the Experts" team and Exportgate.gr, an innovative online portal that facilitates networking of Greek exporters with international buyers. CTB, via its wide range of services, has managed to expand Eurobank's penetration to its corporate clients by attracting their main operational accounts and contribute to the Bank's strategy for decreasing funding cost and creating a stable, recurrent revenue stream. Eurobank, apart from Greece has adopted the same client-centric model, with local CTB units, at a regional level across the following counties: Romania, Bulgaria, Serbia and Cyprus, to ensure consistency.

The below international awards are a testament of the successful servicing model, the quality and completeness of offering and Eurobank's strong long lasting relations with clients:

- Best Domestic Cash Manager 2014 award in Greece, by Euromoney for the fourth consecutive year
- Best Corporate/Institutional Internet Bank for 2014, by Global Finance for the third consecutive year

- Best Treasury & Cash Management Bank for 2014 in Greece by Global Finance for the first year
- Best Trade Finance Bank 2012 award in Greece by Global Finance for the seventh consecutive year

### *Securities Services*

The Group has built a strategic position in the securities services business since 1992. The Group's success in this area has been driven primarily by its long-standing commitment to high service standards and the provision of a full range of post-trading services both in Greece and in SEE.

Eurobank is the only provider in Greece to offer a full range of products, including local and global custody, issuer services, derivatives clearing, margin lending, middle-office services and funds services, to both local and foreign investors, across all type of instruments.

The quality of the Bank's regional securities services offering is internationally recognised by specialised industry magazines such as "Global Custodian" and "Global Finance", which have annually recognised Eurobank's leading market position.

### *Eurobank Equities*

Eurobank Equities, incorporated in February 1999, is the Bank's brokerage arm and provides a full range of brokerage services to over 20,000 private, corporate and institutional clients in Greece and abroad. The Bank's brokerage arm has a leading position in the Greek market and, in 2014, ranked first with a 17.4 per cent. market share in terms of value of transactions on the ATHEX.

The Institutional Sales desk of Eurobank Equities covers some of the largest Greek and international institutional clients investing in Greek equities and derivatives and provides valuable local insight and investment advice. The desk is supported by four senior equity analysts covering 29 ATHEX-listed companies. The research team was ranked first in the 2014 Extel survey and some of the Bank's analysts were top-rated in their respective sector.

Through a wide sales network, Eurobank Equities also maintains a leading position among private clients, offering access to both Greek and international markets via a broker or an electronic platform. Finally, as a market leader (according to information published by the Athens Stock Exchange), Eurobank Equities provides liquidity to 21 stocks and 34 derivative products using state-of-the-art technology.

### *Interbank Relations and Payment Services*

The Group is the only bank in Greece with centralised payment services, enabling cost-effective payments execution and optimal cash management solutions. The Bank's payment services are ISO 9001:2008 certified and were recognised with the 2013 Citi Performance Excellence Award for global electronic payments leadership and excellence, as well as Deutsche Bank's International Award for Exceptional Quality in international payments in USD and Euros.

### *Global Markets & Wealth Management*

The Group offers its clients a wide range of wealth management services, as well as access to global capital markets. These services include private investments, advisory services, brokerage services, portfolio management, asset management and research services in Greece and Southeastern Europe.

## **Global Markets**

### *Treasury Services*

The Global Markets & Treasury division is engaged in four primary categories of activities: sales of products to corporate, institutional, retail and private banking clients; taking of investment positions; management of the local banking books; funding and liquidity management. The Global Markets & Treasury division is organised based on a centralised model based in Greece where all positions and risks are consolidated and offers an integrated approach to Greece and the countries of Southeastern Europe in which the Group operates. In each country, treasury operations are standardised and report directly to Athens.

The strategic objective of the Global Markets division is to establish a significant regional presence in the areas of money markets, foreign exchange, interest rate, fixed income and derivatives trading and sales of financial and investment products in the markets in which the Group operates.

The Group sets strict limits for transactions that it enters into on its own behalf, which are monitored on a daily basis by the Risk Management division. The limits include exposures towards individual counterparties (in accordance with the evaluation of the credit risk of the particular counterparty), country exposures and concentration limits, as well as control of Value at Risk (VaR). The Group uses an automated transaction control system, which supports the dealing room in its monitoring and management of Group positions and exposures. The Group has also developed a support platform for asset management, which is continually upgraded.

In 2014, the Group was ranked fourth among a total of 22 dealers in the primary and secondary Greek sovereign bond market, according to the Bank of Greece.

The Group is also actively engaged in investing in and customer facilitation of interest rate derivatives traded on various stock exchanges and bond derivatives traded on EUREX, as well as the trading of bonds through EuroMTS and other platforms. The Group's investment, market making and customer execution activities also include trading in corporate bonds in western Europe, as well as government bonds in foreign or local currency on the local markets of Southeastern Europe. It is also developing capabilities in the primary and secondary trading of government bonds through its subsidiaries in the countries of Southeastern Europe.

## **Wealth Management**

### *Asset Management*

The Group provides asset and fund management services in Greece and abroad through its specialised subsidiary, Eurobank Asset Management Mutual Fund Management Company ("Eurobank Asset Management MFMC"). The Company holds the leading position in Greece in the areas of mutual fund management, institutional asset management, advisory services and fund selection with total assets under management amounting to more than €3.5 billion as of December 31 2014. On that date, the Company commanded a market share of 29.8 per cent. in the mutual funds market, ranking first among the fund management companies in Greece with total assets of €2.155 billion in 69 mutual funds. Institutional mandates amounted to €730 million in 25 segregated accounts, while funds under advice mainly through fund selection among the mutual funds of 14 internationally recognised fund managers amounted to more than €700 million.

Through Eurobank Fund Management Co. (LUX) SA., one of the Group's subsidiaries in Luxembourg, the Group offers a wide variety of mutual funds under the brands Eurobank (LF) Funds and Eurobank (LF) Funds of Funds that are distributed in Romania, Bulgaria, Cyprus, Greece and Luxembourg.

The mutual funds offered by the Group cover a broad range of investment options and provide access to capital and money markets in Greece, Europe, the United States and Asia, as well as emerging markets, satisfying a diverse range of investment profiles.

As at 31 December 2014, Eurobank Asset Management MFMC managed and/or advised 25 segregated accounts, of which 22 were institutional investors with assets under management of more than €570 million and 629 discretionary asset management portfolios with assets under management of €266 million.

### *Private Banking*

The Group continued enhancing the breadth of its Private Banking Offering in several areas, including an internal re-organisation of its Luxembourg-based Private Bank subsidiary, the introduction of new Advisory Services such as Account Consolidation & Virtual Portfolio management, as well as the expansion of the portfolio of Wealth Management credit offering. In 2014, Private Banking Greece was awarded the 'Best Private Bank Greece' award by two prestigious publications, World Finance and The Banker & Professional Wealth Management magazines, the latter being part of the FT Group.

### *Insurance*

In Greece, the Group offers products and services across most classes of life and property and casualty insurance to over 400,000 customers. In 2014, the Group ranked third in terms of market share of total insurance premia in Greece. The Group distributes insurance products mainly through the Eurobank branch network, as well as through cooperation with more than 1,400 intermediaries across Greece. The Group is also active in the Romanian bank assurance market, where the Group expects to grow in the future.

### *International Operations*

The Group has established a strong regional presence that includes Member States in the euro area (Cyprus, Luxemburg), EU member states (Romania and Bulgaria), one EU candidate state (Serbia) and Ukraine (accounted as held for sale). As at 31 December 2014, the Group's international operations accounted for total loans and advances to customers amounting to €7.6 billion, total deposits of €9.9 billion, 450 branches and 33 business centres. A key priority of the Group is to support dynamic businesses and households in these countries, thereby confirming its systemic role in this broader region.

On 29 April 2014, the European Commission approved the Bank's revised restructuring plan, which includes a commitment to reduce the Bank's portfolio of foreign assets (defined as assets related to the activities of customers outside Greece, independently of the country where the assets are booked) to a maximum of €8.77 billion by 30 June 2018.

### **Troubled Assets Group**

Following the publication of the Bank of Greece Executive Committee's Act No. 42/30.5.2014, that details the supervisory directives for the administration of exposures in arrears and non-performing loans, the Bank has responsibly proceeded with a number of initiatives to adopt the regulatory requirements and empower the management of troubled assets. Besides the direct link with the regulatory requirements, these initiatives are also associated with the long standing process of distressed assets management, stemming from the Bank's own increased pro-activeness and experience in portfolio handling.

The Bank transformed its troubled assets operating model into a vertical organisational structure through the establishment of the Troubled Assets Group General Division (“TAG”), with direct reporting line to the CEO.

This new independent body has the overall responsibility for the management of the Group’s troubled assets portfolio and ensures a close monitoring, tight control and course adjustment, that acknowledges and takes into account the continuous developments in the macro environment, the regulatory and legal requirements, international best practices and new or evolved internal requirements. The establishment of an independent body, distinct from business units, ensures transparency, management flexibility and accountability, and safeguards the wise, and in line with the Bank’s risk appetite, troubled assets management.

TAG cooperates with Risk Management to reach a mutual understanding and develop an appropriate methodology for the evaluation of the risks inherent in every type of modification and delinquency bucket, by portfolio. TAG’s recommendations and reports to the Board of Directors are also be submitted to the CRO who expresses his opinion.

The key governing principles of TAG are to:

- Preserve the clear demarcation line between Business Units and troubled assets management;
- Ensure direct top management involvement in troubled assets management and close monitoring of the respective portfolio;
- Ensure a consistent approach for managing Troubled Assets across portfolios;
- Prevent NPL formation through early intervention and clear definition of primary financial objectives of troubled assets;
- Monitor the loan delinquency statistics as well as define targeted risk mitigating actions to ensure portfolio risk reduction;
- Target maximisation of borrowers who return to performing (current) status through modifications or collections;
- Monitor losses related to Troubled Assets of the Bank; and
- Define criteria to assess the sustainability of proposed forbearance or resolution and closure measures and design decision trees.

### **Other activities**

In addition to the products and services described above, the Bank is also engaged in the following activities, both in Greece and in the other countries in which Eurobank operates.

#### *Real Estate*

The Group’s real estate subsidiary, Grivalia Properties REIC, which is listed on the main market of the Athens Exchange, is one of the largest real estate investment companies in Greece, with a high quality portfolio of investments in Greece and in Central Eastern Europe.

As at 31 December 2014, Grivalia Properties’ portfolio and its subsidiaries (together the “Group”) consisted of seventy five (75) properties. Most of the Group’s portfolio properties are located in Greece, fifty (50) located in the greater Athens area, nineteen (19) located in other major cities and

one (1) plot of land in Spata. In Central and Eastern Europe, the Group owns two (2) commercial properties in Serbia and three (3) in Romania.

As at 31 December 2014, the fair value of the Group's investments properties was €729 million. The Group recorded profit after tax of €50 million compared to loss after tax of €3 million for the previous year.

#### *Electronic banking services*

In 2014, the Group further expanded the electronic banking services the Bank offers its customers, including services that permit the Bank's customers to bank using tablets and barcodes, which allows the Bank's customers to manage their bank records more easily. Also, Eurobank received three new awards for its electronic services from local and international institutions. One third of all Greek Internet users visited Eurobank's corporate site. 94.5 per cent. of e-Banking users are satisfied from the service, 139,000 e-Statements users have stopped receiving 416,000 paper statements and Eurobank Mobile apps have been downloaded over 223,000 times in total.

#### *Self-service banking terminals*

As at 31 December 2014, the Bank's self-service terminals network comprised 1,299 points of service, including 531 ATMs and 472 automated transaction centres ("ATCs") located in branches of the Retail Banking network, as well as 197 ATMs located outside branches and 99 ATMs located in ELTA sites. In Greece, Eurobank ATMs and ATCs account for 44 per cent. of the banking (monetary) transactions of the Group.

#### *EuroPhone Banking*

Eurobank's call centre, which operates on a 24-hour basis both with live agents and a voice banking self-service platform, offers 550 different transactions in total, covering the entire range of Retail Banking products and services offered, also being a major sales channel for bancassurance products. Until the end of 2014, the call centre processed approximately 3.05 million monetary and information transactions, with an aggregate value of approximately €277 million.

#### *Eurobank e-Banking*

Eurobank's electronic banking service offers a broad range of available transactions, advanced security mechanisms and interactive 24-hour support, as well as a number of innovative services including e-statements and Cheque Express, a solution tailored to companies that collect a large part of their receivables using cheques.

In 2014, 317,000 users (individuals and businesses) used the e-Banking service. The number of active e-Banking customers and the number of transactions increased by 26.9 per cent. and 28.1 per cent. respectively, compared to 2013.

#### *Eurobank m-Banking*

Eurobank offers an integrated banking service via mobile phones, which is supported by the most widely available technologies and channels (sms, mobile site, mobile apps). Eurobank's m-Banking application, which the Bank launched in November 2009, is available through several online application stores (Apple iTunes, Google Play, Windows Phone Store). Eurobank's m-Banking service allows customers to conduct transactions using their phone or tablet. In addition, m-Banking provides customers with online banking information, the smart location of the nearest ATM and branch and phone support. More than 223,000 users have installed the m-Banking application, and approximately 84,000 have used it for online statements and transactions. Eurobank believes that a series of mobile marketing promotions contributed towards increasing active m-Banking users by

65.5 per cent. and transactions by 123 per cent. in the year ended 31 December 2014 (as compared to the year ended 31 December 2013).

#### *Live-Pay payments and collections centre*

In May 2011, Eurobank launched its new Live-Pay e-payments service, which offers retail customers the ability to pay their public sector bills via the internet, using their credit card and computer or mobile phone.

#### *Specialised B2B e-commerce services*

Eurobank offers collection and payment services to its customers through its e-payments platform, which allows suppliers to directly charge buyers' accounts or credit lines.

#### *Online presence of Eurobank*

For the year ended 31 December 2014, visits to Eurobank's website exceeded 14.1 million, which was an increase of more than 1.1 million from 2013. Eurobank uses new media through a presence on social network pages (e.g. YouTube, Twitter) and through advertisements utilising the most advanced areas of interactive marketing (e.g., keyword advertising and mobile marketing). Eurobank also uses social networking media to promote its corporate social responsibility activities, including the "Kainotomeis" Innovation Competition and the "egg- enter•grow•go" incubation and acceleration programme that aims to boost young innovative entrepreneurship.

### **Disaster Recovery and Information Technology**

The Group's operations are supported by three state-of-the-art fault tolerant IT data centres which fully meet information security standards and all criteria for seamless operation, including Disaster Recovery capabilities, and are certified to the ISO 27001:2005, ISO 9001:2008 and ISO 22301:2012 standards. They are designed according to international best practices, widely utilising private cloud, virtualisation and environment protection controls.

The core banking applications in Greece and in the countries of Central, Eastern and Southeastern Europe in which the Group operates are integrated within the framework of a customer-centric and multichannel fault tolerant architecture. They are also supported by specialised analysis, information dissemination and risk management systems based as well on the corporate data warehouse platforms.

The Group's IT operates in accordance with a modern IT Service Management model, certified to the ISO 20000:2013 standard. Measurements conducted on an international level confirm its effectiveness and efficient cost management, placing it among the top bank IT units in Europe over the last six years.

### **Organisational Structure**

As a result of the Bank's recapitalisation exclusively by the Hellenic Financial Stability Fund ("HFSF") pursuant to Law 3864/2010, on 19 June 2013, HFSF became its major shareholder.

Following the successful completion of the Bank's share capital increase in May 2014 for raising €2,864 million through payment in cash and the cancellation of the pre-emption rights of the Bank's ordinary shareholders and preference shareholder, fully covered by private, institutional and other investors, the percentage of the voting rights of the Bank's major shareholders, according to Law 3864/2010 as in force (where it is stated that the participation interests of major shareholders other than HFSF are calculated excluding the HFSF's voting rights) have as follows:

- Based on the relevant notification received from the HFSF on 30 May 2014, the HFSF holds 5,208,067,358 ordinary shares with voting rights, corresponding to 35.41 per cent. out of a total 14,707,876,542 ordinary shares with voting rights issued by Eurobank. On the above shares and voting rights of HFSF the provisions of article 7a of Law 3864/2010 (restricted voting rights) are applicable.
- Based on the relevant notification received from the company “Fairfax Financial Holdings Limited” (“Fairfax”) on 2 April 2015, the voting rights held indirectly on by Fairfax, through its controlled subsidiaries, as of 31 March 2015, amount to 1,902,822,580 corresponding to 20.03 per cent. of Eurobank's total voting rights, excluding those held by the HFSF.
- Based on the relevant notification received from the company “The Capital Group Companies, Inc.” (“Capital”) on 25 March 2015, the voting rights held indirectly by Capital, as of 23 March 2015, amount to 728,877,402, corresponding to 7.67 per cent. of Eurobank's total voting rights, excluding those held by the HFSF. The above percentage relates to Eurobank's voting rights held by “Capital Research and Management Company” a company controlled by Capital.
- Based on the relevant notification received from the company “Mackenzie Financial Corporation” (“MFC”) on 3 June 2014, the voting rights held indirectly by MFC, as of 30 May 2014, amount to 554,838,709 voting rights in Eurobank, corresponding to 5.84 per cent. of Eurobank's total voting rights, excluding those held by the HFSF. MFC has the right to exercise at its discretion these voting rights in its capacity as portfolio manager of its mutual funds, third party clients assets and mutual funds that are structured within its 100 per cent. subsidiary “Mackenzie Financial Capital Corporation”.

The remaining voting rights are held by institutional and retail investors, none of which, to the knowledge of the Bank, holds 5 per cent. or more.

As at 31 December 2014, the Bank is not consolidated with another company. On that date, the Bank consolidated 81 companies under the full consolidation method and 7 companies under the equity method.

## **Eurobank Management Team**

### *Board of Directors*

The current Board consists of twelve Directors, of whom three executives, three non-executives, four independent non-executives, one representative of the Greek State and one representative of the HFSF who have been appointed as additional non-executive Directors in accordance with relevant legal requirements. It is noted that the HFSF has provided its consent for the Board to temporarily consist of an even number (12 members) instead of the odd number specified in the Relationship Framework Agreement between the Bank and the HFSF.

The Board of Directors of Eurobank, along with their positions held on the Board, the Committees to which they are appointed and their principal activities outside the Eurobank Group as at 13 May 2015 which are significant with respect to Eurobank, comprises the following persons:

**Principal activities outside Eurobank Group**

<b>Name</b>	<b>Position held on the Board of Directors (BoD) of Eurobank</b>	<b>Positions held on BoD Committees of Eurobank</b>	<b>Company</b>	<b>Position</b>
Nikolaos V. Karamouzis	Chairman, Non-Executive Director	1. Risk Committee, Member 2. Remuneration Committee, Member 3. Nomination Committee, Member 4. Strategic Planning Committee, Chairman	1. Hellenic Federation of Enterprises (SEV) 2. Hellenic Bank Association	1. Vice Chairman 2. Vice-Chairman
Spyros L. Lorentziadis	Vice Chairman, Non – Executive Independent Director	1. Audit Committee, Chairman 2. Risk Committee, Member 3. Remuneration Committee, Member	1. Lorentziadis Loudovikos L.P. 2. Athens International Airport S.A.	1. Limited partner 2. Audit Committee Member
Fokion C. Karavias	Chief Executive Officer	1. Strategic Planning Committee, Member	-	-
Stavros E. Ioannou	Deputy Chief Executive Officer	1. Strategic Planning Committee, Member	-	-
Theodoros A. Kalantonis	Deputy Chief Executive Officer	1. Strategic Planning Committee, Member	-	-
Wade Sebastian R.E. Burton	Non-Executive Director	1. Risk Committee, Chairman 2. Remuneration Committee, Member 3. Nomination	1. Hamblin Watsa Investment Counsel Ltd 2. Mytilineos Holdings S.A. 3. S.D. Fiber Tech, LLC 4. Praktiker Hellas S.A.	1. Exercising managerial responsibilities 2. BoD, non-executive 3. BoD, non-executive 4. BoD, non-executive

**Principal activities outside Eurobank Group**

<b>Name</b>	<b>Position held on the Board of Directors (BoD) of Eurobank</b>	<b>Positions held on BoD Committees of Eurobank</b>	<b>Company</b>	<b>Position</b>
		Committee, Member		
George K. Chryssikos	Non-Executive Director	-	1. Lamda Hellix S.A. 2. Praktiker Hellas S.A. 3. British Hellenic Chamber of Commerce	1. BoD, non-executive 2. BoD, non-executive 3. BoD, non-executive
Jon Steven B.G. Haick	Non-Executive Independent Director	1. Nomination Committee, Member	1. Brookfield Multiplex PTY Ltd 2. Brookfield Global Property Advisor Limited 3. Brookfield Global Renewable Energy Advisor Limited 4. Brookfield Capital Partners IV GP Ltd 5. Brookfield Global Infrastructure Advisor Limited 6. BIF II Wind UK Limited 7. 1670365 Ontario Limited 8. Brookfield Capital Partners Ltd. 9. Brookfield Asset Management Inc. 10. Stork Holdings Limited 11. Songbird Estates Plc 12. Canary Wharf Group Plc. 13. Canary Wharf Finance II Plc. 14. Songbird Finance Limited	1. Director 2. Director 3. Director 4. Director 5. Director 6. Director 7. Officer - – Senior Managing Partner 8. Officer – Senior Managing Partner 9. Officer – Senior Managing Partner 10. Director 11. Director 12. Director 13. Director 14. Director
Bradley Paul L. Martin	Non-Executive Independent Director	1. Audit Committee, Member 2. Risk Committee, Member 3. Remuneration Committee, Chairman 4. Nomination Committee, Chairman	1. Bank of Ireland 2. Ridley Inc. 3. Resolute Forest Products Ltd.	1. BoD, non-executive 2. BoD, non-executive 3. BoD, non-executive
Josh P.	Non-	1. Audit	1. Situs Group LLC	1. BoD, non-executive

**Principal activities outside Eurobank Group**

<b>Name</b>	<b>Position held on the Board of Directors (BoD) of Eurobank</b>	<b>Positions held on BoD Committees of Eurobank</b>	<b>Company</b>	<b>Position</b>
Seegopaul	Executive Independent Director	Committee, Member 2. Remuneration Committee, Member 3. Nomination Committee, Member	2. Capital Markets Holding Inc. 3. Sun Bancorp Inc.	2. BoD, non-executive 3. BoD, non-executive
Christina G. Andreou*	Non-Executive Director (representative of the Greek State under law 3723/2008)	-	-	-
Kenneth Howard K. Prince-Wright	Non-Executive Director (representative of the HFSF under Law 3864/2010)	1. Audit Committee, Member 2. Risk Committee, Member 3. Remuneration Committee, Member 4. Nomination Committee, Member	1. Basil Mansions Management Company Limited 2. Make a Wish Charitable Foundation 3. South Asian Real Estate limited 4. Belsize Capital Partners LLP 5. Cellular Plc 6. Basil Capital Ltd	1. Chairman and shareholder 2. Director 3. Shareholder 4. Partner without shareholding 5. Chairman, non-executive 6. Shareholder and Director

For the purposes of this Prospectus, the business address of each member of the Board of Directors of Eurobank is that of Eurobank Ergasias S.A.'s registered office.

The Chief Executive Officer establishes committees to assist him as required, the most important of which is the Executive Board. The Executive Board's members along with their principle activities outside the Group as at 13 May 2015 which are significant with respect to Eurobank are the following:

**Principal activities outside Eurobank Group**

<b>Name</b>	<b>Position held on Executive Board of Eurobank</b>	<b>Company</b>	<b>Position</b>
Fokion C. Karavias	Chairman	-	-
Stavros E. Ioannou	Member	-	-
Theodoros A. Kalantonis	Member	-	-
Christos N. Adam	Member	-	-
Dimosthenis I. Archontidis	Member	-	-
Harris V. Kokologiannis	Member	-	-
Christina Th. Theofilidi	Member	1. Tiresias Bank Information Systems S.A.	BoD, non-executive Director
Konstantinos V. Vassiliou	Member	1. Kultia S.A. 2. Karampela Bros S.A. 3. Hellenic Exchanges – Athens Stock Exchange S.A.	1. Shareholder (49%) 2. Shareholder (<3.5%) 3. BoD, non-executive
Constantinos A. Vousvounis	Member	1. P.G. Nikas S.A. 2. Global Finance S.A.	1. BoD, non-executive Director 2. BoD, Director
Iakovos D. Giannaklis	Member	-	-
Michalis L. Louis	Member	-	-
Anastasios L. Panoussis	Member	1. Axileys III Energy Ltd	1. Shareholder (50%)

For the purposes of this Prospectus, the business address of each member of the Executive Board is that of Eurobank Ergasias S.A.'s registered office.

There are no potential conflicts of interest between the duties to Eurobank of each of the members of the Board of Directors and the members of the Executive Board listed above and their private interests or other duties.

### **Subsidiaries and Associates**

In its effort to provide its clients with an active and competitive presence in all categories of financial products and services, Eurobank has established specialised subsidiaries and forged alliances with other organisations for the joint development and distribution of products.

The proportions of shares in subsidiary undertakings which are included in Eurobank's Group consolidated financial statements are shown below:

<b>Subsidiary Undertakings</b>	<b>% as at 31.12.2014</b>	<b>Country of Incorporation</b>	<b>Category of Business</b>
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<i>Subsidiary Undertakings</i>	<i>% as at 31.12.2014</i>	<i>Country of Incorporation</i>	<i>Category of Business</i>
Be-Business Exchanges S.A. of Business Exchanges Networks and Accounting and Tax Services	98.01	Greece	Business-to business e-commerce, accounting and tax services
Cloud Hellas S.A.	20.48	Greece	Real estate
ERB Insurance Services S.A.	100.00	Greece	Insurance brokerage
Eurobank Asset Management Mutual Funds Mngt Company S.A.	100.00	Greece	Mutual fund and asset management
Eurobank Business Services S.A.	100.00	Greece	Payroll and advisory services
Eurobank Equities S.A.	100.00	Greece	Capital markets and advisory services
Eurobank Ergasias Leasing S.A.	100.00	Greece	Leasing
Eurobank Factors S.A.	100.00	Greece	Factoring
Eurobank Financial Planning Services S.A.	100.00	Greece	Management of overdue loans
Eurobank Household Lending Services S.A.	100.00	Greece	Promotion/management of household products
GRIVALIA PROPERTIES R.E.I.C.	20.48	Greece	Real estate
Eurobank Property Services S.A.	100.00	Greece	Real estate services
Eurobank Remedial Services S.A.	100.00	Greece	Notification to overdue debtors
Eurolife General Insurance S.A.	100.00	Greece	Insurance services
Eurolife Life ERB Insurance S.A.	100.00	Greece	Insurance services
Hellenic Post Credit S.A.	50.00	Greece	Credit card management and other services
Hellenic Postbank - Hellenic Post Mutual Funds Mngt	51.00	Greece	Mutual fund management
T Credit S.A.	100.00	Greece	Vehicle and equipment leasing
Eurolife ERB Insurance Group Holdings S.A.	100.00	Greece	Holding company
Herald Greece Real Estate development and services company 1	100.00	Greece	Real estate
Herald Greece Real Estate development and services company 2	100.00	Greece	Real estate
Eurobank Bulgaria A.D.	99.99	Bulgaria	Banking
Bulgarian Retail Services A.D.	100.00	Bulgaria	Rendering of financial services and credit card management
EFG Property Services Sofia A.D.	100.00	Bulgaria	Real estate services
ERB Leasing E.A.D.	100.00	Bulgaria	Leasing
IMO 03 E.A.D.	100.00	Bulgaria	Real estate services
IMO Central Office E.A.D.	100.00	Bulgaria	Real estate services
IMO Property Investments Sofia E.A.D.	100.00	Bulgaria	Real estate services
IMO Rila E.A.D.	100.00	Bulgaria	Real estate services
ERB Hellas (Cayman Islands) Limited	100.00	Cayman Islands	Special purpose financing vehicle
Berberis Investments Ltd	100.00	Channel	Holding company

<u>Subsidiary Undertakings</u>	<u>% as at 31.12.2014</u>	<u>Country of Incorporation</u>	<u>Category of Business</u>
ERB Hellas Funding Ltd	100.00	Islands	Special purpose financing vehicle
Eurobank Cyprus Ltd	100.00	Channel Islands	Banking
CEH Balkan Holdings Ltd	100.00	Cyprus	Holding company
Chamia Enterprises Company Ltd	100.00	Cyprus	Special purpose investment vehicle
ERB New Europe Funding III Ltd	100.00	Cyprus	Finance company
Foramonio Ltd	100.00	Cyprus	Real estate
NEU 03 Property Holding Ltd	100.00	Cyprus	Holding company
NEU II Property Holdings Ltd	100.00	Cyprus	Holding company
NEU BG Central Office Ltd	100.00	Cyprus	Holding company
NEU Property Holdings Ltd	100.00	Cyprus	Holding company
Eurobank Private Bank Luxembourg S.A.	100.00	Luxembourg	Banking
Eurobank Fund Management Company (Luxembourg) S.A.	100.00	Luxembourg	Fund management
Eurobank Holding (Luxembourg) S.A.	100.00	Luxembourg	Holding company
ERB New Europe Funding B.V.	100.00	Netherlands	Finance company
ERB New Europe Funding II B.V.	100.00	Netherlands	Finance company
ERB New Europe Holding B.V.	100.00	Netherlands	Holding company
Bancpost S.A.	99.11	Romania	Banking
Eliade Tower S.A.	20.48	Romania	Real estate
ERB IT Shared Services S.A.	100.00	Romania	Informatics data processing
ERB Leasing IFN S.A.	100.00	Romania	Leasing
ERB Retail Services IFN S.A.	100.00	Romania	Credit card management
ERB ROM Consult S.A.	100.00	Romania	Consultancy services
Eurobank Finance S.A.	100.00	Romania	Investment banking
Eurobank Property Services S.A.	80.00	Romania	Real estate services
Eurolife ERB Asigurari De Viata S.A.	100.00	Romania	Insurance services
Eurolife ERB Asigurari Generale S.A.	100.00	Romania	Insurance services
IMO Property Investments Bucuresti S.A.	100.00	Romania	Real estate services
IMO-II Property Investments S.A.	100.00	Romania	Real estate services
Retail Development S.A.	20.48	Romania	Real estate
Seferco Development S.A.	20.48	Romania	Real estate
Eurobank A.D. Beograd	99.98	Serbia	Banking
ERB Asset Fin d.o.o. Beograd	100.00	Serbia	Asset management
ERB Leasing A.D. Beograd	99.99	Serbia	Leasing
ERB Property Services d.o.o. Beograd	80.00	Serbia	Real estate services
IMO Property Investments A.D. Beograd	100.00	Serbia	Real estate services
Reco Real Property A.D.	20.48	Serbia	Real estate
EFG Istanbul Holding A.S.	100.00	Turkey	Holding company
Public J.S.C. Universal Bank	99.97	Ukraine	Banking
ERB Property Services Ukraine LLC	100.00	Ukraine	Real estate services
ERB Hellas Plc	100.00	United	Special purpose financing

<u>Subsidiary Undertakings</u>	<u>% as at 31.12.2014</u>	<u>Country of Incorporation</u>	<u>Category of Business</u>
Anaptyxi II Plc	-	Kingdom United Kingdom	vehicle Special purpose financing vehicle
Anaptyxi SME I Plc	-	United Kingdom	Special purpose financing vehicle
Byzantium Finance Plc	-	United Kingdom	Special purpose financing vehicle
Daneion 2007-1 Plc	-	United Kingdom	Special purpose financing vehicle
Daneion APC Ltd	-	United Kingdom	Special purpose financing vehicle
Karta II Plc <sup>(1)</sup>	-	United Kingdom	Special purpose financing vehicle
Themeleion II Mortgage Finance Plc	-	United Kingdom	Special purpose financing vehicle
Themeleion III Mortgage Finance Plc	-	United Kingdom	Special purpose financing vehicle
Themeleion IV Mortgage Finance Plc	-	United Kingdom	Special purpose financing vehicle
Themeleion Mortgage Finance Plc	-	United Kingdom	Special purpose financing vehicle

<u>Joint Ventures</u>	<u>% as at 31.12.2014</u>	<u>Country of Incorporation</u>	<u>Category of Business</u>
Femion Ltd	66.45	Cyprus	Special Purpose Investment Vehicle
Cardlink S.A.	50.00	Greece	POS administration
Tefin S.A. <sup>(1)</sup>	50.00	Greece	Motor Vehicle sales financing
Sinda Enterprises Company Ltd	48.00	Cyprus	Special Purpose Investment Vehicle
Unitfinance S.A. <sup>(1)</sup>	40.00	Greece	Financing Company
Rosequeens Properties SRL	33.33	Romania	Real Estate company
Rosequeens Properties Ltd	33.33	Cyprus	Special purpose Investment Vehicle

<sup>(1)</sup> In December 2013, the Extraordinary General Meeting of shareholders of the companies decided their liquidation.

## Legal Matters

As at 31 December 2014, there were a number of legal proceedings outstanding against the Group for which a provision of €60 million was recorded (31 December 2013: €154 million). As at 31 March 2014, the Group proceeded with the release of the provision of €103 million, recognised in 2013 based on the management's estimates of the final amount of the consideration to be received for the disposal of Polish operations.

Neither Eurobank nor any other member of the Group is involved in any administrative, judicial or arbitration proceedings (including any proceedings which are pending or threatened of which the Bank is aware) which the Bank believes may have or which have had a material effect on the Bank's financial condition or the Bank's results of operations or that of the Group in the 12 months preceding the date of this Prospectus.

In January 2014, Greek prosecutors initiated an investigation into the alleged improper granting of loans between 2006 and 2011 by TT Hellenic Postbank S.A. (the bank from which deposits, branch networks and other assets were transferred to create New TT HPB). Criminal proceedings are pending before the Investigating Magistrate of Athens and certain senior employees of TT Hellenic Postbank S.A. have been interrogated by the Investigating Magistrate in connection with breach of trust charges. Eurobank does not expect the outcome of these pending criminal proceedings to have a material effect on the Group.

## RISK MANAGEMENT

### Overview – Board Risk Committee – Group Risk Management Division

Risk management strategy is formulated by the Board Risk Committee (the “BRC”) and the Group Chief Risk Officer (the “GCRO”). Eurobank’s structure, internal procedures and control mechanisms ensure the principle of independence and sufficient supervision.

The Board of Directors has delegated competences to the BRC regarding risk strategy and risk appetite, in line with its business/restructuring plan, ensuring that the risk appetite is articulated in a set of qualitative and quantitative statements and risk tolerance levels for all relevant risks.

The BRC’s role is to approve strategic risk management decisions (e.g. risk appetite, balance sheet profile and risk management structure), monitor the quantitative and qualitative aspects of all market, credit, liquidity and operational risks and assign credit approval authorities to Management.

In addition, under the Relationship Framework Agreement, the BRC should:

- (a) ensure that the Bank has the appropriate methodologies, modelling tools, data sources and competent staff to assess the (i) the likely changes in asset quality under different macroeconomic and market assumptions, and (ii) the risks such changes may pose to the financial stability of the Bank;
- (b) ensure appropriate oversight mechanisms and controls for the monitoring and effective management of troubled assets, which include:
  - non-performing loans;
  - loans under restructuring and rescheduling schemes;
  - exposures which have been written-off for accounting purposes but for which the Bank still pursues partial or full recovery;
- (c) emphasise the development of appropriate early warning systems so as to identify borrowers reaching the limits of their ability to perform on their obligations, and ensure that the Bank develops, maintains and constantly updates an appropriate range of solutions for the mitigation of delinquencies and the preservation of the value of its loan assets; and
- (d) ensure that the Bank’s business units develop risk-adjusted performance and pricing measurement tools and methodologies, which are approved by the Group Risk Management General Division (“GRMGD”) and integrated in the business decision process (e.g. decisions for new products, risk-adjusted pricing, performance measurement and capital allocation) and through GRMGD, should oversee their implementation.

The BRC members are appointed for a term of three years with an option to renew their appointment for 3 more times. The current BRC consists of five (5) Directors, three (3) non-executives of whom one (1) is HFSF’s representative and two (2) independent non-executive Directors. The BRC meets at least monthly and reports to the Board on a quarterly basis. The Chairman of the Risk Committee may, as he deems appropriate, invite members of Management, Risk Management General Division, the Chairpersons of the Bank’s subsidiaries’ risk committees, or outside advisers or experts to attend the BRC’s meetings. The Monitoring Trustee also attends such meetings as an observer. The Committee is in quorum when the majority of the members (i.e. at least 3) are in attendance. The Chairman must be one of the participating members. The BRC resolutions require a majority vote. In case of a tie of votes, the Chairman has the casting vote.

The BRC reviews and assesses the adequacy of its Terms of Reference and requests the approval of the Board for proposed amendments. The Terms of Reference are reviewed at least once every three years and revised if necessary, unless significant changes in the role, responsibilities, organisation and / or regulatory requirements necessitate earlier revision. The BRC evaluates the Committee's performance at least annually and establishes criteria for such evaluation. The results are discussed with the BoD.

Finally, the Group Risk Management General Division which is headed by the GCRO, is independent from the business units and has full responsibility for monitoring operational, credit, market and liquidity risks of the Group. The Credit Sector, Group Credit Control Sector, Group Market and Counterparty Risk Sector ("GMCRS"), Operational Risk Sector, International Credit Sector and Capital Adequacy Control & Regulatory Framework Sector all report to the Group Chief Risk Officer. Due to the nature of its activities, the Group is exposed to numerous financial risks, such as credit risks, market risks, (including foreign exchange and interest rate risks) liquidity risks and operational risks, the management of which is undertaken at various levels of the organisation.

### **Audit Committee**

The primary function of the Audit Committee is to assist the Board in discharging its oversight responsibilities primarily relating to:

- The review of the adequacy of the Internal Control and Risk Management systems and the compliance with rules and regulation monitoring process;
- The review of the financial reporting process and satisfaction as to the integrity of the Bank's financial statements;
- The External Auditors' selection, performance and independence; and
- The effectiveness and performance of the Internal Audit function and the Compliance function.

### **The Eurobank Group Asset-Liability Management Committee – Group ALCO ("G-ALCO")**

Its primary mandate is to:

- formulate, implement and monitor as may be appropriate the Group's (i) liquidity and funding strategies and policies; (ii) interest rate guidelines, (iii) Capital investments—as well as its foreign exchange exposure and hedging—strategy; (iv) business initiatives and/or investments that affect the Bank's market and liquidity risk profile; and
- approve or recommend changes to these policies that conform to the Bank's risk appetite and levels of exposure as determined by the BRC and Management, while complying with the framework established by regulatory and/or supervisory bodies.

G-ALCO's responsibility is to review, on a monthly basis, the overall liquidity positions and developments on a Bank/Group level and on a country-by-country level. In this context, the Asset-Liability Management Committees of the Bank's international subsidiaries should report material country developments to the G-ALCO based on the above principles and their respective regulatory authorities' instructions/guidelines.

The G-ALCO convenes at least once a or more frequently if it is desired.

## **Credit Risk**

The Group takes on exposure to credit risk, which is the risk that a counterparty will be unable to fulfil its payment obligations, when due.

Credit risk includes country, sector and settlement risk.

Country risk is the risk of losses arising from economic difficulties or political unrest in a country, including the risk of losses following nationalisation, expropriation and debt restructuring.

Sector risk is the risk of losses arising from economic difficulties as a result of events that affect a particular sector or industry.

Settlement risk is the risk of loss due to the failure of a counterparty to satisfy its contractual obligations to deliver cash, securities or other assets when payments on financial instruments are settled, including derivatives and currency transactions. Settlement risk arises when the Group remits payments before it can ascertain that the counterparties' payments have been received.

The Group's credit risk mainly arises from its wholesale and retail lending activities, which include any credit enhancements provided, such as financial guarantees and letters of credit, as well as from other activities, such as investments in debt securities, trading, capital markets and settlement activities. Since the credit risk is the primary risk that the Group is exposed to, it is carefully and actively managed and monitored by centralised risk units that report to the GCRO.

### ***Credit Risk Management***

The credit approval and credit review processes are centralised on a country level. The appropriate level of segregation of duties ensures independence among those responsible for the customer relationship, the approval process and the loan disbursement, as well as the monitoring of the loan during its lifecycle.

#### *Credit Committees*

The Group has established various credit committees with escalating credit approval levels in order to manage the credit risk that arises from wholesale lending activities, including:

- Credit Committees which approve new limits, renewals or amendments to existing limits according to their approval authority level, depending on the customer's total exposure, its risk category (high, medium or low), as well as the value and type of collaterals;
- Regional Credit Committee, being Head Office committees, which approve limits for International Operations in excess of each country's approval authority, depending also on customer's risk category; and
- Special Handling Credit Committees, which decide on credit issues and actions to be taken for specific cases of problematic loans.

Other specialised committees are established to monitor certain portfolios (e.g. forborne non-performing loans, staff loans).

The Credit Committees meet on a weekly basis or more frequently, if needed.

#### *Credit Sector*

The main responsibilities of the Credit Sector are:

- the review and evaluation of credit requests/proposals by:

- all (domestic) large and medium scale corporate entities of every risk category;
- retail sector customers (small business and household lending) above a predetermined threshold;
- specialised units as Shipping, Commercial Real Estate, Hotel & Leisure, Structured Finance and Global Corporate Clients;
- the issuance of an independent Risk Opinion for each credit request, which includes :
  - assessment of the customer credit profile bases on the risk factors identified (market, operations, structural and financial);
  - a focused sectorial analysis;
  - recommendations to structure a bankable, well-secured and well-controlled transaction;
- confirmation of the ratings of each separate Borrower, to reflect the risks acknowledged;
- participation with voting right in all credit committees, as per the Credit Approval procedures.

Credit Sector is also responsible for the maintenance of the credit approval archives of the Bank, the preparation of all credit committees' agendas, distribution of the respective material and preparation of the respective Credit Committees' minutes.

#### *International Credit Sector*

The International Credit Sector was established in April 2008, in order to ensure full harmonisation with the Group's standards and in the light of the increased credit risk management demands for wholesale lending activities in International Operations. Its main responsibilities are:

- to review the credit proposals for large and medium size corporate entities in excess of each country's approval authority and submit them for approval to the Regional Credit Committees', together with a credit opinion, as required;
- to prepare and revise, as needed, the management acts relating to the credit approval processes, as well as the credit approval levels;
- to maintain a uniform credit policy for international subsidiaries, in accordance with the Group's credit policies; and
- to monitor high-risk corporate credits.

#### ***Retail Lending – Approval process***

The approval process for loans to small businesses (turnover up to €2.5 million) is centralised, following specific guidelines for eligible collaterals. The assessment is based on the analysis of the borrower's financial position, as well as the use of statistical scorecards.

The approval process for household lending is centralised. It is supported by specialised credit scoring models (application and behavioural scorecards) and the application of credit criteria based on the payment behaviour (vintage analysis), the type and quality of collateral, the existence of real estate property, and other factors. The on-going monitoring of portfolio quality and performance leads to adjustments of the credit policy and procedures, when deemed necessary.

### *Group Market and Counterparty Risk Sector*

The Group Market and Counterparty Risk Sector (“GMCRS”) is responsible for the measurement, monitoring and reporting of the Group’s exposure to counterparty risk, which is the risk of loss due to the customer’s failure to meet its contractual obligations in the context of treasury activities, such as securities, derivatives, repos reverse repos and interbank placings.

The Group has set limits on the level of counterparty risk that may be undertaken based mainly on the counterparty’s credit rating, as provided by international rating agencies, and the product type (e.g. control limits on net open derivative positions by both amount and term, on sovereign bonds exposure, on asset backed securities). The utilisation of the abovementioned limits, any excess of them, as well as the aggregate exposure per Group’s entity, counterparty and product type are monitored by GMCRS on a daily basis. Risk mitigation contracts are taken into account for the calculation of the final exposure.

In case of uncollateralised derivative transactions, the Group measures the current exposure along with the potential future exposure (“PFE”) using financial models. The combined exposure is used for the monitoring of limit utilisation.

The GMCRS’s exposure measurement and reporting tool is also available to the Group’s subsidiaries treasury divisions, thus providing them with the ability to monitor the exposure and the limit availability of each counterparty.

### ***Credit Risk Monitoring***

The Group Credit Control Sector (“GCCS”) monitors and assesses the quality of all of the Group’s loan portfolios and operates independently from the business units of the Bank. The GCCS reports directly to the GCRO .

The main responsibilities of the GCCS are:

- to monitor and review the performance of all of the Group’s loan portfolios;
- to conduct field reviews and prepare written reports to the Management on the quality of loan portfolios for all of the Group’s lending units;
- to supervise and control the foreign subsidiaries’ credit control;
- to participate in the development, approval and implementation of credit risk models, designed according to the characteristics of each loan portfolio;
- to supervise, support and maintain the Moody’s Risk Advisor (MRA) used to assign ratings to wholesale lending customers;
- to create, oversee and support the Transactional Rating (TR) application, used to measure the overall risk of wholesale credit relationships, taking into account both the creditworthiness of the borrower and the required collaterals;
- to monitor on a regular basis and report on a quarterly basis to the Board of Directors and the BRCof risk exposures, along with accompanying analyses;
- to formulate the provisioning policy and regularly monitor, on a monthly basis, the adequacy of provisions of all of the Group’s loan portfolios;
- to participate in the approval of new credit policies and new loan products;
- to participate in the Troubled Asset Committee; and

- to attend meetings of Credit Committees and Special Handling Committees without voting right.

The Capital Adequacy Control & Regulatory Framework Sector (credit risk) develops and maintains the Internal Ratings Based (“IRB”) approach in accordance with the Basel framework and the Capital Adequacy Directive of the Group’s loan portfolios, measures and monitors their capital requirements, and manages the credit risk regulatory related issues. The Sector reports to the GCRO.

The main responsibilities of the Capital Adequacy Control & Regulatory Framework Sector are:

- to develop, implement and validate IRB models for evaluating credit risk;
- to manage external Asset Quality Reviews and stress tests;
- to measure and monitor risk parameters and capital adequacy calculations (Pillar I) and preparation of relevant management and regulatory reports; and
- to prepare credit risk analyses for the Internal Capital Adequacy Assessment Process (“ICAAP”) and Pillar II purposes.

The Group’s international subsidiaries apply the same credit risk management structure and control procedures as the Bank and report directly to the GCRO. Risk management policies and processes are approved and monitored by the credit risk sectors of the parent bank ensuring that group guidelines are in place and credit risk strategy is uniformly applied across the Group.

For the description of the Troubled Assets Group General Division please refer to section “*Eurobank Ergasias SA – Troubled Assets Group*”.

### **Credit Related Commitments**

The primary purpose of credit related commitments is to ensure that funds are available to a customer as agreed. Guarantees and standby letters of credit carry the same credit risk as loans since they represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties. Documentary and commercial letters of credit, which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are secured by the underlying shipment of goods to which they relate and therefore carry less risk than a loan. Commitments to extend credit represent contractual commitments to extend credit in the form of loans, guarantees or letters of credit for which the Group usually receives a commitment fee. Such commitments are irrevocable over the life of the facility or revocable only in response to a material adverse effect.

### **Concentration Risk**

The Group structures the levels of credit risk it undertakes by placing exposure limits by borrower, or groups of borrowers, and by industry segments. The exposure to each borrower is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts.

Such risks are monitored on a revolving basis and are subject to an annual or more frequent review. Risk concentrations are monitored regularly and reported to the BRC. Such reports include the 20 largest exposures, major watchlist and problematic customers, industry analysis, analysis by rating/risk class, by delinquency bucket, and loan portfolios by country.

## **Rating Systems**

### *Rating of large corporate and medium sized (“SME”) customers*

The Bank has decided upon the differentiation of rating models for wholesale lending activities, in order to reflect appropriately the risks arising from customers with different characteristics. Hence, rating models are employed for a number of general as well as specific segments:

- traditional corporate lending: Moody’s Risk Advisor (“MRA”); Internal Credit Rating (“ICR”) for those customers that cannot be rated by MRA.
- specialised lending (shipping, real estate and project finance): slotting methodology.

The MRA aggregates quantitative and qualitative information of individual obligors in order to assess their creditworthiness and determine their credit rating. In particular, it takes into account the company’s financial performance, its cash flows, industry sector trends, peers’ performance, qualitative assessment of management, the company’s status, market and industry structural factors. The MRA is used for the assessment of all legal entities with full accountancy tax books irrespective of their legal form, and is calibrated on the Greek corporate environment.

Certain types of entities cannot be analysed with the MRA due to the special characteristics of their financial statements, such as insurance companies, state-owned organisations, brokerage firms and start-ups. In such cases, the ICR is applied, which, similarly to MRA, combines quantitative and qualitative assessment criteria, such as the entity’s size, years in business, credit history, industry sector.

In addition, the Bank performs an overall assessment of corporate customers, based both on their rating (MRA or ICR) and the collaterals and guarantees referred to their approved credit relationships, using a 14-grade rating scale. Credit exposures are subject to detailed reviews by the appropriate Credit Committee based on the respective transactional rating (TR). Low risk corporate customers are reviewed at least once a year, whereas higher risk customers are reviewed either on a semi-annual or quarterly basis. All high risk corporate customers with exposures are reviewed by the three (3) Special Handling Committees that meet on a weekly basis.

For specialised lending portfolios, i.e. when the primary source of repayment of the credit facility is the income generated by the asset(s), rather than the independent capacity of the borrower (customer), the Bank utilises the slotting method by adapting and refining the Capital Requirements Directive criteria to the Bank’s risk practices. Customers falling in the specialised lending category (shipping, real estate and project finance) are classified into five categories: strong, good, satisfactory, weak and default.

The rating systems described above are an integral part of the corporate banking decision-making and risk management processes:

- the credit approval process, both at the origination and review process; and
- the calculation of Economic Value Added (EVA) and risk-adjusted pricing.

### *Rating of Retail Lending exposures*

The Bank assigns credit scores to its retail customers using a number of statistically-based models both at origination and on an on-going basis through behavioural scorecards. These models have been developed to predict, on the basis of available information, the probability of default (PD), loss given default (LGD) and exposure at default (EAD). They cover the entire spectrum of retail products (credit cards, consumer lending, unsecured revolving credits, car loans, personal loans, mortgages and small business loans).

The models were developed based on the Bank's historical data and credit bureau data. Behavioural scorecards are calculated automatically on a monthly basis, thus ensuring that credit risk assessments are up to date.

The models are applied in the credit approval process, the credit limits management, as well as the collection process for the prioritisation of the accounts in terms of handling. Furthermore, the models have been often used for the risk segmentation of the customers. They are also utilised for risk based pricing in particular segments or new products introduced.

The rating systems employed by the Bank meets the requirements of the Basel III - Internal Ratings Based (IRB) approach. The Bank is IRB certified since 2008 for the Greek portfolios, both corporate and retail (as detailed in Basel III, Pillar III disclosures available at the Bank's website).

The Group Capital Adequacy Control Sector independently monitors the capacity of rating models and scoring systems to classify customers according to risk, as well as to predict the probability of default and loss given default. The Bank's validation policy follows a procedure that complies with international best practices and regulatory requirements. The Bank verifies the validity of the rating models and scoring systems on an annual basis, and the validation includes both quantitative and qualitative aspects. Validation procedures are documented and regularly reviewed and reported to the BRC. The Group's Internal Audit also independently reviews the validation process annually in compliance with the Central Bank's guidelines/instructions.

### ***Credit Risk Mitigation***

A key component of the Group's business strategy is to reduce risk by utilising various risk mitigating techniques. The most important risk mitigating means are collaterals' pledges, guarantees and master netting arrangements.

#### *Types of collateral commonly accepted by the Bank*

The Group has internal policies in place which set out the following types of collateral that are usually accepted:

- residential real estate, commercial real estate (offices, shopping malls, etc.), industrial buildings and land;
- receivables (trade debtors) and post-dated cheques;
- securities, including listed shares and bonds;
- deposits;
- guarantees and letters of support;
- insurance policies; and
- other fixed assets, mainly, vehicles and vessels.

A specific coverage ratio is pre-requisite upon approval is monitored continuously (at least annually) and on an on-going basis for each collateral type, as specified in the Group's credit policy.

For exposures other than loans to customers (i.e. repos, reverse repos, derivatives), the Group accepts only cash or liquid bonds (i.e. investment grade) as collateral.

### *Valuation principles of collateral*

In defining the maximum collateral ratio for loans, the Group considers all relevant information available, including any collaterals' characteristics, if market participants would take those into account when pricing relevant assets. Valuation and hence eligibility is based on the following factors:

- the collateral's fair value (i.e. the liquidation price that would be received to sell the asset in an orderly transaction under current market conditions);
- the fair value reflects market participants' ability to generate economic benefits by using the asset in its highest and best use or by selling it;
- a reduction of the collateral value is considered if the type, location or condition (such as deterioration and obsolescence) of the asset indicate so; and
- no collateral value is assigned if a pledge is not legally enforceable.

The real estate properties of all lending units are valued by Eurobank Property Services S.A., a subsidiary of the Group, which reports to the GCRO. Eurobank Property Services is regulated by the Royal Institute of Chartered Surveyors and utilises internal or external qualified appraisers based on predefined criteria (qualifications and expertise). All appraisals take into account factors such as the region, age and marketability of the property, and are further reviewed and countersigned by experienced staff. The valuation methodology employed is based on International Valuation Standards ("IVS"), while quality controls are in place, such as reviewing mechanisms, independent sample reviews by independent well-established valuation companies.

In 2006, the Bank initiated a project in collaboration with other major banks in Greece to develop a real estate property index for residential property. The methodology, which was developed by an independent specialised statistical company, has been approved by the Bank of Greece, and its use enables a dynamic monitoring of residential property values and market trends, on an annual basis (Prop.Index).

For commercial real estate, re-valuations are performed by qualified property valuers within two to three years. More frequent re-valuations either on site or desktop are performed for material exposures, borrowers downgraded to watchlist/high risk area and for borrowers active in the real estate sector.

To ensure the quality of the post-dated cheques accepted as collateral, the Bank has developed a pre-screening system, which takes into account a number of criteria and risk parameters, so as to evaluate their eligibility. Furthermore, post-dated cheques valuation is monitored weekly through the use of advanced statistical reports and on a monthly basis through the review of detailed information regarding the recoverability of cheques, referrals and bounced cheques, per issuer.

### *Collateral policy and documentation*

For credit facilities, the Group's instructions emphasise that practices and routines followed are timely and prudent, in order to ensure that collaterals are controlled by the Group's subsidiaries and that the loan and pledge agreement, as well as the collaterals are legally enforceable. Thus, the Group's subsidiaries hold the right to liquidate collateral in the event of the obligor's financial distress and can claim and control cash proceeds from the liquidation process.

The Group uses to a large extent standard loan and pledge agreements, ensuring legal enforceability.

### *Guarantees*

The guarantees used as credit risk mitigation by the Group are largely issued by central and regional governments in the countries in which it operates. The Public Fund for very small businesses (TEMPME in Greece) and similar funds, banks and insurance companies are also important guarantors of credit risk.

### *Management of repossessed properties*

The objective of the repossessed assets' management is to minimise the time cycle for an asset to be disposed and to maximise the recovery of the capital engaged.

To this purpose, the management of repossessed assets aims at improving rental and other income from the exploitation of such assets, and at the same time reducing the respective holding, administrative and maintenance costs.

The Group is actively engaged in identifying suitable potential buyers for its portfolio of repossessed assets (including specialised funds involved in acquiring specific portfolios of repossessed properties), both in Greece and in the international subsidiaries, in order to reduce its stock of properties with a time horizon of three to five years.

Repossessed assets are closely monitored based on technical and legal due diligence reports, so that their market value is accurately reported and updated in accordance with market trends in each country.

### **Counterparty risk**

The Group mitigates counterparty risk arising from treasury activities by entering into master netting arrangements and similar agreements, as well as collateral agreements with counterparties with whom it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk is reduced through a master netting agreement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis.

In the case of derivatives, the Group makes use of International Swaps and Derivatives Association ("ISDA") contracts, which limit the exposure via the application of netting and Credit Support Annex ("CSAs"), which further reduce the total exposure with the counterparty. Under these agreements, the total exposure with the counterparty is calculated on a daily basis taking into account any netting arrangements and collaterals.

The same process is applied in the case of repo transactions where standard Global Master Repurchase Agreements ("GMRAs") are used. The exposure (the net difference between repo cash and the market value of the securities) is calculated on a daily basis and collateral is transferred between the counterparties thus minimising the exposure.

The Bank uses a comprehensive collateral management system for the monitoring of ISDA, CSAs and GMRAs, i.e. the daily valuation of the derivatives and the market value of the securities are used for the calculation of the each counterparty's exposure. The collateral which should be posted or requested by the relevant counterparty is calculated daily.

With this system, the Bank monitors and controls the collateral flow in case of derivatives and repos, independently of the counterparty. The effect of any market movement that increases the Bank's exposure is reported and the Bank proceeds to collateral call without delay.

## **Recent Developments**

The financial crisis in the Greek economy and the high rates of unemployment have resulted to the significant reduction of consumers' disposable income. Also the profitability of all types of companies (small, medium and large) has deteriorated during this period thus creating problems to the regular service of their financial obligations.

In 2014 it was evidenced a stabilisation and even a small increase in the growth rate of GDP mainly due to the significant improvement of the revenues from the tourist sector.

In order to protect asset quality and mitigate risk in the context of these adverse developments, the Bank has taken a number of actions:

- Tightening of credit underwriting criteria;
- Full implementation of risk adjusted pricing for all portfolios;
- Increase of portfolios collateralisation and reduction of consumer lending portfolio;
- Extensive use of “Early Warning Systems” as risk detection and prevention mechanisms;
- Establishment of additional review bodies to allow for more frequent monitoring of watch-listed and high-risk customers in Wholesale Banking;
- Portfolio reviews on a segmental basis in Wholesale and focused field reviews in high risk areas in Retail Banking;
- More frequent collaterals valuation updates;
- Active limits management and proactive limits reduction/blocking based on risk classification;
- Frequent reviews and calibration of risk models and related risk parameters (PD, LGD and EAD), as needed;
- Intensified collections and development of a Troubled Assets Management framework.

## **Basel II – Credit Risk**

The Group first applied the Basel II framework under the Standardised approach in January 2007 and included the respective risk asset ratio figures in its published financial statements. Until that date the Group had been applying the Basel I rules.

In June 2008, the Group received the approval of the Bank of Greece to use the Internal Ratings Based (IRB) approach to calculate the capital requirement for credit risk. Therefore, with effect from 1 January 2008, the Group applies:

- the Foundation IRB Approach to calculate risk weighted assets for the corporate loans' portfolio of Eurobank Ergasias S.A. in Greece;
- the Advanced IRB Approach for the majority of the retail loans' portfolio of the Bank, i.e. mortgages, small business lending, credit cards and revolving credits in consumer lending.

From September 2009 the Foundation IRB approach was applied for the corporate loans' portfolio of Eurobank Ergasias Leasing S.A. in Greece.

From March 2010 the Advanced IRB approach was applied for the Bank's portfolio of personal and car loans.

The implementation of IRB covers 72.2 per cent. of the Group's lending portfolio excluding portfolio segments which are immaterial in terms of size and risk profile. If the Group include the implementation of Basel II IRB methodology to ex. NHPB Mortgage portfolio, which is subject to ECB approval, the ratio increases to 82.1 per cent.

There is a permanent exemption from the IRB approach, up to 10% of risk weighted assets, for which the Standardised approach is applied. In addition to the exemption of up to 10% of risk weighted assets, permanent exemption has been granted for the following exposure classes as prescribed in the CRD:

- exposures to/or guaranteed by central governments and central banks;
- exposures to/or guaranteed by credit and financial institutions; and
- exposures to administrative bodies and non-commercial undertakings.

The Standardised approach is applied for these exposures.

## **Market Risk**

The Group takes on exposure to market risks. Market risks arise from exposure on interest rate, currency and equity products or combination of them, all of which are exposed to general and specific market movements. Specifically, the market risks the Group is exposed to are the following:

### ***Interest Rate Risk***

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial positions and cash flows. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Board's Risk Committee sets limits on the level of interest rate risk that may be undertaken and exposures are monitored daily.

### ***Currency Risk***

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board's Risk Committee sets limits on the level of exposures which are monitored daily.

### ***Equity Risk***

Equity price risk is the risk of the decrease of fair values as a result of changes in the levels of equity indices and the value of individual stocks. The equity risk that the Group undertakes, arises mainly from the investment portfolio. The Board's Risk Committee sets limits on the level of the exposures which are monitored daily.

Market risk in Greece and Cyprus is managed and monitored using Value at Risk (VaR) methodology. Market risk in International operations is managed and monitored using mainly sensitivity analyses. Information from International operations is presented separately as it originates from significantly different economic environments with different risk characteristics.

## **Value at Risk (“VaR”)**

VaR is a methodology used in measuring financial risk by estimating the potential negative change in the market value of a portfolio at a given confidence level and over a specified time horizon. The VaR that the Group measures is an estimate based on a 99 per cent. confidence level and a holding period of one day and the methodology used for the calculation is the Monte Carlo simulation (full re-pricing).

The VaR models are designed to measure market risk in a normal market environment. It is assumed that any changes occurring in the risk factors affecting the normal market environment will follow a normal distribution.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based do give rise to certain limitations. Given this, actual outcomes are monitored regularly, via back testing process, to test the validity of the assumptions and the parameters used in the VaR calculation.

Since VaR constitutes an integral part of the Group’s market risk control regime, VaR limits have been established for all operations, and actual exposure is reviewed daily by management. However, the use of this approach does not prevent losses outside of these limits in the event of extraordinary market movements.

Interest Rate VaR takes into account the changes to the fair valuation of all the Group’s items that are attributable to movements in the Interest Rates. This includes loans and deposits (customers and interbank), Eurosystem funding and debt issued, as well as securities and derivatives held by the Group. Despite the large relative size of the loan and deposit portfolio, Eurosystem funding and debt issued, its timing and amount matching, combined with the current level of interest rates, mean that the incremental contribution of these items to the Interest Rate VaR is not material. The largest portion of the Group’s Interest rate VaR figures is attributable to the risk associated with interest rate sensitive securities and derivatives.

## **Liquidity Risk**

The Group is exposed to daily calls on its available cash resources due to deposits withdrawals, maturity of medium or long-term notes, maturity of secured or unsecured funding (interbank repos and money market takings), loan draw-downs and forfeiture of guarantees. Furthermore, margin calls on secured funding transactions (with ECB and the market) and on risk mitigation contracts (CSAs, GMRA) result in liquidity exposure. The Group maintains cash resources to meet all of these needs. The Board Risk Committee sets liquidity limits to ensure that sufficient funds are available to meet such contingencies.

Past experience shows that liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the amount of the commitment. This is also the case with credit commitments where the outstanding contractual amount to extend credit does not necessarily represent future cash requirements, as many of these commitments will expire or terminate without being funded.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Group. It is unusual for banks to be completely matched, as transacted business is often of uncertain term and of different types. An unmatched position potentially enhances profitability, but also increases the risk of losses. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group.

## **Liquidity Risk Management Framework**

The Group's Liquidity Risk Management Policy defines the following supervisory and control structure:

- Board Risk Committee's role is to approve all strategic liquidity risk management decisions and monitor the quantitative and qualitative aspects of liquidity risk.
- Group Assets and Liabilities Committee (G-ALCO) has the mandate to form and implement the liquidity policies and guidelines in conformity with Group's risk appetite, and to review at least monthly the overall liquidity position of the Group.
- Group Treasury is responsible for the implementation of the Group's liquidity strategy, the daily management of the Group's liquidity and for the preparation and monitoring of the Group's liquidity budget.
- Global Market and Counterparty Risk Sector is responsible for measuring, monitoring and reporting the liquidity position of the Group.

The following list summarises the reports which are produced on a periodic basis:

- The regulatory liquidity gap report along with the regulatory liquidity ratios;
- Stress test scenarios. These scenarios evaluate the impact of a number of systemic stress events on the Group's liquidity position;
- Liquidity warning indicators report market sensitivities which affect liquidity ratios/indicators; and
- Liquidity coverage ratios ("LCR") estimation (Basel III new regulatory ratio) on a solo and a Group level.

## **Operational Risk**

Acknowledging the fact that operational risk is embedded in every business activity undertaken, the Group's organisational governance stems from the Board of Directors through the Executive Committee and senior management to the Heads and staff of every business unit. The organisational governance is applicable to all jurisdictions accordingly.

Each Group banking subsidiary has established an Operational Risk Unit which is responsible for applying the Group's operational risk strategy and framework in the jurisdiction in which the banking subsidiary operates.

The Board of Directors monitors, through the Board Risk Committee, the operational risk level and profile, including the level of operational losses, their frequency and severity, and through the Audit Committee, the status of operational risk-related control issues. The Group Operational Risk Committee assesses the operational risks arising from Eurobank's activities, ensures that each business entity has appropriate policies and procedures for the control of its operational risk and that prompt corrective action is taken whenever a high-risk area is identified.

The Group Chief Risk Officer is the sponsor of any operational risk related initiative and ensures implementation of the operational risk policy. The Group Chief Risk Officer has the overall responsibility and oversight of the operational risk units in every country where Eurobank operates.

The prime responsibility for operational risk management lies with the respective heads of each business unit. To this end, every business unit:

- identifies, evaluates and monitors its operational risks and implements risk mitigation techniques;
- assesses control efficiency and reports all relevant issues; and
- has access to and uses the common methods and tools introduced by the Operational Risk Sector, in order to facilitate identification, evaluation and monitoring of operational risk.

The Operational Risk Sector is responsible for defining and rolling out the methodology for the identification, assessment, reporting of operational risk within Board/Risk Committee decisions; implementing regulatory requirements and Group guidelines, monitoring the operational risk level and profile and reporting thereon to the Board Risk Committee, and defining and rolling out the methodology for the calculation of the regulatory capital charge for operational risk.

## Capital Adequacy

The following table presents the Group's total regulatory capital, total risk-weighted assets and capital adequacy as at 31 December 2013 and 31 December 2014:

<b>Capital Adequacy Ratios</b>	<b>As at for the year ended 31 December</b>	
	<b>2013</b>	<b>2014</b>
<i>(in € million)</i>		
Ordinary and Preferred shareholders' equity.....	4,242	5,621
Add: Regulatory non-controlling interest.....	214	532
Less: Goodwill .....	(116)	(4)
Less: Other regulatory adjustments.....	(280)	(255)
<b>Total Tier I capital.....</b>	<b>4,053</b>	<b>5,894</b>
Tier II capital-subordinated debt .....	267	141
Less: Other regulatory adjustments.....	(70)	15
<b>Total Regulatory Capital .....</b>	<b>4,250</b>	<b>6,050</b>
<b>Risk-weighted assets.....</b>	<b>38,135</b>	<b>36,430</b>
<b>Ratios:</b>		
Common Equity Tier I/Core Tier I for 2013.....	10.4%	16.2%
Tier I .....	10.6%	16.2%
Total Capital (Tier I and Tier II) Ratio .....	11.1%	16.6%

According to Regulation (EU) No..575/2013, article 39, deferred tax assets that can be replaced with a tax credit, shall not be deducted from CET1, but instead be risk weighted by 100 per cent. As at 31 December 2014, deferred tax assets that are eligible for tax credit amount to €3,204 million. Based on the above assumption the pro forma Common Equity Tier 1 ratio, Tier 1 ratio and Total Capital Ratio would have been 15.2 per cent.,15.2 per cent. and 15.6 per cent. accordingly.

The Group has sought to maintain an actively managed capital base to cover risks inherent in the business. The adequacy of the Group's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision ("BIS rules/ratios") and adopted by the European Union and the Bank of Greece in supervising the Bank.

During the last three years the Group, apart from the share capital increase of €2.9 billion completed in May 2014, focused on the organic strengthening of its capital position by active de-risking of lending portfolios through tighter credit policies and change in the portfolio mix in favour of more secured loans, as well as by proceeding to several strategic initiatives to internally generate capital.

Finally, the Group is examining a number of additional initiatives for enhancing its capital base, associated with the restructuring, transformation or optimisation of operations, in Greece and abroad, that will generate or release further capital and/or reduce Risk Weighted Assets.

## ERB HELLAS PLC

### Introduction

ERB Hellas PLC was incorporated as EFG Finance PLC under the laws of England and Wales on 29 June 1999 as a public limited company with number 3798157. On 16 July 1999 the name of EFG Finance PLC was changed to EFG Hellas PLC and on 11 October 2012 was changed to ERB Hellas PLC. The registered office of ERB Hellas PLC is at 1st Floor, 25 Berkeley Square, London W1J 6HN, United Kingdom and its telephone number is +44 (0) 20 7973 8630.

ERB Hellas PLC was acquired by EFG Eurobank S.A. (now Eurobank Ergasias S.A. or the Bank) on 30 September 1999 and the share capital of ERB Hellas PLC continues to be held, directly or indirectly, by the Bank. ERB Hellas PLC does not, as at the date of this Prospectus, have any subsidiaries.

### Directors

The Directors of ERB Hellas PLC and their respective business are as follows:

<i>Name</i>	<i>Business Address</i>
Mr. D. Archontidis	22 Voukourestiou Street, Athens, GR 10671
Mr. A. Ioannidis	8 Othonos Street, Athens, GR 10557
Mr. N. Laios	8 Othonos Street, Athens, GR 10557
Ms D. Spyrou	8 Othonos Street, Athens, GR 10557

Apart from the activities pertaining to his function and position, no Director conducts any activities outside ERB Hellas PLC and the Group which are significant with respect to ERB Hellas PLC.

The Secretary of ERB Hellas PLC is Mrs. H. Fotineas.

ERB Hellas PLC has no employees or non-executive Directors.

ERB Hellas PLC is not aware of any potential conflicts of interest between the duties to ERB Hellas PLC of each of the members of the Board of Directors and his/her private interests or other duties.

To the best of its knowledge and belief, ERB Hellas PLC complies with the laws and regulations of the United Kingdom regarding corporate governance.

ERB Hellas PLC does not have an audit committee.

### Activities

The share capital of ERB Hellas PLC was acquired, directly or indirectly, by the Bank (formerly ERB Eurobank S.A.) with the intention that ERB Hellas PLC should operate as a financing vehicle for the Bank and its subsidiaries. ERB Hellas PLC is a finance company whose sole business is raising debt to be deposited with the Bank on an arm's length basis. ERB Hellas PLC is accordingly dependent on the Bank paying interest on the deposited balances. Under some issues, ERB Hellas PLC also enters into swap arrangements with third parties, with the Bank acting as credit support provider.

In August 2001 ERB Hellas PLC began issuing commercial paper. The notes and commercial paper outstanding have been guaranteed by the Bank. The net proceeds of the notes and commercial

paper issued have been applied by ERB Hellas PLC to meet the general financing requirements of its immediate parent, the Bank, and its subsidiaries.

### **Share Capital**

The authorised and issued share capital of ERB Hellas PLC is £50,000. The allotted and paid up share capital of ERB Hellas PLC is £12,500, divided into 50,000 ordinary shares of a nominal value of £1 each, paid up as to 25p each. The paid up share capital of £12,500 is reflected in the financial statements as €19,216 based on the prevailing exchange rate at 31 December 2002 of €1/£0.6505. The entire issued share capital of ERB Hellas PLC is, directly and indirectly, owned by the Bank.

### **Corporate Objects**

The corporate objects of ERB Hellas PLC are set out in paragraph 4 on page 1 of its Memorandum of Association. They include, but are not limited to, carrying on the business of a general commercial company or any trade or business whatsoever and borrowing or raising money by any method and obtaining any form of credit or finance (including by the issuing securities of any kind). A copy of the Memorandum of Association is available for inspection at the registered office of ERB Hellas PLC and at the specified office of the Issue and Paying Agent and the Paying Agent in Luxembourg.

### **Dividends**

No dividend was paid in 2014 and there is no subsequent decision of the BOD for distribution of dividend (2013: €1,965,000, €39.30 per share).

## ERB HELLAS (CAYMAN ISLANDS) LIMITED

### Introduction

ERB Hellas (Cayman Islands) Limited was incorporated under the laws of the Cayman Islands on 26 April 2002 as an exempted company with limited liability with number CR 117363. On 4 October 2012, the name of EFG Hellas (Cayman Islands) Limited was changed to ERB Hellas (Cayman Islands) Limited. The registered office of ERB Hellas (Cayman Islands) Limited is at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111 Cayman Islands and its telephone number is c/o Codan Trust Company (Cayman) Limited +1 (345) 949 1040.

At a meeting of the Board of Directors of ERB Hellas (Cayman Islands) Limited held on 15 May 2002, the Directors approved the transfer and issue of shares in ERB Hellas (Cayman Islands) Limited to the Bank. The entire issued share capital of ERB Hellas (Cayman Islands) Limited is held indirectly by the Bank via its subsidiary EFG New Europe Funding III Ltd, a company incorporated in Cyprus. ERB Hellas (Cayman Islands) Limited does not, as at the date of this Prospectus, have any subsidiaries.

### Directors

The Directors of ERB Hellas (Cayman Islands) Limited and their respective business addresses are as follows:

<i>Name</i>	<i>Business Address</i>
Mr. D. Archontidis	22 Voukourestiou Street, Athens, GR 10671
Mr. A. Ioannidis	8 Othonos Street, Athens, GR 10557
Mr. N. Laios	8 Othonos Street, Athens, GR 10557
Ms D. Spyrou	8 Othonos Street, Athens, GR 10557

Apart from the activities pertaining to his function and position, no Director conducts any activities outside ERB Hellas (Cayman Islands) Limited and the Group which are significant with respect to ERB Hellas (Cayman Islands) Limited.

The Secretary of ERB Hellas (Cayman Islands) Limited is Mrs. H. Fotineas.

ERB Hellas (Cayman Islands) Limited has no employees or non-executive Directors.

ERB Hellas (Cayman Islands) Limited is not aware of any potential conflicts of interest between the duties to ERB Hellas (Cayman Islands) Limited of each of the members of the Board of Directors and his/her private interests or other duties.

To the best of its knowledge and belief, ERB Hellas (Cayman Islands) Limited complies with the Companies Law (2013 Revision) of the Cayman Islands regarding corporate governance.

ERB Hellas (Cayman Islands) Limited does not have an audit committee.

## **Activities**

The share capital of ERB Hellas (Cayman Islands) Limited was acquired, directly or indirectly, by the Bank with the intention that ERB Hellas (Cayman Islands) Limited should operate as a financing vehicle for the Bank and its subsidiaries.

ERB Hellas (Cayman Islands) Limited is a finance company whose sole business is raising debt to be deposited with the Bank on an arm's length basis. ERB Hellas (Cayman Islands) Limited is accordingly dependent on the Bank paying interest on the deposited balances. In addition, some issues are coupled with a swap arrangement with the Bank, which are on an arm's length basis.

The notes outstanding have been guaranteed by the Bank. The net proceeds of the notes have been applied by ERB Hellas (Cayman Islands) Limited to meet the general financing requirements of its immediate parent, the Bank, and its subsidiaries.

In March 2008 ERB Hellas (Cayman Islands) Limited established a U.S.\$2,000,000,000 programme for the issuance of debt instruments to qualified investment buyers in the United States. As at the date of this Prospectus, no notes have been issued under this programme.

## **Share Capital**

The authorised share capital of ERB Hellas (Cayman Islands) Limited amounts to U.S.\$150,050,000, of which: (i) U.S.\$50,000 is divided into 50,000 ordinary shares of a nominal or par value of U.S.\$1 each and (ii) U.S.\$150,000,000 is divided into 1,500 preference shares of a nominal or par value of U.S.\$100,000 each. The issued share capital of ERB Hellas (Cayman Islands) Limited is 50,000 ordinary shares of a nominal value of U.S.\$1 each. The allotted and paid up share capital is U.S.\$15,001, divided into 49,999 ordinary shares of a nominal value of U.S.\$1 each, paid up as to U.S.\$0.30 each and one ordinary share of a nominal or par value of U.S.\$1, fully paid up. The paid up share capital of U.S.\$15,001 is reflected in the financial statements as €16,436 based on the prevailing exchange rate of €1/U.S.\$0.9127 on the date of issue. The entire issued share capital of ERB Hellas (Cayman Islands) Limited is held indirectly by the Bank via its subsidiary ERB New Europe Funding III Limited, incorporated in Cyprus.

## **Corporate Objects**

The corporate objects of ERB Hellas (Cayman Islands) Limited are set out in paragraph 3 on page 1 of its Memorandum of Association. The objects for which ERB Hellas (Cayman Islands) Limited is established are unrestricted and the company shall have full power and authority to carry out any object not prohibited by the Companies Law (2007 Revision) of the Cayman Islands or as the same may be revised from time to time, or any other law of the Cayman Islands. A copy of the Memorandum of Association is available for inspection at the registered office of ERB Hellas (Cayman Islands) Limited and at the specified office of the Issue and Paying Agent and the Paying Agent in Luxembourg.

## **Dividends**

Since the date of incorporation of ERB Hellas (Cayman Islands) Limited, no dividends have been declared or paid.

## THE BANKING SECTOR AND THE ECONOMIC CRISIS IN GREECE

### **The Structure of the Banking Sector in Greece and Recent Developments**

The banking sector in Greece has expanded rapidly since 1992 due to deregulation, Greece's entry into the Eurozone and technological advances. The growth of the sector was the result of both organic expansion and mergers and acquisitions primarily in the wider region of SEE, where a number of Greek banks operate. Nevertheless, as a result of the international financial crisis beginning in 2008, and the emergence of the fiscal crisis in Greece in the last quarter of 2009, the Greek banking system has experienced particularly challenging conditions.

#### ***Commercial Banks***

According to the Bank of Greece, there were 18 credit institutions, including banking cooperatives, incorporated and operating in Greece in April 2015, compared to 48 in May 2013.

As at the date of this Prospectus, all but one of the banks in the Greek banking market are commercial banks. There is only one specialised credit institution, the Consignment Deposits and Loans Fund, the status of which is currently under review.

#### ***Consolidation***

Since the onset of the crisis in Greece, Greek banks have undergone a phase of significant consolidation. Seven banks, including Proton Bank, T-Bank, TT Hellenic Postbank, the Agricultural Bank of Greece S.A. ("ATEbank"), First Business Bank S.A., Probank S.A., and Panellinia S.A. were placed in liquidation, with selected assets and liabilities being transferred to other credit institutions.

In 2012, Alpha Bank S.A. acquired Emporiki Bank S.A., and Piraeus Bank S.A. acquired Société Générale's Greek subsidiary, Geniki Bank S.A., and selected assets and liabilities of ATEbank.

During the first nine months of 2013, Piraeus Bank S.A. acquired all deposits, loans and branches in Greece of Bank of Cyprus, Cyprus Popular Bank and Hellenic Bank, including the loans and deposits of their subsidiaries in Greece, as well as Millennium Bank S.A. from Banco Comercial Português, S.A., while National Bank of Greece S.A. acquired the viable assets of First Business Bank S.A. and Probank S.A. which have been placed under liquidation.

On 30 August 2013, Eurobank completed the acquisitions of New TT HPB and New Proton Bank, which occurred in the context of the on-going consolidation of the Greek banking sector. These acquisitions have contributed significantly to Eurobank's Greek and international footprint.

On 8 December 2013, the Bank of Greece revoked the licences of three banking cooperatives, Cooperative Bank of West Macedonia, Cooperative Bank of Evoia and Cooperative Bank of Dodecanese, and selective assets and liabilities of each of these banking cooperatives were transferred to Alpha Bank S.A.

In April 2015 the licence of Panellinia Bank was revoked and selective assets and liabilities of Panellinia were transferred to Piraeus Bank S.A.

#### ***Competition in the Greek Banking Market***

Greece's entry into the Eurozone in 2001 redefined the strategic goals and the activities of Greek financial institutions, with rapid technological developments and the integration of the financial and capital markets resulting from a significant number of mergers and acquisitions in the banking sector during the 2006–2008 period. The economic crisis in Greece since 2009 has posed significant new challenges for the industry. Notwithstanding the economic crisis, Greek banks have continued to expand their activities, and the largest Greek banks have continued to maintain or expand their market shares.

## **Foreign Banks**

According to the Bank of Greece, in April 2015 there were 21 branches of foreign banks operating in the Greek banking market. As at the date of this Prospectus, the branches of foreign banks with the largest operations in Greece is HSBC Bank plc.

## **The Hellenic Republic Bank Support Plan**

In November 2008, the Greek Parliament passed Law 3723/2008, which sets out the Hellenic Republic Bank Support Plan. The law was passed with the goal of strengthening the capital and liquidity positions of Greek banks in an effort to safeguard the Greek economy from the adverse effects of the global financial crisis.

The Hellenic Republic Bank Support Plan, as currently applicable, comprises three pillars, i.e. Pillar I: Up to €5 billion in non dilutive capital designed to increase Tier I ratios, Pillar II: Up to €85 billion in Hellenic Republic guarantees, Pillar III: Up to €8 billion in debt instruments, each of which, and the results thereof, are summarised below in section “Regulation and Supervision of Banks in Greece – The Hellenic Republic Bank Support Plan”.

In the framework of Pillar I, Eurobank issued 345,500,000 Preference Shares at a nominal value of €2.75 per Preference Share, which were fully subscribed by the Hellenic Republic through the transfer to the Bank of an equivalent amount of Greek Government bonds, in accordance with Law 3723/2008. The contributed Greek Government Bonds matured on 21 May 2014 and were replaced with cash of equal value. In the framework of Pillar II, Eurobank has issued bonds with the guarantee of the Hellenic Republic, with a total nominal value of €16,276 million as at 31 December 2012. Bonds with the guarantee of the Hellenic Republic with a value of €2,344 million matured in February 2013.

Since December 2011, Eurobank has not participated in Pillar III. However, as at 28 March 2014, the Bank has borrowed special bonds issued by the PDMA with a principal amount of €1,918 million under Pillar III of the Hellenic Republic Bank Support Plan. These bonds mature on 25 April 2016.

Of the other banks in Greece participating in the Hellenic Republic Bank Support Plan, National Bank of Greece S.A. increased its share capital by €1,350 million, Piraeus Bank S.A. by €750 million, Alpha Bank S.A. by €940 million, ATEbank (subsequently placed in liquidation with selected assets and liabilities acquired by Piraeus Bank S.A.) by €675 million, the Hellenic Postal Savings Bank (subsequently placed in liquidation with selected assets and liabilities acquired by Eurobank) by €225 million, Attica Bank S.A. by €100 million, Proton Bank S.A. (subsequently placed in liquidation, with certain assets forming New Proton Bank S.A.) by €80 million and First Business Bank S.A. (subsequently placed in liquidation with selected assets and liabilities acquired by National Bank of Greece S.A.) by €50 million.

## **The First Economic Adjustment Programme and the Second Economic Adjustment Programme, the PSI and the Buy-Back Programme**

The aggravated financial condition of Greece since the end of 2009 has limited, to a significant extent, Eurobank's and other Greek banks' access to the international capital markets. In early May 2010, the Greek Government agreed to the first economic adjustment programme jointly supported by the IMF, the EU and the ECB (the “First Economic Adjustment Programme”), which would provide significant financial support of €110 billion in the form of a cooperative package of IMF and EU funding. The First Economic Adjustment Programme was established pursuant to two memoranda, each dated 3 May 2010, which set out a series of fiscal measures and structural reforms, including the creation of the HFSF.

On 21 February 2012, following consultations at an international level, the IMF, the EU and the ECB agreed a new support programme for Greece (the “Second Economic Adjustment Programme”). The

Second Economic Adjustment Programme's main objective was to ensure the sustainability of Greek Government debt and to restore competitiveness to the Greek economy. Pursuant to the Second Economic Adjustment Programme, Greece was to set fiscal consolidation targets so as to return to a primary surplus by 2013, to fully carry out the privatisation plan and to proceed to implement structural reforms in the labour, goods and services markets. In addition, the principles for private sector involvement (the "PSI") in the restructuring of the Hellenic Republic's sovereign debt were agreed, as well as the 53.5 per cent. reduction in the nominal value of Greek Government bonds. As a result of the PSI, which began on 24 February 2012 and was completed on 25 April 2012, the total amount of sovereign debt restructured was approximately €199 billion, or 96.9 per cent. of the total eligible bonds (approximately €205.5 billion).

Apart from the PSI principles, in order to ensure the sustainability of Greek Government debt, it was also decided on 21 February 2012 that: (i) the interest rate margin on the loan that Greece had been granted by the Eurozone countries would be retroactively decreased to 150 basis points; (ii) the ECB's income from acquiring and holding Greek bonds would be allocated to central banks and through them to the Member States, which would in turn direct such amounts to Greece's debt relief; and (iii) central banks holding Greek bonds in their investment portfolio would cede the income arising from these bonds to Greece until 2020.

According to a March 2012 report by the European Commission on the Second Economic Adjustment Programme for Greece, the Eurozone's contribution to cover the financing needs of Greece (including, *inter alia*, the PSI and the recapitalisation of banks) for the 2012–2014 period was estimated to be €144.7 billion, whilst the IMF's contribution for this period was estimated to be €19.8 billion. In particular, the IMF announced that the first aid package to Greece, under a Stand-By Arrangement, would be cancelled, while approving a four-year loan for an amount of €28.0 billion (the last tranche of which is expected to be disbursed on 29 February 2016) through the IMF's extended fund facility ("EFF") arrangement. The EFF arrangement provides for a longer repayment period than the Stand-By Arrangement. It was also determined that the tranches of the new loan would be equally allocated, and the immediate disbursement of an amount of approximately €1.65 billion was approved. At the same time, in March 2012, the EFSF received approval to release to Greece an amount of €39.4 billion. According to the reports by the European Commission and the IMF at that time, it was estimated that the recession in the Greek economy would persist in 2012 (estimated GDP decrease of approximately 4.7 per cent.), the growth rate would be zero in 2013, and growth would begin again in 2014. From a fiscal point of view, the target was to achieve a primary surplus of 1.8 per cent. of GDP for 2013 and 4.5 per cent. of GDP for 2014, whilst the general government gross debt would, in line with the baseline scenario, by 2020 be at 116.5 per cent. of GDP. Based on the Second Economic Adjustment Programme, it was estimated that additional measures would be necessary, apart from those which had already been approved in the Medium-Term Fiscal Strategy 2012-15 and in the 2012 budget. In particular, the bulk of the adjustment would be achieved by spending cuts, while the main reforms, including those determined in the medium-term fiscal strategy and in the 2012 budget, included, *inter alia*, streamlining and better targeting social expenses, restructuring government, structural tax reform and reforms in tax administration and collection. In addition, fiscal institutional reforms, policies for the financial sector, a privatisation plan and structural reforms were also determined. In this context, a primary goal of the Second Economic Adjustment Programme was the solidification and recapitalisation of the Greek banking system as well as the resolution of non-viable banks.

However, by mid-2012, the political uncertainty created in Greece after two elections, the delays in implementing the Second Economic Adjustment Programme, as well as a stronger-than-expected recession in the Greek economy, led to a review of the terms of such programme, as the sustainability of Greek Government debt was put into question. On 27 November 2012, following consultations on national and international levels, basic points and actions were determined, with the aim of achieving the sustainability of Greek Government debt at 175 per cent. of GDP in 2016, 124 per cent. in 2020 and below 110 per cent. in 2022. At the same time, an agreement was reached to extend the programme and delay the targeted primary surplus of 4.5 per cent. of GDP from 2014 to

2016. Among other things, it was agreed that the interest rate on bilateral state loans would be reduced, that the time frame to pay back the tranches of bilateral state loans and loans by EFSF would be extended, that payment of interest on EFSF loans would be deferred, that Member States would return to Greece any profits their central banks made on the Greek bonds they held in their investment portfolios and that additional debt relief measures in order to improve the sustainability of Greek debt to GDP ratio would be considered once Greece achieves the target of a primary surplus. The implementation of these measures was made conditional on the strict implementation of the Second Economic Adjustment Programme by Greece. On 3 December 2012, the PDMA announced the terms for the Buy-Back Programme under which the Greek Government organised an auction for buying back Greek Government bonds. On 11 December 2012, the Buy-Back Programme was completed and total offers to exchange amounted to a nominal value of approximately €31.9 billion, while the weighted average price was approximately 33.8 per cent. of the nominal value. For the buy-back of the bonds offered, six-month EFSF notes were issued for a nominal value of €11.29 billion (including accrued interest). According to the recent European Commission data and forecasts (May 2015), Greek public debt was at 175 per cent. GDP in 2013, up from 126.8 per cent. GDP in 2009. Greek public debt is expected to be at 177.1 per cent. and 180.2 per cent. of GDP in 2014 and 2015 respectively. However, the above debt relief measures permitted the increase of average maturity of debt from 6 years at the end of 2011 to almost 17 years at the end of 2014. Interest expenses fell from 6.9 per cent. in 2011 to 3.3 per cent. and 3.2 per cent. of GDP in 2013 and 2014 respectively and are expected to remain at this level in 2015.

As a result of the above actions, the implementation of structural reforms and the significant fiscal consolidation that occurred in Greece, the second, third and fourth reviews of the Second Economic Adjustment Programme were concluded successfully and led to the disbursement of the respective loan instalments. As a result of the above 10-year Greek Government bonds, spreads over Bunds fell at 472.4 bps on 17 September 2014 from 649.0 bps and 1058.4 bps at the end of 2013 and 2012 respectively. This together with a series of credit rating upgrades permitted the return of the Greek Sovereign to the international markets with two issues: a 5-year bond in May 2014 and a 3-year bond in July 2014. Both issues met considerable demand. However, the previous coalition Government did not manage to conclude the fifth review of the Programme until the end of 2014. Snap elections were declared for 25 January 2015 after the Greek parliament did not manage to elect a new President of the Hellenic Republic. The new coalition Government, that was formed after the elections, managed to get an extension of the Master Financial Assistance Facility ("MFFA") until the end of June 2015. As of early May 2015, the coalition Government still is in the negotiating table with the country's official creditors (EC/ECB/IMF) for an agreement on the reforms needed to be implemented. The pending disbursement of the Second Economic Adjustment Programme corresponding on the fifth review amounted to approximately €7.2 billion, including €3.6 billion from the IMF, €1.8 billion from the ESM and €1.9 billion from the Eurosystem's SMP and ANFA portfolios programme according with the November 27/28 2012 Eurogroup agreement. The successful conclusion of the review with the Eurozone official institutions will permit the disbursement of their part of the tranche. The IMF disbursement requires a separate review by the IMF that already is underway.

### ***Financing of the Greek Economy by the Economic Adjustment Programmes***

From May 2010, when the First Economic Adjustment Programme was concluded, until the end of September 2014 and the conclusion of the fourth review, the Eurozone and the IMF disbursed approximately €226.7 billion to Greece (bilateral state loans from Eurozone countries and EFSF: €194.8 billion; IMF: €31.9 billion).

The successful conclusion of the current review will permit the disbursement of approximately €7.2 billion including €3.6 billion from the IMF, €1.8 billion from the ESM and €1.9 billion from the ECB as a return of its profits from the SMP programme according with the November 27/28 2012 Eurogroup agreement. Under the Second Economic Adjustment Programme, the ESM funding ended in mid-2014. The continuing delays in the conclusion of the fifth review did not permit the mid-2014 final disbursement from the EFSF which is still pending. As of May 2015 and according with the Second Economic Adjustment Programme the IMF funding continues until February 2016 with a total amount

of €12.5 billion excluding its pending disbursement conditioned on the implementation of the programme's requirements. Similar to past practice, funds will be disbursed on a quarterly basis subject to successful evaluation by the lenders' representatives.

### ***Economic Forecasts by the European Commission and the Review of the European Commission and the IMF on the Implementation of the Second Economic Adjustment Programme***

According to the economic forecast of the European Commission published in May 2015, the real growth rate in Greece for 2015 is expected at 0.5 per cent. of GDP conditional on the achievement of an agreement on the conclusion of the review with our official creditors by the end of June 2015. Real growth increased at 0.8 per cent., in 2014 on the back of positive developments in private consumption and net exports, mainly revenues from tourism and shipping. The positive real GDP reading in 2014 was the first six years of contraction. The cumulative real GDP contraction between the end of 2007 (the last year with a recorded positive GDP growth) and the end of 2013 was approximately 26.4 per cent. The Winter European Commission real growth forecast for 2015 was at 2.5 per cent. and so the new reduced forecast of 0.5 per cent. signals a clear deterioration of the country's growth prospects. Note here that the 2015 Budget real GDP growth estimate for 2015 was at 2.9 per cent. It was based mainly on the significant year-on-year growth of investments and exports. The delay in the conclusion of the current review and the consequent uncertainty the tight liquidity conditions are the main driving factors for the significant deterioration in the 2015 growth prospects. On a quarterly basis there are also indications on the slowdown of the recovery. According to the Hellenic Statistical Authority's data, in the fourth quarter of 2014, real GDP recorded QoQ seasonally-adjusted growth of -0.4 per cent., discontinuing a stream of positive readings over the prior three quarters. As of early May 2015 there are no data available on real GDP for the first quarter of 2015, but a number of indicators point towards a slowdown of the recovery too. Deterioration in the economic sentiment indicator for Greece has been already observed for the first quarter of 2014. In March 2015, the economic sentiment indicator decreased by 1.4 units (96.8 vs 98.2) from its level in February 2015 and by 2.3 units compared to December 2014. The industrial production index recorded a nearly flat annual rate of change in January 2015, but declined by 4.67ppts relative to December 2014. Furthermore, the retail trade turnover index decreased by 2.56 per cent. year-on-year in January 2015. Moreover, according to the European Commission's economic forecast, the annual unemployment rate is projected at 25.6 per cent. for 2015. The respective readings for 2014 and 2013 were at 26.5 per cent. and 27.5 per cent. All these point towards a slow improvement on the unemployment front.

### ***Corrective Actions in the Event of Deviations From the Second Economic Adjustment Programme***

Fiscal developments until the end of 2014 have been encouraging. In ESA 2010 terms the fiscal balance improved from -15.3 per cent. in 2009 to -3.5 per cent. in 2014. In Second Adjustment Programme terms, the respective fiscal balance figures for 2009 and 2014 were at -15.3 per cent and -2.7 per cent. The respective primary balance was at -10.2 per cent. in 2009, and 0.4 per cent. in 2014. The 2014 figure was significantly lower than the respective target of 1.5 per cent. This is due mainly to the effect of the uncertainty created by the early elections in January 2015. Note here that 2014 was the second consecutive year with a positive primary balance. The 2013 primary balance was at 1.2 per cent. The primary balance figures are based on the respective definition of the Second Adjustment Programme (i.e., without accounting for support regarding the financial institutions and the revenues from the Eurosystem's Securities Market Programme (SMP) and GGBs held by central banks of the Eurozone Member States in their investment portfolio (ANFA GGB holdings and other smaller items)).

The 2015 fiscal developments are closely related with the on-going negotiations among the Greek Government and its official creditors. The Spring European Commission forecast for the fiscal balance is at -2.1 per cent. while the respective primary balance figure is at 0.6 per cent. Clearly both

figures constitute a deviation from the respective 2015 Budget targets and their achievement will be tightly connected with the final agreement and its implementation by the Greek Authorities.

### ***The Hellenic Financial Stability Fund (HFSF)***

#### *Recapitalisation of Greek Banks*

The First Economic Adjustment Programme required the establishment of the HFSF, funded by the Greek Government out of the resources made available by the IMF and the EU to ensure adequate capitalisation of the Greek banking system. The HFSF was established by Law 3864/2010 as a private law entity, with the objective of helping to maintain the stability of the Greek banking system by providing equity capital in the event of a significant decline in capital buffers. Its purpose is fulfilled in accordance with a strategy that is agreed among the Ministry of Finance, the Bank of Greece and the HFSF. The purpose of the HFSF does not include the short-term liquidity enhancement provided under the provisions of Law 3723/2008 or in the context of the Eurosystem's and the Bank of Greece's operations. Under Law 3864/2010, capital support would be provided to Greek banks meeting specific eligibility criteria to cover the capital requirements determined by the Bank of Greece for each such bank. The terms, conditions and processes for the provision of capital support by the HFSF under Law 3864/2010 are described below in section "*Regulation and Supervision of Banks in Greece – The Hellenic Financial Stability Fund – The Greek Recapitalisation Framework*".

In the context of the share capital increases, Alpha Bank S.A., Piraeus Bank S.A. and National Bank of Greece S.A. raised the minimum of 10 per cent. of the amounts of their respective capital increases from private sector investors, with the HFSF providing the balance. As a result, as set forth in Law 3864/2010, HFSF's voting rights in respect of those banks' remaining capital contribution are restricted to resolutions amending each bank's articles of association, including share capital increases or decreases, granting a relevant authorisation to the Board of Directors, mergers, divisions, conversions, revivals, extensions of the term or dissolution of the company and transfers of assets, including the sale of subsidiaries or any other matter requiring an increased majority, in accordance with Law 2190/1920. Eurobank received capital support under Law 3864/2010 exclusively from the HFSF (without participation from private sector investors). As a result, the HFSF had unrestricted shareholder voting rights in respect of its shareholding in the Bank. Following the successful participation of private investors in the Share Capital Increase of the Bank in May 2014, which exceeded the minimum requirement of 50 per cent., and the decrease in the percentage of the ordinary shares with voting rights held by HFSF from 95.23 per cent. to 35.41 per cent., in accordance with the provisions of article 7A, paragraph 2(b) of Law 3864/2010, as amended by Law 4254/2014, the HFSF's voting rights in the Bank will be exercised at the General Meeting of the Bank's ordinary shareholders only with respect to resolutions relating to the amendment of the Bank's Articles of Association, including resolutions relating to the increase or decrease of the Bank's share capital, or the granting of a relevant authorisation to the Bank's Board of Directors, resolutions relating to mergers, divisions, conversions, revivals, extension of the term or dissolution of the Bank, resolutions relating to transfers of assets, including the sale of subsidiaries, or resolutions with respect to any other matter requiring approval by an increased majority in accordance with Law 2190/1920. Furthermore, under article 10, paragraph 2(b)(iii) of Law 3864/2010, as amended pursuant to Law 4254/2014, the HFSF representative on the Bank's Board of Directors will be entitled to veto any decision of the Bank's Board of Directors relating to any of the above matters, to the extent that such decision is likely to significantly affect the participation of the HFSF in the Bank's share capital.

For the banks that met the 10 per cent. threshold, the HFSF issued warrants for the ordinary shares for which it subscribed, which were provided against no consideration to the private investors participating in the share capital increases.

In regard to capital support through subscription of contingent convertible securities, these securities were not issued by any of the Greek banks eligible under the Recapitalisation Plan.

The powers of the HFSF and the disposal of the shares it has obtained in banks pursuant to Law 3864/2010 are described below in section “*Regulation and Supervision of Banks in Greece – The Hellenic Financial Stability Fund – The Greek Recapitalisation Framework*”.

#### *Approval of Credit Institutions’ Restructuring Plans by the European Commission*

Any restructuring plan prepared by a credit institution which has received capital support from the HFSF under Law 3864/2010 is required to comply with EU rules on state aid and be approved by a decision of the European Commission ensuring that the credit institutions will restore viability at the end of the restructuring period, burden-sharing of shareholders will be achieved and distortion of competition will be limited. In line with EU state aid rules, in January and February 2013, Monitoring Trustees were appointed in all banks under restructuring, including Eurobank. The Monitoring Trustees are responsible for overseeing the implementation of restructuring plans and the Bank’s compliance with applicable state aid rules. The Bank appointed Grant Thornton as a Monitoring Trustee on 22 February 2013. On 29 April 2014, the European Commission approved the Bank’s restructuring plan, as it was submitted through the Greek Ministry of Finance on 16 April 2014.

#### *Relationship Framework Agreement*

Pursuant to the Relationship Framework Agreement executed between HFSF and the Bank on 26 August 2014, the HFSF has certain rights relating to the Bank’s corporate governance, such as:

1. The right to appoint up to two representatives as non-executive directors, who can be employees of HFSF or third parties and who, acting jointly or severally, have the following rights which are in addition to the rights they have under Law 3864/2010:
  - the right to participate in the Bank’s Audit Committee, Risk Committee, Remuneration Committee and Nomination Committee;
  - the right to request that the above committees of the Bank in which they participate are convened;
  - the right to include items in the agenda of the General Meeting of the Bank’s ordinary shareholders, of the Bank’s Board of Directors and of the above committees of the Bank in which they participate;
  - the right to approve the appointment of the Chief Financial Officer;

The HFSF appoints its representatives or their replacements in writing to the Chairman of the Board. The Board shall immediately and in any event no later than ten days from the notification from the HFSF of its representatives or replacements, appoint such representatives as non-executive directors and/or, if required, convene the General Meeting as soon as allowed by law in order to proceed to such appointment.

2. The right to perform an annual overall evaluation of the Bank’s Board of Directors and Committees and submit its recommendations to the Board of Directors and the Committees respectively.
3. The right to receive at least ten days prior to the session of any ordinary or extraordinary General Meeting, the agenda of such meeting, the Bank’s annual financial statements (if relevant) and the respective reports of the Bank’s Board and auditors or any supporting document and information available to the Bank’s shareholders necessary for the HFSF to be prepared for the exercise of its voting rights in such General Meeting. Moreover, the HFSF is entitled to request clarifications or further information, which the Bank has the obligation to provide in writing within three days from receipt of the HFSF’s request and if less days are left for the General Meeting, no later than one business day before the date of such meeting.

Furthermore, in accordance with the Relationship Framework Agreement, the Bank has the obligation to obtain the prior written consent of the HFSF for the restructuring plans as well as for all material matters set forth in such agreement, including, *inter alia*, all material corporate actions (e.g., capital increases, mergers, etc.) and material investments or transfers of assets, to the extent such are not included in the approved restructuring plan.

The Monitoring Trustee monitors the Bank's compliance with the rules of corporate governance and operational practices, as well as the implementation of the Bank's restructuring plan, and reports to the European Commission.

## REGULATION AND SUPERVISION OF BANKS IN GREECE

Eurobank is subject to financial services laws, regulations, administrative actions and policies in each location where the Bank operates. In addition, due to the trading of the Bank's ordinary shares on the ATHEX, the Bank is also subject to the applicable capital markets laws.

### The Regulatory Framework

The Group is subject to financial services laws, regulations, administrative actions and policies in each of the jurisdictions in which it operates, particularly in Greece.

The Bank of Greece is the central bank in Greece. It is responsible for the licensing and supervision of credit institutions in Greece, in accordance with: Greek Law 4261/2014 on access to the activity and the prudential supervision of credit institutions; Greek Law 3746/2009 on the Greek deposit and investment guarantee fund; Greek Law 3691/2008 on anti-money laundering provisions; and Greek Law 3862/2010 on payment services and banks and other relevant laws of Greece, each as amended and in force. In addition, in accordance with Greek Law 1266/1982 on organisations exercising monetary, credit and currency policy, the Bank of Greece has certain other regulatory powers.

The ECB is the central bank for the euro and administers the monetary policy of the Eurozone. With the goal of establishing a single supervisory mechanism to oversee and unify credit institutions in the Eurozone, Regulation No. 1024/2013/EC, adopted on 15 October 2013, confers on the ECB specific supervisory responsibilities over credit institutions in the Eurozone. The ECB fully assumed the following supervisory responsibilities, among others, on 4 November 2014 (subject to implementation arrangements and measures set forth in article 33(2) of Regulation No. 1024/2013/EC):

- to grant and revoke authorisations regarding credit institutions;
- with respect to credit institutions establishing a branch or providing cross border services in EU Member States that are not part of the Eurozone, to carry out the tasks of the competent authority of the home Member State;
- to assess notifications regarding the acquisition and disposal of qualifying holdings in credit institutions;
- to ensure compliance with respect to provisions regarding requirements on securitisation, large exposure limits, liquidity, leverage, as well as on the reporting and public disclosure of information on those matters;
- to ensure compliance with respect to corporate governance, including requirements on credit institutions, risk management processes, internal control mechanisms, remuneration policies and practices and effective internal capital adequacy assessment processes (including internal ratings based models);
- to carry out supervisory reviews, including, where appropriate and in coordination with the EBA, stress tests and supervisory reviews to impose specific additional own funds requirements, specific publication requirements, specific liquidity requirements and other measures;
- to supervise the credit institutions on a consolidated group basis, extending supervision over parent entities established in one of the EU Member States; and

- to carry out supervisory tasks in relation to recovery plans, provide early intervention where a credit institution or group does not meet or is likely to breach the applicable prudential requirements and, only in the cases explicitly permitted under law, implement structural changes to prevent financial stress or failure, excluding any resolution powers.

The ECB and the national central banks together constitute the Eurosystem, the central banking system of the Eurozone. The ECB will exercise its supervisory responsibilities in cooperation with the national regulatory authorities in the various Member States. As such, in Greece, the ECB cooperates with the Bank of Greece.

The operation and supervision of credit institutions within the EU is governed by Directive 2013/36/EU (on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (CRD IV)) and Regulation No 575/2013/EC (on prudential requirements for credit institutions and investment firms that form the legal framework governing banking activities, the supervisory framework and the prudential rules for credit institutions and investment firms, hereinafter also referred to as the “CRR”). Directive 2013/36/EU was transposed into Greek law by Greek Law 4261/2014 and is applicable from 1 January 2014, although certain provisions (including provisions relating to the requirements to maintain a capital conservation buffer and an institution-specific countercyclical capital buffer, the global and other systematically important institutions, the recognition of a systemic risk buffer rate, the setting of countercyclical buffer rates, the recognition of countercyclical buffer rates in excess of 2.5 per cent., the decision by designated authorities on third country countercyclical buffer rates, the calculation of institution-specific countercyclical capital buffer rates and restrictions on distributions) shall gradually enter into force from 1 January 2016. In addition, certain provisions related to administrative penalties and other administrative measures imposed by the Bank of Greece and the Hellenic Capital Market Commission entered into force from 5 May 2014. Regulation No. 575/2013 is directly applicable from 1 January 2014, with the exception of certain of its provisions which are entering into force gradually during the transition period provided for in the respective articles of said Regulation.

According to article 166 of Greek Law 4261/2014, regulatory acts issued under Greek Law 3601/2007 (which is replaced in its entirety by Greek Law 4261/2014) will remain in force, to the extent that they are not contrary to the provisions of Greek Law 4261/2014 or Regulation 575/2013, until replaced by new regulatory acts issued under Greek Law 4261/2014.

Under the current regulatory framework, credit institutions operating in Greece are required to:

- Observe the liquidity ratios prescribed by the CRR and Bank of Greece Governor Act 2614/2009 as in force. To the extent permitted by the CRR, certain current Greek laws may still apply in the interim transition period;
- Maintain efficient internal audit, compliance and risk management systems and procedures (“Internal Control System” or “ICS”) (Bank of Greece Governor Act No. 2577/2006, as supplemented and amended by subsequent decisions of the Governor of the Bank of Greece and of the Banking and Credit Committee of the Bank of Greece). The Monitoring Trustee mandate and the Relationship Framework Agreement also include provisions regarding the maintenance of such ICS;
- Disclose data regarding the credit institution's financial position and its risk management policy;
- Provide the Bank of Greece and 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 Bank of Greece and the ECB; and

- Permit the Bank of Greece and the ECB to conduct audits and inspect books and records of the credit institution.

If a credit institution breaches any law or a regulation falling within the scope of the supervisory power attributed to the ECB in relation to early intervention measures and to the Bank of Greece in relation to resolution measures, the ECB or as the case may be Bank of Greece is empowered to:

- Require the relevant bank to take appropriate measures to remedy the breach;
- Impose fines (article 55A of the Articles of Association of the Bank of Greece, as amended by Bank of Greece Governor Act No. 2602/2008);
- Appoint a commissioner;
- Revoke the licence of the bank where the breach cannot be remedied; and
- Where deemed appropriate, implement the measures provided for in articles 96 and 136-147 of Greek Law 4261/2014, as currently applicable. In particular, the Bank of Greece is empowered, among other things, to:
  - Require any bank actually or potentially failing to comply with the requirements set out by the law and/or the relevant decisions of the Bank of Greece to take any necessary actions or resolution measures at an earlier stage. In this context and, in addition to other measures already provided for in Greek Law 4261/2014 (such as prohibitions or restrictions on dividends), the ECB may itself prepare a resolution plan for the bank or require the bank to proceed with a share capital increase or seek the prior approval of the ECB for future transactions that the ECB finds might be detrimental to the solvency of the bank. The ECB may require the bank to draft and submit a recovery plan, even if there is no actual or potential failing of the bank to comply with the requirements set out by Greek Law 4261/2014 and/or the relevant decisions of the Bank of Greece;
  - Require a bank to increase its capital within a deadline, pursuant to the provisions of article 136 of Greek Law 4261/2014;
  - Appoint a commissioner to a bank for a period of up to 12 months pursuant to the provisions of article 137 of Greek law 4261/2014. This period may be extended by up to six months. The commissioner will assess the bank's situation and take any necessary next steps, for example preparing the bank for any resolution measures or placing it into special liquidation. The commissioner will be subject to the oversight of the ECB or as the case may be the Bank of Greece;
  - Extend by up to 20 working days the period established after the commissioner's appointment pursuant to the provisions of article 138 of Greek law 4261/2014 for the bank to comply with some or all of its various obligations, if the bank's liquidity has been significantly reduced such that its own funds are insufficient to establish compliance during that initial period. The 20-day period may be further extended by 10 working days by decision of the Bank of Greece;
  - Commence certain resolution measures to ensure the financial stability of, and strengthen public confidence in, the Greek financial system pursuant to the provisions of articles 139 and following of Greek law 4261/2014. In particular, the Bank of Greece may: (a) instruct the commissioner to proceed with a share capital increase by some specified time, with the negation of any pre-emptive rights of the existing

shareholders; (b) compel the bank to transfer certain assets and liabilities to another bank or entity; (c) recommend that the Greek Minister of Finance establish a transitional bank on public interest grounds, to which all or part of the assets and liabilities of the bank will be transferred. The share capital of the transitional bank will be fully paid by the HFSF, and the transitional bank will be subject to the control of the HFSF (pursuant to the provisions of Greek Law 3864/2010) and, if the HFSF ceases to exist, of the Hellenic Republic. The transitional bank may operate for a maximum period of two years, unless it is extended for two additional years by a decision of the Minister of Finance, following a recommendation by the Bank of Greece;

- Appoint a special liquidator to manage the bank pursuant to the provisions of article 145 of Greek law 4261/2014, if the bank's licence has been withdrawn. The Credit and Insurance Committee of the Bank of Greece, through its Decision No. 21/2/4.11.2011 has issued a regulation for the special liquidation of banks (Government Gazette Issue 2498/4.11.2011), as amended, which contain provisions regarding the liquidation of a bank.

More specifically, the circumstances under which the Bank of Greece may implement resolution measures with respect to any given credit institution under Greek Law 4261/2014 include, among others, the following:

- if the bank fails or refuses to increase its Tier I capital, or impedes the Bank of Greece in its oversight role in any way;
- if the bank commits serious or repetitive violations of Greek Law 4261/2014 or Bank of Greece decisions, or if there are doubts with respect to the sound and prudent management of the bank, such that its solvency, the interests of depositors or the overall financial stability or public confidence in the Greek financial system are put at risk;
- if the bank has inadequate Tier I capital or is unable to service its obligations (and particularly to secure the depositors' and creditors' fund);
- if necessary for the protection of public confidence, particularly depositors, in the stability and proper operation of the Greek financial system;
- if necessary for the reduction of systemic risk or prevention of situations that might destabilise the Greek financial system, taking into account any prevailing bank and interbank market conditions; and
- if necessary for the stabilisation of a credit institution or the prevention of the financial instability of a credit institution for the sake of systemic stability;

If the Bank of Greece concludes that any of the above circumstances have been met with respect to a particular credit institution, it must notify the HFSF and provide the HFSF with information about the financial situation of the credit institution, along with any other information that the HFSF may need in order to apply any resolution measures. Following the implementation of any resolution measures, shareholders or creditors of the bank who believe that their financial position has deteriorated as a result of the resolution measures may request compensation from the Hellenic Republic, in an amount that would restore them to the financial position they would have been in if a special liquidation had taken place.

On 15 May 2014 the Council of the European Union adopted the BRRD, which entered into force on 2 July 2014 . The powers provided to authorities in the BRRD are divided into three categories: (a) preparatory steps and plans to minimise the risks of potential problems (preparation and prevention);

(b) in the event of incipient problems, powers to arrest a bank's deteriorating situation at an early stage so as to avoid insolvency (early intervention); and (c) if insolvency of an institution presents a concern as regards the general public interest, a clear means to reorganise or wind down the bank in an orderly fashion while preserving its critical functions and limiting to the maximum extent any exposure of taxpayers to losses in insolvency (resolution).

The BRRD currently contains four resolution tools and powers: (a) sale of business, which enables resolution authorities to cause the sale of the institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply; (b) bridge institution, which enables resolution authorities to transfer of all or part of the business of an institution to a "bridge bank" (a publicly controlled entity); (c) asset separation, which enables resolution authorities to transfer impaired or problem assets to an asset management vehicle to allow them to be managed and worked out over time; and (d) bail-in, which gives resolution authorities the power to write down the claims of senior unsecured creditors of a failing institution and subordinated creditors and to convert unsecured debt claims into equity (subject to certain parameters as to which liabilities would be eligible for the bail-in tool). Except for the senior debt bail-in (which has to be implemented by 1 January 2016), the measures set out in the BRRD were due to be transposed in EU Member States with effect from 1 January 2015. Greece has not yet transposed the BRRD.

According to Regulation (EU) 806/2014, the authority to resolve credit institutions which are subject to direct supervision by the ECB will be conferred to a Single Resolution Board as of 1 January 2016.

The regulatory framework has also been affected by the establishment of the HFSF and the recapitalisation framework.

## **The Hellenic Financial Stability Fund—The Greek Recapitalisation Framework**

### ***Formation of the Hellenic Financial Stability Fund under the Program***

The HFSF was established by Greek Law 3864/2010, in the context of the Program, as a private law entity with capital funded by the Greek government out of the resources made available by the EU and the IMF to ensure adequate capitalisation of the Greek banking system.

The purpose of the HFSF, according to Greek Law 3864/2010, is to contribute to the maintenance of the stability of the Greek banking system for the sake of the public interest. The HFSF operates in compliance with the commitments of the Hellenic Republic provided for in Greek Law 4046/2012. In pursuing its objective, the HFSF: (i) provides capital support to credit institutions and to transitional credit institutions established under article 142 of Greek Law 4261/2014; (ii) monitors and assesses whether credit institutions to which the HFSF provides capital support comply with their restructuring plans, while safeguarding the credit institutions' business autonomy; (iii) exercises its shareholding rights derived from its participation in such credit institutions; (iv) disposes of, in whole or in part, financial instruments issued by the credit institutions in which it participates; and (v) exercises its rights with respect to the transitional credit institutions established under article 142 of Greek Law 4261/2014. The liquidity support provided under the Hellenic Republic Bank Support Plan or under the operating framework of the ECB and the Bank of Greece does not fall under the scope of the HFSF.

The initial duration of the HFSF has been set for seven years, until 30 June 2017, with the possibility of: (i) a one-year extension in case there are still outstanding warrants at 30 June 2017; and (ii) a two-year maximum extension following one or more decisions by the Minister of Finance, if deemed necessary or for the achievement of the HFSF's objectives.

**HFSF's capital:** In accordance with Greek Law 3864/2010, the HFSF's capital is €50 billion, consisting of funds raised by the Program by virtue of Greek Law 3845/2010, and shall be gradually paid in by the Hellenic Republic and evidenced by instruments which shall not be transferable until the expiry of the term of the HFSF (article 3 of the HFSF Law). After the expiry of the HFSF's term and the completion of the liquidation process, the HFSF's capital and assets will be transferred to the Hellenic Republic by operation of law (article 3 par. 5 of the HFSF Law). In the event of the liquidation of a credit institution, the HFSF, in its capacity as a shareholder of such credit institution, will be satisfied preferentially towards any other shareholders together with the Hellenic Republic as holder of Greek State Preference Shares under Greek Law 3723/2008.

**Organisational issues:** There are two HFSF administrative bodies with decision making powers: the nine-member General Council (of which one member is a representative of the Bank of Greece and one is a representative of the Ministry of Finance); and the three-member Executive Committee (of which one member is appointed by the Bank of Greece). One appointee of the ECB and one appointee of the EC each have the right to participate in the meetings of the General Council and the Executive Committee as observers. Except from the appointee of the Ministry of Finance and the appointee of the Bank of Greece, the appointment of the other members sitting on the General Council and the Executive Committee requires the consent of the Euro Working Group.

The Governor, the Deputy Governor, the members of the collective bodies, the directors, as well as any individuals serving as personnel of the Bank of Greece, may not become members of the Executive Committee. Until the appointment of the two additional members of the General Council as provided for under the new amendment of Greek Law 3864/2010, the HFSF will be managed by the existing seven-member General Council and during this period, four members will constitute a quorum in the meetings of the General Council.

The members of the General Council and the Executive Committee, except for the representative of the Ministry of Finance, shall, in the performance of their duties, enjoy full autonomy and shall not seek or receive instructions from the Greek state or any other state body or institution, or financial institution supervised by the Bank of Greece, and shall not be subject to influence of any nature. Every two months, the General Council shall submit activities reports to the Minister of Finance. The term of the members of the General Council and the Executive Committee is five years, and can be renewed but cannot exceed the duration of the HFSF as described above.

### ***Provision of Capital Support by the HFSF under the Amended Recapitalisation Framework***

#### ***Activation of Capital Support***

Pursuant to the provisions of article 6 of Greek Law 3864/2010, as currently applicable, a credit institution may request capital support if recommended by the Bank of Greece, following an assessment of its sustainability by the Bank of Greece in accordance with the following procedure:

- (a) The Bank of Greece will seek to assess the credit institution's capital shortfall and request from the latter to submit a restructuring plan (or, with respect to credit institutions that have already received capital support, a revised restructuring plan).
- (b) The restructuring plan or the revised restructuring plan must list the types of measures that the credit institution will undertake in order to raise funds or to limit its capital needs, the time needed for taking each measure and the expected impact on the credit institution's capital shortfall. Measures to be included in the restructuring plan may consist, among others, in the following: non-distribution of profits; increase of the credit institution's share capital; sale of assets and portfolios or sectors of activity for raising capital; acts of risk transfer or portfolio securitisation; management of liabilities, including voluntary conversions of hybrid securities and subordinated securities into securities that are taken into account for the calculation of

the credit institution's Tier 1 capital, which must contribute to the creation of capital by 100 per cent., if capital needs cannot be fully covered; and setting out the securities or liabilities on which the mandatory measures of article 6(a) may be imposed. The restructuring plan must also describe, in light of conservative estimates, by what means the credit institution intends to remain viable over the next three to five years.

- (c) Following the assessment of viability, which will also take into consideration the restructuring plan (or the amended restructuring plan, as applicable), the Bank of Greece will recommend that the credit institution submit a request for the provision of capital support to the HFSF.

Following approval by the HFSF, the restructuring plan will be sent to the Ministry of Finance and submitted to the European Commission for approval.

#### *Advance Payment of Capital Support*

Once capital support is activated, the HFSF, following a decision by the Bank of Greece, shall grant to a bank which has submitted a request for recapitalisation and been deemed viable by the Bank of Greece a certificate by which it commits to participate in a share capital increase of the credit institution up to a certain amount determined by the Bank of Greece. Furthermore, the HFSF, in view of its participation in the capital support of a credit institution that has been assessed and deemed viable by the Bank of Greece and following an application by the credit institution for advance payment of the capital support, advances its contribution or part of such contribution and up to the amount determined by the Bank of Greece, in accordance with the procedure of Article 6 and Article 6(a), following a decision of the Bank of Greece, provided that (a) a request for capital support, accompanied by a restructuring plan has been submitted by the credit institution; (b) such request has been approved by the Bank of Greece and it has been notified to and approved by the European Commission; (b) the Bank of Greece considers the advance payment of the contribution necessary in order to protect the banking system's stability and to ensure the banking system's contribution to the development of the real economy; and (d) the credit institution has concluded with the HFSF and the EFSF, as a third party, a presubscription agreement. Cabinet Act 15 dated 3 May 2012 has defined the minimum terms that must be included in the presubscription agreement to be concluded between HFSF, Greek banks and EFSF pursuant to article 6 of Greek Law 3864/2010 (the "Presubscription Agreement").

Until the release of the aforementioned contribution, such contribution shall be exclusively disposed to ensure liquidity through sale and buyback transactions with market counterparties (ensuring the right to buy back the same securities under the terms of the buyback transaction) or even via the European Central Bank or the Bank of Greece within the Eurosystem. In such case, the Operation Regulation of the System for Monitoring Transactions in Book-Entry Securities is applied, as in force from time to time.

If the participation of the HFSF is less than the amount advanced, as well as in the event that recapitalisation does not take place, the HFSF shall claim the refund of the residual or the whole amount as appropriate, at a rate set by decision of the Minister of Finance, following recommendation of the Bank of Greece and opinion of the HFSF.

The advance payment procedure laid down above is applied following decision of the Bank of Greece, issued following consent of the European Commission and the European Financial Stability Fund and it is published in the Government Gazette.

During the participation of the HFSF in the share capital of credit institutions, the credit institutions may not purchase treasury shares without the prior approval by the HFSF.

### *Conditions for the provision of capital support*

Article 6(a) of Greek Law 3864/2010, as amended by Greek Law 4254/2014, introduces a special procedure for the participation of shareholders and subordinated creditors in the recapitalisation of credit institutions prior to or concurrently with the HFSF. The details of the above procedure are set out in a Cabinet Act dated 11 April 2014 (“Act 11/2014”).

More specifically, should the voluntary measures provided for in a credit institution's restructuring plan fail to address the total capital shortfall of the credit institution as identified by the Bank of Greece and if the licence revocation measures under article 19 and/or the resolution measures under article 139 *et seq.* of Greek Law 4261/2014 could lead to serious disturbances in the economy with adverse effects upon the public, the Cabinet, in order to ensure that the use of public funds is minimal and following a recommendation by the Bank of Greece, shall issue an act for the application of mandatory measures aimed at allocating the residual amount of the capital shortfall of the credit institution to the holders of its capital instruments and other subordinated liabilities, as may be necessary. According to Act 11/2014, the Bank of Greece appoints an independent evaluator to evaluate the assets and liabilities of the credit institution in question. The evaluation provided to the Bank of Greece forms part of its recommendation to the Cabinet.

Mandatory measures include:

- (i) the absorption of losses by the existing shareholders in order to ensure that the equity of the institution becomes equal to zero, where appropriate, by means of decreasing the nominal value of its ordinary shares following a decision of the competent body of the credit institution;
- (ii) the decrease of the nominal value of preference shares and other Tier I liabilities and then, if needed, other subordinated liabilities of the credit institution, in order to ensure that the net asset value of the credit institution is equal to zero; or
- (iii) if the net asset value of the credit institution is above zero, the conversion of preference shares and other Tier I liabilities and then, if needed, other subordinated liabilities of the credit institution, into Tier I capital instruments, in order to restore the capital adequacy ratio of the credit institution to the level required by the Bank of Greece.

The above measures may also concern:

- any liabilities undertaken through the provision of guarantees granted by the credit institution with regard to debt or equity instruments issued by legal entities included in the consolidated financial statements of such credit institution, provided that the guarantees rank as subordinated liabilities of the credit institution; and
- any claims which rank as subordinated liabilities against the credit institution, under credit arrangements between the credit institution and the abovementioned legal entities.

The above instruments or liabilities are mandatorily converted into capital instruments in connection with a capital increase of the credit institution, failing which the credit institution should be subject to the measures referred to in article 19 and/or the resolution measures of article 139 *et seq.* of Greek Law 4261/2014 and to the provisions of Greek Law 3458/2006.

Such allocation will respect the following hierarchy of claims:

- firstly, ordinary shares;
- secondly, if needed, preference shares and other Tier I instruments; and

- thirdly, if needed, all other subordinated liabilities.

Claims of the same rank will be treated *pari passu*. Deviations from both the above hierarchy of claims and the *pari passu* principle can be justified, however, when there are objective reasons to do so.

Act 11/2014 determines the specific order of implementation of the above mandatory measures as follows:

- (a) share capital decrease by means of a decrease in the nominal value of its ordinary shares, in accordance with article 4 of Greek Company Law 2190/1920, followed by a share capital increase in cash. In case this measure is not implemented the credit institution may be subject to the licence revocation measures under article 19 and/or the resolution measures under article 139 *et seq.* of Greek Law 4261/2014 and Greek Law 3458/2006;
- (b) if necessary following the above, decrease in the nominal value of its preference shares or of other Tier I instruments or conversion of such instruments into ordinary shares.

More specifically, if the capital required so that the net asset value of the credit institution is equal to zero exceeds the value of the preference shares, then the nominal value of the relevant instruments is decreased to the largest extent possible; if the above required capital does not exceed the value of the preference shares, then the nominal value of the relevant instruments is decreased to the extent necessary to absorb any remaining losses and the remaining value of the relevant titles is converted into ordinary shares.

- (c) If necessary following the above, decrease in the nominal value of subordinated liabilities of the credit institution or conversion of such subordinated instruments into ordinary shares, in case despite the decrease of the nominal value of shares described in case (b) above and other Tier I instruments, the net asset value of the credit institution remains negative. More specifically, if the capital required so that the net asset value of the credit institution is equal to zero exceeds the value of any other liability issued by the credit institution, the nominal value of such liabilities is decreased to the largest extent possible. If the capital required so that the net asset value of the credit institution is equal to zero does not exceed the value of any other liability issued by the credit institution, then the nominal value of such instruments is decreased to the extent necessary to absorb any remaining losses and the remaining part is converted into ordinary shares.

The value on the basis of which the above-mentioned subordinated instruments are converted varies depending whether the HFSF has already provided capital support to the credit institution in question and such support is considered as state aid. In the latter cases each subordinated instrument is converted on the basis of its fair value.

The decreases of the nominal value of shares in cases (a), (b) and (c) will be performed in accordance with the pertinent provisions of Greek Company Law 2190/1920.

In the event that the net asset value of the credit institution is above zero pursuant to the implementation of the voluntary measures included in the restructuring plan of a credit institution, but more capital is needed to meet the capital adequacy ratio set by the Bank of Greece, the Bank of Greece recommends to the Cabinet the conversion in whole or in part of the preference shares and the issued subordinated liabilities of the above credit institution in Greece and abroad at the following order; first, conversion of the preference shares and secondly the conversion of the remainder subordinated liabilities, in accordance with their ranking.

By way of derogation and subject to a positive decision of the European Commission in accordance with articles 107 to 109 of the Treaty on the Functioning of the European Union, the above measures may not apply, either fully or to individual instruments, in the event that the Cabinet concludes, upon recommendation by the Bank of Greece, that such measures would endanger financial stability or lead to disproportionate results, such as when the amount of capital support to be provided by the HFSF is small in comparison to that of the credit institution's risk weighted assets, and/or a significant portion of the capital shortfall has been covered by the private sector (the "Derogation Cabinet Act").

These risks above represent the objective grounds for derogation from the allocation of the residual amount of the credit institution's capital shortfall, as indicated above, and the *pari passu* rule. The final assessment of the derogation rests with the European Commission on a case-by-case basis.

The aforementioned measures applicable to credit institutions constitute, for the recapitalisation purposes of Greek Law 3864/2010, resolution measures as defined in article 2 of Directive 2001/24/EC of the European Parliament and the Council of April 4, 2001 on the reorganisation and winding up of credit institutions, that was transposed into Greek law with Greek Law 3458/2006. The implementation of such measures, voluntary or mandatory, cannot in any case be:

- The reason for the triggering of contractual clauses that are put into place in case of liquidation, insolvency or other event that can be characterised as a credit event or event equivalent to insolvency; and
- Considered as non-fulfilment or violation of the contractual obligations of the credit institution in order to establish a material grounds for the early termination of an agreement by counterparties of the credit institution; contractual terms contrary to the above do not produce any effect.

The holders of any capital or hybrid capital instrument, or other subordinated liability, including beneficiaries directly or indirectly benefiting from any guarantee ranking as a subordinated liability, of the credit institution subject to recapitalisation measures, shall not, following the implementation of the measures described above, be in a worse financial position than if the credit institution had been placed under liquidation (no creditor worse-off principle).

In the event that the no creditor worse-off principle is not observed, such shareholders and subordinated creditors are entitled to compensation from the Greek state, provided that they prove that their damages arising from the implementation of the mandatory measures are greater than if the credit institution had been put under liquidation.

A valuation is conducted in order to determine the losses that the shareholders and subordinated creditors would have assumed if instead of applying the mandatory measures, the credit institution had been liquidated. Any form of public financial support to the credit institution is disregarded for purposes of such evaluation. The valuation will be conducted after implementation of the mandatory measures by an independent valuator to be appointed by the Minister of Finance with a view to assessing whether shareholders, hybrid capital holders and subordinated liability holders would have been in a more favourable financial position if the credit institution had entered into normal insolvency proceedings immediately prior to the implementation of the mandatory measures.

#### *Type of Capital Support*

Capital support is provided through the HFSF's participation in a share capital increase of the credit institution by issuance of ordinary shares or contingent convertible securities or other instruments that shall be subscribed for by the HFSF. Such share capital increases are covered in cash or in EFSF bonds or in other financial instruments of the EFSF. Capital support is provided in compliance with state aid rules.

The HFSF is entitled to exercise, dispose or waive its pre-emptive rights in cases of share capital increase or issuance of convertible financial instruments or other financial instruments of the credit institutions requesting the provision of capital support.

The price at which the HFSF subscribes the shares or contingent convertible securities or other financial instruments, is determined by a decision of the General Council. The General Council's decision relies, among others, upon two evaluation reports conducted by two independent financial advisers with reputation and expertise on relevant issues and more specifically on credit institution valuations.

#### *Powers of the HFSF*

Under the current, amended recapitalisation framework, the HFSF will acquire shares with full voting rights in the share capital increases in which it will participate, pursuant to Greek Law 3864/2010, as amended by Greek Law 4254/2014.

For shares acquired by the HFSF under the previous recapitalisation framework, where the minimum private sector participation condition had been met, the HFSF shall continue to exercise its voting rights with the restrictions provided for in article 7(a), para. 3 of Greek Law 3864/2010, as currently applicable, (i.e., the HFSF may exercise its voting rights only on matters relating to resolutions amending the bank's articles of association, including share capital increases or decreases, granting a relevant authorisation to the Board of Directors, mergers, divisions, conversions, revivals, extensions of the term or dissolution of the company and transfers of assets, including sales of subsidiaries or any other matter requiring an increased majority, in accordance with Greek Company Law 2190/1920) unless it is concluded, following a decision of the members of the General Council of the HFSF, that the bank is in breach (or facilitating the breach) of material obligations for the implementation of the restructuring plan or the agreement entered into between the HFSF and the bank. The shares held by the HFSF in such credit institutions are not taken into account to calculate the quorum and majority required with respect to resolutions of the general meetings of their shareholders on matters other than those set out in the above paragraph.

For so long as the HFSF exercises its voting rights with the restrictions described above:

- (i) the HFSF must, in addition to the standard notifications required under Law 3556/2007, also notify the credit institution concerned and the HCMC of any change in the number of shares and voting rights that the HFSF holds in such credit institution at the end of each calendar month during which the HFSF acquired or disposed of the shares, as well as the total number of voting rights it holds. The credit institution concerned must publish the relevant information immediately and, in any case, within two trading days from receipt of the HFSF's notification, according to the provisions of article 21 of Law 3556/2007;
- (ii) the aggregation rules set forth in paragraph 6 of article 9 and articles 10 and 11 of Law 3556/2007 do not apply to the HFSF; and
- (iii) persons who acquire or dispose of significant stakes or percentages of voting rights in credit institutions to which the HFSF has provided capital support must also notify changes in their voting rights in the event that such change affects the thresholds provided for in article 9 of Law 3556/2007 and the relevant enabling rules. Such notification is given by reference to the total number of voting rights of the credit institution, excluding those held by the HFSF, and notified in the manner set forth in (i). This obligation to notify changes does not apply to warrants.

Law 3556/2007 provides, in article 26, sanctions for breach of these disclosure obligations.

The HFSF has the power to appoint up to two members to the board of directors of a bank having received capital from the HFSF according to Greek Law 3864/2010, as its representative. The HFSF has currently appointed one representative in our Board of Directors. The HFSF representative has certain powers over credit institutions:

- to veto key corporate decisions of a credit institution's board of directors related to (i) dividend distributions, the remuneration policy relating to the chairman, managing directors and the other Board members, general managers and deputies; (ii) any other matter which may set at risk the rights of depositors or have a material adverse effect on the liquidity, solvency and/or, in general, on the prudent and orderly operation of the credit institution, including its business strategy and asset/liability management); and (iii) decisions referring to matters for which the restriction in the voting rights of the shares held does not apply and which significantly affect the HFSF's shareholding in the credit institution;
- to request an adjournment of a Board meeting for three business days in order to receive instructions from the HFSF Executive Committee, following consultation with the Bank of Greece;
- to call a board meeting;
- to approve the appointment of the chief financial officer;
- to call a general shareholders' meeting for a credit institution within the shortened deadlines provided for in Greek Law 3864/2010; and
- to have free access to all books and records of the credit institution.

Each of the Bank of Greece, in its capacity as the competent authority for the supervision of credit institutions, and the HFSF will be authorised to exchange confidential information with one another to the fullest extent permitted by law.

In the event that the Bank is placed under liquidation, the HFSF as shareholder is satisfied before all other shareholders alongside the Greek State as holder of the preference shares of Greek Law 3720/2008.

#### *Disposal of Shares*

Subject to the limitations on the disposal of shares already held by the HFSF in the recapitalised banks under the terms of the warrants, the HFSF will decide on the way and procedure for disposing of its shares at a time it deems appropriate and in any case within five years. The disposal may take place gradually or as a one-off, at the HFSF's discretion, so long as all shares are disposed of within the time limits referred to above and in compliance with the EU state aid rules. The disposal of shares within the time limits stipulated above may not be made to any entity belonging directly or indirectly to the Hellenic Republic, in accordance with Greek law. The Minister of Finance, following a proposal by the HFSF, can extend the above mentioned periods.

Subject to the provisions of Greek Law 3401/2005, the shares may be disposed either by the sale of the relevant shares to the market or to specific investor(s) or group of investors through: (i) open tender procedures or calls for expressions of interest to eligible investors; (ii) market orders; (iii) public offers of the shares for cash or in exchange of other securities; and (iv) book building exercises.

The HFSF may decrease its participation in credit institutions through a share capital increase of the credit institution by waiving or disposing of its pre-emptive rights.

## **Reporting Requirements for Banks**

Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms imposes reporting requirements to the EU credit institutions. These provisions have been supplemented by the EBA Final Guidelines on disclosure requirements for the EU banking sector, issued on 23 December 2014. In addition, with respect to matters not governed by Regulation 575/2013, periodic reporting requirements of credit institutions towards the Bank of Greece are also set out in Act of the Governor of the Bank of Greece no. 2651/20.01.2012.

The reporting requirements include the below:

- capital structure, qualifying holdings, persons who have a special affiliation with the bank and loans or other types of credit that have been provided to these persons by the bank;
- own funds and capital adequacy ratios;
- capital requirements for credit risk, counterparty credit risk and delivery settlement risk;
- capital requirements for market risk of the trading portfolio (including foreign exchange risk);
- information on the underlying elements of the trading portfolio;
- capital requirements for operational risk;
- 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;
- information technology systems; and
- other information.

The Bank submits to the Bank of Greece and/or the ECB a full set of regulatory reports both at Bank level and at Group level, on a quarterly basis. Some of the above references are submitted on a monthly basis at a Bank level.

## **Other Laws and Regulations Governing Banks in Greece**

### ***Deposit and Investment Guarantee Fund***

The Hellenic Deposit Guarantee Fund (the “HDGF”) commenced its operations in 1995. Pursuant to Greek Law 3746/2009 as currently in force, the Hellenic Deposit and Investment Guarantee Fund (the “HDIGF”) operates as a private law entity and a universal successor of the HDGF provided for by virtue of article 2 of Greek Law 2832/2000. The HDIGF has its registered seat in Athens, is supervised by the Minister of Finance, is not a public organisation or a state owned legal entity and

does not belong to the Greek public sector. It is managed by a seven-member board of directors. One of the Deputy Governors of the Bank of Greece is appointed as the Chairman of HDIGF's board of directors. Of the remaining six members, one comes from the Ministry of Finance, three from the Bank of Greece and two from the Hellenic Bank Association. Members of the above board of directors are appointed by a decision of the Minister of Finance and have a five year tenure. The initial capital of HDIGF was paid by the Bank of Greece and the Financial Institutions – members of the Hellenic Bank Association, with a participation in the fund's constitutive capital at 60 per cent. and 40 per cent., respectively.

The HDIGF was founded with the initial objective to indemnify (1) depositors of banks participating in the HDIGF obligatorily or at their own initiative who are unable to fulfil their obligations towards their depositors and (2) investors—clients of banks, in relation to the provision of investment services from these banks in case the latter are unable to fulfil their obligations from the provision of covered investment services. Pursuant to Greek Law 4021/2011, which amended Greek Law 3746/2009, the HDIGF's expanded scope, cover also the provision of financing to banks placed under the resolution measures of articles 63d and 63e of Greek Law 3601/2007, which were subsequently substituted by articles 141 and 142 of Greek Law 4261/2014. Thus, the HDIGF currently comprises three branches, the Depositors' Coverage Branch and Investors' Coverage Branch, as well as the Resolution Branch. All authorised banks in Greece are obliged to participate in the aforementioned branches of the HDIGF.

The maximum coverage level for each depositor at a credit institution under Greek Law 3746/2009 is €100,000, taking into account the total amount of its deposits with a bank minus any due and payable obligations towards the latter. This amount is paid in euros to each depositor as an indemnity irrespective of the number of accounts, the currency, or the country of operation of the branch in which it holds the deposit. In case of joint bank accounts, as defined by Greek Law 5638/1932, each depositor's share (which is rebuttably presumed to be equal to the share of any depositor of the same joint account) shall be taken into account for the purposes of the calculation of the maximum indemnification amount, as analysed above.

The HDIGF also indemnifies the investors-clients of banks participating in the HDIGF with respect to claims from investment services falling within the scope of Greek Law 3746/2009, up to the amount of €30,000 for the total of claims of such investor, irrespective of covered investment services, number of accounts, currency and place of provision of the relevant investment services. In case the investors of HDIGF member credit institutions are co-beneficiaries of the same claim to guaranteed investment services, each investor's share (which is rebuttably presumed to be equal to the share of any other investor of the same joint investment) in the claim shall be taken into account for the purposes of the calculation of the maximum indemnification amount, as analysed above.

The HDIGF is funded by the following sources: its founding capital, the initial and annual contributions of banks obligatorily participating in the HDIGF and supplementary contributions, as well as special resources coming from donations, liquidation of the HDIGF's claims, and the management of the assets of the HDIGF's Deposit Cover Scheme.

The European Commission submitted a “Proposal for a directive of the European Parliament and the Council on Deposit Guarantee Schemes”. The European Parliament adopted the Commission's proposal on 16 April 2014 through the enactment of Directive 2014/49/EU on deposit guarantee schemes, which has to be transposed at the latest by 3 July 2015.

### ***Settlement of Amounts Due by Indebted Obligors***

On 3 August 2010, Greek Law 3869/2010 was put in force (Government's Gazette A, 130/3.8.2010) with respect to the “settlement of amounts due by indebted individuals” and was modified mainly by Greek Laws 3996/2011 and 4161/2013. The law allows the settlement of amounts, due to credit

institutions by individuals evidencing unintentional permanent inability to repay their debts, by arranging the partial repayment of their debts for three to five years and writing off the remainder of their debts, provided the terms of settlement are agreed. All individuals, both consumers and professionals, are subject to the provisions of Greek Law 3869/2010, with the exception of individuals who can be declared bankrupt pursuant to Greek Law 3588/2007.

This regulatory regime allows the settlement of all amounts due to credit institutions (consumer, mortgage and commercial loans either promptly serviced or overdue), as well as those due to third parties with the exception of debts from intentional torts, administrative fines, monetary sanctions, debts from taxes, charges due to the State or levies to Social Security funds and debts from loans granted from Social Security funds under the provisions of articles 15 and 16 of Greek Law 3586/2007.

Debts must have been contracted more than one year before the application date and relief may be used only once. According to Greek Law 3869/2010, the procedure has three steps: (1) a discretionary out of court mediation process; (2) an in-court settlement; and (3) a judicial restructuring of debts.

For the purposes of this law, banks must deliver a full credit analysis of their claims (including capital, interest expenses, as well as the interest rate), charge free, within 10 working days from the debtor's request, and simultaneously inform the debtor of the amount that corresponds to the 10 per cent. of the last performing instalment.

In case of in court settlement, the debtor must apply to the local court of first instance and present evidence regarding its property, income, debts and a settlement proposal. As from the submission of the application for settlement and until the issuance of the relevant judicial decision the debtor must pay a portion of his income to his or her creditors in monthly disbursements. Specifically, the minimum amount paid by the debtor corresponds to 10 per cent. of the instalments the debtor had to pay to all the creditors at the day of the submission of the application (not less than €40 per month). In case the debtor intentionally delays the payment of the set instalments for more than three months, the court may order cancellation of the settlement plan, upon the application of any creditor submitted within four months of the breach.

If the settlement proposal is not accepted by the creditors, or the requirements for the substitution of consent of the creditors who do not agree are not met, the procedures for the judicial debt discharge/restructuring are activated. In that case, the court proceeds with issuing its ruling on the petition. If the court rules that the debtor's property and income are inadequate after taking into consideration the particular circumstances of the case it will specify an amount that the debtor has to pay, on a monthly basis for a period of three to five years directly to all his creditors (except if the court rules otherwise).

If the court rules that liquidation of the property of the debtor is required, it proceeds with the appointment of a liquidator. Secured creditors are satisfied according to their privilege from the product of the liquidation. However, it is possible for the debtor to submit a liquidation proposal requesting the exemption of its primary residence (not only in case of full ownership but also in case of bare ownership and usufruct) from the property under liquidation, provided that the primary residence does not exceed the tax free limits set by the tax laws for the acquisition of first residence +50 per cent. In this case, the court can rule on the settlement of claims corresponding to up to 80 per cent. of the taxable value of the primary residence at a floating or fixed interest rate and with a potential settlement period of up to 35 years provided that the duration of the contract exceeds 20 years, depending also on the duration of the contract.

Due performance by the debtor of the obligations under the settlement plan releases the debtor from any remaining unpaid balance of the claims, including claims of creditors who had not announced

their claims. On application by the debtor, the court certifies such release. If the debtor delays performance of the obligations under the settlement plan for more than three months or otherwise disputes the settlement plan, the court may order cancellation of the settlement plan, upon the application of any creditor submitted within four months of the breach. A cancellation has the effect of restoring the claims to the amount prior to ratification of the settlement plan, subject to deduction of any amount paid by the debtor.

The rights of creditors against co-borrowers or guarantors are not affected, unless such co-borrowers or guarantors are also subject to the same insolvency proceedings. Co-borrowers and guarantors have no rights of recourse against the debtor for any amount paid by them. The rights of secured creditors are not affected.

In addition, pursuant to Greek Law 4224/2013 and Cabinet Act 6/2014, an intergovernmental council for the management of private debt (the “Council”) has been created with the following objectives:

- (i) to define policies in connection with the organisation of a comprehensive mechanism for the efficient management of non-performing private loans;
- (ii) to make proposals for the amendment of the existing legal framework on matters of substance and procedure to enhance the effectiveness of private debt resolution issues, including the acceleration of the procedures relating to delayed loan repayment and the improvement of the legal framework governing the real estate market;
- (iii) to define actions of public awareness for the purpose of directly and efficiently informing and supporting citizens and other interested parties with respect to taking decisions on the above matters; and
- (iv) to create a network providing advisory services on debt management issues.

Moreover, Greek Law 4224/2013 provides that the Council defines the principles related to the “cooperating borrower” and assesses on an annual basis and based on annual data published by the Hellenic Statistical Authority the “reasonable living expenses”; in addition Greek Law 4224 authorised the Bank of Greece to issue a code for the management by banks of non-performing loans that would come into force at the latest by 31 December 2014 (the “Banks’ Code of Conduct for the management of non-performing debts”) (see “—*Restrictions on Enforcement of Granted Collateral*”).

The Banks’ Code of Conduct for the management of non-performing debts was introduced by the Act of the Executive Committee of the Bank of Greece No. 42/30.5.2014 which determined the framework of obligations of the credit institutions in relation to the administration of overdue and non-performing loans, providing for an independent unit of the credit institutions for the administration of such loans, the establishment of a separate procedure for the administration thereof supported by appropriate IT systems and periodic filing of reports to the management of the credit institutions and the Bank of Greece. Further, this Act provides an indicative list of standard loan rescheduling models. The Bank’s Code of Conduct for the management of non-performing debts was established by the Act of the Credit and Insurance Committees of the Bank of Greece No. 116/25.8.2014

Finally, Greek Law 4224/2013 provides that the Consumer Ombudsman will act as mediator between lenders and borrowers for the purpose of settling non-performing loans mainly in connection with matters relating to the application of Banks’ Code of Conduct for the management of non-performing debts.

On 15 November 2014, the Hellenic Parliament introduced a new set of measures for the restructuring of non-performing loans and debts towards the Greek State and social security organisations owed by businesses and business professionals. In particular, Greek Law 4307/2014

(Government's Gazette A, 246/15.11.2014), allows for a restructuring agreement between the debtor and its creditors. Inter alia, the restructuring measures thereof may include the partial write-off of debt, the extension of the repayment period and the conversion of receivables into equity. According to the provisions of the aforementioned law, small businesses and professionals may file an application to the relevant credit institution requesting the write-off and/or settlement of their debt if they cumulatively meet the following criteria:

- a) they have not filed an application for submission to the provisions of Greek Law 3869/2010, or they have validly waived their respective application;
- b) they have not been dissolved nor have they ceased their activities;
- c) they have not filed an application for submission to any procedure provided for in Greek Law 3588/2007 or they have validly waived their respective application; and
- d) there is no final judgment issued against them for tax evasion or fraud offences against the State.

The amount that the eligible debtors aim to settle has to be overdue towards the relevant credit institution for a period of more than 90 days or under judicial procedures or restructured as of 30.06.2014. In addition, the debtor has to either be unable to obtain tax and social security clearance owing to overdue debts or it must have obtained clearance following settlement pursuant to the provisions of Greek Law 4305/2014. Also, the amount which is due to be settled cannot exceed €500,000 per credit institution.

The debtor must submit the application for settlement by 31 March 2016. Nevertheless, the credit institution may reject the debtor's application or propose the write-off and/or settlement of the amount due under different terms.

In addition to the above, a debtor may apply to the court of first instance of the debtor's principal place of business until 31 March 2016 for the settlement of its aggregate banking debts, if it complies with the following requirements:

- a) it has bankruptcy capacity;
- b) its principal place of business is situated in Greece;
- c) it receives the consent of creditors representing at least: i) 50.1 per cent. of all its debts; ii) 50.1 per cent. of its debts are secured in rem or by virtue of any other security. Moreover, in case there are multiple creditors, at least two credit institutions, whose claims represent combined at least 20 per cent. of the debtor's outstanding total obligations, need to provide their consent to this settlement; and
- d) it has settled any outstanding amount owed to the tax authorities or the social security funds.

Subject to certain requirements, creditors who did not consent to the restructuring agreement and whose receivables have decreased due to such settlement are entitled to claim damages from the debtor.

Furthermore, pursuant to the provisions of Greek Law 4307/2014, the creditors may file an application with the court of first instance of the debtor's principal place of business for the latter one's submission to special administration. In order for such an application to be filed, the debtor must: i) have bankruptcy capacity; ii) have its principal place of business situated in Greece; have ceased servicing its loan payments (according to article 3 para. 1 of the Greek Law 3588/2007); and

iii) in case the debtor is a company limited by shares, it must fulfil the requirements of article 48 para. 1 of Codified Law 2190/1920 for its dissolution for two consecutive years.

Notwithstanding these, the creditors must: i) include at least one credit institution; ii) represent at least 40 per cent. of the total amount of debt according to the debtor's latest financial statements; and iii) submit along with the application a statement by virtue of which the entity/person proposed for the role of the administrator accepts such mandate. The duration of this special administration procedure shall be 12 months, starting from the issuance of the court's decision.

Finally, as regards OEK Subsidised Loans, by virtue of article 55 of Greek Law 4305/2014 borrowers may file a petition for the extension of their OEK subsidised loans provided that at the date of such petition the amount of any due payments that remain unpaid does not exceed the aggregate of six monthly instalments. The aforementioned petition must be filed within six months from the publication of Greek Law 4305/2014 which took place on 31.10.2014 subject to any extension to be granted.

### ***Interest Rates***

Under Greek law, interest rates applicable to bank loans are not subject to a legal maximum, but they must comply with certain requirements intended to ensure clarity and transparency, including with regard to their readjustments. Specifically, Governor of the Bank of Greece Act No. 2501/31.10.2002 and Decision No. 178/19.7.2004 of the Banking and Credit Committee of the Bank of Greece provide that credit institutions operating in Greece should, among others, determine their interest rates in the context of the open market and free competition rules, taking into consideration the risks undertaken on a case-by-case basis, as well as potential changes in the financial conditions and data and information specifically provided by parties for this purpose.

Limitations apply to the compounding of interest under Greek law. In particular, the compounding of interest with respect to bank loans and credits only applies if the relevant agreement so provides and is subject to limitations that apply under article 12 of Greek Law 2601/1998, article 30 of Greek Law 2789/2000 and article 39 of Greek Law 3259/2004, as in force. Greek credit institutions must also apply article 150 of Greek Law 4261/2014 on interest rates of loans and other credits pursuant to which credit institutions are precluded from accounting for interest income from loans which are overdue for more than a three month period or a six month period in case of loans fully secured by real estate which are given to private individuals.

### ***Secured Lending***

According to Greek Law 4261/2014, Greek credit institutions are permitted to grant customers loans and credit that are secured over real estate and movable assets of the debtor (including cash).

The provisions of legislative decree 17.7/13.08.1923 regulate issues regarding the granting of loans secured by *in rem* rights and law 3301/2004 regulates issues regarding financial collateral arrangements.

Mortgage lending is extended mostly on the basis of mortgage pre-notations, which are less expensive and easier to record than mortgages and may be converted into full mortgages upon final non appealable court judgment.

### ***Restrictions on Enforcement of Granted Collateral***

According to Greek Law 3814/2010, the forced auctions initiated either by credit institutions or by companies providing credit or by their assignees to satisfy claims not exceeding €200,000 were suspended until and including 30 June 2010. Following successive extensions that were granted pursuant to the relevant provisions (article 40 of Greek Law 3858/2010, article 1 of Greek Law

3949/2011, article 46 of Greek Law 3986/2011, article 1 of Greek Law 4047/2012 and article 1 of Greek Law 4128/2013), the above suspension had been extended until 31 December 2013.

Moreover, according to article 2 of Law 4224/2013 which was published on 31 December 2013, from 1 January 2014 until 31 December 2014 enforcement of auctions concerning the primary residence declared as such in their last income tax return of individuals were suspended provided that their objective value did not exceed the amount of €200,000, and that the following criteria were cumulatively met; (a) the debtor's family annual declared income excluding social security contributions income tax and the one-off solidarity contributions was equal or lower than €35,000; (b) the total value of the debtor's assets and property did not exceed the amount of €270,000 and; (c) the total value of the debtor's deposits and investments in securities in Greece and abroad as of 20 November 2013 did not exceed the amount of €15,000. Those properties that did not fall under the criteria of the above law were no longer protected from foreclosure and auction proceedings. During the aforementioned suspensions, debtors were obliged to pay monthly instalments. Nevertheless, in exceptional cases (e.g., debtors with no income), there was an option of zero amount payments. The aforementioned restriction expired on 31 December 2014 but may be re-introduced with the same or different criteria.

Furthermore, enforcement of collateral has been affected by Greek Law 3869/2010, as it was amended by the Law 4161/2013, regarding restructuring of individuals' debt through a court application.

In addition to the above, new measures have recently been adopted. Specifically, according to Law 4224/2013 (as amended by article 12 of Law 4281/2014), the Credit and Insurance Committee of the Bank of Greece adopted on 25 August 2014 a Code of Conduct for the management of non-performing debts. Furthermore, Greek Law 4307/2014 provided for additional methods for the restructuring of small businesses and/or professionals' debts.

Finally, the Bank of Greece executive Committee issued Act No. 42/305/2014 which determines the framework of regulatory obligations of credit institutions in relation to the management of loans in arrears and non-performing loans and the Bank of Greece Credit and Insurance Committee issued Act 116/25.8.2014 which enacted the Bank's Code of Conduct.

### **Capital Adequacy Framework**

In December 2010, the Basel Committee issued two prudential framework documents ("Basel III: A global regulatory framework for more resilient credit institutions and banking systems", December 2010 and "Basel III: International framework for liquidity risk measurement, standards and monitoring", December 2010) which contain the Basel III capital and liquidity reform package ("Basel III"). The Basel III documents were revised in June 2011. The Basel III framework has been implemented in the EU through new banking regulations adopted on 26 June 2013: Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the "CRD IV Directive"), which has been transposed into Greek law by virtue of Greek Law 4261/2014, and Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the "CRD IV Regulation" and together with the CRD IV Directive, "CRD IV"). Full implementation began on 1 January 2014, with particular elements being phased in over a period of time (the requirements will be largely fully effective by 2019 and some minor transitional provisions provide for the phase-in until 2024) but it is possible that in practice implementation under national laws may be delayed until after such date.

Some major points of the new framework include:

- **Quality and Quantity of Capital.** CRD IV revised the definition of regulatory capital and its components at each level. It also proposed a minimum Common Equity Tier I Ratio of 4.5 per cent. and Tier I Ratio of 6.0 per cent., and introduced a requirement for non-Core Tier I and Tier II capital instruments to have a mechanism that requires them to be written off on the occurrence of a bail-in of the institution, which would apply to internationally active credit institutions;
- **Capital Conservation Buffer.** In addition to the minimum Common Equity Tier I Ratio and Tier I Ratio, credit institutions will be required to hold an additional buffer of 2.5 per cent. of common equity as capital conservation buffer. Depletion of the capital conservation buffer will trigger limitations on dividends, distributions on capital instruments and compensation and it is designed to absorb losses in stress periods;
- **Systemic Risk Buffer.** According to CRD IV, Member States may require the creation of a buffer against systemic risk in the financial sector or subsets thereof, in order to prevent and mitigate long-term non-cyclical systemic or macroprudential risks not covered by the Capital Requirements Regulation, in the meaning of a risk of disruption to the financial system with the potential to have serious negative consequences to the financial system and the real economy in the relevant Member State. The buffer may vary from 1 per cent. to 5 per cent. and is constituted by CET I elements;
- **Deductions from Common Equity Tier I.** CRD IV revises the definition of items that should be deducted from regulatory capital. In addition, most of the items that are now required to be deducted from regulatory capital will be deducted in whole from the Common Equity Tier I component;
- **A Grandfathering Period for Existing Non-Common Equity Tier I and Tier II.** Capital instruments that no longer qualify as non-common equity Tier I capital or Tier II capital will be phased out over a period beginning 1 January 2014 and ending 31 December 2021. The regulatory recognition of capital instruments qualifying as own funds until 31 December 2011 will be reduced by a specific percentage in subsequent years. Step-up instruments will be phased out at their effective maturity date (i.e., their call and step-up date) if the instruments do not meet the new criteria for inclusion in Tier I or Tier II. Existing public sector capital injections will be grandfathered until 31 December 2017;
- **No Grandfathering for Instruments issued after 1 January 2014.** Only those instruments issued before 31 December 2013 will likely qualify for the transition arrangements discussed above;
- **Countercyclical Buffer.** To protect the banking sector from excess aggregate credit growth, CRD IV gives Member States the right to require an additional buffer of 0-2.5 per cent. of Common Equity Tier I, to be imposed during periods of excess credit growth, according to national circumstances. The countercyclical buffer, when in effect, will be introduced as an extension of the conservation buffer range;
- **Central Counterparties.** To address the systemic risk arising from the interconnectedness of credit institutions and other financial institutions through the derivatives markets, the Basel Committee is supporting the efforts of the Committee on Payments and Settlement Systems (CPSS) and the International Organisation of Securities Commissions ("IOSCO") to establish strong standards for financial market infrastructures, including central counterparties ("CCPs"). A 2.0 per cent. risk-weight factor is introduced to certain trade exposures to qualifying CCPs (replacing the current 0 per cent. risk-weighting). The capitalisation of credit institution exposures to CCPs will be based in part on the compliance of the CCP with the IOSCO standards (since non-compliant CCPs will be treated as bilateral exposures and will

not receive the preferential capital treatment referred to above). As mentioned above, a credit institution's collateral and mark-to-market exposures to CCPs meeting these enhanced principles will be subject to a 2.0 per cent. risk-weight, and default fund exposures to CCPs will be capitalised based on a risk-sensitive waterfall approach;

- **Asset Value Correlation Multiplier for Large Financial Institutions.** A multiplier of 1.25 is proposed to be applied to the correlation parameter of all exposures to financial institutions meeting particular criteria that are specified by the Committee;
- **Counterparty Credit Risk.** CRD IV is raising counterparty credit risk management standards in a number of areas, including for the treatment of so-called wrong-way risk, i.e., cases where the exposure increases when the credit quality of the counterparty deteriorates. For example, the proposal includes a capital charge for potential mark-to-market losses (ie CVA risk) associated with a deterioration in the creditworthiness of a counterparty and the calculation of Expected Positive Exposure by taking into account stressed parameters;
- **Leverage Ratio.** The Basel Committee confirmed its previously declared commitment to an unweighted Tier I leverage ratio of 3 per cent. that will apply for all credit institutions as part of the Pillar II framework from 1 January 2013 with a view towards migrating the ratio to a Pillar I minimum requirement by 2018 (subject to any final adjustments);
- **Systemically Important Institutions.** Systemically important credit institutions should have loss-absorbing capacity beyond the minimum standards and work on this issue is ongoing. Under the new framework, a systemically important institution may be required to maintain a buffer of up to 3 per cent. of the total risk exposure amount, taking into account the criteria for its identification as a systemically important bank. That buffer shall consist of and be supplemental to CET I capital; and
- **Liquidity Requirements.** From 1 January 2015, CRD IV progressively introduces a liquidity coverage ratio (which is an amount of unencumbered, high quality liquid assets that must be held by a credit institution to offset estimated net cash outflows over a 30 day stress scenario, and will be phased in gradually, starting at 60 per cent. in 2015, and expected to be 100 per cent. in 2018) and a net stable funding ratio (which 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, and which is being developed with the aim of introducing it from 1 January 2018), allowing in both cases for Member States to maintain or introduce national provisions until binding minimum standards are introduced by the European Commission.

The ECB has not yet issued guidelines or regulatory acts as to the implementation of the above ratios in accordance with Regulation 575/2013.

Although the CRD IV Regulation is directly applicable in each Member State, it leaves a number of important interpretational issues to be resolved through technical standards, and leaves certain other matters to the discretion of the relevant competent authority. In addition, Regulation 1024/2013 contemplates that, beginning in November 2014, the European Central Bank assumed certain supervisory responsibilities formerly handled by national regulators. The European Central Bank may interpret CRD IV or exercise discretion accorded to the competent authority under CRD IV in a different manner than national regulators. The manner in which many of the new concepts and requirements under CRD IV will be applied to the Bank and the Group remains uncertain. Although it is difficult to predict with certainty the impact of the full implementation of CRD IV and its transposition into Greek law, changes arising from the transposition may lead to an increase in our capital requirements and capital costs.

In addition to the substantial changes in capital and liquidity requirements introduced by Basel III and CRD IV, there are several new global initiatives, in various stages of finalisation, which represent additional regulatory pressure over the medium term and will impact the EU's future regulatory direction. These initiatives include, among others, a revised Markets in Financial Instruments Directive (Directive 2014/65/EU) and Markets in Financial Instruments Regulation (Regulation 600/2014). The Basel Committee has also published certain proposed changes to the current securitisation framework which may be accepted and implemented in due course.

### ***Solvency II***

The directive on the taking-up and pursuit of the business of Insurance and Reinsurance “Solvency II” (Directive 2009/138/EC) of November 25, 2009, is a fundamental review of the capital adequacy regime for the European insurance sector business. When implemented the capital structure and overall governance of the Group's life assurance business will alter significantly and this may have an impact on the capital structure of the Group. Directive 2013/58 set the date for transposition of the Solvency II framework into national law at 31 March 2015, and 1 January 2016 was set as the date of application and subsequent removal of the existing relevant insurance and reinsurance directives.

### ***ECB Single Supervisory Mechanism***

On 15 October 2013, the Council of the European Union adopted the ECB Single Supervisory Mechanism for Eurozone banks and other credit institutions, which, beginning in November 2014, gave the ECB, in conjunction with the national regulatory authorities of the Eurozone states, 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 Facility or the European Stability Mechanism; or (iv) is one of the three most significant credit institutions in its home country. The ECB also has the right to impose pecuniary sanctions and set binding regulatory standards.

Prior to November 2014, the EBA conducted a series of tests on the financial and liquidity condition of selected banks, including stress tests and asset quality tests. Beyond the supervisory tasks that the ECB has taken up the EBA will continue to monitor capital levels of EU banks, in parallel with the ECB, in order to ensure the resilience of the EU banking sector.

On 23 October 2013, the ECB announced details of the comprehensive assessment to be conducted in preparation of the ECB assuming full supervisory responsibility as part of the SSM. The ECB Assessment commenced in November 2013 and took 12 months to complete. It was carried out in collaboration with the national competent authorities (“NCAs”) of the Member States that participate in the SSM and will be supported by independent third parties at all levels at the ECB and NCAs.

The 2014 EU-wide stress test consists of three elements, which are closely interlinked: (i) a supervisory risk assessment to review, quantitatively and qualitatively, key risks, including liquidity, leverage and funding; (ii) an asset quality review to enhance the transparency of bank exposures by reviewing the quality of banks' assets, including the adequacy of asset and collateral valuation and related provisions; and (iii) a stress test to examine the resilience of banks' balance sheets to stress scenarios, in cooperation with the European Banking Authority (EBA).

On 31 January 2014, the EBA announced that the EU-wide stress test would be conducted on a sample of 124 EU banks which cover at least 50 per cent. of each national banking sector and will be conducted at the highest level of consolidation. Given its objectives, the 2014 EU-wide stress test has been conducted under the assumption of a static balance sheet which implies no new growth and a constant business mix and model throughout the time horizon of the exercise. The resilience of

EU banks were assessed under a period of three years (2014–2016). Banks were required to stress a common set of risks including: credit risk, market risk, sovereign risk, securitisation and cost of funding. Both trading and banking book assets will be subject to stress, including off-balance sheet exposures. NCAs could include additional risks and country-specific sensitivities beyond this common set but the published results were expected to allow for an understanding of the impact of the common set of risks in isolation.

In terms of capital thresholds, 8 per cent. Common Equity Tier 1 was the capital hurdle rate set for the baseline scenario and 5.5 per cent. Common Equity Tier 1 was the capital hurdle rate set for the adverse scenario. The relevant NCA could set higher hurdle rates and formally commit to take specific actions on the basis of those higher requirements.

The exercise involved close cooperation between the EBA and NCAs, along with the ECB. In particular, the EBA was responsible for coordinating the exercise in cooperation with the ECB (in case of SSM countries) and ensuring effective cooperation between home and host supervisors. Furthermore, the EBA provided pan-European benchmarks and acted as a data hub for the final dissemination of the results of the common exercise. On the other hand, NCAs had responsibility for overseeing the exercise with the banks and checking the quality of the results.

The methodology and scenarios used in the stress tests were published on 29 April 2014, while final templates for the 2014 EU-wide stress test were published on 20 August 2014. On 26 October 2014, ECB and EBA published the results of the 2014 EU-wide stress test of 123 banks. The aim of the stress test was to assess the resilience of EU banks to adverse economic developments, so as to understand remaining vulnerabilities, complete the repair of the EU banking sector and increase confidence. On average, EU banks' common equity ratio (CET1) drops by 260 basis points, from 11.1 per cent. at the start of the exercise, after the AQRs adjustment, to 8.5 per cent. after the stress. By disclosing these results, the EBA provided transparency into EU banks' balance sheets, with up to 12,000 data points per bank, an essential step towards enhancing market discipline in the EU.

According to the announcement of the ECB and the EBA, the Bank successfully concluded the 2014 ECB Comprehensive Assessment exceeding the CET1 hurdle rates 5.5 per cent. and 8 per cent. for the adverse and baseline scenarios for both static and dynamic assumptions with a safe margin ranging between Euro 1.3 and Euro 3.1 billion. This includes the results of the AQR, the Stress Test and the “join-up” methodology.

As regards the monitoring of financial institutions, the National regulatory 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, on the other hand, is exclusively responsible for in relation to “banks of systemic importance” prudential supervision, which includes, among others, the power to: (i) authorise and withdraw authorisation in the Eurozone; (ii) assess acquisition and disposal of qualifying holdings in banks; (iii) ensure compliance with all prudential requirements laid down in general EU banking rules; (iv) set, where necessary, higher prudential requirements for certain banks to protect financial stability under the conditions provided by EU law; (v) impose robust corporate governance practices and internal capital adequacy assessment controls; and (vi) intervene at the early stages when risks to the viability of a bank exist, in coordination with the relevant resolution authorities.

In order to foster consistency and efficiency of supervisory practices across the Eurozone, the EBA is continuing to develop the EBA Rulebook, a single supervisory handbook applicable to EU Member States. However, the EBA Rulebook has not yet been finalised.

The CRD IV Regulation contains specific mandates for the EBA to develop draft regulatory or implementing technical standards as well as guidelines and reports related to liquidity, in order to

enhance regulatory harmonisation in Europe through the Single Rule Book. Specifically, the CRD IV Regulation tasks the EBA with advising on appropriate uniform definitions of liquid assets for the Liquidity Coverage Ratio buffer. In addition, the CRD IV Regulation states that the EBA shall report to the Commission on the operational requirements for the holdings of liquid assets. Furthermore the CRD IV Regulation also tasks the EBA with advising on the impact of the liquidity coverage requirement, on the business and risk profile of institutions established in the European Union, on the stability of financial markets, on the economy and on the stability of the supply of bank lending.

The above topics were addressed by the EBA in two reports published in December 2013: (i) the impact assessment for liquidity coverage requirements and (ii) appropriate uniform definitions of extremely high quality assets and high quality liquid assets and on operational requirements for liquid assets. On 10 October 2014, the European Commission adopted a Delegated Act, specifying the Liquidity Coverage Ratio Framework. In view of that, the EBA has opened a consultation with a view to amending its respective Implementing Technical Standards. Also, the Basel Committee's oversight body issued in January 2013 additional contributions to the "Basel III Liquidity Coverage Ratio Agreement and Liquidity Risk Monitoring Tools", defining certain specific aspects in relation to the interaction between the Liquidity Coverage Ratio and the use of the Central Bank Committed Liquidity Facility. On 12 January 2014, the Committee issued final requirements for bank's Liquidity Coverage Ratio-related disclosures, which must be complied with from the date of the first reporting period after 1 January 2015.

### ***Consumer Services***

Credit institutions in Greece are also subject to legislation that seeks to protect consumers from abusive terms and conditions, most notably Greek Law 2251/1994. Such legislation sets forth rules on the marketing and advertisement of consumer financial services, prohibits unfair and misleading commercial practices and includes penalties for violations of such rules and prohibitions.

At the same time, numerous consumer protection issues are regulated through administrative decisions, such as Decision No. Z1-798/2008 of the Minister of Development on the prohibition of general terms which have been found to be abusive by final court decisions (as amended by Decision Nos. Z1-21/2011 and Z1-74/2011 of the Deputy Minister of Labor and Social Insurance). Also, the Governor of the Bank of Greece Act No. 2501/2002 includes certain disclosure obligations relating to the provision of banking services by credit institutions.

Ministerial Decision Z1-699 (Government Gazette Issue B; 917/23.6.2010) transposed into Greek Law Directive 2008/48/EC on credit agreements for consumers and repealing Council Directive 87/102/EEC, as amended by Directive 2011/90/EU. Ministerial Decision Z1-699 provides for increased consumer protection in the context of consumer credit transactions and prescribes, among others, the inclusion of standard information in advertising and the provision of pre-contractual and contractual information to consumers.

Decision Z1-699 has been amended by ministerial decision Z1-111/7.3.2012 (Government Gazette Issue B/627/7.3.2012), in force since 1 January 2013, which incorporated into Greek Law Directive 2011/90/EU and introduced additional criteria for the calculation of the total annual realised interest rate.

### ***Prohibition of Money Laundering and Terrorist Financing***

Greece, as a member of the Financial Action Task Force ("FATF") and as a Member State of the EU, fully complies with FATF recommendations and the relevant EU legal framework. EU Council Directives 2005/60 and 2006/70 were transposed into Greek law by virtue of Greek Law 3691/2008 and the International Convention for the Suppression of the Financing of Terrorism was incorporated in Greek Law 3034/2002.

In the last five years, the following improvements occurred with respect to the regulatory framework:

- The FATF standards have been revised to strengthen the requirements for higher risk situations, and to allow financial institutions to take a more focused approach in areas, where high risks remain or implementation could be enhanced. Banks should first identify, assess and understand the risks of money laundering and terrorist finance that they face, and then adopt appropriate measures to mitigate the risk. The risk-based approach allows them, within the framework of the FATF requirements, to adopt a more flexible set of measures, in order to target their resources more effectively and apply preventive measures that are commensurate to the nature of risks, in order to focus their efforts in the most effective way.
- In view of the above, the Bank of Greece issued two Decisions (No. 94/23/2013 and 95/10/2013) which further strengthen the regulatory framework within which the supervised entities in Greece operate. The amendments mainly harmonise the applicable regulations to the revised FATF recommendation with respect to Politically Exposed Persons (“PEPs”) by categorising local PEPs as high-risk customers; introduce criteria for the use of simplified due diligence by electronic money institutions; and impose additional obligations for suspicious transactions reporting to the supervised banks, pertaining to the cross-border transfer of funds as well as data on high-risk banking products and customers.

### **Equity Participation in Greek Credit Institutions**

Article 23 of Greek Law 4261/2014 and the relevant Acts of the Governor of the Bank of Greece, establish a specific procedure for the notification to the Bank of Greece of a natural or legal person's intention to acquire or increase or dispose a holding exceeding certain enumerated thresholds (i.e., 20 per cent., 1/3 and 50 per cent. of voting rights or equity participation in or control of a bank that has been licensed by the Bank of Greece). The applicant acquirer is assessed and, in some cases, approval is required for the intended acquisition.

Executive Committee Act No. 22 of the Bank of Greece, issued on 12 July 2013, specifies certain provisions regarding the establishment and operation of credit institutions in Greece and the acquisition of a qualifying holding in a credit institution. Furthermore, this act specifies the necessary information for the prudential assessment of the proposed shareholders, the proposed members of the management body and the proposed key function holders of a credit institution by the Bank of Greece under the CEBS and EBA guidelines.

As of 4 November 2014, the supervisory tasks described above were conferred to the ECB in cooperation with the Bank of Greece.

### **The Hellenic Republic Bank Support Plan**

The Hellenic Republic Bank Support Plan, as currently applicable, is comprised of the following three pillars:

- ***Pillar I: Up to €5 billion in Capital Designed to Increase Tier I Ratios***

Under Pillar I, the capital takes the form of non-cumulative, non-transferable, non-voting redeemable preference shares with a 10 per cent. fixed return (in this section, the “preference shares”). Pursuant to article 1 of Greek Law 4093/2012, the above 10 per cent. fixed return is payable in any case, notwithstanding the provisions of Greek Company Law 2190/1920 as currently in force, save for article 44A of Greek Company Law 2190/1920 (setting out the minimum tests corporates need to meet in order to distribute profits), unless the payment of the relevant amount would result in the reduction of the CT1 capital of the credit institution falling below the prescribed minimum limit.

The preference shares are redeemable at their issue price either within five years from the date of their issue or, at the election of a participating bank, earlier with the approval of the Bank of Greece, against Greek Government bonds of equal value or cash of equal value. On the date of redemption, the fixed return of 10 per cent. will also be paid to the Hellenic Republic. In case they are not redeemed within five years from their issue or no decision has been adopted by the participating bank's general meeting of shareholders on redemption, the Minister of Finance shall impose, pursuant to a recommendation by the Bank of Greece, a cumulative increase of 2 per cent. per year on the 10 per cent. fixed return. Pursuant to a decision by the Minister of Finance, following a recommendation by the Governor of the Bank of Greece, the participating banks will be required to convert the preference shares into ordinary shares or another existing class of shares if redemption is not possible due to noncompliance by the participating bank with the minimum capital adequacy requirements set by the Bank of Greece.

Pillar I ceased to apply as of 1 January 2014.

- ***Pillar II: Up to €85 billion in Hellenic Republic Guarantees***

Up to €85 billion in Hellenic Republic guarantees are available under Pillar II in accordance with article 19 of Greek Law 3965/2011 (amending articles 2 and 4 of Greek Law 3723/2008, which followed amendments that were substantiated by virtue of Greek Laws 3845/2010 and 3872/2010). These guarantees are intended to guarantee new borrowings (excluding interbank deposits) made until 30 June 2015 (whether in the form of debt instruments or otherwise) with a maturity of three months to three years.

These guarantees are available to credit institutions that meet the minimum capital adequacy requirements set by the Bank of Greece, as well as criteria set forth in Decision No. 54201/B2884/2008 of the Minister of Finance, as currently in force, regarding capital adequacy, market share size and maturity of liabilities, and share in the SME and mortgage lending market. The terms under which guarantees are granted to financial institutions are included in Decision Nos. 2/5121/2009, 29850/B.1465/2010 and 5209/B.237/2012 of the Minister of Finance.

- ***Pillar III: Up to €8 billion in debt instruments***

Up to €8 billion in debt instruments are available under Pillar III in accordance with Greek Law 3723/2008. Such debt instruments must have maturities of less than three years and be issued by the Public Debt Management Agency no later than 30 June 2015, to participating banks meeting the minimum capital adequacy requirements set by the Bank of Greece. These debt instruments bear no interest, are issued at their nominal value in denominations of €1,000,000 and are listed on the ATHEX. They are issued by virtue of bilateral agreements executed between each participating bank and the Hellenic Republic. The debt instruments must be returned at the applicable expiration date of the bilateral agreement (irrespective of the maturity date of the debt instruments) or at the date Greek Law 3723/2008 ceases to apply to the relevant credit institution. The participating banks may use the debt instruments received as collateral only for refinancing in connection with fixed facilities from the ECB or for interbank financing purposes. The proceeds of liquidation of such instruments must be used to finance mortgage loans and loans to SMEs at competitive terms.

Credit institutions who choose to participate in the Hellenic Republic Bank Support Plan, including the Bank, must accept a government-appointed member on their board of directors as a state representative, pursuant to the provisions of article 1 par. 3 of Greek Law 3723/2008. Such representative will be in addition to the existing members of the board of directors and will have veto power on strategic decisions or decisions resulting in a significant change in the legal or financial position of the Bank and for which approval by the general meeting of shareholders is required. The same veto power applies to corporate decisions relating to the dividend policy and the compensation of the Chairman, the Managing Director and the other members of the board of directors, as well as

to the General Directors and their deputies. However, the government-appointed representative may only utilise his veto power following a decision of the Minister of Finance or if he considers that the relevant corporate decisions may jeopardise the interests of depositors or materially affect the solvency and effective operation of the credit institution. Moreover, the government-appointed representative must have full access to the Bank's books and reports on restructuring and viability, medium-term funding needs and the level of financing of the Greek economy.

During the period of the credit institution's participation in the plan, dividend payouts must be limited to up to 35 per cent. of distributable profits (at the parent company level), in accordance with article 1 par.3 of Greek Law 3723/2008. Furthermore, participating banks are obliged not to pursue aggressive commercial strategies, including advertising the support they receive from the plan, in an attempt to compete favourably against competitors that do not enjoy the same support. Participating banks are also obliged to avoid expanding their activities or pursuing other aims, in such a way that would lead to unjustifiable distortions of competition.

To monitor the implementation of the Hellenic Republic Bank Support Plan, Greek Law 3723/2008 provides for the establishment of a supervisory council (the "Council"). The Council is chaired by the Minister of Finance. Members include the Governor of the Bank of Greece, the Deputy Minister of Finance, who is responsible for the Greek General Accounting Office, and the government-appointed representative at each of the participating credit institutions. The Council convenes on a monthly basis with a mandate to supervise the correct and effective implementation of the Hellenic Republic's Bank Support Plan and ensure that the resulting liquidity is used for the benefit of the depositors, the borrowers and the Greek economy overall. Participating banks which fail to comply with the terms of the Hellenic Republic's Bank Support Plan will be subject to certain sanctions, while the liquidity provided to them may be revoked in whole or in part.

For the participation of the Bank in the Hellenic Republic Bank Support Plan please refer to section "*The Hellenic Republic Bank Support Plan*".

## FORM OF THE DEED OF GUARANTEE

The following is the form of the Deed of Guarantee of the Guarantor:

**THIS DEED OF GUARANTEE** is made on 27 May 2014 in London, England

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### BY

- (1) **EUROBANK ERGASIAS S.A.** (the “Guarantor”)

### IN FAVOUR OF

- (2) **THE HOLDERS** for the time being and from time to time of the Instruments referred to below (each a “Holder”); and
- (3) **THE ACCOUNTHOLDERS** (as defined in the Deed of Covenant described below) (together with the Holders, the “Beneficiaries”).

### WHEREAS

- (A) ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited (each an “Issuer” and together the “Issuers”, and references in this Deed of Guarantee to the “relevant Issuer” shall, in relation to any Instrument, be references to the Issuer of such Instrument) have established a Programme (the “Programme”) for the issuance of instruments (the “Instruments”) in connection with which they have entered into an amended and restated dealership agreement dated 27 May 2014 (the “Dealership Agreement”), an amended and restated issue and paying agency agreement dated 27 May 2014 (the “Agency Agreement”) and in the case of ERB Hellas PLC has executed a deed of covenant dated 27 May 2014 and in the case of ERB Hellas (Cayman Islands) Limited has executed a deed of covenant dated 27 May 2014 (each a “Deed of Covenant” and references in this Deed of Guarantee to “the Deed of Covenant” are, in relation to the relevant Issuer, to the Deed of Covenant executed by such Issuer).
- (B) Instruments may be issued on a listed or unlisted basis. The Issuers have made an application for PD Instruments issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange’s regulated market and to be admitted to the Official List of the Luxembourg Stock Exchange.
- (C) In connection with such application, the Issuers have prepared a prospectus in connection with the Programme (the “Prospectus”, which expression includes any supplements to the Prospectus and any further prospectus prepared in connection with the listing of the Instruments on any other stock exchange on which any Instruments may from time to time be listed together with any information incorporated therein by reference).
- (D) The Guarantor has agreed to guarantee the payment of all sums expressed to be payable from time to time by the relevant Issuer to Holders in respect of the Instruments issued by such Issuer and to Accountholders in respect of the Deed of Covenant.

**NOW THIS DEED OF GUARANTEE WITNESSES as follows:**

**1. INTERPRETATION**

**1.1 Definitions**

All terms and expressions which have defined meanings in the Prospectus, the Dealership Agreement, the Agency Agreement or a Deed of Covenant shall have the same meanings in this Deed of Guarantee except where the context requires otherwise or unless otherwise stated.

**1.2 Clauses**

Any reference in this Deed of Guarantee to a Clause is, unless otherwise stated, to a clause hereof.

**1.3 Other agreements**

All references in this Deed of Guarantee to an agreement, instrument or other document (including the Prospectus, the Dealership Agreement, the Agency Agreement and a Deed of Covenant) shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, replaced or novated from time to time. In addition, in the context of any particular Tranche of Instruments, each reference in this Deed of Guarantee to the Prospectus shall be construed as a reference to the Prospectus as amended by the applicable Final Terms or applicable Pricing Supplement, as the case may be.

**1.4 Statutes**

Any reference in this Deed of Guarantee to a statute, to any provision thereof or to any statutory instrument, order or regulation made thereunder shall be construed as a reference to such statute, provision, statutory instrument, order or regulation as the same may have been, or may from time to time be, amended or re-enacted.

**1.5 Headings**

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Deed of Guarantee.

**1.6 Benefit of Deed of Guarantee**

Any Instruments issued under the Programme before the date of this Deed of Guarantee shall not have the benefit of this Deed of Guarantee but shall have the benefit of any preceding guarantee relating to the Programme as provided therein. Any Instruments issued under the Programme on or after the date of this Deed of Guarantee unless otherwise expressly provided in the applicable Final Terms or applicable Pricing Supplement, as the case may be, relating to such Instruments shall have the benefit of this Deed of Guarantee but shall not have the benefit of any subsequent guarantee relating to the Programme (unless expressly so provided in any such subsequent guarantee).

**2. GUARANTEE AND INDEMNITY**

**2.1 Guarantee**

The Guarantor hereby unconditionally and irrevocably guarantees:

- 2.1.1 *The Instruments*: to each Holder the due and punctual payment of all sums from time to time payable by the relevant Issuer in respect of the relevant Instrument 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 such Issuer in respect of such Instrument, any and every sum or sums which such Issuer is at any time liable to pay in respect of such Instrument and which such Issuer has failed to pay; and
- 2.1.2 *The Direct Rights*: to each Accountholder the due and punctual payment of all sums from time to time payable by the relevant Issuer 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 such Issuer in respect of the Instruments, any and every sum or sums which such Issuer is at any time liable to pay to such Accountholder in respect of the Instruments and which such Issuer has failed to pay.

## 2.2 **Indemnity**

The Guarantor irrevocably undertakes to each Beneficiary that, if any sum referred to in Clause 2.1 is not recoverable from the Guarantor thereunder for any reason whatsoever (including, without limitation, by reason of any Instrument, either 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 Clause 2.1.

## 2.3 **Place of Performance**

Notwithstanding the foregoing provisions of Clauses 2.1 and 2.2 hereof, it is specifically agreed that the place of performance of any and all obligations of the Guarantor 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. **COMPLIANCE WITH THE CONDITIONS**

The Guarantor covenants in favour of each Beneficiary that it will duly perform and comply with the obligations expressed to be undertaken by it in the Conditions in relation to those Instruments where such Beneficiary is a Holder thereof or an Accountholder in respect thereof.

## 4. **PRESERVATION OF RIGHTS**

### 4.1 **Principal obligor**

The obligations of the Guarantor hereunder shall be deemed to be undertaken as principal obligor and not merely as surety.

### 4.2 **Continuing obligations**

The obligations of the Guarantor herein contained shall constitute and be continuing obligations notwithstanding any settlement of account or other matter or thing whatsoever and shall not be considered satisfied by any intermediate payment or satisfaction of all or any of the relevant Issuer's obligations under or in respect of any Instrument or the Deed of Covenant and shall continue in full force and effect for so long as the Programme remains in effect and thereafter until all sums due from such Issuer in respect of the Instruments and under the Deed of Covenant have been paid, and all other actual or contingent obligations of such Issuer thereunder or in respect thereof have been satisfied, in full.

#### 4.3 **Obligations not discharged**

Neither the obligations of the Guarantor herein contained 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:

- 4.3.1 *Winding-up*: the winding-up, dissolution, administration or re-organisation of the relevant Issuer or any change in its status, function, control or ownership;
- 4.3.2 *Illegality*: any of the obligations of the relevant Issuer under or in respect of any Instrument or the Deed of Covenant being or becoming illegal, invalid, unenforceable or ineffective in any respect;
- 4.3.3 *Indulgence*: time or other indulgence being granted or agreed to be granted to the relevant Issuer in respect of any of its obligations under or in respect of any Instrument or the Deed of Covenant;
- 4.3.4 *Amendment*: any amendment to, or any variation, waiver or release of, any obligation of the relevant Issuer under or in respect of any Instrument or the Deed of Covenant or any security or other guarantee or indemnity in respect thereof; or
- 4.3.5 *Analogous events*: 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.

#### 4.4 **Settlement conditional**

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 the relevant Issuer or any other person on the relevant Issuer's behalf being avoided or reduced by virtue of any laws relating to bankruptcy, insolvency, liquidation or similar laws of general application 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.

#### 4.5 **Exercise of Rights**

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:

- 4.5.1 *Demand*: to make any demand of the relevant Issuer, save for the presentation of the relevant Instrument;

4.5.2 *Take action*: to take any action or obtain judgment in any court against the relevant Issuer; or

4.5.3 *Claim or proof*: to make or file any claim or proof in a winding-up or dissolution of the relevant Issuer,

and (save as aforesaid) the Guarantor hereby expressly waives presentment, demand, protest and notice of dishonour in respect of any Instrument.

#### 4.6 **Deferral of Guarantor's rights**

The Guarantor agrees that, so long as any sums are or may be owed by the relevant Issuer in respect of any Instrument or under the Deed of Covenant or the relevant Issuer 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:

4.6.1 *Indemnity*: to be indemnified by the relevant Issuer;

4.6.2 *Contribution*: to claim any contribution from any other guarantor of the relevant Issuer's obligations under or in respect of any Instrument or the Deed of Covenant; or

4.6.3 *Subrogation*: to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Beneficiary against the relevant Issuer in respect of amounts paid by the Guarantor under this Deed of Guarantee or any security enjoyed in connection with any Instrument or the Deed of Covenant by any Beneficiary.

#### 4.7 **Unsubordinated Obligations**

The Guarantor irrevocably undertakes that its obligations hereunder in respect of Instruments specified in the applicable Final Terms or applicable Pricing Supplement, as the case may be, as Unsubordinated Instruments will constitute direct, general, unconditional and unsubordinated obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured (subject to Condition 5) and unsubordinated obligations of the Guarantor, save for such obligations as may be preferred by mandatory provisions of law.

#### 4.8 **Subordinated Obligations**

Unless otherwise expressly provided in the applicable Final Terms or applicable Pricing Supplement, as the case may be, relating to a Tranche of Instruments, the Guarantor irrevocably undertakes that its obligations hereunder in respect of Instruments specified in the applicable Final Terms or applicable Pricing Supplement, as the case may be, as Subordinated Instruments 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 in that payments hereunder (whether in the winding-up of the Guarantor or otherwise) will be conditional upon the Guarantor being solvent at the time of payment by the Guarantor and in that no amount shall be payable hereunder (whether in the winding-up of the Guarantor or otherwise) 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 Instruments and still be able to pay its outstanding debts to Senior Creditors of the Guarantor, which are due and payable.

In case of dissolution, liquidation and/or bankruptcy of the Guarantor the Holders will only be paid by the Guarantor after all Senior Creditors of the Guarantor 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.

## **5. DEPOSIT OF DEED OF GUARANTEE**

This Deed of Guarantee shall be deposited with and held by the Issue and Paying Agent for so long as the Programme remains in effect and thereafter until the date which is two years after all the obligations of each Issuer under or in respect of Instruments issued by it (including, without limitation, such Issuer's obligations under 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.

## **6. 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, reasonable 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.

## **7. BENEFIT OF DEED OF GUARANTEE**

### **7.1 Deed poll**

This Deed of Guarantee shall take effect as a deed poll for the benefit of the Beneficiaries from time to time.

### **7.2 Benefit**

This Deed of Guarantee shall ensure 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.

### **7.3 Assignment**

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. PARTIAL INVALIDITY**

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any 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 jurisdiction shall in any way be affected or impaired thereby.

## **9. NOTICES**

### **9.1 Address for notices**

All notices, demands and other communications to the Guarantor hereunder shall be made in writing (by letter or fax) and shall be sent to the Guarantor at:

EUROBANK ERGASIAS S.A.

Address: 8 Othonos Street  
Athens 105 57

Fax: +30 210 3337 190

Attention: Global Markets Division

or to such other address or fax number or for the attention of such other person or department as the Guarantor has notified to the relevant Holders in the manner prescribed for the giving of notices in connection with the relevant Instruments.

## 9.2 Effectiveness

Every notice, demand or other communication sent in accordance with Clause 9.1 (*Address for notices*) shall be effective upon receipt by the Guarantor *provided that* any such notice, demand 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.

## 10. LAW AND JURISDICTION

### 10.1 Governing law

This Deed of Guarantee (other than Clause 4.8), and any non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with, English law. Clause 4.8 shall be governed by, and construed in accordance with, Greek law.

### 10.2 Jurisdiction

The Guarantor agrees for the benefit of the Beneficiaries that the High Courts of Justice of England in London shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which arises out of or in connection with this Deed of Guarantee (including a proceeding or a dispute relating to any non-contractual obligations arising out of or in connection with this Deed of Guarantee) (respectively, "Proceedings" and "Disputes") and, for such purposes, irrevocably submits to the jurisdiction of such courts.

### 10.3 Appropriate forum

The Guarantor irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.

### 10.4 Service of process

The Guarantor agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to it at ERB Hellas PLC, 1st Floor, 25 Berkeley Square, London W1J 6HN. If the appointment of the person mentioned in this Clause 10.4 ceases to be effective, the Guarantor shall forthwith appoint a further person in England to accept service of process on its behalf in England and notify the name and address of such person to

the Issue and Paying Agent and, failing such appointment within fifteen days, any Beneficiary shall be entitled to appoint such a person by written notice to the Guarantor. Nothing in this paragraph shall affect the right of any Beneficiary to serve process in any other manner permitted by law.

**10.5 Non-exclusivity**

The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of the Beneficiaries to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

**11. MODIFICATION**

The Agency Agreement contains provisions for convening meetings of Holders to consider matters relating to Instruments, 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 **EUROBANK ERGASIAS S.A.** )

acting by its duly authorised attorney )

[name]

in the presence of:

Signature of witness:

Name of witness:

Address of witness:

Occupation of witness:

## TAXATION

### HELLENIC REPUBLIC

The following is an overview of certain material Greek tax consequences relating to the Instruments and to the Deed of Guarantee. This discussion does not purport to deal with all the tax consequences applicable to all possible categories of investors, some of which may be subject to special rules. Further, it is not intended as tax advice to any particular investor and it does not purport to be a comprehensive description or analysis of all of the potential tax considerations relating to the Instruments and to the Deed of Guarantee. The below overview is based upon Greek tax law as currently in force, as well as practice and interpretation available, at the date hereof, which is subject to change at any time, possibly with retroactive effect. The Greek taxation framework was significantly amended and reformed by virtue of Greek Law 4172/2013 as amended and in force (the "Greek Income Tax Code"). All regulations issued under the previous income tax code were repealed, thus past administrative practice may not be followed going forward. As a result, limited precedent on how the Tax Authorities will treat the tax events described in the majority of the following analysis exists. Holders of Instruments who are in doubt as to their personal tax position should consult their professional advisers.

Also, the discussion below is limited to the payment of interest under Instruments the terms of which provide that the redemption amount may not be less than the principal amount thereof upon their issue and does not address payment of interest under Instruments (including, for the avoidance of doubt, Reference Item Linked Instruments such as Equity Linked Instruments and/or Index Linked Instruments as specified in the applicable Final Terms) in relation to which the Maturity Redemption Amount payable upon redemption may be less than the nominal amount invested in such Instruments.

#### ***Greek withholding tax***

##### *Payments of interest under the Instruments*

1. In relation to payments made to holders of Instruments (the "Holder") issued by ERB Hellas PLC or by ERB Hellas (Cayman Islands) Limited under the Instruments which represent accrued interest on the Instruments:
  - (i) a withholding tax of 15 per cent. will be imposed on interest payments made to holders of Instruments who are tax residents in Greece and on Holders who maintain, for tax purposes, a permanent establishment in Greece and the interest is attributed/paid to that permanent establishment. The withholding will be applied on the date of payment of the interest under the Instruments or on any date on which a Holder sells any Instruments with reference to the interest accrued during the relevant Interest Period up to the time of such sale. In any case, the tax basis for withholding is the amount of interest accrued from the date the Holder acquired the Instruments to the following Interest Payment Date or from the date the Holder acquired the Instruments to the date of sale thereof if no Interest Payment Date has occurred, in each case, determined with reference to the nominal value of the Instrument sold. Such withholding will be imposed on payments by credit institutions registered or established in Greece, qualifying as paying agents in the sense of par. 2(a) of article 4 of Law 3312/2005 ((Gov. Gazette No A' 35/2005) implementing into Greek Law Directive 2003/48/EC on taxation of savings income in the form of interest payments – the "Implementing Law"), upon collection of interest on behalf of the Greek tax residents. Such withholding exhausts the tax liability of Greek tax residents who are individuals.

*And*

- (ii) no withholding tax on account of Greek tax laws will be imposed on holders who are not Greek tax residents and do not maintain, for tax purposes, a permanent establishment in Greece and the interest is not attributed/paid to that permanent establishment.

2. Payments made as from 1 January 2014 to Holders of Instruments issued by the Bank under the Instruments are subject to tax as follows, depending on the circumstances of the Holder:

- (i) a withholding tax of 15 per cent., will be imposed on interest payments made to Holders of Instruments who are tax residents in Greece and on Holders who maintain for tax purposes, a permanent establishment in Greece and the interest is attributed/paid to that permanent establishment. The withholding is calculated on the total interest amount of the coupon and is imposed on the coupon maturity date. Such withholding exhausts the tax liability of the Greek tax residents who are individuals.

More particularly, the withholding will be applied on the date of payment of the interest under the Instruments or on any date on which a Holder sells any Instruments with reference to the interest accrued during the relevant Interest Period up to the time of such sale.

*And*

- (ii) 15 per cent. withholding tax on account of Greek tax law (as interpreted by circular POL 1042/26.1.2015) will be imposed on Holders who are not Greek tax residents and do not maintain, for tax purposes, a permanent establishment in Greece, subject to the provisions of the applicable double taxation treaty signed between Greece and the state of origin (if any).

The same withholding tax will be imposed on Holders who are individuals and are not residents of Greece nor of any country among those which adhered to the EU Savings Directive.

If the Holder is a legal person or legal entity, tax resident of Greece, a Greek permanent establishment of a legal person or legal entity, or tax resident of any other country, withholding is imposed on the interest at a rate of 15 per cent.. The interest is taxed as business profits and is declared in the annual income tax return. The tax withheld is credited against the Holder's annual income tax due for this income and in case the amount withheld is larger than the amount due under the annual income tax return then the difference amounts to a tax credit to the Holder.

If the Holder is an individual or legal person or legal entity, tax resident of a country with which Greece has not entered into a double taxation treaty and the Instruments are not effectively connected with a Greek permanent establishment (Article 10(5) OECD Model), then tax is imposed on the interest at a rate of 15 per cent., withheld by the Bank acting in its capacity as Issuer. Income thus received by the Holder may be subject to tax in the Holder's country of tax residence.

If the Holder is an individual or legal person or legal entity, tax resident of a country with which Greece has entered into a double taxation treaty and Directive 2011/96 is not applicable and the Instruments are not effectively connected with a Greek permanent establishment, then tax is imposed on the interest at an effective rate limited to the rate specified in the applicable double taxation treaty, subject to such Holder claiming such right under the double taxation

treaty and producing a tax residence certificate. Income thus received by the Holder may be subject to tax in the Holder's country of tax residence.

If the Holder is a UCITS (ΟΣΕΚΑ) with establishment either within Greece or within the EU or EEA, or Greek Investment Company (AEEEX), or Greek REIC (AEEAΠ) then no withholding tax is imposed on the interest (Article 46(c) ITC for ΟΣΕΚΑ and AEEEX, Article 31(2) law 2778/1999 for AEEAΠ).

#### *Capital gains realised from the sale of the Instruments*

3. In relation to capital gains realised by Holders from the sale of Instruments issued by the Bank:

Pursuant to article 14 of Greek law 3156/2003, capital gains realised by holders of Instruments issued under law 3156/2003 are exempted from taxation in Greece (circular POL 1032/26.1.2015). If the capital gains beneficiaries are Greek legal entities or foreign legal entities which have a permanent establishment in Greece, the corporate taxation is deferred upon their distribution to the shareholders or capitalisation.

4. In relation to capital gains realised by Holders from the sale of Instruments issued by ERB Hellas PLC or by ERB Hellas (Cayman Islands) Limited:

Pursuant to the Greek Income Tax Code, Greek legal entities and foreign legal entities with a permanent establishment in Greece are subject to taxation at 26 per cent. on capital gains derived from the sale of foreign corporate bonds (such as the Instruments issued by ERB Hellas PLC and/or ERB Hellas (Cayman Islands) Limited).

However, as interpreted by circular POL 1032/26.1.2015, capital gains arising from the sale of Instruments issued by EU legal entities are exempt from Greek corporate taxation. Such taxation is deferred upon capital gains distribution to the shareholders or capitalisation.

In addition, individuals tax resident in Greece will be exempt of capital gains tax in relation to Instruments issued by ERB Hellas PLC on the basis of circular POL 1032/26.1.2015 and will be subject to capital gains tax of 15 per cent. in relation to Instruments issued by ERB Hellas (Cayman Islands) Limited.

If capital gains constitute income from business activity, then the beneficiary will be taxed at a tax rate of 26 per cent. for income up to €50,000 and 33 per cent. for income above €50,000.

If the Holder is a UCITS (ΟΣΕΚΑ) with establishment either within Greece or within the EU or EEA, or Greek Investment Company (AEEEX), or Greek REIC (AEEAΠ) then no tax is imposed on the capital gains realised from the sale of Instruments (Article 46(c) ITC for ΟΣΕΚΑ and AEEEX, Article 31(2) law 2778/1999 for AEEAΠ).

#### *Payments of interest under the Guarantee*

In relation to payments made to Holders of Instruments by the Guarantor under the Deed of Guarantee which represent accrued interest on the Instruments:

- (i) a withholding tax of 15 per cent., which exhausts the tax liability of the Holder, will be imposed on the payment of interest to Holders who are individuals and tax residents in Greece and on Holders who are individuals and maintain, for tax purposes, a permanent establishment in Greece.

a withholding tax of 15 per cent., which does not exhaust the tax liability of the Holder, will be imposed on the payment of interest to Holders who are legal entities and tax residents in Greece and on Holders who maintain, for tax purposes, a permanent establishment in Greece.

The same withholding tax will be imposed on Holders (that are a foreign individual or foreign legal entity/legal corporation) who are not residents of Greece nor of any country among those which adhered to the EU Savings Directive.

*And*

- (ii) a withholding tax of 15 per cent., which exhausts the tax liability of a Holder of Instruments, will be imposed on the payment of interest to Holders of Instruments who are companies or legal entities (other than “residual entities” of art. 4 par. 2 of the Implementing Law), and who are not resident in Greece and do not maintain for tax purposes a permanent establishment in Greece.

Additionally, if such a Holder (that is a foreign individual or foreign legal entity) of an Instrument is a resident of a country with which Greece has executed a bilateral treaty for the avoidance of double taxation then the provisions of such bilateral treaty shall prevail over the provisions of internal Greek tax laws, provided that such a Holder presents an appropriate tax residence certificate.

### ***Implementation of EU Savings Directive***

On 3 June 2003, the EU Council of Economic and Finance Ministers adopted Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the “EU Savings Directive”).

The ultimate aim of the EU Savings Directive is to enable savings income in the form of interest payments made in one Member State to beneficial owners who are individuals resident for tax purposes in another Member State to be made subject to effective taxation in accordance with the laws of the latter Member State.

The achievement of such aim is attempted through the establishment of an automatic system of exchange of information concerning interest payments between Member States.

Greece implemented the EU Savings Directive by virtue of the Implementing Law.

The purpose of this section is to provide an overview of the mechanics introduced by the Implementing Law for the purpose of such implementation. Capitalised terms used in this section, “Taxation – Hellenic Republic”, and not defined in the Prospectus have the meaning given to them in the EU Savings Directive.

Under the Implementing Law, Greek Paying Agents paying interest, payable under the Instruments or the Deed of Guarantee to, or securing the payment of interest for the benefit of, any individual Holder (natural person), who is not a resident of Greece for tax purposes, shall be required to report to the Greek Competent Authority, being the Directorate of International Financial Affairs of the Ministry of Economy and Finance, certain information, consisting of, at least, the identity and residence of such individual Holder of Instrument(s), the name and address of the Paying Agent, the account number of such individual Holder of Instrument(s) and information concerning such interest payment.

The Directorate of International Financial Affairs of the Ministry of Economy and Finance shall in turn communicate the above information to the respective Competent Authority of the Member State in which such Holder of Instruments retains its residence for tax purposes.

A reporting process is established in certain cases also where the Paying Agent is paying interest, payable under the Instruments or the Deed of Guarantee, to or securing the payment of interest for the benefit of certain categories of EU-based entities (other than Greek), as defined in the Implementing Law, which interest is secured or collected for the benefit of the ultimate individual Holder of Instrument(s). Also, specific obligations have been imposed on Greek entities, collecting or receiving interest for the benefit of the ultimate individual Holder of Instrument(s), by a Ministerial Decision of the Ministry of Economy and Finance.

The enactment of the Implementing Law commenced on 1 July 2005.

Directive 2014/48/EU amended the EU Savings Directive. Member states have to transpose directive 2014/48/EU by 1 January 2016 and apply its provisions from 1 January 2017.

## **UNITED KINGDOM**

The following is an overview of current United Kingdom tax law and published practice of HM Revenue & Customs (“HMRC”) which may be subject to change, sometimes with retrospective effect, and relates only to the withholding tax treatment of payments of principal and interest in respect of the Instruments. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Instruments. The comments are made on the assumption that any interest on Instruments issued by the Bank will not have a United Kingdom source (“UK Source”). The comments relate only to the position of persons who are absolute beneficial owners of the Instruments. Prospective Holders should be aware that the particular terms of issue of any Series of Instruments as specified in the applicable Final Terms may affect the tax treatment of that Series of Instruments. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Holders who are in any doubt as to their tax position should consult their own professional advisers.

Holders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Instruments 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 in respect of the Instruments. In particular, Holders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Instruments even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

### **Interest on the Instruments**

#### **1. *United Kingdom Withholding Tax on United Kingdom Source Interest***

Payments of interest on the Instruments issued by ERB Hellas (Cayman Islands) Limited may be considered to have a UK Source. The location of the source of a payment is a complex matter. It is necessary to have regard to case law and HMRC practice. Case law has established that in determining the source of interest, all relevant factors must be taken into account. Factors which may be particularly relevant include: the place where the Issuer is resident, the location of any branch out of which the Issuer issues the Instruments, the place where the Issuer may be sued or the Instruments enforced, the location of any security and the ultimate source or substantive origin of the funds to be used to pay the interest.

If such payments do have a UK Source, the statements which follow in paragraphs 1 to 5 in relation to ERB Hellas PLC will apply *mutatis mutandis* to payments of or in respect of interest on the Instruments issued by ERB Hellas (Cayman Islands) Limited. If payments of such

interest do not have a UK Source, they may be made without deduction or withholding on account of United Kingdom income tax.

The Instruments issued by ERB Hellas PLC which carry a right to interest (“UK Instruments”) will constitute “quoted Eurobonds” within the meaning of section 987 of the Income Tax Act 2007 provided they are and continue to be “listed on a recognised stock exchange” within the meaning of section 1005 of the Income Tax Act 2007. Instruments will be regarded as “listed on a recognised stock exchange” for this purpose if (and only if) they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the United Kingdom official list (within the meaning of and in accordance with Part VI of the Financial Services and Markets Act 2000) and are admitted to trading on the London Stock Exchange, or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange and are admitted to trading on that recognised stock exchange.

The Luxembourg Stock Exchange is a recognised stock exchange for these purposes. The Issuers’ understanding of current HMRC practice is that Instruments which are listed and admitted to trading on the Main Market of the Luxembourg Stock Exchange should be regarded as “listed on a recognised stock exchange” for these purposes. Provided, therefore, that the UK Instruments are and continue to be quoted Eurobonds, interest on the UK Instruments will be payable without withholding or deduction for or on account of United Kingdom income tax.

Interest on the Instruments may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Instruments is paid by a company and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Instruments is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest; provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

Interest on the Instruments may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Instruments is less than 365 days and those Instruments do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on Instruments that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply.

## 2. *Payments by the Guarantor*

If the Guarantor makes any payments in respect of interest (or other amounts due under the relevant Instruments other than the repayment of amounts subscribed for such Instruments) on Instruments issued by ERB Hellas PLC (or on Instruments issued by ERB Hellas (Cayman Islands) Limited, to the extent that those payments have a UK Source), such payments 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 the provisions of any applicable double taxation treaty or to any other exemption which may apply. Such payments by the Guarantor may not be eligible for any of the other exemptions described above.

3. *Payments under Deed of Covenant*

Any payments made by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited, to the extent that those payments have a UK Source under the relevant Deed of Covenant may not qualify for the exemptions from UK withholding tax described above.

4. *Provision of Information*

HMRC has powers to obtain information and documents relating to the Instruments, including in relation to issues of and other transactions in the Instruments, interest, payments treated as interest and other payments derived from the Instruments. This may include details of the beneficial owners of the Instruments, of the persons for whom the Instruments are held and of the persons to whom payments derived from the Instruments are or may be paid. Information may be obtained from a range of persons including persons who effect or are a party to such transactions on behalf of others, registrars and administrators of such transactions, the registered holders of the Instruments, persons who make, receive or are entitled to receive payments derived from the Instruments and persons by or through whom interest and payments treated as interest are paid or credited. Information obtained by HMRC may be provided to tax authorities in other jurisdictions.

5. *Other Rules Relating to United Kingdom Withholding Tax*

Instruments may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Instruments will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned above, but may be subject to reporting requirements as outlined above.

Where Instruments are issued with a redemption premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest in respect of UK Instruments are subject to United Kingdom withholding tax and reporting requirements as outlined above.

Where interest has been paid under deduction of United Kingdom income tax, Holders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to "interest" above mean "interest" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Instruments or any related documentation. Prospective Holders should seek their own professional advice as regards the withholding tax treatment of any payment on the Instruments which does not constitute "interest" or "principal" as those terms are understood in United Kingdom tax law.

Where a payment on the Instruments does not constitute (or is not treated as) interest for United Kingdom tax purposes, it may be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment, a manufactured payment, rent or royalties for United Kingdom tax purposes (which will be determined by, amongst other things, the terms and conditions of the relevant Instruments). In such a case, the payment may fall to be made under deduction of United Kingdom tax (the rate of withholding tax depending on the nature of the payment), subject to any exemption from withholding tax which may apply and to such relief as may be available under the provisions of any applicable double taxation treaty.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an Issuer pursuant to Condition 21 of the Instruments and does not consider the tax consequences of any such substitution.

To the extent that a guarantee payment or a payment on the Instruments made by ERB Hellas (Cayman Islands) Limited is made after withholding or deduction for or on account of United Kingdom income tax, the Guarantor or ERB Hellas (Cayman Islands) Limited (as the case may be) may not be obliged to pay such additional amounts as may be necessary in order that the net amounts received by the Holder after such withholding or deduction shall equal the respective amounts that would have been receivable by the Holder in the absence of such withholding or deduction. In addition, the Issuers and Guarantor will not be required to pay any such additional amounts to the extent that any Instrument or Coupon is presented for payment in the Hellenic Republic, the Cayman Islands or the United Kingdom.

## **CAYMAN ISLANDS**

Prospective investors should consult their professional advisers on the possible tax consequences of buying, holding or selling any Instrument under the laws of their country of citizenship, residence or domicile.

The following is a discussion of certain Cayman Islands tax consequences of an investment in the Instruments issued by ERB Hellas (Cayman Islands) Limited. The discussion is a general overview of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

### **1 Under existing Cayman Islands laws:**

- 1.1 payments of interest and principal on the Instruments issued by ERB Hellas (Cayman Islands) Limited will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal to any holder of the Instruments issued by ERB Hellas (Cayman Islands) Limited nor will gains derived from the disposal of such Instruments be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax;
- 1.2 no stamp duty is payable in respect of the issue of the Instruments issued by ERB Hellas (Cayman Islands) Limited, if in bearer form. The Instruments themselves will be stampable if they are executed in or brought into the Cayman Islands; and
- 1.3 no stamp duty is payable in respect of the issue of the Instruments and certificates evidencing the Instruments, if in registered form. An instrument of transfer in respect of such an Instrument or a certificate is stampable if executed in or brought into the Cayman Islands.

ERB Hellas (Cayman Islands) Limited has been incorporated under the laws of the Cayman Islands as an exempted company and, as such, has obtained an undertaking from the Governor in Cabinet of the Cayman Islands in the following form:

**“The Tax Concessions Law  
1999 Revision  
Undertaking as to Tax Concessions**

In accordance with Section 6 of The Tax Concession Law (1999 Revision) the Governor in Cabinet undertakes with ERB Hellas (Cayman Islands) Limited “the Company”:

1. that no Law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and
2. in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
  - 2.1 on or in respect on the shares, debentures or other obligations of the Company;
  - or
  - 2.2 by way of the withholding in whole or part of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (1999 Revision).

These concessions shall be for a period of twenty years from the 14th day of May, 2002.”

## **LUXEMBOURG**

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 Instruments 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 Instruments**

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 Instruments, nor on accrued but unpaid interest in respect of the Instruments, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Instruments held by non-resident holders of Instruments.

Luxembourg has abolished the withholding system with effect from 1 January 2015, in favour of automatic information exchange under Council Directive 2003/48/EC of June 2003 on the taxation of savings income.

#### **(ii) Resident holders of Instruments**

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 as amended (the “Relibi Law”) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Instruments, nor on accrued but unpaid interest in respect of Instruments, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Instruments held by Luxembourg resident holders of Instruments.

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 or to a residual entity (within the meaning of the laws of 21 June 2005

implementing Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "Territories")) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10 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. Payments of interest under the Instruments coming within the scope of the Law will be subject to a withholding tax at a rate of 10 per cent.

## **FOREIGN ACCOUNT TAX COMPLIANCE ACT**

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("FATCA") impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or "FFI" (as defined by FATCA)) that does not become a "Participating FFI" by entering into an agreement with the U.S. Internal Revenue Service ("IRS") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of the Issuer (a "Recalcitrant Holder"). Eurobank is classified as an FFI and each of (i) ERB Hellas PLC and (ii) ERB Hellas (Cayman Islands) Limited may be classified as an FFI.

The new withholding regime is now in effect for payments from sources within the United States and will apply to "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Instruments 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 after the "grandfathering date", which (A) with respect to Instruments that give rise solely to foreign passthru payments, is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register and (B) with respect to Instruments that give rise to a dividend equivalent pursuant to section 871(m) of the U.S. Internal Revenue Code of 1986, is the date that is six months after the date on which obligations of their type are first treated as giving rise to dividend equivalents, or which are materially modified after the grandfathering date and (ii) any Instruments characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Instruments are issued before the grandfathering date, and additional Instruments of the same series are issued on or after that date, the additional Instruments may not be treated as grandfathered, which may have negative consequences for the existing Instruments, including a negative impact on market price.

The United States and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA (each, an "IGA"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "Reporting FI" not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "FATCA Withholding") from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and the United Kingdom have entered into an agreement (the "US-UK IGA") based largely on the Model 1 IGA. The United States and the Cayman Islands have entered into an agreement (the "US-Cayman IGA") based largely on the Model 1 IGA. The United States and Greece have reached an agreement in substance on the terms of an IGA based largely on the Model 1 IGA. Until the United States and Greece sign an IGA (the "US-Greece IGA"), Greece will be treated as having a Model 1 IGA in effect provided that it remains on the IRS list of jurisdictions that

have reached an agreement in substance on the terms of an IGA. The U.S. Treasury will review this list on a monthly basis to determine whether each jurisdiction will continue to be treated as having an IGA in effect.

If each of (i) Eurobank, (ii) ERB Hellas PLC and (iii) ERB Hellas (Cayman Islands) Limited is treated as a Reporting FI pursuant to the US-Greece IGA, US-UK IGA and US-Cayman IGA respectively they do not anticipate that they will be obliged to deduct any FATCA Withholding on payments they make. There can be no assurance, however, that the Issuers will be treated as Reporting FIs, or that they would in the future not be required to deduct FATCA Withholding from payments they make. The relevant Issuer and financial institutions through which payments on the Instruments are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Instruments is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

Whilst the Instruments are in global form and held within the ICSDs, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Instruments by the relevant Issuer, the Guarantor, as the case may be, any paying agent and the Common Depository or Common Safekeeper, given that each of the entities in the payment chain between the relevant Issuer and the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Instruments. The documentation expressly contemplates the possibility that the Instruments may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Instruments will only be printed in remote circumstances.

**FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Instruments.**

#### **HIRING INCENTIVES TO RESTORE EMPLOYMENT ACT**

The U.S. Hiring Incentives to Restore Employment Act introduced Section 871(m) of the U.S. Internal Revenue Code of 1986 which treats a “dividend equivalent” payment as a dividend from sources within the United States. Under Section 871(m), such payments generally would be subject to a 30 per cent. U.S. withholding tax that may be reduced by an applicable tax treaty, eligible for credit against other U.S. tax liabilities or refunded, provided that the beneficial owner timely claims a credit or refund from the IRS. A “dividend equivalent” payment is (i) a substitute dividend payment made pursuant to a securities lending or a sale-repurchase transaction that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, (ii) a payment made pursuant to a “specified notional principal contract” that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, and (iii) any other payment determined by the IRS to be substantially similar to a payment described in (i) and (ii). Proposed U.S. Treasury regulations expand the scope of withholding under Section 871(m) beginning 1 January 2016.

While significant aspects of the application of Section 871(m) to the Instruments are uncertain, if the Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld.

Prospective investors should consult their tax advisers regarding the potential application of Section 871(m) to the Instruments.

## **EU SAVINGS DIRECTIVE**

Under Council Directive 2003/48/EC on the taxation of savings income (the “Savings Directive”), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income) paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted a Council Directive (the “Amending Directive”) amending and broadening the scope of the requirements described above. The Amending Directive requires Member States to apply these new requirements from 1 January 2017, and if they were to take effect the changes would expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. They will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

## **THE PROPOSED FINANCIAL TRANSACTIONS TAX (“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 (the “participating Member States”).

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Instruments (including secondary market transactions) in certain circumstances. The issuance and subscription of Instruments should, however, 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 Instruments 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.

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016.

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

Prospective holders of the Instruments are advised to seek their own professional advice in relation to the FTT.

## SUBSCRIPTION AND SALE

Instruments may be sold from time to time by each relevant Issuer to, *inter alios*, any one or more of EFG Eurobank Ergasias S.A. in its capacity as a dealer (the “Initial Dealer”) and/or any other entity appointed by the Issuers from time to time either generally in respect of the Programme or in relation to a particular Tranche (together with the Initial Dealer, the “Dealers”). The arrangements under which Instruments may from time to time be agreed to be sold by the relevant Issuer to, and purchased by, Dealers are set out in an amended and restated dealership agreement dated 13 May 2015 (such Dealership Agreement as modified and/or supplemented and/or restated from time to time, the “Dealership Agreement”) and made between the Issuers, the Guarantor and the Initial Dealer. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Instruments, the price at which such Instruments will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the relevant Issuer in respect of such purchase. The Dealership Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Instruments.

**United States of America** *Regulation S Category 2; TEFRA D, unless TEFRA C or TEFRA not applicable is specified in the applicable Final Terms.*

Instruments have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) 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 the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

Instruments 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 United States persons, except in certain transactions permitted by United States Treasury regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules 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 Instruments, (i) as part of their distribution at any time or (ii) otherwise until forty days after the completion of the distribution of the Instruments comprising the relevant Tranche, as certified by the relevant Dealer or, in the case of an issue of Instruments on a syndicated basis, the relevant lead manager, of all of the Instrument of the Tranche of which such Instruments 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 any Instruments during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Instruments 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 forty days after the commencement of the offering of Instruments comprising any Tranche, any offer or sale of such Instruments 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.

Each issuance of Exempt Instruments which are also Index Linked Instruments, Equity Linked Instruments or Dual Currency Instruments shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Exempt Instruments, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

### **Public Offer Selling Restriction under the Prospectus Directive**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”), it has not made and will not make an offer of Instruments which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Instruments to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Instruments referred to in (a) to (c) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Instruments to the public” in relation to any Instruments in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe the Instruments, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in the Relevant Member State.

### **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 Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited which have 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 Instruments 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 Instruments would otherwise constitute a contravention of Section 19 of the FSMA by the relevant 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 Instruments in circumstances in which Section 21(1) of the FSMA (i) (where the relevant Issuer is ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited) does not, or, in the case of the Guarantor, would not, if the Guarantor was not an authorised person, apply to the relevant Issuer or the Guarantor or (ii) (where the relevant Issuer is the Bank) would not, if the Bank was not an authorised person, apply to the Bank; 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 Instruments in, from or otherwise involving the United Kingdom.

## **Japan**

The Instruments 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 Instruments, 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.

## **The Republic of France**

The relevant Issuer, the Guarantor (if applicable) and 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 or sold and will not offer or sell, directly or indirectly, Instruments to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Prospectus, the applicable Final Terms or any other offering material relating to the Instruments, and that such offers, sales and distributions have been and will be made in France only to qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French *Code monétaire et financier*.

## **Greece**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has complied and will comply with (i) the provisions of the Public Offer Selling Restriction under the Prospectus Directive, described above in this section; (ii) all applicable provisions of Law 3401/2005, implementing into Greek Law the Prospectus Directive; and (iii) all applicable provisions of Law 3606/2007, with respect to anything done in relation to any offering of any Instruments or advertisement, notice, statement or other action involving Instruments in, from or otherwise involving the Hellenic Republic.

## **Cayman Islands**

In the case of any Instruments issued by ERB Hellas (Cayman Islands) Limited, no invitation may be made directly or indirectly to the public in the Cayman Islands to subscribe for any of the Instruments. In the case of any Instruments issued by an Issuer (other than ERB Hellas (Cayman Islands) Limited), no Instruments may be offered (by electronic means or otherwise) or sold by or on behalf of such Issuer within, or from within, or through an internet service provider or other electronic service

provider located in, the Cayman Islands if such offer or sale would require such Issuer to be registered as a foreign company under the Companies Law (2013 Revision) of the Cayman Islands.

## **General**

Other than with respect to the approval of this Prospectus as a base prospectus in accordance with Article 5.4 of the Prospectus Directive and, in relation to any issue of Instruments, as may be specified in the applicable Final Terms, no action has been or will be taken in any country or jurisdiction by the Dealers that would permit a public offering of Instruments, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Prospectus or any Final Terms comes are required by the relevant Issuer, (if applicable) the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Instruments or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealership Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, in applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the first paragraph of this section "General".

Selling restrictions may be supplemented or modified with the agreement of the relevant Issuer. Any such supplement or modification will, in the case of Exempt Instruments only, be set out in the applicable Pricing Supplement (in the case of a modification relevant only to a particular Tranche of Exempt Instruments) or (in any other case) in a supplement to this Prospectus and a supplement to the Dealership Agreement.

## GENERAL INFORMATION

1. Application has been made for PD Instruments 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 Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

However, Instruments may be issued under the Programme which will not be listed or admitted to trading on the Luxembourg Stock Exchange or any other stock exchange or any other relevant authority or which will be listed or admitted to trading on such stock exchange or any other relevant authority as the relevant Issuer and the relevant Dealer(s) may agree.

2. The establishment of the Programme and the issuance of Instruments thereunder by ERB Hellas PLC was authorised by resolutions of the Board of Directors of ERB Hellas PLC on 30 September 1999. The accession of ERB Hellas (Cayman Islands) Limited as an Issuer under the Programme was authorised by resolutions of the Board of Directors of ERB Hellas (Cayman Islands) Limited on 15 May 2002. The establishment of the Programme and the giving of the guarantee was authorised by resolutions of the Board of Directors of the Guarantor on 12 March 1999, 10 June 1999, 22 September 1999, 13 October 1999 and 24 April 2002. The increase in the aggregate principal amount of the Programme to €25,000,000,000 was authorised by resolutions of the Board of Directors of ERB Hellas PLC on 30 July 2008, of ERB Hellas (Cayman Islands) Limited on 30 July 2008 and of the Guarantor on 3 July 2008. The accession of the Bank as an Issuer under the Programme was authorised by resolutions of the Board of Directors of the Bank on 20 July 2009. The 2014 update of the Programme was authorised by resolutions of the Board of Directors of the Bank on 31 March 2014 and by resolutions of the Board of Directors of ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited each on 21 May 2014. The 2015 update of the Programme was authorised by resolutions of the Board of Directors of the Bank on 28 April 2015 and by resolutions of the Board of Directors of ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited each on 12 May 2015. Each Obligor has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Instruments.
3. As at 31 December 2014, there were a number of legal proceedings outstanding against the Group for which a provision of €60 million was recorded (31 December 2013: €154 million). As at 31 March 2014, the Group proceeded with the release of the provision of €103 million, recognised in 2013 based on the management's estimates of the final amount of the consideration to be received for the disposal of Polish operations.

None of the Obligors and any other member of the Group is involved in any administrative, judicial or arbitration proceedings (including any proceedings which are pending or threatened of which any of the Obligors is aware) which any Obligor believes may have or which have had a material effect on the financing condition or the results of operations or that of any Obligor in the 12 months preceding the date of this Prospectus.

In January 2014, Greek prosecutors initiated an investigation into the alleged improper granting of loans between 2006 and 2011 by TT Hellenic Postbank S.A. (the bank from which deposits, branch networks and other assets were transferred to create New TT HPB). Criminal proceedings are pending before the Investigating Magistrate of Athens and certain senior employees of TT Hellenic Postbank S.A. have been interrogated by the Investigating Magistrate in connection with breach of trust charges. The Obligors do not expect the outcome of these pending criminal proceedings to have a material effect on the Group.

4. There has been no material adverse change in the prospects of the Bank and no significant change in the financial position of the Bank and its subsidiaries taken as a whole since 31 December 2014 (the last day of the financial period in respect of which the most recent audited financial statements of the Bank have been prepared).

There has been no material adverse change in the prospects of ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited, respectively, and there has been no significant change in the financial or trading position of ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited, respectively since 31 December 2014 (the last day of the financial period in respect of which the most recent audited financial statements of ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited have been prepared).

5. For the period of 12 months following the date of this Prospectus, copies and (where appropriate) English translations of the following documents will, when published, be available for inspection at the registered offices of each Obligor and at the specified offices of the Issue and Paying Agent and the Paying Agent in Luxembourg:
- (a) the constitutional documents of each Obligor;
  - (b) the Issue and Paying Agency Agreement, the Dealership Agreement, the Deed of Guarantee, the ERB Hellas PLC Deed of Covenant, the ERB Hellas (Cayman Islands) Limited Deed of Covenant and the Bank Deed of Covenant;
  - (c) a copy of this Prospectus, any supplement to this Prospectus, each document incorporated herein by reference, Final Terms and Pricing Supplements (in the case of Exempt Instruments) (save that Pricing Supplements will only be available for inspection by a holder of such Exempt Instrument and such holder must produce evidence satisfactory to the Issuer or the Guarantor, as the case may be, as to its holding of such Exempt Instrument);
  - (d) in the case of each issue of PD Instruments admitted to trading on the Luxembourg Stock Exchange's regulated market subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document);
  - (e) the audited consolidated annual financial statements of the Bank in respect of the financial years ended 31 December 2014 and 31 December 2013, in each case together with the auditors' reports prepared in connection therewith;
  - (f) the audited annual financial statements of ERB Hellas PLC in respect of the financial years ended 31 December 2014 and 31 December 2013, in each case together with the auditors' reports prepared in connection therewith;
  - (g) the audited annual non-statutory financial statements of ERB Hellas (Cayman Islands) Limited in respect of the financial years ended 31 December 2014 and 31 December 2013, in each case together with the auditors' reports prepared in connection therewith; and
  - (h) all reports (other than auditors' reports), letters, valuations and statements prepared at an Obligor's request and included (in whole or in part) in this Prospectus.

In addition, copies of this Prospectus, any supplement to this Prospectus, each document incorporated by reference and Final Terms relating to PD Instruments which are either admitted to trading on the Luxembourg Stock Exchange's regulated market or offered to the

public in the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be available on the Luxembourg Stock Exchange's website at [www.bourse.lu](http://www.bourse.lu) and, free of charge, upon request from the registered office of each Obligor.

6. The Instruments 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 the International Securities Identification Number in relation to the Instruments of each Tranche will be specified in the applicable Final Terms relating thereto. The applicable Final Terms shall specify any other clearing system as shall have accepted the relevant Instruments for clearance together with any further appropriate information.

The address of Euroclear Bank SA/NV is 1, Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

7. The issue price and amount of the Instruments of any Tranche to be issued under the Programme will be determined at the time of offering of such Tranche in accordance with then prevailing market conditions.
8. 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.
9. Instruments (other than Temporary Global Instruments) which have a maturity of more than one year and any Coupon appertaining thereto will bear the following legend: "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."

The sections referred to in such legend provide that a United States person who holds an Instrument or Coupon generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Instrument or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

10. The auditors of ERB Hellas PLC are PricewaterhouseCoopers LLP of Hays Galleria, 1 Hays Lane, London SE1 2RD, England (members of the Institute of Chartered Accountants in England and Wales), Chartered Accountants and Registered Auditors, who have audited its financial statements, without qualification, in accordance with IFRS for each of the two financial years ended 31 December 2014 and 31 December 2013.

The auditors of ERB Hellas (Cayman Islands) Limited are PricewaterhouseCoopers of 268 Kifissias Avenue, 152 32 Halandri, Greece (members of the Institute of Certified Auditors-Accountants in Greece), Chartered Accountants and Registered Auditors, who have audited its financial statements, without qualification but with an emphasis of matter, in accordance with IFRS for each of the two financial years ended 31 December 2014 and 31 December 2013.

The auditors of the Bank are PricewaterhouseCoopers of 268 Kifissias Avenue, 152 32 Halandri, Greece (members of the Institute of Certified Auditors-Accountants in Greece), Chartered Accountants and Registered Auditors, who have audited the Bank's financial

statements, without qualification but with an emphasis of matter, in accordance with IFRS for each of the two financial years ended 31 December 2014 and 31 December 2013.

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