

SUPPLEMENT DATED 23 DECEMBER 2016 TO THE OFFERING CIRCULAR DATED 26 JULY 2016

PIRAEUS BANK



PIRAEUS GROUP FINANCE PLC

(incorporated with limited liability in England and Wales)

as Issuer

and

PIRAEUS BANK S.A.

(incorporated with limited liability in the Hellenic Republic)

as Issuer and Guarantor

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

This supplement (the **Supplement**) to the Offering Circular dated 26 July 2016 (the **Offering Circular**) constitutes a supplement to the base prospectus for the purposes of Article 13 of Chapter 1 of Part II of the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities, as amended (the **Prospectus Act**) and is prepared in connection with the €25,000,000,000 Euro Medium Term Note Programme (the **Programme**) established by Piraeus Group Finance PLC (**Piraeus PLC**) and Piraeus Bank S.A. (**Piraeus Bank**). Terms defined in the Offering Circular have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Offering Circular issued by Piraeus PLC and Piraeus Bank.

Each of Piraeus PLC and Piraeus Bank accepts responsibility for the information contained in this Supplement. To the best of the knowledge of each of Piraeus PLC and Piraeus Bank (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

PURPOSE OF THE SUPPLEMENT

The purpose of this Supplement is to: (i) incorporate by reference some parts of the English translation of the unaudited consolidated interim condensed financial information (**Unaudited Consolidated Interim Condensed Financial Information**) of Piraeus Bank and its subsidiaries (together, the **Group**), as at and for the nine month period ended 30 September 2016; (ii) update the disclosure in the "*Piraeus Bank and the Piraeus Bank Group*" section, including the "*Recent Developments (after the announcement of the 31 December 2015 annual results)*" section, the "*Management of Piraeus Bank*" section and the selected financial information of Piraeus Bank in the Offering Circular; and (iii) update the Summary of the Programme with respect to such financial information incorporated by reference and the statements of no significant change and no material adverse change in relation to Piraeus Bank.

1. INFORMATION INCORPORATED BY REFERENCE

On 15 November 2016, the Group published its Unaudited Consolidated Interim Condensed Financial Information as at and for the nine month period ended 30 September 2016. The financial statements contained in the Unaudited Consolidated Interim Condensed Financial Information were prepared in accordance with the International Financial Reporting Standards.

A copy of the Unaudited Consolidated Interim Condensed Financial Information of the Group has been filed with the *Commission de Surveillance du Secteur Financier* and, by virtue of this Supplement, the information in the cross reference list below is incorporated by reference in, and forms part of, the Offering Circular. Copies of the Supplement and all documents incorporated by reference in the Offering Circular will be available to view on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) as mentioned on page 61 of the Offering Circular.

Cross reference list of the information contained in the Unaudited Consolidated Interim Condensed Financial Information of the Group that is hereby incorporated by reference in the Offering Circular:

Consolidated Interim Condensed Financial Information	Pages
- Unaudited Consolidated Interim Condensed Financial Information of the Group as at and for the nine month period ended 30 September 2016	Pages 1 to 59 of the pdf financial report
- Consolidated Interim Income Statement	Page no. 2 (page 4 of the pdf financial report)
- Consolidated Interim Statement of Total Comprehensive Income	Page no. 3 (page 5 of the pdf financial report)
- Consolidated Interim Statement of Financial Position	Page no. 4 (page 6 of the pdf financial report)
- Consolidated Interim Statement of Changes in Equity	Page no. 5 (page 7 of the pdf financial report)
- Consolidated Interim Cash Flow Statement	Page no. 6 (page 8 of the pdf financial report)
- Notes to the Consolidated Interim Condensed Financial Information	Page no. 7 to 57 (pages 9 to 59 of the pdf financial report)

Any non-incorporated parts of a document referred to herein (which, for the avoidance of doubt, means any parts not included in the cross reference list above) are either deemed not relevant for an investor or are otherwise covered elsewhere in the Offering Circular.

2. RECENT DEVELOPMENTS

On pages 170 to 172 of the Offering Circular, the section entitled "Recent Developments (after the announcement of the 31 December 2015 annual results)" shall be updated by inserting the following paragraphs under such heading, which correspond to events that occurred subsequent to the publication of the Offering Circular and up to the publication of this Supplement:

- On 30 August 2016, Piraeus Bank announced that Mr Vasileios Fourlis, Non-Executive Member of the Board of Directors, submitted his resignation at the Board of Directors meeting held on 30 August 2016.
- On 23 September 2016, Piraeus Bank announced that Mr Eftychios Vassilakis, Non-Executive Member of the Board of Directors, submitted his resignation on 22 September 2016.
- On 15 November 2016, in accordance with the provisions of article 2, paragraph 2(e) of resolution 3/347/12.07.2005 of the Hellenic Capital Market Commission and of Law 3016/2002, Piraeus Bank announced that during the Board of Directors meeting held on 1 November 2016 (and further to the resignation of Mr Chariton Kyriazis, Independent Non-Executive Member on 9 November 2016), the Board of Directors selected one of its members, Mr Enrico Cucchiani (at present a Non-Executive Member), to replace the resigned member as Independent Non-Executive Member for the remaining term of the Board.
- On 25 November 2016, Piraeus Bank S.A. announced that it is exploring strategic alternatives regarding its participation in the share capital of its subsidiary "Olympic Commercial and Tourism Enterprises S.A." (Olympic), including a potential sale of its stake, in the context of the implementation of the Group's restructuring plan commitments, as those were agreed with the Directorate General of Competition of the European Commission. Olympic, is the holder of the master franchise of Avis Rent a Car, Budget Rent a Car and Payless in Greece. Citigroup Global Markets Ltd is acting as the exclusive financial adviser of Piraeus Bank for the Transaction.
- On 29 November 2016, Piraeus Bank announced that it had reached an agreement with the European Bank of Reconstruction and Development (**EBRD**) to provide a €50 million facility under the EBRD's Trade Facilitation Programme.

3. MANAGEMENT OF PIRAEUS BANK

On pages 133 to 134 of the Offering Circular, the section entitled "Management of Piraeus Bank" shall be replaced with the following paragraphs:

"The General Meeting of the Shareholders is ultimately the governing body of Piraeus Bank entitled to elect the Board of Directors (the **Board of Directors** or **BoD**). The Board of Directors is the managerial body of Piraeus Bank and consists of executive and non-executive members, while four of the non-executive members are also independent, in accordance with the provisions of Greek Law 3016/2002 regarding corporate governance, Greek Law 3864/2010 and the Relationship Framework Agreement. The Board of Directors represents Piraeus Bank and has unlimited authority to decide on any issue in relation to Piraeus Bank's management, the management of Piraeus Bank's assets and satisfaction of Piraeus Bank's objectives, in general. The Board of Directors is not entitled to decide on any issue which falls into the exclusive jurisdiction of the General Meeting according to the Articles of Association of Piraeus Bank or Greek law. Ms. Ekaterini Beritsi has been appointed by the HFSF as its representative by virtue of Greek Law 3864/2010 (the **HFSF Representative**). Following the redemption of the Pillar II bonds by Piraeus Bank on 28 April 2016, Piraeus Bank no longer has any reliance on Greek Law 3723/2008 and therefore, it is no longer subject to the restrictions of the relevant support scheme, that required, among other things, the appointment of one representative of the Hellenic Republic in its Board of Directors.

The current composition of the Board of Directors, following its reconstitution during the Board of Directors meeting of 15 November 2016, is as follows:

Non-Executive Chairman of the Board

- George Handjinicolaou, father's name Peter

Vice-Chairmen

- Apostolos Tamvakakis, father's name Stavros, A' Vice Chairman, Independent Non-Executive Member
- Stavros Lekkakos, father's name Michael, B' Vice Chairman, Non-Executive Member

Executive Board Members

- George Pouloupoulos, father's name Ioannis, Deputy Managing Director
- Charikleia Apalagaki, father's name Andreas, Authorised Executive Director

Non-Executive Board Members

- Iakovos Georganas, father's name Georgios, Non-Executive Member
- Solomon Berahas, father's name Albert, Non-Executive Member
- Alexander Blades, father's name Zisis, Non-Executive Member

Independent Non-Executive Board Members

- Arne Berggren, father's name Sten, Independent Non-Executive Member
- Karel De Boeck, father's name Gerard, Independent Non-Executive Member
- Enrico Tomasso Cucchiani, father's name Clemente, Independent Non-Executive Member
- David Hexter, father's name Richard, Independent Non-Executive Member

The following person also participates in the Board of Directors:

Akaterini Beritsi, father's name Konstantinos, HFSF representative (Greek Law 3864/2010)

Other than as disclosed above, no Executive Member, Non-Executive Chairman, Non-Executive Vice Chairman, or Non-Executive Member has any activities outside Piraeus Bank which are significant with respect to Piraeus Bank.

Piraeus Bank is not aware of any potential conflicts of interest between the duties towards Piraeus Bank of the persons listed above and their private interests or other duties.

The business address of each person identified above is 4 Amerikis Street, 10564 Athens, Greece."

4. UPDATE OF THE SELECTED FINANCIAL INFORMATION IN THE OFFERING CIRCULAR¹

Selected Financial Information of Piraeus Bank

On page 162 of the Offering Circular, the table under the heading entitled "Summary Consolidated Profit and Loss Account" shall be replaced with the following table:

Summary Consolidated Profit and Loss Account

	Period from 1 January to	
	30 September 2016	30 September 2015
	Amounts in EUR million	
Interest and similar income	2,012	2,260
Less: Interest expense and similar charges.....	(562)	(846)
Net Interest Income.....	1,450	1,414
Plus: Net Fee and Commission income.....	235	227
Plus: Dividend income.....	6	7
Plus: Net income from financial instruments designated at fair value through profit or loss	3	68
Plus: Results from investment securities	124	(5)
Plus: Other results.....	59	77
Total Net Income	1,877	1,788
Less: Staff costs.....	(471)	(494)
Less: Administrative expenses.....	(414)	(403)
Depreciation and amortisation	(83)	(83)
Total operating expenses before provisions.....	(967)	(980)
Profit before provisions, impairment and income tax.....	910	809
Less: Impairment losses on loans.....	(797)	(2,103)
Less: Impairment losses on other receivables	(40)	(74)
Less: Impairment losses on other debt securities-receivables	(5)	-
Less: Other provisions and impairment.....	(19)	(19)
Plus: Share of profit of associates and joint ventures	(8)	(13)
Profit / (Loss) before income tax	41	(1,400)
Less: Income tax	(29)	779
Profit / (Loss) after tax from continuing operations	12	(622)
Profit / (Loss) after income tax from discontinued operations.....	(35)	(4)

¹ All numbers in this section have been rounded to the nearest million on a line by line basis, including the total figures. The numbers in respect of "Non controlling interest", "Acquisition of subsidiaries excluding cash and cash equivalents acquired", "(Purchases)/ sales of treasury shares and pre-emption rights" and "Exchange difference of cash and cash equivalents" for the nine month period ended 30 September 2016 and 30 September 2015, respectively, that have been marked with a dash (-) show that these numbers have been rounded down following the application of such rounding above.

Profit / (Loss) after tax	(22)	(625)
From continuing operations		
Profit / (Loss) attributable to equity holders of the parent entity	14	(621)
Non controlling interest	(2)	(1)
From discontinued operations		
Profit / (Loss) attributable to equity holders of the parent entity	(35)	(4)
Non controlling interest	-	-
Earnings/ (Losses) per share attributable to equity holders of the parent entity (in euros):		
From continuing operations		
– Basic and Diluted	0.0016	(0.3682)
From discontinued operations		
– Basic and Diluted	(0.0040)	(0.0022)

On pages 163 and 164 of the Offering Circular, the tables under the heading entitled "Balance Sheet" shall be replaced with the following tables:

Summary Consolidated Balance Sheet

	As at		
	30 September 2016⁽¹⁾	31 December 2015⁽²⁾	31 December 2014⁽²⁾
Amounts in EUR million			
ASSETS			
Cash and balances with Central Banks	3,262	3,645	3,837
Loans and advances to credit institutions	171	180	297
Derivative financial instruments assets	468	438	509
Financial assets at fair value through profit or loss	255	240	300
Reverse repos with customers	29	1	64
Loans and advances to customers (net of provisions) .	48,278	50,591	57,143
Debt securities - receivables	14,561	16,985	14,400
Investment securities	2,712	2,740	2,561
Investments in associated undertakings and joint ventures	252	298	299
Intangible assets	264	274	313
Property, plant and equipment	1,508	1,474	1,436
Investment property	1,218	1,036	990
Assets held for sale	10	34	38
Deferred tax assets	5,085	5,075	4,019
Inventories property	943	847	845
Other assets	2,027	2,076	1,934
Assets from discontinued operations	1,183	1,594	305
TOTAL ASSETS	82,226	87,528	89,290

Summary Consolidated Balance Sheet

	As at		
	30 September 2016⁽¹⁾	31 December 2015⁽²⁾	31 December 2014⁽²⁾
Amounts in EUR million			

LIABILITIES

Due to credit institutions	29,303	34,491	23,690
Financial liabilities at fair value through profit or loss ...	-	2	2
Derivative financial instruments - liabilities	490	446	544
Due to customers.....	39,281	38,952	54,733
Debt securities in issue	71	102	661
Hybrid capital and other borrowed funds	-	-	232
Retirement benefit obligations	195	193	212
Other provisions.....	95	183	43
Current income tax liabilities	55	52	33
Deferred tax liabilities	54	31	38
Other liabilities	1,531	1,571	1,276
Liabilities from discontinued operations	1,186	1,485	504
TOTAL LIABILITIES	72,261	77,508	81,967
Capital and reserves attributable to equity holders of the parent entity	9,801	9,908	7,210
Non controlling interest	163	113	112
TOTAL EQUITY	9,964	10,021	7,322
TOTAL LIABILITIES AND EQUITY	82,226	87,528	89,290

(1) The financial information has been extracted without material adjustment from the unaudited IFRS consolidated balance sheet of the Group for the nine months ended 30 September 2016.

(2) The financial information has been extracted without material adjustment from the audited IFRS consolidated balance sheets of the Group for the year ended 31 December 2015.

The table on page 167 of the Offering Circular shall be replaced with the following table:

	As at 30 September	
	2016	2015
	Amounts in EUR million	
Cash flows from operating activities from continuing operations		
Profit/ (Loss) before tax.....	41	(1,400)
Adjustments to profit/ (loss) before tax:		
Add: Provisions and impairment	861	2,195
Add: Depreciation and amortisation charge	83	83
Add: Retirement benefits.....	11	11
(Gains)/losses from valuation of financial instruments at fair value through profit or loss	29	(47)
(Gains)/losses from investing activities	(113)	17
Cash flows from operating activities before changes in operating assets and liabilities	912	859
Changes in operating assets and liabilities:		
Net (increase)/decrease in cash and balances with Central Banks	296	(298)
Net (increase)/decrease in financial instruments at fair value through profit or loss	(15)	13
Net (increase)/decrease in debt securities - receivables	2,419	(5)

	As at 30 September	
	2016	2015
	Amounts in EUR million	
Net (increase)/decrease loans and advances to credit institutions	(1)	(7)
Net (increase)/decrease in loans and advances to customers	1,547	2,640
Net (increase)/decrease in reverse repos with customers	(28)	63
Net (increase)/decrease in other assets	(97)	(344)
Net increase /(decrease) in amounts due to credit institutions	(5,187)	12,730
Net increase /(decrease) in liabilities at fair value through profit or loss.....	(3)	(2)
Net increase (decrease) in amounts due to customers.....	329	(16,043)
Net increase (decrease) in other liabilities	(140)	329
Net cash flow from operating activities before income tax payment	33	(64)
Income tax paid.....	(8)	(15)

The table on page 168 of the Offering Circular shall be replaced with the following table:

	As at 30 September	
	2016	2015
	Amounts in EUR million	
Net cash inflow /(outflow) from continuing operating activities ...	24	(78)
Cash flows from investing activities of continuing operations		
Purchases of property, plant and equipment	(214)	(174)
Sales of property, plant and equipment	28	24
Purchases of intangible assets	(21)	(41)
Purchases of assets held for sale	(5)	(10)
Sales of assets held for sale	26	9
Purchases of investment securities.....	(5,141)	(6,479)
Disposals/ maturity of investment securities	5,158	6,120
Acquisition of subsidiaries excluding cash and cash equivalents acquired	-	(45)
Sales of subsidiaries excluding cash and balances sold	102	-
Establishments, acquisition and participation in share capital increases of associates and joint ventures	(15)	(59)
Sales of associates	11	33
Dividends received.....	6	7
Net cash inflow /(outflow) from continuing investing activities	(64)	(616)
Cash flows from financing activities of continuing operations		
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds	(41)	(191)
(Purchases)/ sales of treasury shares and pre-emption rights.....	-	1
Other cash flows from financing activities	-	17

	As at 30 September	
	2016	2015
	Amounts in EUR million	
Net cash inflow/ (outflow) from continuing financing activities	(40)	(174)
Effect of exchange rate changes on cash and cash equivalents	(11)	11
Net increase /(decrease) in cash and cash equivalents from continuing activities (A)	(91)	(858)
Net cash flows from discontinued operating activities.....	166	295
Net cash flows from discontinued investing activities	(22)	(65)
Net cash flows from discontinued financing activities	-	-
Exchange difference of cash and cash equivalents	-	(2)
Net increase /(decrease) in cash and cash equivalents from discontinued activities (B)	144	227
Cash and cash equivalents at the beginning of the period (C)	2,277	2,664
Cash and cash equivalents at the acquisition date of assets and liabilities of Panellinia Bank (D)	-	3
Cash and cash equivalents at the end of the period (A) + (B) + (C) + (D)	2,330	2,037

5. UPDATE OF THE SUMMARY OF THE PROGRAMME

The paragraphs relating to Piraeus Bank in Element B.12 in the Summary of the Programme included in the Offering Circular shall be deemed deleted and replaced with the following:

B.12 Selected historical key financial information:

The following tables set out selected financial information for the Group on a consolidated basis for each of the two years ended 31 December 2015 and 31 December 2014 and for the nine months ended 30 September 2016 and 30 September 2015 (as applicable). This financial information has been derived from the consolidated financial statements of the Group for the financial year ended 31 December 2015 and for the nine months ended 30 September 2016 and 30 September 2015 (as applicable), respectively.

Piraeus Bank

Selected Balance Sheet

	As at 31 December		As at 30 September	
	2015 ⁽¹⁾	2014 ⁽¹⁾	2016 ⁽²⁾	2015 ⁽³⁾
	Amounts in EUR million			
ASSETS				
Cash and balances with Central Banks	3,645	3,838	3,262	3,359
Loans and advances to customers (net of provisions)	50,591	57,143	48,278	51,935
Debt securities – receivables.....	16,985	14,400	14,561	14,311
Investment securities	2,740	2,561	2,712	2,847
Intangible assets.....	274	313	264	325
Property, plant and equipment.....	1,474	1,436	1,508	1,535

Investment property	1,036	990	1,218	1,010
Other assets	9,189	8,304	9,240	9,046
Assets from discontinued operations	1,594	305	1,183	1,542
TOTAL ASSETS	87,528	89,290	82,226	85,910

	As at 31 December		As at 30 September	
	2015 ⁽¹⁾	2014 ⁽¹⁾	2016 ⁽²⁾	2015 ⁽³⁾
Amounts in EUR million				
LIABILITIES				
Due to credit institutions	34,491	23,690	29,303	36,495
Due to customers	38,952	54,733	39,281	38,075
Debt securities in issue	102	661	71	479
Liabilities from discontinued operations	1,485	504	1,186	1,500
Other liabilities	2,478	2,379	2,420	2,637
TOTAL LIABILITIES	77,508	81,967	72,261	79,186
TOTAL EQUITY	10,021	7,322	9,964	6,724
TOTAL LIABILITIES AND EQUITY	87,528	89,290	82,226	85,910

Selected Income Statement

	Year ended		As at	
	31 December	30 September	30 September	
	2015 ⁽¹⁾	2014 ⁽¹⁾	2016 ⁽²⁾	2015 ⁽²⁾
Amounts in EUR million				
Net Interest Income	1,877	1,953	1,450	1,414
Plus: Net Fee and Commission income	306	314	235	227
Trading and Other Income	210	185	192	147
Total Net Income	2,393	2,452	1,877	1,788
Less: Staff costs	(772)	(737)	(471)	(494)
Less: Administrative expenses	(589)	(592)	(414)	(403)
Depreciation and amortisation	(112)	(114)	(83)	(83)
Total operating expenses before provisions	(1,473)	(1,443)	(967)	(980)
Profit before provisions, impairment and income tax	920	1,009	910	809
Less: Impairment losses on loans, debt securities and other receivables	(3,644)	(3,874)	(842)	(2,177)
Less: Other provisions and impairment	(193)	(153)	(19)	(19)
Plus: Share of profit of associates	(13)	4	(8)	(13)
Profit/(Loss) before income tax	(2,930)	(3,014)	41	(1,400)
Less: Income tax	1,069	1,069	(29)	779
Profit/(Loss) after tax from continuing operations	(1,861)	(1,945)	12	(622)
Profit/(Loss) after income tax from discontinued operations	(35)	(27)	(35)	(4)
Profit/(Loss) after tax	(1,896)	(1,972)	(22)	(625)
Profit/(Loss) for the period from continuing operations attributable to equity holders of the parent entity	(1,858)	(1,938)	14	(621)

Profit/(Loss) for the period from discontinued operations attributable to equity holders of the parent entity	(35)	(27)	(35)	(4)
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- (1) The financial information has been extracted without material adjustment from the audited IFRS consolidated balance sheets and income statements of the Group for the year ended 2015.
- (2) The financial information has been extracted without material adjustment from the unaudited IFRS consolidated balance sheet and income statement of the Group for the nine months ended 30 September 2016.
- (3) The financial information has been extracted without material adjustment from the unaudited IFRS consolidated balance sheet of the Group for the nine months ended 30 September 2015.

Statements of no significant change

There has been no significant change in the financial or trading position of Piraeus Bank or the Group since 30 September 2016 the last day of the financial period in respect of which the most recent financial statements of Piraeus Bank and the Group have been prepared.

Statements of no material adverse change

There has been no material adverse change in the prospects of Piraeus Bank or the Group since 31 December 2015, the last day of the financial period in respect of which the most recently audited financial statements of Piraeus Bank and the Group have been prepared.

6. GENERAL

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Offering Circular by this Supplement and (b) any other statement in or incorporated by reference in the Offering Circular, the statements in (a) above will prevail.

There has been no material adverse change in the prospects of Piraeus Bank or the Group since 31 December 2015 and no significant change in the financial position of Piraeus Bank or the Group since 30 September 2016.

Save as disclosed in this Supplement and any supplement to the Offering Circular previously issued, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Offering Circular since the publication of the Offering Circular.

Copies of this Supplement and the documents incorporated by reference in this Supplement can be obtained from the registered office of Piraeus Bank and Piraeus PLC and from the specified offices of the Paying Agents for the time being in London and Luxembourg as described on pages 205 and 206 of the Offering Circular.

In addition, copies of this Supplement and each document incorporated by reference into the Offering Circular by this Supplement are available for viewing at the Luxembourg Stock Exchange's website (www.bourse.lu).

Any investor who may wish to exercise any withdrawal right arising pursuant to article 13 paragraph 2 of Chapter 1 of Part II of the Prospectus Act as a result of the publication of this Supplement must exercise that right on or before 5.30 p.m. Luxembourg time on 29 December 2016.

Dated 23 December 2016