

OFFERING CIRCULAR



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

€10,000,000,000 Euro Medium Term Note Programme

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

Under this €10,000,000,000 Programme the Issuers may from time to time issue notes (the "Notes") denominated in any currency agreed with the relevant Dealer (as defined below). Notes may be issued as unsubordinated obligations (the "Senior Notes") or dated subordinated obligations ("Dated Subordinated Notes") of the relevant Issuer.

Notes issued by Piraeus PLC will be guaranteed by Piraeus Bank. In relation to any Notes issued by Piraeus Bank, the issuing branch through which Piraeus Bank is acting for such Notes will be specified in the applicable Final Terms.

The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed €10,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

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

This Offering Circular comprises a base prospectus for Piraeus PLC and a base prospectus for Piraeus Bank, in each case for the purposes of Article 5.4 of Directive 2003/71/EC (the "Prospectus Directive").

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

Application has been made to the Commission de Surveillance du Secteur Financier (the "CSSF") in its capacity as competent authority under the Luxembourg act relating to prospectuses for securities (loi relative aux prospectus pour valeurs mobilières) (the "Luxembourg Act") to approve this document as a base prospectus in respect of Piraeus PLC and a base prospectus in respect of Piraeus Bank. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. 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) ("MiFID").

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in the final terms (the "Final Terms") which, with respect to Notes to be listed on the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market, will be filed with the CSSF.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the relevant Issuer and the relevant Dealer. The relevant Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

No Notes have been or will be registered under the United States Securities Act 1933, as amended (the "Securities Act") and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (see "Subscription and Sale" below).

The Notes of each Tranche will be in bearer form and (unless otherwise specified in the applicable Final Terms) will initially be represented by a temporary global Note which will be deposited on the relevant issue date with a common depository on behalf of Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg"), and/or any other agreed clearance system and which will be exchangeable, as specified in the applicable Final Terms, for either a permanent global Note or Notes in definitive form, in each case upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations. The applicable Final Terms will specify that a permanent global Note either (i) is exchangeable (in whole but not in part) for definitive Notes upon not less than 60 days' notice or (ii) is only exchangeable (in whole but not in part) for definitive Notes following the occurrence of an Exchange Event (as defined on page 22) all as further described in "Form of the Notes" and "Form of Final Terms" below.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning rating agency.

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

Any person (an "Investor") intending to acquire or acquiring any securities from any person (an "Offeror") should be aware that, in the context of an offer to the public as defined in the Prospectus Directive, the Issuer may be responsible to the Investor for the Offering Circular only if the Issuer is acting in association with that Offeror to make the offer to the Investor. Each Investor should therefore verify with the Offeror whether or not the Offeror is acting in association with the Issuer. If the Offeror is not acting in association with the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Offering Circular for the purposes of Article 6 of the Prospectus Directive as implemented by the national legislation of each EEA Member State in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Offering Circular and/or who is responsible for its contents it should take legal advice.

Arranger
Citi

Dealers

Barclays Capital
CALYON Crédit Agricole CIB
Credit Suisse
Goldman Sachs International
ING Wholesale Banking
Natixis
Piraeus Bank S.A.

BofA Merrill Lynch
Citi
Deutsche Bank
HSBC
Morgan Stanley
Nomura International
UBS Investment Bank

12th August, 2009

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

The previous paragraph should be read in conjunction with the final paragraph on the first page of this Offering Circular.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Offering Circular in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or the Managers and the persons named in or identifiable following the applicable Final Terms as the Financial Intermediaries, as the case may be.

An Investor intending to acquire or acquiring any Notes from an Offeror will do so, and offers and sales of the Notes to an Investor by an Offeror will be made, in accordance with any terms and other arrangements in place between such Offeror and such Investor including as to price, allocations and settlement arrangements. The Issuer will not be a party to any such arrangements with Investors (other than the Dealers) in connection with the offer or sale of the Notes and, accordingly, this Offering Circular and any Final Terms will not contain such information. The Investor must look to the Offeror at the time of such offer for the provision of such information. The Issuer has no responsibility to an Investor in respect of such information.

Copies of Final Terms will be available from the registered offices of Piraeus PLC and Piraeus Bank and the specified office set out below of each of the Paying Agents (as defined below).

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

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

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

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

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning Piraeus PLC and/or Piraeus Bank is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of Piraeus PLC and/or Piraeus Bank during the life of the Programme. Investors should review *inter alia* the most recently published financial statements and, if published later, the most recently published interim financial statements (if any) of the relevant Issuer and, where Piraeus PLC is the relevant Issuer, Piraeus Bank, when deciding whether or not to purchase any Notes.

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

This Offering Circular has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State) will 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 Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Offering Circular as completed by final terms in relation to the offer of those Notes may only do so (i) 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 supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

All references in this document to "Greece" or to the "Greek State" are to the Hellenic Republic.

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

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

SUMMARY

This summary must be read as an introduction to this Offering Circular and any decision to invest in any Notes should be based on a consideration of this Offering Circular as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area no civil liability will attach to the Responsible Persons in any such Member State in respect of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Offering Circular. Where a claim relating to information contained in this Offering Circular is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Offering Circular before the legal proceedings are initiated.

The following summary is qualified in its entirety by the remainder of this document.

Words and expressions defined in "Form of the Notes and "Terms and Conditions of the Notes" shall have the same meanings in this summary.

Issuers: Piraeus Group Finance PLC
Piraeus Bank S.A., acting through its Issuing Branch (as specified in the applicable Final Terms)

Any issuance of Notes by Piraeus Bank S.A. is subject to the prior resolution of the Board of Directors of Piraeus Bank S.A.

Guarantor (in the case of Notes issued by Piraeus PLC): Piraeus Bank S.A.

Description of the Issuers and the Guarantor: Piraeus Bank was incorporated in Greece in 1916 and provides a wide variety of retail and commercial banking services in the Greek market. Piraeus PLC is a wholly owned subsidiary of Piraeus Bank and was incorporated in England in 2000. Detailed descriptions of Piraeus Bank and Piraeus PLC are set out later in this Offering Circular.

Risk Factors: There are certain factors that may affect Piraeus Bank's ability to fulfil its obligations under Notes issued by it under the Programme and under the Deed of Guarantee. These are set out under "Risk Factors" below and include the risk of adverse changes in the banking markets and the Greek property market. There are also certain factors that may affect Piraeus PLC's ability to fulfil its obligations under Notes issued by it under the Programme. These are also set out under "Risk Factors" below and include the fact that Piraeus PLC acts as a funding vehicle for Piraeus Bank. In addition, for certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "Risk Factors" and include the fact that the Notes may not be a suitable investment for all investors, certain risks relating to a particular Series of Notes and certain market risks.

Description: Euro Medium Term Note Programme (the "Programme")

Arranger: Citigroup Global Markets Limited

Dealers: Barclays Bank PLC
CALYON
Citigroup Global Markets Limited
Credit Suisse Securities (Europe) Limited
Deutsche Bank AG, London Branch
Goldman Sachs International
HSBC Bank plc
ING Bank N.V.
Merrill Lynch International

Morgan Stanley & Co. International plc
Natixis
Nomura International plc
Piraeus Bank S.A. (only in respect of issues of Notes by Piraeus PLC)
UBS Limited

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

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

Issues of Notes by Piraeus PLC denominated in Sterling shall comply with all applicable laws and regulations (as amended from time to time) of the United Kingdom authorities.

Issuing and Principal Paying Agent: Deutsche Bank AG, London Branch

Luxembourg Listing Agent: Deutsche Bank Luxembourg S.A.

Amount: Up to €10,000,000,000 (or its equivalent in other currencies calculated as described herein) outstanding at any time. The Issuers may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

Distribution: Subject to applicable selling restrictions, Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Currencies: Subject to any applicable legal or regulatory or central bank requirements, such currencies as may be agreed between the relevant Issuer and the relevant Dealer including, without limitation, Australian dollars, Canadian dollars, Danish kroner, euro, Hong Kong dollars, Japanese Yen, New Zealand dollars, Norwegian kroner, Sterling, Swedish kronor, Swiss francs and United States dollars (as indicated in the applicable Final Terms).

Redenomination, Exchange or Consolidation: The applicable Final Terms may provide that certain Notes may be redenominated in euro or exchanged or consolidated. The relevant provisions applicable to any such redenomination, exchange or consolidation are contained in Condition 7.

Maturities: Such maturities as may be agreed between the relevant Issuer and the relevant Dealer and as indicated in the applicable Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer and/or the Guarantor, if applicable, or the relevant Specified Currency.

Under the Luxembourg law on Prospectuses for Securities which implements the Prospectus Directive, prospectuses relating to money market instruments having a maturity at issue of less than 12 months and complying also with the definition of 'securities' are not subject to the approval provisions of Part II of such law.

If the Notes have a maturity of less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in

the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom (i) the Notes must have a minimum redemption value of £100,000 or its equivalent in other currencies and be sold only to "professional investors" (ii) or another applicable exemption from section 19 of the FSMA must be available.

Dated Subordinated Notes must have a maturity date falling at least five years after the Issue Date of such Dated Subordinated Notes.

Issue Price:

Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par. Dated Subordinated Notes must be issued on a fully paid-up basis.

Form of Notes:

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

Fixed Rate Notes:

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

Floating Rate Notes:

Floating Rate Notes will bear interest at a rate determined by reference to one of the following:

- (i) on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or
- (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or

(iii) on such other basis as may be agreed between the relevant Issuer and the relevant Dealer,

in each case, as indicated in the applicable Final Terms.

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

Index Linked Notes:

Each Issuer may offer Notes which provide for payments of principal, premium or interest which are linked to a currency or commodity index, securities exchange or commodities exchange index or other index or formula as agreed between the relevant Issuer and the relevant Dealer.

Payments of principal in respect of Index Linked Redemption Amount Notes or of interest in respect of Index Linked Interest Notes 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 (as indicated in the applicable Final Terms).

Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:

Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate, or both (as indicated in the applicable Final Terms).

Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as selected prior to issue by the relevant Issuer and the relevant Dealer, will be payable on such Interest Payment Dates specified in, or determined pursuant to, the applicable Final Terms and will be calculated on the basis of the relevant Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer.

Interest Periods for Floating Rate Notes:

Such period(s) as the relevant Issuer and the relevant Dealer may agree (as indicated in the applicable Final Terms).

Dual Currency Notes:

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

Zero Coupon Notes:

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

Change of Interest Basis Notes:

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

Redemption:

The Final Terms relating to each Tranche of Notes will indicate either that Notes of such Tranche cannot be redeemed prior to their stated maturity (other than in specified instalments (see below) or for taxation reasons (subject, in the case of Dated Subordinated Notes only, to having obtained the prior approval of the Bank of Greece, if then required) or following an Event of Default) or that such Notes will be redeemable prior to their stated maturity at the option of the relevant Issuer (subject, in the case of Dated Subordinated Notes only, to having obtained the prior approval of the Bank of Greece, if then required) and/or the Noteholders upon giving notice to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as may be agreed between the relevant Issuer and the relevant Dealer.

Prior to their stated maturity, Dated Subordinated Notes may be redeemed only at the option of the Issuer with the prior approval of the Bank of Greece.

The applicable Final Terms may provide that such Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

Denomination of Notes:

The Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area 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 €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Taxation:

All payments in respect of the Notes issued by Piraeus Bank will be made without deduction for or on account of Greek withholding taxes (or, in the case of Notes issued by Piraeus Bank through a branch situate in a jurisdiction other than the Hellenic Republic, withholding taxes imposed by the jurisdiction where such branch is situate) and all payments in respect of Notes issued by Piraeus PLC will be made without deduction for or on account of UK withholding taxes, subject as provided in Condition 10.

Negative Pledge:

The Senior Notes will contain a negative pledge provision as further described in Condition 4.

There will be no negative pledge provision relating to Dated Subordinated Notes.

Cross Default:

The Senior Notes will contain a cross default provision as further described in Condition 11(1)(a).

The Dated Subordinated Notes will not contain a cross default provision.

Status of the Senior Notes:

The Senior Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the relevant Issuer and will 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 such Issuer (other than those preferred by mandatory provisions of law).

Status of the Dated Subordinated Notes:

The Dated Subordinated Notes will be direct, unsecured and subordinated obligations of the relevant Issuer and will rank at all times *pari passu* among themselves.

Status of Deed of Guarantee:

Notes issued by Piraeus PLC will be unconditionally and irrevocably guaranteed by Piraeus Bank (pursuant to a Deed of Guarantee dated 2nd July, 2008 (the "Deed of Guarantee")) on a subordinated or an unsubordinated basis, as specified in the relevant Final Terms.

Approval, listing and admission to trading:

Application has been made to the CSSF to approve this document as a base prospectus in respect of Piraeus PLC and in respect of Piraeus Bank. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated

market and to be listed on the Official List of the Luxembourg Stock Exchange.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the relevant Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Governing Law:

The Notes and the Deed of Guarantee (other than Condition 3(a) when Dated Subordinated Notes are issued by Piraeus Bank and Condition 3(b) and clause 5.8 of the Deed of Guarantee when Dated Subordinated Notes are issued by Piraeus PLC) will be governed by and construed in accordance with, English law. Condition 3(a) when Dated Subordinated Notes are issued by Piraeus Bank and Condition 3(b) and clause 5.8 of the Deed of Guarantee when Dated Subordinated Notes are issued by Piraeus PLC (relating to subordination) will be governed by, and construed in accordance with, Greek law. Should Law 3156/2003 of the Hellenic Republic (the "Bond Law") apply in the case of issue of Notes by Piraeus Bank (the "Piraeus Bank Notes"), Piraeus Bank shall, if required to do so under the Bond Law, whether the holders of Piraeus Bank Notes (the "Piraeus Bank Noteholders") are organised in a group or otherwise, appoint an agent (the "Piraeus Bank Noteholders Agent") by way of a written agreement (the "Piraeus Bank Noteholders Agency Agreement"). The Piraeus Bank Noteholders Agent shall represent the Piraeus Bank Noteholders judicially and extra-judicially in accordance with the provisions of the Bond Law. The Piraeus Bank Noteholders Agency Agreement shall include, among others, provisions for convening meetings of the Piraeus Bank Noteholders to consider, *inter alia*, any matter affecting their interests, as may be required under the Bond Law. The particular duties, rights and liabilities of the Piraeus Bank Noteholders Agent and any amendments to the Conditions and this Offering Circular, inherent to (i) the appointment of the Piraeus Bank Noteholders Agent, and (ii) the entering into the Piraeus Bank Noteholders Agency Agreement shall be included in the relevant Final Terms and/or, if necessary, any supplement to this Offering Circular which will be prepared for the issue of Piraeus Bank Notes.

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (which includes the United Kingdom and Greece) and Japan, and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "Subscription and Sale" below.

RISK FACTORS

Each of the Issuers believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme and Piraeus Bank believes that the following factors may affect its ability to fulfil its obligations under the Deed of Guarantee. Most of these factors are contingencies which may or may not occur and neither Piraeus Bank nor Piraeus PLC is in a position to express a view on the likelihood of any such contingency occurring.

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

Each of the Issuers believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of Piraeus Bank or Piraeus PLC to pay interest, principal or other amounts on or in connection with any Notes or of Piraeus Bank to pay amounts in connection with the Deed of Guarantee may occur for other reasons and neither Piraeus Bank nor Piraeus PLC represents that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

Factors that may affect Piraeus Bank's ability to fulfil its obligations under Notes issued under the Programme or under the Deed of Guarantee

Banking Markets

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

Greek Property Market

One of Piraeus Bank's activities is mortgage lending. A downturn in the Greek economy could have a negative effect on the property market particularly, in the case of house mortgages, if this results in an increased level of unemployment or significantly higher interest rates. Property prices may fall and could result in losses being incurred by lenders on loans that have defaulted. This could have consequences for Piraeus Bank's funding costs and credit ratings if there was deemed to be a material deterioration in the quality of the mortgage portfolio.

Emerging Markets

Piraeus Bank conducts significant international activities and is expanding in emerging markets. Apart from its operations in Greece, the UK and the USA, Piraeus Bank has built up substantial operations in Bulgaria, Romania, Albania, Serbia, the Ukraine, Egypt and Cyprus. Its international operations outside the European Union or USA are exposed to the risk of adverse political, governmental and/or economic developments, as well as to particular operating risks associated with emerging markets. These factors could have a material adverse effect on its financial condition and results of operations. It should be noted that Romania and Bulgaria became members of the European Union from 1st January, 2007, while Cyprus became a Eurozone member as of the beginning of 2008.

Regulation

Piraeus Bank is regulated by the Bank of Greece. The regulatory regime requires Piraeus Bank to be compliant across many aspects of activity, including the training, authorisation and supervision of personnel, systems, processes and documentation. If Piraeus Bank fails to be compliant with relevant regulations, there is a risk of an adverse impact on the business due to sanctions, fines or other action imposed by the regulatory authorities.

The Bank of Greece and other bodies could impose further regulations or obligations in relation to current and past dealing with customers. As a result, Piraeus Bank may incur costs in complying with these regulations or obligations relating to its business, including potential compensation and costs relating to advice given to customers.

Financial Risks

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

Credit Risk

Credit risk is the risk of economic loss to Piraeus Bank resulting from the inability and/or unwillingness of obligors to fulfil their contractual obligations. Exposure to credit risk arises primarily from Piraeus Bank's lending activities, but also from Piraeus Bank's trading activities, derivatives activities and securities settlements. Credit risk includes current as well as potential credit risk exposure. Counterparty default can be caused by a number of reasons, which the Bank may not be able to assess with accuracy at the time the Bank undertakes the relevant activity. Adverse changes in the credit quality of Piraeus Bank's borrowers and counterparties or a general deterioration in the Greek, European or global economic conditions, or arising from systemic risks in the financial systems, could affect the recoverability and value of Piraeus Bank's assets and require an increase in Piraeus Bank's provisions.

Market Risk

Market risk is the risk of economic losses to the Bank due to adverse changes in market rates or prices, such as interest rate changes, foreign exchange rate changes, equity price and commodity price changes. Interest rate risk is the primary market risk for Piraeus Bank, as unexpected yield curve changes can adversely affect Piraeus Bank's Net Interest Margin and overall income, reducing Piraeus Bank's operating income and net assets. Similarly, unexpected adverse movements in the foreign exchange market can affect the value of Piraeus Bank's assets and liabilities that are denominated in foreign currencies resulting again in potential reductions of our operating income and total shareholder equity. The performance of financial markets may cause changes in the value of Piraeus Bank's investment and trading portfolios. Piraeus Bank has implemented risk management methods to mitigate and control these and other market risks to which Piraeus Bank is exposed and exposures are constantly measured and monitored. However, it is difficult to predict with accuracy changes in economic or market conditions and to anticipate the effects that such changes could have on Piraeus Bank's financial performance and business operations.

Operational Risk

Operational risk corresponds to the risk of loss to the Bank due to inadequate or failed internal processes, procedures, systems, or tools. It also includes potential losses due to unforeseen external events, whether deliberate, accidental or natural occurrences. Internal processes include, but are not limited to, employees and information systems. External events include natural disasters, fraud by employees or others, errors by employees, failure to comply with legal and/or regulatory requirements and conduct of business rules or equipment failures. Although Piraeus Bank has implemented risk controls and loss mitigation actions, and substantial resources are devoted to developing efficient procedures and to staff training, it is not possible to implement procedures which are fully effective in eliminating each of the operational risks.

Liquidity Risk

The inability of any bank, including Piraeus Bank, to anticipate and provide for unforeseen decreases or changes in funding sources could have adverse consequences on such a bank's ability to maintain sufficient liquidity to meet financial obligations when they fall due.

Macro-economic environment

The volatility that characterised financial markets in 2008 and the first half of 2009 is related to and had an impact on the negative macroeconomic picture that has been the key concern during the respective period. The world's advanced economies have endured economic recession, while emerging markets have experienced a notable deceleration of economic growth.

Specifically, Greece's Gross Domestic Product ("GDP") growth has decelerated, resulting in zero or marginally positive growth for 2009, while the countries of South-eastern Europe face negative GDP growth after many years of extremely high economic development.

If current market conditions and circumstances deteriorate further, or continue for protracted periods of time, this could also lead to a decline in available funding, credit quality and increases in defaults and non performing loans, which may have a negative impact on Piraeus Bank's financial performance.

Factors that may affect Piraeus PLC's ability to fulfil its obligations under the Notes issued under the Programme

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

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

The Notes may not be a suitable investment for all investors

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes 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.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments 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 Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes 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 Notes

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

Notes subject to optional redemption by the relevant Issuer

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

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

Index Linked Notes and Dual Currency Notes

The relevant Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange

rates or other factors (each, a “Relevant Factor”). In addition, the relevant Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes 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) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor 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 Relevant Factor, the greater the effect on yield.

The historical performance of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes on the suitability of such Notes in light of their particular circumstances.

Partly-paid Notes

The relevant Issuer may issue Notes 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 his investment.

Variable rate Notes with a multiplier or other leverage factor

Notes 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 Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes 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 Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes 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 the Notes 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 Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. 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 Notes.

Notes issued at a substantial discount or premium

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

The Issuers' and the Guarantor's obligations under Dated Subordinated Notes are subordinated

The Issuers' and the Guarantor's obligations under Dated Subordinated Notes will be unsecured and subordinated and will rank junior in priority of payment to obligations owed to Senior Creditors of the Issuer and Senior Creditors of the Guarantor. "Senior Creditors of the Issuer" means creditors of the relevant 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 of Dated Subordinated Notes (whether only in the winding up of such Issuer or otherwise) and "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 of Dated Subordinated Notes or other persons claiming under the Deed of Guarantee (whether only in the winding up of the Guarantor or otherwise). Although Dated Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Dated Subordinated Notes will lose all or some of his investment should the relevant Issuer become insolvent.

Risks related to Notes generally

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

Modification, waivers and substitution

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

The conditions of the Notes also provide that the relevant Issuer may, without the consent of Noteholders, substitute another company as principal debtor under any Notes in place of the relevant Issuer, in the circumstances described in Condition 16 of the conditions of the Notes.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being 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 15th September, 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13th November, 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above. The European Parliament approved an amended version of this proposal on 24th April, 2009.

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 Note as a result of the imposition of such withholding tax. The relevant Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

Change of law

The conditions of the Notes (other than Condition 20 and, in the case of Dated Subordinated Notes issued by Piraeus Bank, Condition 3(a) and Condition 3(b) and clause 5.8 of the Deed of Guarantee when Dated Subordinated Notes are issued by Piraeus PLC, which shall be governed by Greek law) are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to

the impact of any possible judicial decision or change to English or Greek law or administrative practice after the date of this Offering Circular.

Notes where denominations involve integral multiples: definitive Notes

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

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

Risks related to the market generally

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

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuers will pay principal and interest on the Notes and the Guarantor will make any payments under the Deed of Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

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

Interest rate risks

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

Credit ratings may not reflect all risks

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

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 (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) the auditors' report and audited consolidated annual financial statements as at and for the financial year ended 31st December, 2007 which appear on pages 7 to 60 of the consolidated financial statements for the year ended 2007 of Piraeus Bank. The auditors' report appears on page 60, the balance sheet appears on page 8, the income statement appears on page 7 and the explanatory notes appear on pages 11 to 59 of that document;
- (b) the auditors' report and audited non-consolidated annual financial statements as at and for the financial year ended 31st December, 2007 which appear on pages 3 to 50 of the financial statements for the year ended 2007 of Piraeus Bank. The auditors' report appears on page 50, the balance sheet appears on page 4, the income statement appears on page 3 and the explanatory notes appear on pages 7 to 49 of that document;
- (c) the auditors' report and audited consolidated annual financial statements as at and for the financial year ended 31st December, 2008 which appear on pages 11 to 68 of the consolidated financial statements for the year ended 2008 of Piraeus Bank. The auditors' report appears on page 68, the balance sheet appears on page 12, the income statement appears on page 11 and the explanatory notes appear on pages 15 to 67 of that document;
- (d) the auditor's report and audited non-consolidated annual financial statements as at and for the financial year ended 31st December, 2008 which appears on pages 3 to 52 of the financial statements for the year ended 2008 of Piraeus Bank. The auditors' report appears on page 52, the balance sheet appears on page 4, the income statement appears on page 3 and the explanatory notes appear on pages 7 to 51 of that document;
- (e) the unaudited consolidated interim condensed financial statements as at and for the three months ended 31st March, 2009 which appear on pages 2 to 18 of the financial statements for the three months ended 31st March, 2009 of Piraeus Bank. The balance sheet appears on page 3, the income statement appears on page 2, the cash flow statement appears on page 5 and the explanatory notes appear on pages 6 to 18 of that document;
- (f) the unaudited interim condensed financial statements as at and for the three months ended 31st March, 2009 which appear on pages 2 to 16 of the financial statements for the three months ended 31st March, 2009 of Piraeus Bank. The balance sheet appears on page 3, the income statement appears on page 2, the cash flow statement appears on page 5 and the explanatory notes appear on pages 6 to 16 of that document;
- (g) the auditors' report and audited annual financial statements as at and for the financial year ended 31st December, 2008 which appear on pages 6 to 21 of the annual report for the year ended 2008 of Piraeus PLC. The auditors' report appears on page 6, the balance sheet appears on page 8, the profit and loss account appears on page 7 and the explanatory notes appear on pages 10 to 21 of that document.
- (h) the auditors' report and audited annual financial statements as at and for the financial year ended 31st December, 2007 which appear on pages 5 to 20 of the annual report for the year ended 2007 of Piraeus PLC. The auditors' report appears on page 5, the balance sheet appears on page 7, the profit and loss account appears on page 6 and the explanatory notes appear on pages 9 to 20 of that document.

Copies of documents incorporated by reference in this Offering Circular can be obtained from the registered offices of Piraeus Bank and Piraeus PLC and from the specified offices of the Paying Agents for the time being in London and Luxembourg. This Offering Circular, each Final Terms relating to Notes admitted to trading on the Luxembourg Stock Exchange and the documents incorporated by reference will also be published on the Luxembourg Stock Exchange's website (www.bourse.lu).

Any information not listed in the cross reference list but indicated in the documents incorporated by reference is given for information purposes only.

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

Piraeus Bank and Piraeus PLC will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of any Notes, prepare a supplement to this Offering Circular in accordance with article 13 of Part II of the Luxembourg Act or publish a new Offering Circular for use in connection with any subsequent issue of Notes.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, each Issuer may from time to time issue Notes denominated in any currency subject as set out herein¹. A summary of the terms and conditions of the Programme and the Notes appears below. The applicable terms of any Notes will be agreed between the relevant Issuer, and in respect of Notes issued by Piraeus PLC, Piraeus Bank, and the relevant Dealer prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Final Terms attached to, or endorsed on, such Notes, as more fully described under “Form of the Notes” below. A summary of the Programme is set out in the section “Summary” in this Offering Circular.

This Offering Circular and any supplement will only be valid for Notes in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed €10,000,000,000 or its equivalent in other currencies. For the purpose of calculating the Euro equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

- (a) the Euro equivalent of Notes denominated in another Specified Currency (as specified in the applicable Final Terms in relation to the relevant Notes) shall be determined, at the discretion of the relevant Issuer, either as of the date on which agreement is reached for the issue of Notes 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 Specified Currency 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 Dual Currency Notes, Index Linked Notes and Partly Paid Notes (each as specified in the applicable Final Terms in relation to the relevant Notes) shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes (in the case of Partly Paid Notes, regardless of the subscription price paid); and
- (c) the Euro equivalent of Zero Coupon Notes (as specified in the applicable Final Terms in relation to the relevant Notes) and other Notes issued at a discount or premium shall be calculated in the manner specified above by reference to the net proceeds received by the relevant Issuer for the relevant issue.

1. Any issuance of Notes by Piraeus Bank S.A. is subject to the prior decision of the Board of Directors of Piraeus Bank S.A.

FORM OF THE NOTES

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

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

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

On and after the date (the "Exchange Date") which is the later of (i) 40 days after the date on which any temporary global Note is issued and (ii) 40 days after the completion of the distribution of the relevant Tranche, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant lead manager (in the case of a syndicated issue) (the "Distribution Compliance Period") but, if such temporary global Note is issued in respect of a Tranche of Notes described as Partly Paid Notes in the applicable Final Terms, only if the final instalment on all outstanding such Notes has been paid, interests in such temporary global Note will be exchangeable (free of charge) upon request as described therein either for interests in a permanent global Note without receipts, interest coupons or talons, or for definitive Notes with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms) in each case against certification of beneficial ownership as described in the immediately preceding paragraph. The holder of a temporary global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless upon due certification exchange of the temporary Global Note is improperly withheld or refused.

Pursuant to the Agency Agreement (as defined under "Terms and Conditions of the Notes" below) the Agent shall arrange that, where a further Tranche of Notes is issued, the Notes of such further Tranche shall be assigned a common code and ISIN by Euroclear and Clearstream, Luxembourg which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the Distribution Compliance Period applicable to Notes of such Tranche.

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

The applicable Final Terms will specify that either (i) a permanent global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such permanent global Note) to the Agent as described therein or (ii) a permanent global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached only upon the occurrence of an Exchange Event as described therein. A permanent global Note representing Notes having denominations consisting of a minimum Specified Denomination and integral multiples of a smaller amount thereabove may only be exchanged for

definitive Notes upon an Exchange Event. "Exchange Event" means (i) in the case of Senior Notes, an Event of Default has occurred and is continuing or in the case of Dated Subordinated Notes, any Subordinated Default Event has occurred and is continuing, (ii) the relevant Issuer has been notified that either Euroclear or Clearstream, Luxembourg has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative clearing system is available or (iii) at the option of the relevant Issuer at any time. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 15 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event as described in (i) or (ii) above, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such permanent global Note) may give notice to the Agent requesting exchange. Any such exchange shall occur not later than 30 days after the date of receipt of the first relevant notice by the Agent.

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

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

The sections referred to provide that holders who are United States persons (as defined in the United States Revenue Code of 1986, as amended), with certain exceptions, will not be entitled to deduct any loss on any Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Notes, receipts or interest coupons.

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

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 11. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of the Notes and payment in full of the amount due has not been made in accordance with the provisions of the global Note then the global Note will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interest in such global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the relevant Issuer on the basis of statements of account provided by Euroclear and Clearstream, Luxembourg, on and subject to the terms of a deed of covenant (the "Deed of Covenant") dated 2nd July, 2008 executed by the Issuers.

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of less than EUR 50,000 (or its equivalent in another currency).

[Date]

[PIRAEUS GROUP FINANCE PLC/PIRAEUS BANK S.A.]

(acting through its [] Branch)

Issue of

[Aggregate Principal Amount of Tranche]

[Title of Notes]

Issued under the

€10,000,000,000 Euro Medium Term Note Programme [guaranteed by PIRAEUS BANK S.A.]

[The Offering Circular referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "Relevant Member State") will 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 the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) 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 supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 35 of Part A below, provided such person is one of the persons mentioned in Paragraph 35 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances].¹

[The Offering Circular referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "Relevant Member State") will 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 the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes 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 supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances].²

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 12th August, 2009 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "Prospectus Directive"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer[, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular is available for viewing at [website] and during normal business hours at [address], and copies may be obtained from the registered office of the Issuer and the specified offices of each of the Paying Agents.

1. Consider including this legend where a non-exempt offer of Notes is anticipated.

2. Consider including this legend where only an exempt offer of Notes is anticipated.

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") set forth in the Offering Circular dated [original date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "Prospectus Directive") and must be read in conjunction with the Offering Circular dated [current date] which constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto. Full information on the Issuer[, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circulars dated [current date] and [original date]. Copies of such Offering Circulars are available for viewing at [website] and during normal business hours at [address] and copies may be obtained from the registered office of the Issuer and the specified offices of each of the Paying Agents.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.]

1. (i) Issuer: [Piraeus Group Finance PLC]
[Piraeus Bank S.A.]¹
- (ii) Issuing Branch: [Not Applicable/specify branch]
- (iii) [Guarantor: [Piraeus Bank S.A. *in respect of Notes issued by Piraeus Group Finance PLC*]]¹
2. (i) Series Number: []
- (ii) Tranche Number: []
(if fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount: []
 - (i) Series: []
 - (ii) Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [date] (if applicable)]
6. (i) Specified Denominations: []
(N.B. If an issue of Notes is (i) NOT admitted to trading on a European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €1,000 minimum denomination is not required.)
- (ii) Calculation Amount: []
(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest

1. All relevant corporate authorisations (including the approval of the board of directors) should be obtained prior to any issue of Notes by Piraeus Bank S.A.

common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)

7. [(i)] Issue Date: []
[(ii)] Interest Commencement Date: [specify/Issue Date/Not Applicable]
(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
8. Maturity Date: [Fixed Rate – specify date
Floating Rate – Interest Payment Date falling in or nearest to [specify month]
(N. B. in the case of Dated Subordinated Notes this must be at least five years after the Issue Date)
[If the Notes have a maturity of less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom (i) the Notes must have a minimum redemption value of £100,000 or its equivalent in other currencies and be sold only to “professional investors” or (ii) another applicable exemption from section 19 of the FSMA must be available.]
9. Interest Basis: [[]% Fixed Rate]
[[LIBOR/EURIBOR] +/- []% Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Dual Currency Interest]
[Other (specify)]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Dual Currency]
[Partly Paid]
[Instalment]
[Other (specify)]
(N.B. If the Final Redemption Amount is not 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
11. Change of Interest Basis or Redemption/Payment Basis: *[Specify details of any provision for convertibility of Notes into another interest basis or redemption/payment basis]*
12. Put/Call Options: [Investor Put]
[Issuer Call]
(further particulars specified below)
13. (i) Status of the Notes: [Senior/Dated Subordinated]
(ii) Status of the Deed of Guarantee: [Senior/Dated Subordinated]

14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate(s) of Interest: [] per cent. per annum [payable annually/semi-annually/quarterly/monthly/other/(specify)] in arrear. *(If payable other than annually, consider amending Condition 5)*
- (ii) Interest Payment Date(s): [[] in each year up to and including the Maturity Date]/[specify date] [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [] per Calculation Amount
(Applicable to Notes in definitive form)
- (iv) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []
(Applicable to Notes in definitive form)
- (v) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or other (give details)]
(subject to paragraph 30)
- (vi) Determination Date(s): [] in each year
[Insert regular interest payment dates, ignoring issue date or maturity date in case of long or short first or last coupon]
(NB: This will need to be amended in the case of regular interest payment dates which are not of equal duration)
(NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
16. Floating Rate Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph. If applicable also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate)
- (i) Specified Period(s)/Specified Interest Payment Dates: []
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (iii) Additional Business Centre(s): []
- (iv) Manner in which the Rate(s) of Interest and Interest Amount is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]

- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [[Name] shall be the Calculation Agent (*no need to specify if the Principal Paying Agent is to perform this function*)]
- (vi) Screen Rate Determination:
- Reference Rate: []
(*Either LIBOR, EURIBOR or other, although additional information is required if other – including as to fallback provisions in the Agency Agreement*)
- Interest Determination Date(s): []
(*Second London business day prior to the start of each Interest Period if LIBOR other than euro LIBOR or Sterling LIBOR, first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR*)
- Relevant Screen Page: []
(*In the case of EURIBOR, if not Reuters Screen EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
- (vii) ISDA Determination:
- Floating Rate Option: []
- Designated Maturity: []
- Reset Date: []
- (viii) Margin(s): [+/-] [] per cent. per annum
- (ix) Minimum Rate of Interest: [] per cent. per annum
- (x) Maximum Rate of Interest: [] per cent. per annum
- (xi) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360
30E/360
30E/360 (ISDA)
Other]
(*See Condition 5 for alternatives*)
- (xii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []
17. Zero Coupon Note Provisions: [Applicable/Not Applicable]
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Accrual Yield: [] per cent. per annum
- (ii) Reference Price: []

- (iii) Any other formula/basis of determining amount payable: []
(Consider applicable day count fraction if euro denominated)
- (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Condition 6(e)(iii) and 6(j) apply/specify other]
18. Index Linked Interest Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
- (i) Index/Formula: [give or annex details]
- (ii) Calculation Agent: [give name (and, if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, address)]
- (iii) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): [name] [address]
- (iv) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [need to include the description of market disruption or settlement disruption events and adjustment provision]
- (v) Specified Period(s)/Specified Interest Payment Date(s): []
- (vi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (vii) Additional Business Centre(s): []
- (viii) Minimum Rate of Interest: [] per cent. per annum
- (ix) Maximum Rate of Interest: [] per cent. per annum
- (x) Day Count Fraction: []
19. Dual Currency Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]

- | | |
|---|--|
| (ii) Party responsible for calculating the principal and/or interest due (if not the Agent): | [name] [address] |
| (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: | <i>[need to include the description of market disruption or settlement disruption events and adjustment provision]</i> |
| (iv) Person at whose option Specified Currency(ies) is/are payable: | [] |

PROVISIONS RELATING TO REDEMPTION

- | | |
|--|---|
| 20. Issuer Call: | [Applicable/Not Applicable]
<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i> |
| (i) Optional Redemption Date(s): | [] |
| (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): | [[] per Calculation Amount/specify other/see Appendix] |
| (iii) If redeemable in part: | |
| (a) Minimum Redemption Amount: | [] |
| (b) Maximum Redemption Amount: | [] |
| (iv) Notice period (if other than as set out in the Conditions): | [] |
| 21. Investor Put: | [Applicable/Not Applicable]
<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i> |
| (i) Optional Redemption Date(s): | [] |
| (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): | [[] per Calculation Amount/specify other/see Appendix] |
| (iii) Notice period (if other than as set out in the Conditions): | [] |
| 22. Final Redemption Amount: | [[] per Calculation Amount/specify other/see Appendix]

<i>(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)</i> |
| 23. Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6): | [[] per Calculation Amount/specify other/see Appendix] |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- | | |
|------------------------|---|
| 24. (i) Form of Notes: | [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [60 days'] notice given at any time/only upon an Exchange Event]. |
|------------------------|---|

- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date upon [] days' notice.]
- [Permanent Global Note exchangeable for Definitive Notes on [] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note].
- (Ensure that this is consistent with the wording in the "Form of Notes" section in the Offering Circular and the Notes themselves)*
- (ii) New Global Note: [Yes]/[No]
25. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details]
- (Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 16(iii) and 18(vii) relate)
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
27. Details relating to Partly Paid Notes amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details. *NB: a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]
28. Details relating to Instalment Notes:
- (i) Instalment Amount(s): [Not Applicable/give details]
- (ii) Instalment Date(s): [Not Applicable/give details]
29. Redenomination and/or Exchange and/or Consolidation applicable:
- Redemption [not] applicable
(if Redenomination is applicable, specify either the applicable Fixed Day Count Fraction or any other provisions necessary to deal with floating rate interest calculation (including alternative interest rates))
- Exchange [not] applicable
 Consolidation [not] applicable
30. Other terms: [Not Applicable/give details]
- (When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)*

DISTRIBUTION

31. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names, addresses and underwriting commitments]
- (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without*

a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)

- (ii) Date of Subscription Agreement: []
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give details]
32. If non-syndicated, name [and address] of Dealer: *Name and address*
33. Total commission and concession: [] per cent. of the Aggregate Nominal Amount
34. U.S. Selling Restrictions: [Reg. S Compliance Category] [Not Applicable/TEFRA C/TEFRA D]
35. Non exempt Offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and [specify names of other financial intermediaries/placers making non-exempt offers, to the extent known OR consider a generic description of other parties involved in non-exempt offers (e.g. “other parties authorised by the Managers”) or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known]] (together with the Managers, the Financial Intermediaries) other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) – which must be jurisdictions where the Offering Circular and any supplements have been passported (in addition to the jurisdiction where approved and published)] (“Public Offer Jurisdictions”) during the period from [specify date] to [specify date or formula such as “the Issue Date” or the date which falls, [] business days thereafter] (the “Offer Period”) (see further Paragraph 10 of Part B below).
- (N. B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported.)*
36. Additional Selling Restrictions: [Not Applicable/give details]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for the issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to [the Official List of the Luxembourg Stock Exchange] [and] [specify other] and to] trading on the regulated market of [the Luxembourg Stock Exchange] [and] [specify other] of Notes described herein pursuant to the €10,000,000,000 Euro Medium Term Note Programme of Piraeus Group Finance PLC and Piraeus Bank S.A.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. To the best of the knowledge and belief of the Issuer (having taken reasonable care to ensure that such is the case) the

information contained in these Final Terms is in accordance with the facts and does not omit anything likely to affect the import of such information. *[[Relevant third party information, for example in compliance with Annex XII to the Prospectus Directive Regulation in relation to an index or its components]* has been extracted from *[specify source]*. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by *[specify source]*, no facts have been omitted which would render the reproduced information inaccurate or misleading.]

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

By:

Duly Authorised

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

By:

Duly Authorised]

5. **YIELD** (*Fixed Rate Notes only*)

Indication of yield: []

[Calculated as *[include details of method of calculation in summary form]* on the Issue Date.]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. **HISTORIC INTEREST RATES** (*Floating Rate Notes only*)

[Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

7. **PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING** (*Index-Linked Notes only*)

[If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

(N.B. The requirements below only apply if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

[Need to include details of where past and future performance and volatility of the index/formula can be obtained.]

Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained.

[Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

The Issuer [intends to provide post-issuance information *[specify what information will be reported and where it can be obtained]*] [does not intend to provide post-issuance information].

8. **PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT** (*Dual Currency Notes only*)

[If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

(N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]

9. **OPERATIONAL INFORMATION**

(i) ISIN Code: []

(ii) Common Code: []

(iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

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

- (v) Names and addresses of additional Paying Agent(s) (if any): []
- (vi) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]
 [Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] *[include this text if “yes” selected in which case the Notes must be issued in NGN form]*

10. TERMS AND CONDITIONS OF THE OFFER

Offer Price:	[Issue Price/Not applicable/specify]
[Conditions to which the offer is subject:]	[Not applicable/give details]
[Description of the application process:]	[Not applicable/give details] [include details of method of adjustments to the Offer Period]
[Details of the minimum and/or maximum amount of application:]	[Not applicable/give details]
[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:]	[Not applicable/give details]
[Details of the method and time limits for paying up and delivering the Notes:]	[Not applicable/give details]
[Manner in and date on which results of the offer are to be made public:]	[Not applicable/give details]
[Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:]	[Not applicable/give details]
[Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:]	[Not applicable/give details]
[Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:]	[Not applicable/give details]
[Amount of any expenses and taxes specifically charged to the subscriber or purchaser:]	[Not applicable/give details]
[Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:]	[None/give details]

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of at least EUR 50,000 (or its equivalent in another currency).

[Date]

[PIRAEUS GROUP FINANCE PLC/PIRAEUS BANK S.A.]

(acting through its [] Branch)

Issue of
[Aggregate Principal Amount of Tranche]
[Title of Notes]

Issued under the
€10,000,000,000 Euro Medium Term Note Programme
[guaranteed by PIRAEUS BANK S.A.]

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 12th August, 2009 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "Prospectus Directive"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer [, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular is available for viewing [at [website]] [and] during normal business hours at [address] and copies may be obtained from the registered office of the Issuer and the specified offices of each of the Paying Agents.

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") set forth in the Offering Circular dated [original date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "Prospectus Directive") and must be read in conjunction with the Offering Circular dated [current date] which constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto. Full information on the Issuer[, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circulars dated [current date] and [original date]. Copies of such Offering Circulars are available for viewing [at [website]] [and] during normal business hours at [address] and copies may be obtained from the registered office of the Issuer and the specified offices of each of the Paying Agents

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.]

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

1. (i) Issuer: [Piraeus Group Finance PLC][Piraeus Bank S.A.]¹
- (ii) Issuing Branch: [Not Applicable/specify branch]

1. All relevant corporate authorisations (including the approval of the board of directors) should be obtained prior to any issue of Notes by Piraeus Bank S.A.

- (iii) [Guarantor: [Piraeus Bank S.A. in respect of Notes issued by Piraeus Group Finance PLC]]¹
2. (i) Series Number: []
(ii) Tranche Number: []
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
(i) Series: []
(ii) Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
6. (i) Specified Denominations: []
(Note where multiple denominations above [€50,000] or equivalent are being used the following sample wording should be followed:
" [€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]. No Notes in definitive form will be issued with a denomination above [€99,000].")
(N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the [€50,000] minimum denomination is not required.)
- (ii) Calculation Amount: []
(If only one Specified Denomination, insert the Specified Denomination.
If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)
7. (i) Issue Date: []
(ii) Interest Commencement Date: [*specify*/Issue Date/Not Applicable]
(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
8. Maturity Date: [Fixed rate – *specify date*/
Floating rate – Interest Payment Date falling in or nearest to *[specify month]*]
9. Interest Basis: [[] per cent. Fixed Rate]
[[LIBOR/EURIBOR] +/- [] per cent. Floating Rate]

1. All relevant corporate authorisations (including the approval of the board of directors) should be obtained prior to any issue of Notes by Piraeus Bank S.A.

- [Zero Coupon]
[Index Linked Interest]
[Dual Currency Interest]
[specify other]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Dual Currency Redemption]
[Partly Paid]
[Instalment]
[specify other]
- (N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
11. Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
13. (a) Status of the Notes: [Senior/[Dated Subordinated]]
(b) Status of the Deed of Guarantee: [Senior/[Dated Subordinated]]
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate(s) of Interest: [] per cent. per annum [payable annually/semi-annually/quarterly/other (specify)]
in arrear
(If payable other than annually, consider amending Condition 5)
- (ii) Interest Payment Date(s): [[] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of Business Day]][Not adjusted]
- (iii) Fixed Coupon Amount(s): [] per Calculation Amount
(Applicable to Notes in definitive form.)
- (iv) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []
(Applicable to Notes in definitive form.)
- (v) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or [specify other]]
- (vi) Determination Date(s): [] in each year
(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)

	<i>N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration</i>
	<i>N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)</i>
(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/Give details]
16. Floating Rate Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(i) Specified Period(s)/Specified Interest Payment Dates:	[]
(ii) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
(iii) Additional Business Centre(s):	[]
(iv) Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/specify other]
(v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[]
(vi) Screen Rate Determination:	
• Reference Rate:	[] <i>(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)</i>
• Interest Determination Date(s):	[] <i>(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)</i>
• Relevant Screen Page:	[] <i>(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)</i>
(vii) ISDA Determination:	
• Floating Rate Option:	[]
• Designated Maturity:	[]
• Reset Date:	[]
(viii) Margin(s):	[+/-] [] per cent. per annum

- (ix) Minimum Rate of Interest: [] per cent. per annum
- (x) Maximum Rate of Interest: [] per cent. per annum
- (xi) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360
30E/360
30E/360 (ISDA)
Other]
(See Condition 5 for alternatives)
- (xii) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []
17. Zero Coupon Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Accrual Yield: [] per cent. per annum
- (ii) Reference Price: []
- (iii) Any other formula/basis of determining amount payable: []
- (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 6(e)(iii) and 6(j) apply/specify other (Consider applicable day count fraction if euro denominated)]
18. Index Linked Interest Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
- (i) Index/Formula: [give or annex details]
- (ii) Calculation Agent: [give name (and, if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, address)]
- (iii) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): []
- (iv) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [need to include the description of market disruption or settlement disruption events and adjustment provision]
- (v) Specified Period(s)/Specified Interest Payment Dates: []

- (vi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
- (vii) Additional Business Centre(s): []
- (viii) Minimum Rate of Interest: [] per cent. per annum
- (ix) Maximum Rate of Interest: [] per cent. per annum
- (x) Day Count Fraction: []
19. Dual Currency Interest Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]
- (ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): []
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [need to include the description of market disruption or settlement disruption events and adjustment provision]
- (iv) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

20. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount/specify other/see Appendix]
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: []
- (b) Maximum Redemption Amount: []
- (iv) Notice period (if other than as set out in the Conditions): []
(N. B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other

- notice requirements which may apply, for example, as between the Issuer and the Agent)
21. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount/specify other/see Appendix]
- (iii) Notice period (if other than as set out in the Conditions): []
- (N. B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
22. Final Redemption Amount: [[] per Calculation Amount/specify other/see Appendix]
- (N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
23. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6): [[] per Calculation Amount/specify other/see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes:
- (i) Form: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
- [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]
- (Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Notes themselves.
- N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language

- substantially to the following effect: "[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)*
- (ii) New Global Note: [Yes][No]
25. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]
- (Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 16(iii) and 18(vii) relate)*
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details. N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues]
28. Details relating to Instalment Notes:
- (i) Instalment Amount(s): [Not Applicable/give details]
- (ii) Instalment Date(s): [Not Applicable/give details]
29. Redenomination and/or Exchange and/or Consolidation applicable: Redenomination [not] applicable
- (If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))*
30. Other final terms: [Not Applicable/give details]
- (When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)*
- DISTRIBUTION**
31. (i) If syndicated, names of Managers: [Not Applicable/give names]
- (If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
- (ii) Date of [Subscription] Agreement: []

(The above is only relevant if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies).

- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name]
- 32. If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
- 33. U.S. Selling Restrictions: [Reg. S Compliance Category] [Not Applicable] TEFRA C/TEFRA D
- 34. Additional selling restrictions: [Not Applicable/give details]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for the issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to [the Official List of the Luxembourg Stock Exchange] [and] [specify other] and to] trading on the regulated market of [the Luxembourg Stock Exchange] [and] [specify other]] of the Notes described herein pursuant to the €10,000,000,000 Euro Medium Term Note Programme of Piraeus Group Finance PLC and Piraeus Bank S.A.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. To the best of the knowledge and belief of the Issuer (having taken reasonable care to ensure that such is the case) the information contained in these Final Terms is in accordance with the facts and does not omit anything likely to affect the import of such information. *[[Relevant third party information, for example in compliance with Annex XII to the Prospectus Directive Regulation in relation to an index or its components] has been extracted from [specify source].* The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by *[specify source]*, no facts have been omitted which would render the reproduced information inaccurate or misleading.]

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

By:

Duly Authorised

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

By:

Duly Authorised]

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading [Not Applicable][Application [has been/is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to [the Official List of the Luxembourg Stock Exchange] [and] [specify other] and to] trading on the regulated market of [the Luxembourg Stock Exchange] [and] [specify other]] with effect from [].]
- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

Ratings: The Notes to be issued have been rated:

[S&P: []]
[Moody's: []]
[Fitch: []]
[[Other]: []]

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

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

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – Amend as appropriate if there are other interests]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- [(i) Reasons for the offer: []]
[(ii) Estimated net proceeds: []]
[(iii) Estimated total expenses: []]

(N. B.: Delete unless the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, in which case (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)

5. YIELD (Fixed Rate Notes only)

Indication of yield: []

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING *(Index-linked Notes only)*

[Need to include details of where past and future performance and volatility of the index/formula can be obtained.]

[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained.]

[Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

(N.B. This paragraph 6 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

7. PERFORMANCE OF RATE[S] OF EXCHANGE *(Dual Currency Notes only)*

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]

(N.B. This paragraph 7 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

8. OPERATIONAL INFORMATION

(i) ISIN Code: []

(ii) Common Code: []

(iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]

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

(v) Names and addresses of additional Paying Agent(s) (if any): []

[(vi) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]

[Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [include this text if “yes” selected in which case the Notes must be issued in NGN form]

TERMS AND CONDITIONS OF THE NOTES

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

This Note is one of a Series of notes issued by the Issuer specified as such in the applicable Final Terms (as defined below), being either Piraeus Group Finance PLC ("Piraeus PLC") or Piraeus Bank S.A. ("Piraeus Bank"), acting through its Issuing Branch (as specified in the applicable Final Terms) (together the "Issuers") the notes of such Series being hereinafter called the "Notes," which expression shall mean (i) in relation to any Notes represented by a global Note, units of each Specified Denomination in the Specified Currency, (ii) definitive Notes issued in exchange for a global Note and (iii) any global Note issued in accordance with an amended and restated Fiscal Agency Agreement (the "Agency Agreement," which expression shall include any amendments or supplements thereto) dated 2nd July, 2008 and made between Piraeus PLC, Piraeus Bank and Deutsche Bank AG, London Branch in its capacity as Issuing and Principal Paying Agent (the "Agent," which expression shall include any successor to Deutsche Bank AG, London Branch in its capacity as such) and the other Paying Agents named therein (the "Paying Agents," which expression shall include the Agent and any substitute or additional Paying Agents appointed in accordance with the Agency Agreement).

The Notes, the Receipts and the Coupons (each as defined below) have the benefit of a deed of covenant (the "Deed of Covenant," which expression shall include any amendments or supplements thereto) dated 2nd July, 2008 executed by the Issuers in relation to the Notes. The original Deed of Covenant is held by the common depositary for Euroclear and Clearstream, Luxembourg (each as defined below).

Notes issued by Piraeus PLC are the subject of a deed of guarantee dated 2nd July, 2008 (as amended or supplemented from time to time, the "Deed of Guarantee") entered into by Piraeus Bank (in such capacity, the "Guarantor").

Interest bearing definitive Notes will (unless otherwise indicated in the applicable Final Terms) have interest coupons ("Coupons") and, if indicated in the applicable Final Terms, talons for further Coupons ("Talons") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Notes repayable in instalments will have receipts ("Receipts") for the payment of the instalments of principal (other than the final instalment) attached on issue.

The Final Terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached hereto or endorsed hereon which supplement these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, supplement, replace or modify these Terms and Conditions for the purposes of this Note. References herein to "applicable Final Terms" are to Part A of the Final Terms attached hereto or endorsed hereon.

As used herein, "Tranche" means Notes which are identical in all respects (including as to listing and admission to trading) and "Series" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Any reference to "Noteholders" or "holders" in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a global Note, be constructed as provided below. Any reference herein to "Receiptholders" shall mean the holders of the Receipts and any

reference herein to "Couponholders" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Guarantee and subject to their detailed provisions. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant, the Deed of Guarantee and the applicable Final Terms which are applicable to them. Copies of the Agency Agreement, the Deed of Covenant and the Deed of Guarantee are available for inspection at the specified office of each of the Agent and the other Paying Agents. Copies of the applicable Final Terms are available for viewing at, and copies may be obtained from, the registered office of the Issuer and the specified offices of each of the Paying Agents save that, if this Note 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, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer or, as the case may be, the relevant Paying Agent as to its holding of such Notes and identity.

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

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form in the Specified Currency and the Specified Denomination(s) and, in the case of definitive Notes, serially numbered. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/ Payment Basis shown in the applicable Final Terms.

This Note may be a Senior Note or a Dated Subordinated Note, depending upon the Status of the Notes shown in the applicable Final Terms.

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

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

For so long as any of the Notes is represented by a global Note held on behalf of Euroclear Bank SA/NV ("Euroclear") and/or Clearstream Banking, société anonyme ("Clearstream, Luxembourg") each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Agent and any other Paying Agent as the holder of such nominal amount of Notes for all purposes other than with respect to the payment of principal or interest on such Notes, for which purpose the bearer of the relevant global Note shall be treated by the Issuer, the Guarantor, the Agent and any other Paying Agent as the holder of such nominal amount of Notes in accordance with and subject to the terms of the relevant global Note (and the

expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly).

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

2. STATUS OF THE SENIOR NOTES AND THE DEED OF GUARANTEE IN RESPECT OF SENIOR NOTES ISSUED BY PIRAEUS PLC

- (a) If the Notes are specified as Senior Notes in the applicable Final Terms, the Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) 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 law.
- (b) The obligations of Piraeus Bank under the Deed of Guarantee in respect of Senior Notes issued by Piraeus PLC 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 as aforesaid) and unsubordinated obligations of the Guarantor, save for such obligations as may be preferred by mandatory provisions of law.

3. STATUS OF DATED SUBORDINATED NOTES AND THE DEED OF GUARANTEE IN RESPECT OF DATED SUBORDINATED NOTES

- (a) If the Notes are specified as Subordinated Notes in the applicable Final Terms, the Notes are and will be, direct, unsecured and subordinated obligations of the Issuer and rank at all times *pari passu* among themselves.

The claims of the Noteholders 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 Notes (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 Notes (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 Notes 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 of Dated Subordinated Notes (whether only in the winding up of the Issuer or otherwise).

In case of dissolution, liquidation and/or bankruptcy of the Issuer the holders of Dated Subordinated Notes will only be paid by the Issuer after all Senior Creditors of the Issuer have been paid in full and the holders of Dated Subordinated Notes irrevocably waive their right to be treated equally with all other unsecured, unsubordinated creditors of the Issuer in such circumstances.

- (b) The payment of principal and interest in respect of any Dated Subordinated Notes issued by Piraeus PLC has been irrevocably guaranteed on a subordinated basis by 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 Notes and still be able to pay 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 of Dated Subordinated Notes or other persons claiming under the Deed of Guarantee (whether only in the winding up of the Guarantor or otherwise).

In case of dissolution, liquidation and/or bankruptcy of the Guarantor the holders of Dated Subordinated Notes will only be paid by the Guarantor after all Senior Creditors of the Guarantor have been paid in full and the holders of Dated Subordinated Notes irrevocably waive their right to be treated equally with all other unsecured, unsubordinated creditors of the Guarantor.

4. NEGATIVE PLEDGE (SENIOR NOTES ONLY)

This Condition 4 shall apply only to Senior Notes and references to “Notes” and “Noteholders” shall be construed accordingly. If the Notes are specified as Senior Notes in the applicable Final Terms, so long as any of the Notes remains outstanding (as defined in the Agency Agreement), neither the Issuer nor the Guarantor (if applicable) shall create or permit to be outstanding any mortgage, charge, lien, pledge or other similar encumbrance or security interest upon the whole or any part of its undertaking or assets, present or future (including any uncalled capital), to secure any Indebtedness (as defined below) or any guarantee or indemnity given in respect of any Indebtedness, without, in the case of the creation of an encumbrance or security interest, at the same time and, in any other case, promptly according to the Noteholders an equal and rateable interest in the same or providing to the Noteholders such other security as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders, save that the Issuer or the Guarantor (if applicable) may create or permit to subsist a security interest to secure Indebtedness and/or any guarantee or indemnity given in respect of Indebtedness of any person, in each case as aforesaid, (but without the obligation to accord or provide to the Noteholder either, an equal and rateable interest in the same or such other security as aforesaid) where such security interest:

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

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

5. INTEREST

(a) Interest on Fixed Rate Notes

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

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

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

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

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

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

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 5(a):

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

In these Terms and Conditions:

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

“euro” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

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

“Treaty” means the Treaty establishing the European Community, as amended by the Treaty on European Union and as amended by the Treaty of Amsterdam.

(b) *Interest on Floating Rate Notes and Index Linked Interest Notes*

(i) *Interest Payment Dates*

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

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

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

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

- (1) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

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

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

Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system (the "TARGET2 System") is open.

(ii) *Rate of Interest*

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

(iii) *ISDA Determination for Floating Rate Notes*

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

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate ("LIBOR") or on the Euro-zone inter-bank offered rate ("EURIBOR") for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For purposes of this sub-paragraph (iii)(a) "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those terms in the ISDA Definitions, (b) the definition of "Banking Day" in the ISDA Definitions shall be amended to insert after the words "are open for" in the second line the word "general" and (c) "Euro-zone" means the region comprised of Member States of the European Union that adopt the single currency in accordance with the Treaty.

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

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

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

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

(expressed as a percentage rate per annum), for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, only one of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above no such quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

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

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

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

The Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

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

- (A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount;

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

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

- (a) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (b) if "Actual/365 Fixed" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (c) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (d) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

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

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

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

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

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

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

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

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified *inter alia* to the Issuer and, if applicable, the Guarantor and to any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed, and notice thereof to be published in accordance with Condition 15 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment). Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 15. For the purposes of this paragraph, the expression "London Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(viii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(b) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor (if applicable), the Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Guarantor (if applicable), the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Dual Currency Notes*

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the applicable Final Terms.

(d) *Interest on Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(e) *Accrual of Interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the due date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue thereon (as well after as before any demand or judgment) at the rate then applicable to the principal amount of the Notes or such other rate as may be specified in the relevant Final Terms until whichever is the earlier of (1) the date on which all amounts due in respect of such Note have been paid, and (2) date on which the Agent having received the funds required to make such payment, notice is given to the Noteholders in accordance with Condition 15 of that circumstance (except to the extent that there is failure in the subsequent payment thereof to the relevant Noteholder).

6. REDEMPTION AND PURCHASE

(a) *Redemption at Maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

(b) *Redemption for Tax Reasons*

If as a result of any amendment to or change in the laws or regulations of the jurisdiction of incorporation of the Issuer or, if applicable, the Guarantor or, in the case of Piraeus Bank issuing Notes through a branch situated in a jurisdiction other than the Hellenic Republic, such other jurisdiction or in each case of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which amendment or change becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes the Issuer would be unable for reasons outside its control to make payment or the Guarantor (if applicable) would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay additional amounts as provided in Condition 10, the Issuer may, (subject, in the case of Dated Subordinated Notes, to the prior approval of the Bank of Greece), at its option and having given no less than 30 nor more than 60 days' notice (ending, in the case of Notes which bear interest at a floating rate, on any Interest Payment Date) to the Agent and, in accordance with Condition 15, the Noteholders (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes at their Early Redemption Amount as may be specified in, or determined in accordance with, the applicable Final Terms together (if appropriate) with interest accrued to (but excluding) the date of redemption provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor (if applicable) would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Upon the expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly.

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

If Issuer Call is specified in the applicable Final Terms, the Issuer may, (subject, in the case of Dated Subordinated Notes, to the prior approval of the Bank of Greece), having (unless otherwise specified in the applicable Final Terms) given not more than 30 nor less than 15 days' notice to the Agent and, in accordance with Condition 15, the Noteholders (which notice shall be irrevocable), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date. Upon the expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly.

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

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

This Condition 6(d) is applicable only in relation to Notes specified in the relevant Final Terms as being Senior Notes and references to "Notes" and "Noteholders" shall be construed accordingly.

If Investor Put is specified in the applicable Final Terms, upon any Noteholder giving to the Issuer in accordance with Condition 15 not more than 30 nor less than 15 days' notice (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem subject to, and in

accordance with, the terms specified in the applicable Final Terms such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

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

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of repayment an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph.

(e) *Early Redemption Amounts*

For the purposes of paragraph (b) above and Condition 11, each Note will be redeemed at an amount (the "Early Redemption Amount") determined or calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- (ii) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount set out in, or determined in the manner set out in, the applicable Final Terms or, if no such amount or manner is set out in that Final Terms, at their nominal amount; or
- (iii) in the case of a Zero Coupon Note, at an amount (the "Amortised Face Amount") equal to the sum of:
 - (A) the Reference Price specified in the applicable Final Terms; and
 - (B) the product of the Accrual Yield specified in the applicable Final Terms (compounded annually) being applied to the Reference Price from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable,

or such other amount as is provided in the applicable Final Terms.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made (i) in the case of a Zero Coupon Note other than a Zero Coupon Note payable in euro, on the basis of a 360-day year consisting of 12 months of 30 days each or (ii) in the case of a Zero Coupon Note payable in euro, on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed falls in a leap year, the sum of (x) the number of those days falling in a leap year divided by 366 and (y) the number of those days falling in a non-leap year divided by 365) or (in either case) on such other calculation basis as may be specified in the applicable Final Terms.

(f) *Instalments*

If the Notes are repayable in instalments, they will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms.

(g) *Partly Paid Notes*

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Final Terms.

(h) *Purchases*

The Issuer, the Guarantor (if applicable) or any Subsidiary (as defined in the Agency Agreement) of the Issuer or the Guarantor (if applicable) may (subject, in the case of Dated Subordinated Notes, to the prior approval of the Bank of Greece), at any time purchase Notes (together, in the case of definitive Notes, with all Receipts, Coupons and Talons appertaining thereto) in any manner and at any price. Such Notes may be held, reissued, resold or, at the option of the Issuer or the Guarantor, as the case may be, surrendered to any Paying Agent for cancellation.

(i) *Cancellation*

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

(j) *Late Payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 11 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for redemption or the date upon which the Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

- (1) the date on which all amounts due in respect of the Zero Coupon Note have been paid; and
- (2) the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 15.

7. PAYMENTS

(a) *Method of Payment*

Subject as provided below:

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

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 10.

(b) *Presentation of Notes, Receipts and Coupons*

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

Payments of instalments (if any) of principal in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) at the specified office of any Paying Agent of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in (a) above only

against surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) appertaining thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form (other than Dual Currency Notes or Index Linked Notes) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons) failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 10) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 14) or, if later, five years from the date on which such Coupon would otherwise have become due but in no event thereafter. Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

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

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

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

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

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

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

- (ii) payment of the full amount of such principal and interest at such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer or the Guarantor (if applicable).

(c) *Redenomination*

Where Redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders or the Couponholders, on giving prior notice to the Agent, Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Noteholders in accordance with Condition 15, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- (i) the Notes and the Receipts shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Note and Receipt equal to the principal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Agent, that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;
- (ii) save to the extent that an Exchange Notice has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (iii) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Agent may approve) euro 0.01 and such other denominations as the Agent shall determine and notify to the Noteholders;
- (iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "Exchange Notice") that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (v) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (vi) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:

- (A) in the case of the Notes represented by a Global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes represented by such Global Note; and
- (B) in the case of definitive Notes, by applying the Rate of Interest to the Calculation Amount;

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

- (vii) if the Notes are Floating Rate Notes, any applicable changes to the provisions relating to interest will be specified in the applicable Final Terms; and
- (viii) such other changes shall be made to these Terms and Conditions as the Issuer may decide, after consultation with the Agent, and as may be specified in the notice, to conform them to conventions then applicable to instruments denominated in euro or to enable the Notes to be consolidated with one or more issues of other notes, whether or not originally denominated in the Specified Currency or euro.

(d) *Exchange*

Where Exchange is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders or the Couponholders, on giving prior notice to the Agent, Euroclear and Clearstream, Luxembourg and not less than 30 days' prior notice to the Noteholders in accordance with Condition 15 (and, if the Notes are listed, to the relevant Stock Exchange), elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be exchangeable for notes expressed to be denominated in euro in accordance with such arrangements as the Issuer may decide, after consultation with the Agent, and as may be specified in the notice, including arrangements under which Receipts and Coupons unmatured at the date so specified become void.

(e) *Consolidation*

Where Consolidation is specified in the applicable Final Terms as being applicable, the Issuer may also from time to time, without the consent of the Noteholders, Couponholders or Receiptholders, on giving prior notice to the Agent, Euroclear and Clearstream, Luxembourg and not less than 30 days' prior notice to the Noteholders in accordance with Condition 15, consolidate the Notes, with effect from the Redenomination Date specified in the notice, with one or more issues of other notes ("Other Notes") issued by it, whether or not originally issued in the relevant currency or euro, provided that such Other Notes have been redenominated into euro (if not originally denominated in euro) and otherwise have, in respect of all periods subsequent to such consolidation, the same or substantially the same terms and conditions as the Notes.

The Issuer may exercise its right referred to above if it determines, in consultation with the Agent, that the Notes and Other Notes which it proposes to consolidate will, with effect from their consolidation:

- (i) be cleared and settled on an interchangeable basis with the same International Securities Identification Number through each Relevant Clearing System through which the Notes or the relevant Other Notes were cleared and settled immediately prior to consolidation; and
- (ii) be listed on at least one European stock exchange on which debt obligations issued in the euromarkets are then customarily listed and on which either the Notes or the relevant Other Notes were listed immediately prior to consolidation.

(f) *Definitions*

In this Condition, the following expressions have the following meanings:

“Established Rate” means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 109(1)(4) of the Treaty;

“Redenomination Date” means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to paragraph (c) or, as the case may be, (d) above, and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union.

“Relevant Clearing System” means:

- (i) Euroclear and Clearstream, Luxembourg;
- (ii) any clearing system which is a central securities depository for the Notes or the relevant Other Notes; and
- (iii) the principal clearing system (if any) in the country of the original currency of denomination of the Notes or the relevant Other Notes if the Notes or the relevant Other Notes were clearing and settling in such clearing system immediately prior to consolidation.

(g) *Payment Day*

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, unless otherwise specified in the applicable Final Terms, “Payment Day” means any day which (subject to Condition 14) is:

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

(h) *Interpretation of Principal and Interest*

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

- (i) any additional amounts which may be payable with respect to principal under Condition 10;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(e)); and

- (vii) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 10.

8. AGENT AND PAYING AGENTS

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below.

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

- (i) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (ii) there will at all times be an Agent;
- (iii) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; and
- (iv) there will at all times be a Paying Agent in a jurisdiction within continental Europe, other than the jurisdiction in which the Issuer is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 7(b). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 15 provided that no such variation, termination, appointment or change shall take effect (except in the case of insolvency) within 15 days before or after any Interest Payment Date.

9. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Notes to which it appertains) a further Talon, subject to the provisions of Condition 14. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

10. TAXATION

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

deduction shall equal the respective amounts which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable in respect of any Note, Receipt or Coupon presented for payment:

- (i) by or on behalf of, a Noteholder, Receiptholder or Couponholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the United Kingdom, or, as the case may be, the Hellenic Republic, or, as the case may be, the jurisdiction in which the issuing branch is situated other than the mere holding of such Note, Receipt or Coupon; or
- (ii) by or on behalf of a Noteholder, Receiptholder or Couponholder who would not be liable or subject to such withholding or deduction if he were to comply with any statutory requirement or to make a declaration of non-residence or other similar claim for exemption but fails to do so; or
- (iii) more than thirty days after the Relevant Date (as defined below), except to the extent that the relevant Noteholder, Receiptholder or Couponholder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of thirty days; or
- (iv) in Greece (in the case of Piraeus Bank unless Piraeus Bank issues Notes through a branch situated in a jurisdiction other than the Hellenic Republic, in which case the reference to Greece shall be construed as a reference to such other jurisdiction) or the United Kingdom (in the case of Piraeus PLC); or
- (v) 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 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (vi) 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 Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

For the purposes of these Terms and Conditions, the "Relevant Date" means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Agent on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 15.

11. EVENTS OF DEFAULT

(1) Senior Notes

This Condition 11(1) is applicable only in relation to Notes specified in the relevant Final Terms as being Senior Notes and references to "Notes" and "Noteholders" shall be construed accordingly.

- (a) Unless otherwise specified in the relevant Final Terms, the following events or circumstances (each an "Event of Default") shall be acceleration events in relation to the Notes, namely:
 - (i) the Issuer fails to pay any amount of principal or interest in respect of the Notes on the due date for payment thereof and such failure continues for a period of 14 days; or
 - (ii) the Issuer or, if applicable, the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes, Receipts or Coupons and such default remains unremedied for 30 days after written notice thereof has been delivered by a Noteholder to the Issuer or the Guarantor, as the case may be, requiring the same to be remedied; or
 - (iii) the repayment of any indebtedness owing by the Issuer or, if applicable, the Guarantor or any Material Subsidiary is accelerated by reason of default and such acceleration has not been rescinded or annulled, or the Issuer or, if applicable, the Guarantor or any Material Subsidiary defaults (after whichever is the longer of any originally applicable period of grace and 14 days after the due date) in any payment of any indebtedness or

in the honouring of any guarantee or indemnity in respect of any indebtedness provided that no such event shall constitute an Event of Default unless the indebtedness whether alone or when aggregated with other indebtedness relating to all (if any) other such events which shall have occurred and be continuing shall exceed U.S.\$10,000,000 (or its equivalent in any other currency or currencies); or

- (iv) any order shall be made by any competent court or resolution passed for the winding up or dissolution of the Issuer or, if applicable, the Guarantor or any Material Subsidiary (other than for the purpose of amalgamation, merger or reconstruction (1) on terms approved by an Extraordinary Resolution of the Noteholders or (2) in the case of a Material Subsidiary whereby the undertaking and the assets of the Material Subsidiary are transferred to or otherwise vested in Piraeus Bank or another of its Subsidiaries); or
- (v) the Issuer or, if applicable, the Guarantor or any Material Subsidiary shall cease to carry on the whole or substantially the whole of its business (other than for the purpose of an amalgamation, merger or reconstruction (1) on terms approved by an Extraordinary Resolution of the Noteholders or (2) in the case of a Material Subsidiary whereby the undertaking and the assets of the Material Subsidiary are transferred to or otherwise vested in Piraeus Bank or another of its Subsidiaries); or
- (vi) the Issuer or, if applicable, the Guarantor or any Material Subsidiary shall stop payment or shall be unable to, or shall admit inability to, pay its debts as they fall due, or shall be adjudicated or found bankrupt or insolvent by a court of competent jurisdiction or shall make a conveyance or assignment for the benefit of, or shall enter into any composition or other arrangement with, its creditors generally; or
- (vii) a receiver, trustee or other similar official shall be appointed in relation to the Issuer or, if applicable, the Guarantor or any Material Subsidiary or in relation to the whole or over half of the assets of the Issuer or, if applicable, the Guarantor or any Material Subsidiary or an interim supervisor of Piraeus Bank is appointed by the Bank of Greece or an encumbrancer shall take possession of the whole or over half of the assets of the Issuer or, if applicable, the Guarantor or any Material Subsidiary, or a distress or execution or other process shall be levied or enforced upon or sued out against the whole or a substantial part of the assets of the Issuer or, if applicable, the Guarantor and in any of the foregoing cases it or he shall not be discharged within 60 days; or
- (viii) the Issuer or, if applicable, the Guarantor or any Material Subsidiary sells, transfers, lends or otherwise disposes of the whole or a major part of its undertaking or assets (including shareholdings in its Subsidiaries or associated companies) and such disposal is substantial in relation to the assets of the Issuer or Piraeus Bank and its Subsidiaries as a whole, other than selling, transferring, lending or otherwise disposing on an arm's length basis;
- (ix) with respect to any Notes issued by Piraeus PLC, the Deed of Guarantee is not in full force and effect.

For the purposes of this Condition 11(1)(a) "Material Subsidiary" means at any time any Subsidiary of Piraeus 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 Piraeus Bank and its Subsidiaries as shown by the then latest published audited consolidated profit and loss account of Piraeus 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 Piraeus Bank and its Subsidiaries as shown by the then latest published audited consolidated balance sheet of Piraeus 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.

(b) If any Event of Default shall occur and be continuing in relation to any Note, any Noteholder may, by written notice to the Issuer at the specified office of the Agent, declare that such Note shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its Early Redemption Amount as may be specified in or determined in accordance with the relevant Final Terms, together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(2) *Dated Subordinated Notes*

This Condition 11(2) is applicable only in relation to Notes specified in the relevant Final Terms as being Dated Subordinated Notes and any references to "Notes" or "Noteholders" shall be construed accordingly. The events specified below are both "Subordinated Default Events":

(a) If default is made in the payment of any amount due in respect of the Notes or any of them on the due date and such default continues for a period of 7 days, any Noteholder may institute proceedings for the winding up of the Issuer.

(b) If, otherwise than for the purposes of a reconstruction or amalgamation on terms previously approved by an Extraordinary Resolution of the Noteholders, an order is made or an effective resolution is passed for the winding up of the Issuer, any Noteholder may, by written notice to the Agent, declare such Note to be due and payable whereupon the same shall become immediately due and payable at its Early Redemption Amount as may be specified in or determined in accordance with the relevant Final Terms, together (if appropriate) with interest accrued to (but excluding) the date of redemption unless such Subordinated Default Event shall have been remedied prior to receipt of such notice by the Agent.

12. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

The Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of the Noteholders to consider any matter affecting their interests, including (without limitation) the modification by Extraordinary Resolution (as defined in the Agency Agreement) of these Terms and Conditions. An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Noteholders whether or not they are present at the meeting, and on all holders of Coupons or Receipts relating to the Notes.

The Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Coupon holders, to:

- (i) any modification (except as mentioned above) of the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (ii) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 15 as soon as practicable thereafter.

13. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent in London (or such other place as may be notified to the Noteholders), in accordance with all applicable laws and regulations, upon payment by the claimant of the costs and expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

14. PRESCRIPTION

The Notes, Receipts and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 10) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 14 or Condition 7(b) or any Talon which would be void pursuant to Condition 7(b).

15. NOTICES

All notices to Noteholders regarding the Notes shall be valid if published in the *Financial Times* or another leading English language daily newspaper with circulation in London. The Issuer will ensure that notices to Noteholders are published (a) if and for so long as the Notes are listed on the Luxembourg Stock Exchange and so long as the rules so require, in a daily newspaper with circulation in Luxembourg, which is expected to be the *Luxemburger Wort* and/or the Luxembourg Stock Exchange's website, www.bourse.lu and (b) in a manner which complies with the rules and regulations of any other stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notices will, if published more than once, be deemed to have been given on the date of the first publication, as provided above.

Except in the case of Notes listed on the Luxembourg Stock Exchange (unless its rules so permit), until such time as any definitive Notes are issued, there may, so long as the global Note(s) representing the Notes is or are held in its or their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication as aforesaid the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg, as appropriate, for communication by them to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg, as appropriate.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a global Note, such notice may be given by any Noteholder to the Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

The holders of Receipts, Coupons and Talons will be deemed for all purposes to have notice of the contents of any notice given to Noteholders in accordance with this Condition.

16. SUBSTITUTION OF THE ISSUER

- (a) The Issuer may, without the consent of any Noteholder or Couponholder, substitute for itself any other body corporate incorporated in any country in the world as the debtor in respect of the Notes, any Coupons, the Deed of Covenant and the Agency Agreement (the "Substituted Debtor") upon notice by the Issuer and the Substituted Debtor to be given in accordance with Condition 15, provided that:
- (i) the Issuer is not in default in respect of any amount payable under the Notes;
 - (ii) the Issuer and the Substituted Debtor have entered into such documents (the "Documents") as are necessary to give effect to the substitution and in which the Substituted Debtor has undertaken in favour of each Noteholder to be bound by these Terms and Conditions and the provisions of the Agency Agreement as the debtor in respect of the Notes in place of the Issuer (or of any previous substitute under this Condition 16);
 - (iii) the Substituted Debtor shall enter into a deed of covenant in favour of the holders of the Notes then represented by a global Note on terms no less favourable than the Deed of Covenant then in force in respect of the Notes;
 - (iv) if the Substituted Debtor is not Piraeus Bank, the Deed of Guarantee extends to the obligations of the Substituted Debtor under or in respect of the Notes, any Coupons, the Deed of Covenant and the Agency Agreement and continues to be in full force and effect;
 - (v) if the Substituted Debtor is resident for tax purposes in a territory (the "New Residence") other than that in which the Issuer prior to such substitution was resident for tax purposes (the "Former Residence"), the Documents contain an undertaking and/or such other provisions as may be necessary to ensure that each Noteholder has the benefit of an undertaking in terms corresponding to the provisions of Condition 10, with the substitution of references to the Former Residence with references to the New Residence;

- (vi) 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;
 - (vii) legal opinions shall have been delivered to the Agent from lawyers of recognised standing in the jurisdiction of incorporation of the Substituted Debtor, in England and in Greece as to the fulfilment of the requirements of this Condition 16 and that the Notes and any Receipts, Coupons and/or Talons are legal, valid and binding obligations of the Substituted Debtor;
 - (viii) if Notes issued or to be issued under the Programme have been assigned a credit rating by Standard & Poor's and/or Moody's and/or Fitch, Standard & Poor's and/or Moody's and/or Fitch as the case may be, having been notified of the proposed substitution, shall not have stated within 30 days thereafter that, as a result of such substitution, the credit rating of the Notes would be downgraded;
 - (ix) each stock exchange on which the Notes are listed shall have confirmed that, following the proposed substitution of the Substituted Debtor, the Notes will continue to be listed on such stock exchange; and
 - (x) if applicable, the Substituted Debtor has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Notes and any Coupons.
- (b) Upon such substitution the Substituted Debtor shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under the Notes, any Coupons, the Deed of Covenant and the Agency Agreement with the same effect as if the Substituted Debtor had been named as the Issuer herein, and the Issuer shall be released from its obligations under the Notes, any Receipts, Coupons and/or Talons, the Deed of Covenant and under the Agency Agreement.
 - (c) After a substitution pursuant to Condition 16(a) the Substituted Debtor may, without the consent of any Noteholder or Couponholder, effect a further substitution. All the provisions specified in Conditions 16(a) and 16(b) shall apply *mutatis mutandis*, and references in these Terms and Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substituted Debtor.
 - (d) After a substitution pursuant to Condition 16(a) or 16(c) any Substituted Debtor may, without the consent of any Noteholder or Couponholder, reverse the substitution, *mutatis mutandis*.
 - (e) The Documents shall be delivered to, and kept by, the Agent. Copies of the Documents will be available free of charge during normal business hours at the specified office of each of the Paying Agents.

17. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further notes ranking *pari passu* in all respects (or in all respects save for the amount and date of the first payment of interest thereon) with the outstanding Notes and so that the same shall be consolidated and form a single series with the outstanding Notes.

18. GOVERNING LAW; SUBMISSION TO JURISDICTION

- (a) The Agency Agreement, the Deed of Covenant, the Deed of Guarantee, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law except that (i) Condition 20 and (ii), in the case of Dated Subordinated Notes issued by Piraeus Bank, Condition 3(a) is governed by and shall be construed in accordance with Greek law and in the case of Dated Subordinated Notes issued by Piraeus PLC, Condition 3(b) and clause 5.8 of the Deed of Guarantee are governed by and shall be construed in accordance with Greek law.
- (b) Piraeus Bank irrevocably agrees, for the exclusive benefit of the Noteholders that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes (together "Proceedings"), which may arise out of or in connection with the Agency Agreement, the Deed of Covenant, the Deed of Guarantee and the Notes and, for such purpose, irrevocably submits to the jurisdiction of such courts.

- (c) Piraeus Bank irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of England and any claim that any Proceedings have been brought in an inconvenient forum and further irrevocably and unconditionally agrees that a judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction. Nothing in this Condition shall limit any right to take Proceedings against Piraeus Bank in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.
- (d) Piraeus Bank irrevocably and unconditionally agrees that service in respect of any Proceedings may be effected upon Piraeus Bank S.A., London branch at Tower 42, 25 Old Broad Street, London EC2N 1 PB and undertakes that in the event of it ceasing to maintain a London branch Piraeus Bank will forthwith appoint a further person as its agent for that purpose and notify the name and address of such person to the Agent and agrees that, failing such appointment within fifteen days, any Noteholder shall be entitled to appoint such a person by written notice addressed to Piraeus Bank and delivered to Piraeus Bank or to the specified office of the Agent. Nothing contained herein shall affect the right of any Noteholder to serve process in any other manner permitted by law.

19. THIRD PARTY RIGHTS

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

20. PIRAEUS BANK NOTEHOLDERS AGENT

Should law 3156/2003 of the Hellenic Republic (the "Bond Law") apply in the case of issue of Notes by Piraeus Bank (the "Piraeus Bank Notes"), Piraeus Bank shall, if required to do so under the Bond Law, whether the holders of Piraeus Bank Notes (the "Piraeus Bank Noteholders") are organised in a group or otherwise, appoint an agent (the "Piraeus Bank Noteholders Agent") by way of a written agreement (the "Piraeus Bank Noteholders Agency Agreement"). The Piraeus Bank Noteholders Agent shall represent the Piraeus Bank Noteholders judicially and extra-judicially in accordance with the provisions of the Bond Law. The Piraeus Bank Noteholders Agency Agreement shall include, among others, provisions for convening meetings of the Piraeus Bank Noteholders to consider, *inter alia*, any matter affecting their interests, as may be required under the Bond Law. The particular duties, rights and liabilities of the Piraeus Bank Noteholders Agent and any amendments to the Conditions and this Offering Circular, inherent to (i) the appointment of the Piraeus Bank Noteholders Agent, and (ii) the entering into the Piraeus Bank Noteholders Agency Agreement shall be included in the relevant Final Terms and/or, if necessary, any supplement to this Offering Circular which will be prepared for the issue of Piraeus Bank Notes.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be used by the relevant Issuer for the general corporate and financing purposes of the Group (as defined below) which include making a profit. If in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

PIRAEUS GROUP FINANCE PLC

Introduction

Piraeus Group Finance PLC was incorporated in, and under the laws of, England on 26th October, 2000 as a public limited company of indefinite duration. Piraeus PLC is registered in England with number 4097418 and operates under the Companies Act 1985. The registered office of Piraeus PLC is at Tower 42, 25 Old Broad Street, London EC2N 1PB, telephone +44 20 7920 6000. Piraeus PLC was acquired by Piraeus Bank on 25th January, 2001 and the share capital of Piraeus PLC continues to be held, directly or indirectly, by Piraeus Bank. Piraeus PLC's legal and commercial name is Piraeus Group Finance PLC.

Directors

The Directors of Piraeus PLC and their respective business addresses and principal activities in relation to Piraeus PLC and Piraeus Bank are:

Name	Address	Principal activities
Chris Wheeler	Tower 42, 25 Old Broad Street London EC2N 1PB	Director of Piraeus PLC
Irini Tzortzoglou	Tower 42, 25 Old Broad Street London EC2N 1PB	Director of Piraeus PLC Director of Piraeus Group Capital Ltd

Other than as disclosed above, no Director has any activities outside Piraeus PLC which are significant with respect to Piraeus PLC.

The Secretary of Piraeus PLC is Jamestown Investments Limited, 4 Felstead Gardens, Ferry Street, London E14 3BS.

Piraeus PLC has no employees or non-executive Directors.

Piraeus PLC is not aware of any potential conflict of interest between the duties to Piraeus PLC of the persons listed above and their private interests or other duties.

Activities

The share capital of Piraeus PLC was acquired, directly or indirectly, by Piraeus Bank with the intention that Piraeus PLC should operate as a financing vehicle for Piraeus Bank and the Group. Except in connection with the Programme, Piraeus PLC has not engaged in any activities since its incorporation. Piraeus PLC has no subsidiaries or associated companies. Piraeus PLC is not aware of any arrangement the operation of which may at a subsequent date result in a change of control of Piraeus PLC.

General

Piraeus PLC has made no investments since the date of the last published financial statements and has made no firm commitments on future investments.

As Piraeus PLC is a finance company whose sole business is raising debt to be on-lent to Piraeus Bank and other subsidiaries of Piraeus Bank on an arm's-length basis, Piraeus PLC is dependent upon Piraeus Bank and other subsidiaries of Piraeus Bank servicing these loans.

There have been no recent events particular to Piraeus PLC which are to a material extent relevant to the evaluation of Piraeus PLC's solvency.

No trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on Piraeus PLC's prospects for the current financial year have been identified.

Piraeus PLC's objects are set out in paragraph 4 of its Memorandum of Association and include carrying on its business as a general commercial company.

Other than the execution of the Programme Agreement, the Agency Agreement, the Deed of Covenant and the Notes (each as defined in this Offering Circular) Piraeus PLC has not entered into any contract outside the ordinary course of its business which could result in Piraeus PLC being under an obligation or entitlement that is material to Piraeus PLC's ability to meet its obligations to the holders of Notes under the Programme.

Piraeus PLC has no audit committee and complies with general provisions of English law on corporate governance.

Capitalisation and Indebtedness

The following table sets out the capitalisation and indebtedness of Piraeus PLC as at 31st December, 2008 and 31st December, 2007. There has been no material change in the capitalisation of Piraeus PLC since 31st December, 2008.

	Year ended 31st December, 2008	Year ended 31st December, 2007
	(Amounts in EUR thousands)	
Authorised Share Capital of 50,000 Ordinary Shares of £1 each.....	71	71
Issued Share Capital of 50,000 Ordinary Shares of £1 each paid up as to 25p each	18	18
Profit and loss account	35	268
Total Shareholders' Equity	<u>53</u>	<u>286</u>
Shareholders' Equity.....	53	286
Creditors falling due within one year.....	1,192,258	3,234,108
Total Shareholders' Equity and Liabilities	<u>4,112,973</u>	<u>6,699,088</u>

The debt of Piraeus PLC as of 31st December, 2008 was €4,106.5 million (2007: €6,684.0 million).

As at the date of this Offering Circular, no call has been made on the 75p not paid up on each Ordinary Share (£37,500 in total).

Accounts and Dividends

Since the date of its incorporation, three dividend payments have been made. These amounted to €3.5m in 2006, €6m in 2007, and €5.5m in 2008. Copies of the latest annual accounts for the years ended 31st December, 2007 and 2008 and interim (if any) accounts of Piraeus PLC, if required to be produced, will be available free of charge at the specified offices of Deutsche Bank Luxembourg S.A. in Luxembourg.

Selected financial information relating to Piraeus PLC

The financial information set out below has been derived from the audited financial statements of Piraeus PLC at 31st December, 2008. Such information should be read in conjunction with, and is qualified in its entirety by reference to, Piraeus PLC's audited financial statements and the related notes thereto incorporated by reference to this Offering Circular.

Profit and Loss Account

	Year ended 31st December, 2008	Year ended 31st December, 2007
	(Amounts in EUR thousands)	
Turnover	325,858	287,533
Interest Payable	(318,103)	(279,928)
Foreign Exchange Gains/(Losses)	(125)	(100)
	7,630	7,505
Administrative Expenses	(148)	(186)
Profit/Loss on ordinary activities before Taxation	7,482	7,319
Tax on Profit on Ordinary Shares	(2,215)	(2,181)
Retained Profit/Loss for the financial period	5,267	5,138

Balance Sheet

	Year ended 31st December, 2008	Year ended 31st December, 2007
	(Amounts in EUR thousands)	
Current Assets		
Amounts due from Parent undertakings	4,106,495	6,683,923
Fair Value of derivatives	6,470	15,156
Cash at bank and in hand	8	9
	4,112,973	6,699,088
Creditors: Amounts falling due within one year	(1,192,258)	(3,234,108)
Derivative financial instruments	(6,470)	(15,156)
Net Current Assets	2,914,245	3,449,824
Creditors: Amounts falling due after more than one year	(2,914,192)	(3,449,538)
Net Assets	53	286
Capital and Reserves		
Called up capital	18	18
Profit and loss	35	268
Shareholders' Funds	53	286

Cash Flow Statement

	1st January– 31st December, 2008	1st January– 31st December, 2007
	(Amounts in EUR thousands)	
CASH FLOW FROM OPERATING ACTIVITIES		
Cash Inflows		
Interest and Commission receipts	325,858	287,533
Less: Decrease/(increase) in accrued income	19,188	(13,393)
Sum of Cash Inflows	<u>345,046</u>	<u>274,140</u>
Cash Outflows		
Interest and Commission Expense	318,103	279,928
Other operating and Exceptional expenses.....	148	186
Loss from FX trading and revaluations and loss from securities trading	125	100
(Decrease)/increase in loans and advances to Customers and Credit Institutions	(2,557,867)	1,411,381
(Decrease)/increase in accrued expenses	19,307	(13,775)
Taxes and Dividends Cash Flows	4,274	5,715
Sum of Cash (Inflows)/Outflows	<u>(2,215,910)</u>	<u>1,683,535</u>
Net Cash from Operating Activities	<u>2,560,956</u>	<u>(1,409,395)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Sum of Cash Inflows	0	0
Sum of Cash Outflows	0	0
Net Cash from Investing Activities	0	0
CASH FLOW FROM FINANCING ACTIVITIES		
Cash Inflows		
(Decrease)/increase in liabilities from Issuing bonds and other securities	(2,560,613)	1,412,710
Increase in Subordinated debt.....	0	0
Sum of Cash (Outflows)/Inflows	<u>(2,560,613)</u>	<u>1,412,710</u>
Cash Outflows		
Interest expense from issued bonds.....	0	0
Sum of Cash Outflows	<u>0</u>	<u>0</u>
Net Cash from Financing Activities	<u>(2,560,613)</u>	<u>1,412,710</u>
Net Increase in Cash and Cash Equivalents	343	3,315
Cash and Cash Equivalents at the Beginning of the Year	5,759	2,444
Cash and Cash Equivalents at the End of the Year	6,102	5,759

PIRAEUS BANK AND THE PIRAEUS BANK GROUP

The following overview should be read in conjunction with, and is qualified in its entirety by, the more detailed information and the financial statements, including the notes thereto, appearing elsewhere or incorporated by reference in the Offering Circular.

1. Overview of Piraeus Bank and the Piraeus Bank Group

Piraeus Bank S.A. was incorporated in Greece on 6th July, 1916 pursuant to the laws of the Hellenic Republic and is presently operating as a credit institution under the Codified Law 2190/1920 and Law 3601/2007, each as in force. The Bank is a company limited by shares (société anonyme) with the legal name 'Piraeus Bank Société Anonyme'. It is registered in Greece (number 6065/06/B/86/04) and has its registered office at 4 Amerikis Str., 105 64 Athens, Greece (telephone +30 210 333 5000). It has been listed on the Athens Exchange ("ATHEX") since 1918, and is subject to regulations and supervision by the Bank of Greece as well as the Hellenic Capital Market Commission. The Bank's commercial name is Piraeus Bank. The duration of the Bank as determined by its Articles of Association has been extended to terminate on 6th July, 2099.

Piraeus is the flagship company of the Piraeus Bank Group of Companies (the "Group," the "Piraeus Bank Group" or the "Piraeus Group") and the direct parent of the majority of the subsidiaries comprising the Piraeus Group.

Piraeus Bank Group is one of the most dynamic and active financial organisations in Greece today. Piraeus Bank is a universal bank and leads a group of companies covering all financial and banking activities in the Greek market. Piraeus Group possesses particular know-how in the areas of small and medium-sized enterprises ("SMEs"), retail banking, corporate banking, leasing, capital markets, investment banking, while it provides services in asset management and bancassurance. Piraeus Bank offers services through a nation-wide network and also through the electronic banking network winbank ("winbank"). The latter offers a full set of services through four different distribution channels: the Internet, mobile phones, call centre and ATMs. The excellent level of services of winbank has attracted a number of awards and distinctions.

Both Piraeus Bank and the Piraeus Group, as a whole, have developed significantly over the last few years, through organic growth and acquisitions, and Piraeus Bank is now the fourth largest bank in Greece in terms of assets, loans and deposits. In terms of international presence, Piraeus Bank Group is active in 7 countries of the broader region of Southeastern Europe and the Eastern Mediterranean (i.e. Bulgaria, Romania, Serbia, Albania, Ukraine, Cyprus, Egypt), while it is also present in the financial centres of London and New York. At 31st December, 2008, Piraeus Bank Group had a network of 895 branches (358 in Greece and 537 abroad) and employed 14,255 people, while its total assets amounted to €55 billion.

As of 31st December, 2008, Piraeus Bank's share capital consisted of 329,543,528 common registered shares listed on ATHEX and the total number of shareholders stood at 149,939. No individual shareholder owns an interest in excess of 5.0 per cent. No shareholder has a controlling interest in Piraeus Bank. Piraeus Bank Group's equity capital amounted to €3 billion with a CAD ratio of 9.9 per cent. and tier I 8.0 per cent. (Basel II).

On 14th May, 2009 an agreement was signed between Piraeus Bank and the Greek State whereby the latter acquired the Bank's 77,568,134 preferred non-voting shares worth €370 million within the framework of Law 3723/2008 on "Liquidity Support of the Economy for mitigating the consequences of the international financial and credit crisis and other provisions" (hereinafter "L.3723/2008").

In addition, on 5th June, 2009 6,728,991 new shares were issued through the capitalisation of the net dividend amount of fiscal year 2008. Following this, the Bank's total common registered voting shares amounted to 336,272,519 all having a nominal value of €4.77 each.

There have been no recent events particular to Piraeus Bank which are to a material extent relevant to the evaluation of Piraeus Bank's solvency.

As of 1st January, 2005, the Bank prepares all its financial statements under the International Financial Reporting Standards ("IFRS"), while, due to comparability purposes, 2004 financial statements were also prepared under IFRS. PricewaterhouseCoopers are the auditors for the annual financial statements. The quarterly financial statements prepared by the Bank under IFRS are unaudited.

2. Strategy

Piraeus Bank took advantage of the deregulation and consolidation of the Greek banking sector in the 1990s, increasing its presence in the domestic banking sector and raising its share of the loan sector from 0.3 per cent. in 1991 to 12.4 per cent. at December 2008 (source: published financial statements – Bank of Greece). The Greek banking sector offers opportunities for development as viewed by a variety of measures, such as household loans-to-GDP (48 per cent. as opposed to 60 per cent. in the Eurozone) or business loans-to-GDP (55 per cent. as opposed to 81 per cent. in the Eurozone) (source: Bank of Greece).

Piraeus Group plans to maintain its focus on servicing SMEs through specialised products and longer credit terms.

The key priorities of Piraeus Group for the year 2009 are the following:

- *Asset quality*: preserve quality of credit portfolio (tightened credit standards, increased protection by additional provisions and tangible collaterals, anticipate problems, provide timely and flexible resolution and support customers through measures to facilitate for financing needs)
- *Liquidity*: Maintain high level of liquidity (balanced delta of loans and deposits, >€3 billion funding from securitisations, access to €2.0 billion+ of liquidity through the Greek government's liquidity support measures)
- *Efficiency*: 0 per cent. growth of operating cost and improved efficiency of debt collections' processes
- *Capital Adequacy*: Safeguard capital adequacy ratios

No trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on Piraeus Bank's prospects for the current financial year have been identified.

Other than the execution of the Programme Agreement, the Agency Agreement, the Deed of Covenant, the Deed of Guarantee and the Notes, neither Piraeus Bank nor any other member of Piraeus Group has entered into any contract outside the ordinary course of its business which could result in any Piraeus Group member being under an obligation or entitlement that is material to Piraeus Bank's ability to meet its obligations to the holders of Notes under the Programme.

3. Piraeus Bank Group Organisational Structure

The Greek financial services sector has historically been characterised by the presence of specialised companies established around a principal bank. In a similar manner, the Piraeus Bank Group is comprised of Piraeus Bank and its subsidiaries. Piraeus Bank is not dependent upon any other entities within the Group. The following diagram summarises the divisional structure of the principal subsidiaries of the Piraeus Bank as at 31st December, 2008:

Piraeus Bank Group				
Commercial Banking	Investment Banking	Asset Management	Bancassurance	Non-Financial Companies
Tirana Bank I.B.C SA (91%)	Piraeus Securities SA (100%)	Piraeus Asset Management Mutual Funds (100%)	Piraeus Insurance and Reinsurance Brokerage S.A. (100%)	Piraeus Direct Services S.A. (100%)
Marathon Banking Corporation (88%)	Piraeus Egypt Brokerage Co (95%)	Piraeus Asset Management Europe S.A. (100%)	Piraeus Insurance Agency S.A. (100%)	Exodus SA (50.1%)
Piraeus Bank Romania S.A. (100%)	SSIF Piraeus Securities Romania S.A. (99%)	Piraeus Group Capital LTD (100%)	Piraeus Insurance – Reinsurance Broker Romania S.R.L. (100%)	Piraeus Real Estate S.A. (100%)
Piraeus Bank Beograd A.D. (100%)		Piraeus Group Finance PLC (100%)		Picar S.A. (100%)
Piraeus Bank Bulgaria A.D. (100%)			Piraeus Insurance Brokerage EOOD (100%)	ETBA
Piraeus Bank Egypt S.A.E. (95%)			Piraeus Insurance Consultant (93%)	Industrial Estates S.A. (65%)
OJSC Piraeus Bank ICB (100%)				
Piraeus Bank Cyprus LTD (100%)				
Piraeus Leasing S.A. (100%)				
Piraeus Card Services S.A. (100%)				
Piraeus Multifin S.A. (100%)				
Piraeus Factoring S.A. (100%)				
Multicollection S.A. (51%)				
Piraeus Leasing Romania S.R.L. (100%)				
Tirana Leasing S.A. (100%)				
Piraeus Leasing Bulgaria EAD (100%)				
Piraeus Auto Leasing Bulgaria EAD (100%)				
Piraeus Egypt Leasing Co (95%)				
Piraeus Leasing Doo Beograd (100%)				
Olympic Commercial & Tourist Enterprises S.A. (94%)				

4. Ownership of Piraeus Bank

In September 2007, Piraeus Bank completed a €1.35 billion share capital increase by cash contribution, enhancing significantly its capital base, so as to continue the growth of its operations and volumes, both in the domestic and international markets.

Ownership

(%)	Shareholder Identity
26.4%	Foreign institutional investors
11.3%	Greek institutional investors
18.0%	Enterprises
3.8%	Treasury Stock
2.5%	Greek State (ex-ETBAbank's shareholder)
38.0%	Individual Shareholders

On 1st June, 2009, Piraeus Bank, pursuing its strategic aim to further strengthen its capital base, placed 13,280,976 treasury shares to international institutional investors representing 3.95 per cent. of the Bank's issued and outstanding ordinary shares.

Piraeus Bank is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of Piraeus Bank.

5. Management of Piraeus Bank

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, which is the managerial body of the Bank, is made up of seventeen members, of which seven have executive and ten non-executive duties. Three of the non-executive directors are also independent, according to the effective legislation.

The Board of Directors was reconstituted as a body and designated its Executive and Non-Executive Members, in accordance with Law 3016/2002, as follows:

Executive Members

Michalis G. Sallas, Chairman and Chief Executive Officer
Theodoros N. Pantalakis, Vice-Chairman and Deputy CEO
Stavros M. Lekkakos, Managing Director
Alexandros St. Manos, Managing Director
Christodoulos G. Antoniadis, Deputy Managing Director
Ilias D. Milis, Deputy Managing Director
Spyros Ath. Papaspirou, Deputy Managing Director

Non-Executive Vice-Chairmen

Konstantinos P. Aggelopoulos, Economist & Businessman
Ioannis V. Vardinoyiannis, Businessman

Non-Executive Members

Georgios P. Alexandridis, Businessman, Member of the Audit Committee (*)
Hariklia A. Apalagaki, Legal Advisor to Piraeus Bank, University Professor, Member of the Audit Committee
Eftyhios Th. Vassilakis, Businessman
Iakovos G. Georganas, Financial Advisor & Chairman of Risk Management Committee
Stylianos D. Golemis, Economist & Businessman
Fotini A. Karamanli, Lawyer (*)
Theodoros P. Mylonas, Chairman of the Audit Committee (*)
Vassilios St. Fourlis, Businessman

(*) independent non-executive member

Other than as disclosed above no Executive Member, 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 to 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, 105 64 Athens, Greece.

6. Activities of the Piraeus Bank Group

The Piraeus Bank Group, either through the Bank or its subsidiaries, provides a wide variety of banking products and services to retail customers and corporate clients. The Group is active in retail banking, corporate banking, shipping, investment banking and e-banking, and provides services in equity brokerage, asset management and bancassurance.

6.1. Retail Banking and Branch Network

Retail banking is mainly conducted through the Bank's branch network in Greece and abroad through the subsidiaries of the Group. The Group offers a variety of products in retail banking and is focused on developing specialised products for its clientele.

6.1.1. Deposit Products

The Bank offers a wide range of depositary and investment products suited for individual clients as well as for corporate clients, in all major foreign currencies. Total deposits have been increasing, supported by the expanding branch network.

Deposits (on a consolidated basis) Amounts in EUR million	as at 31st December		
	2008	2007	Change
Savings deposits	3,382	3,573	-5%
Sight & Other deposits.....	4,738	5,271	-10%
Term deposits, Retail Bonds & Repos.....	23,173	15,070	+54%
Total customer deposits and retail bonds	31,294	23,914	+31%

6.1.2. Personal Investment and Mutual Funds

Investment opportunities in mutual funds are provided by Piraeus Asset Management Mutual Funds and Piraeus Asset Management Europe S.A.

6.1.3. Mortgage and Consumer Credit

Mortgage and Consumer Credit continued to grow in 2008, accounting for 31 per cent. of the Group's total loan advances.

Mortgage loans in Greece amounted to €6.0 billion at the end of 2008 recording an increase of 14 per cent. versus 2007 and achieving a growth rate higher than that of the Greek market (+12 per cent.). Mortgage loan disbursements reached €1.1 billion.

The Group's consumer loans balance in Greece rose to €3.5 billion at the end of 2008 versus €3.1 billion at the end of 2007, achieving an increase of 11 per cent. compared with 14 per cent. for the total Greek market.

Regarding personal loans, the Bank offers customised interest-rate products off its individualised consumer loan platform. In 2008, the Bank has also designed new consumer products at a fixed rate for the first 3 or 5 years and then variable, both for personal/consumer needs and balance transfers from other banks.

The Bank's credit cards market share rose to 7.0 per cent. in 2008 from 6.5 per cent. in 2007, with the balance reaching €706 million from €576 million in 2007, mainly as a result of customer mobilisation programmes. It should be noted that credit card turnover rose by 11 per cent. to €824 million, while the turnover of acquiring through the Bank's Points of Sales (POS) reached €827 million (+8 per cent.).

The Bank is active in consumer vehicle financing via Piraeus Multifin S.A., which finances new and used vehicles, motorcycles and small vessels. It cooperates with more than 400 car dealerships, including certain major dealers.

Consumer Credit (on a consolidated basis) Amounts in EUR million	as at 31st December		
	2008	2007	Change
Consumer Loans	5,264	4,336	+21%
Mortgage Loans	6,693	5,743	+17%
Totals	11,957	10,079	+19%

6.1.4. Other Retail Banking Services

6.1.4.1. Bancassurance and Insurance Brokerage

The Group owns two insurance brokerage companies, Piraeus Insurance and Reinsurance Brokerage (which operates with the distinctive title "Piraeus Insurance Brokers S.A."), which is active in the area of intermediation of non-life insurance contracts, and Piraeus Insurance Agency S.A. (which operates as "Piraeus Brokerage"), which is mostly active in the area of life and healthcare insurance products. The activities of both companies are primarily intended to cover the insurance needs of the Bank's customers as well as the needs of the Group in total.

Total insurance premia under management rose to €207 million in 2008, while new production amounted to €37 million. Also, in 2008 a special Bancassurance unit was set up within the Insurance Services business unit to promote systematically bancassurance products through the networks in Greece and abroad.

6.1.4.2. winbank, e-banking

2008 was a milestone for the Bank's e-banking services winbank, as Microsoft Corporation granted one of the 5 "Microsoft Developer Innovation and Excellence" international awards to the Bank's new e-banking platform "winbank international". This global award was followed by another international distinction of the winbank platform by the renowned international Banking Technology magazine at the end of 2008. The winbank platform gradually integrates all the e-banking services offered by the Group in the various countries where it operates into a single application centrally supported in Greece. Albania and Cyprus were the first to be integrated in 2008; Bulgaria and part of the Greek application are scheduled to be integrated within 2009.

In Greece, winbank maintained its top ranking among Greek banks' e-banking services coming first in the benchmark tests carried out by the Greek high-tech magazine PC Magazine ("Editor's choice") for the 8th consecutive year.

In 2008 winbank registered users rose by 33 per cent., logins rose by 17 per cent. and the number of money transactions rose by 38 per cent. Out of the Bank's total payments, winbank served over 70 per cent. of payments to the State (VAT, Social Security Institute (IKA), Insurance Organisation for Professionals (OAEE)), 60 per cent. of funds transfers and 50 per cent. of stock exchange trading. The Bank's new phone banking services has been growing fast reaching 63,500 registered users and more than 66,000 received calls during the year.

Income from "card-not-present" transactions grew by 33 per cent. in 2008 for Greek internet business via the Piraeus paycenter platform. The total turnover increased by 30 per cent. reaching €230 million.

In its third year of operation, the winbank easypay.gr service (a portal for remote Visa/MasterCard payments to businesses) managed payments received by approximately 500 Greek businesses (representing a 30 per cent. increase in the number of businesses compared with the previous year). The transaction volume on easypay.gr more than trebled, the turnover doubled and the number of registered site users, (approximately 9,000), also doubled. These figures indicate the high acceptance rate of the service by consumers.

The Bank's ATM network in Greece expanded by 9 per cent in 2008, reaching 719 units (360 on-site and 359 off-site). ATM transactions reached 23.3 million in 2008, a 15 per cent. increase from 2007. New ATMs supporting online cash deposits continued to be installed at a fast rate (94 ATM units at year end 2008, accounting for 13 per cent. of total ATMs of the Bank).

At the end of 2008, easypay machines were installed in 287 Bank branches in Greece (80 per cent. coverage ratio) as well as in 33 off-site locations, an increase of 20 per cent. versus 2007. Transactions via these machines rose by 80 per cent., reaching 1.6 million and accounting for 18 per cent. of total branch transactions. In particular, 36 per cent. of total loan, credit card and third part payments and 6.5 per cent. of total deposits were performed via easypay machines, relieving the branch cashiers' workload.

In 2008, 308,000 customer debit cards (+38 per cent. compared to 2007) were activated and 210,000 new debit cards were delivered to customers, totalling 860,000 cards at the end of the year. In 2008, approximately 24 million customer debit card transactions were performed (+20 per cent. compared to 2007).

6.2. Corporate Banking

In Greece, Piraeus Bank Group historically holds a strong position in providing financing services to businesses active in all sectors of the economy. The Bank is a well established player in business lending and project finance, having a particular goal to be the main servicing bank of the SME market segment.

Piraeus Bank Group offers financing services to businesses that operate in all sectors of the economy through its branch network, Large Corporate & Structured Finance Division, Shipping Banking Division, subsidiary banks and subsidiary leasing and factoring companies.

As of 31st December, 2008, Piraeus Bank Group's loan portfolio consisted of 69 per cent. business loans with an outstanding principal balance of €27 billion. Corporate loans increased by 22 per cent. to €8.5 billion in 2008, of which €1.4 billion were to shipping companies (3.6 per cent. of the Group's loan portfolio). Loans to SMEs rose to €18.6 billion representing a 36 per cent. increase year-on-year.

6.2.1. Corporate Loans and Advances to Businesses

Piraeus Bank Group holds a strong position in business financing with considerable diversity in all economy sectors and emphasis on SMEs. Total loans and advances to businesses by Piraeus Bank Group in Greece amounted to €20.6 billion at the end of 2008 versus €16.1 billion in 2007, a 28 per cent. increase versus 19 per cent. of the total Greek business loans market. As a result, the Bank's share in the Greek business loan market rose to 16.2 per cent. at year-end 2008 from 15.5 per cent. in 2007.

With respect to leasing activities, Piraeus Leasing S.A. focuses on car, real estate and machinery leasing and has an estimated market share of 16.0 per cent. (source: Piraeus Bank estimate). Total assets have increased to €1,288 million in 2008 compared with €1,230 million in 2007.

Piraeus Best Leasing S.A. is a subsidiary of Piraeus Leasing S.A. and at the end of 2008 was managing 8,455 autos (+16 per cent. compared to 2007).

Olympic Commercial and Tourist Enterprises SA achieved satisfactory results both in long- and short-term leasing. Long-term leasing (80 per cent. of the company's business) presented a major growth with the addition of 1,535 new vehicles. The company also undertakes fleet management on behalf of large companies. The company's total fleet rose to 20,900 vehicles in 2008 (+9 per cent. compared to 2007), while its turnover grew by 13 per cent. On 31st December, 2008 Piraeus Best Leasing and Olympic Commercial and Tourist Enterprises SA were merged and the participation (direct and indirect) of Piraeus Bank in the new company reached 75 per cent.

The Group provides domestic and export factoring services to Greek businesses, as well as consumer factoring through Piraeus Factoring S.A. The company is a member of the international organisation Factors Chain International (FCI) and co-operates with the most important factoring organisations abroad.

Loans (on a consolidated basis)

Amounts in EUR million

	as at 31st December		
	2008	2007	Change
Medium-Large Enterprises	8,459	6,961	22%
SMEs	18,601	13,665	36%
Total	27,059	20,626	31%

6.3. Investment Banking

Piraeus Bank has a significant presence in Greece's developing capital markets and has acquired a large share of the securities underwriting market. Piraeus Bank Group is one of the leading IPO advisory institutions and is among the major underwriters in the Greek market. The Group has also developed in the areas of syndicated loans arrangement, bond issuance, and offers consulting services for capital restructuring, company valuation, acquisitions and mergers and special financing for corporate clients.

6.3.1. Capital Market Operations

Piraeus Bank provides underwriting and advisory services throughout the capital market product spectrum. In 2008, due to the ongoing international financial market crisis, there were no IPOs on ATHEX.

In the field of advisory services, Piraeus Bank continued its successful operations in 2008 as well, by assuming an advisor role in mergers, acquisitions and company valuations.

It is also noted that in 2008, Piraeus Bank ranked at the top as Advisor to the Board of Directors of companies under acquisition in Public Offers (source: Piraeus Bank).

6.3.2. Stock Exchange Operations – Piraeus Securities S.A.

Piraeus Securities S.A. is one of the first private securities company to become a member of ATHEX, upon the company's establishment in 1990. The company's network includes two branch offices (Thessaloniki and Patra), 23 associated AEED, as well as the entire Piraeus Bank network. Additionally, the company works with the majority of Greek and foreign institutional investors who are active in the domestic market.

In 2008, the company continued to play a leading part in the field of investment banking operations, having provided services to thousands of investors; and based on total transactions its market share reached 8.0 per cent. Furthermore, in 2008 its market share of futures on stocks rose to 24 per cent. The company was equally active in derivatives transactions in all major international capital markets on behalf of customers.

6.3.3. Custodian Services

Custodian Services are provided on a wide range of instruments including shares, bonds and derivative products in the domestic as well as in foreign markets, for the Bank's network and institutional investors. The Bank is a general clearing member of the Athens Derivatives Exchange (ADEX) and the service range includes dividend/interest collections, corporate actions and underwriting services for listed companies.

In 2008 the distribution and support of all products continued successfully (in bonds, shares and derivatives), in both the domestic and the international capital markets, with the total assets under management rising to €10 billion. Piraeus Bank provides custody services in all markets of Western and Eastern Europe, Asia and the USA, constantly raising portfolios and transactions.

6.4. Asset Management

Total assets managed by Piraeus Bank Group amounted to €46.7 billion at the end of 2008, compared to €36.7 billion at the end of the previous year, an increase of 27 per cent. This substantial growth was the result of the focus on increasing the Group's customer deposits base, although there was a negative trend in the fields of wealth management and mutual funds, aligned with the prevalent conditions in the respective markets, which were particularly adverse.

Assets Under Management by the Group Amounts in EUR million	as at 31st December		
	2008	2007	Change
Deposits & repos	28,381	22,067	+28.6%
Retail bonds.....	2,913	1,847	+57.7%
Assets under management ⁽¹⁾	1,318	2,046	-36%
Total	32,612	25,960	+26%

⁽¹⁾ M/F (excluding money market) and wealth management

6.4.1. Piraeus Asset Management Mutual Funds SA

Piraeus Asset Management Mutual Funds SA is the Bank's investment arm in the management of mutual funds (M/F) and institutional investors.

In 2008, Piraeus Asset Management continued its collaboration with the international financial firms Goldman Sachs, JP Morgan Asset Management, Pioneer Asset Management and ING Luxembourg. However, due to the global negative financial climate, there was a decline in total assets under management, although this decline was considerably smaller than the domestic market average.

The company manages/represents a total of 199 Mutual Funds. Total assets at the end of 2008 dropped to €0.5 billion from €1.0 billion in 2007, marking a decrease of 52 per cent.

6.4.2. Wealth Management

During 2008, Piraeus Bank Wealth Management continued investing in the implementation of its new business model. The effects of the financial crunch were limited as the portfolio's exposure to stock had been

restrained over time. At the end of 2008, assets under management (AUMs) of the Wealth Management unit amounted to €0.9 billion, a 16 per cent. drop against the previous year. This drop was exclusively due to the decrease in the mark-to-market valuation, which off-set the positive net inflow of funds.

6.5. *Treasury*

Balance sheet management and adequate liquidity were among the top priorities of the Group in the new reality that emerged for the global banking system in 2008, particularly with regard to money and capital circulation.

Apart from the balanced increase in deposits and loans in 2008, the Bank shielded its balance sheet further by means of two new securitisations of mortgage and business loans for the total amount of €2,550 million, as well as by entering into a new *Schuldschein*-type loan for the amount of €450 million.

Total credit instruments in circulation reached €7.5 billion at the end of the year, slightly decreased year-over-year, mainly due to the disorder in the Euro Commercial Paper (ECP) markets that occurred at the end of the year. It is worth noting, though, that, despite the negative climate in the money markets, the Bank managed to maintain its interbank lending at a very satisfactory level with a large number of counterparties.

The prudent management of the Bank's assets under management to be invested did not create any exposure to what the Bank considers to be undesirable types of credit or other more complex risks, thus allowing it to focus on the smooth implementation of the Group's business targets. As a result, there was constant support to all the business units of the Bank and development of new deposit products. In this framework, the issue and distribution of ETBA bonds (i.e. retail bonds issued by the Bank) was a major success attracting customer funds of up to €2.5 billion.

The Bank continued its activities in the Greek Government bond market solidly, where apart from its seamless participation in the secondary market, it primarily absorbed and sold securities worth €5.7 billion to end investors. As a result of this effort, Piraeus Bank ranked 2nd among the 21 key traders of government bonds following an evaluation on a set of qualitative and quantitative criteria.

Despite the disorder in the markets, it was made clear that Piraeus Bank has the resources, capacity and know-how in place to maintain a strong balance sheet and conduct the unimpeded expansion of the Group's operations.

6.6. *International Banking Activities*

The Group's international operations continued to develop in 2008, with emphasis placed on further network expansion, enhanced organisational and technological infrastructure and, finally, more efficient customer service. Additionally, prudent risk assumption and management was viewed as being more critical. Piraeus Bank Group has a considerable geographic presence in 9 countries outside Greece, of which four are European Union members.

A pivotal point of the Group's policy in the markets where it operates is the development of SMEs and retail banking.

In 2008 special attention was paid to collecting deposits abroad in order to finance local activities, which was facilitated by the launch of innovative products. As a result of this effort, the deposits of the Bank's foreign units rose by 38 per cent., amounting to €4.6 billion. There was a €1.3 billion increase in deposits compared with a €1.8 billion increase in loans in 2008; since the second half of 2008, specifically, and for the whole of 2009 the target has been to attain a balanced growth of both loans and deposits portfolios.

In 2008 the Piraeus Bank Group international subsidiary branch network was strengthened by the opening of 113 branches. New branches per country were as follows: Albania 6; Romania 70; Bulgaria 18; Serbia 2; Egypt 4, Ukraine 1 and Cyprus 14. By the end of 2008 the Group had a network of 537 branches and employed a staff of 7,366 abroad.

Deposits from Customers**as at 31st December****Amounts in EUR million****(based on financial statements in each country)**

	2008	2007	Change
Albania – Tirana Bank IBC.....	426	425	–
Bulgaria – Piraeus Bank Bulgaria AD.....	633	599	6%
Romania – Piraeus Bank Romania S.A.	941	513	83%
Serbia – Piraeus Bank Beograd AD.....	104	102	2%
Egypt – Piraeus Bank Egypt SAE.....	1,054	1,028	3%
Ukraine – OJSC Piraeus Bank ICB.....	46	89	–49%
Cyprus – Piraeus Bank Cyprus Ltd.....	784	20	>100%
USA – Marathon Bank NY.....	501	494	2%
Total	4,591	3,329	38%

Loans and Advances to Customers**as at 31st December****Amounts in EUR million****(based on financial statements in each country)**

	2008	2007	Change
Albania – Tirana Bank IBC.....	469	355	32%
Bulgaria – Piraeus Bank Bulgaria AD.....	1,687	1,368	23%
Romania – Piraeus Bank Romania S.A.	1,936	1,352	43%
Serbia – Piraeus Bank Beograd AD.....	335	257	30%
Egypt – Piraeus Bank Egypt SAE.....	840	522	61%
Ukraine – OJSC Piraeus Bank ICB.....	216	119	82%
Cyprus – Piraeus Bank (Cyprus) Ltd.....	346	33	>100%
USA – Marathon Bank NY.....	401	390	3%
Total	6,229	4,397	42%
From Piraeus Bank mainly to firms of Greek and European Union interests.....	2,692	1,804	49%

6.6.1. Piraeus Bank Branch in London

Piraeus Bank Group established a branch in London, one of the world's largest financial centres, in 1999. The London Branch is the Group's organisation base in terms of raising funds (senior, subordinated debt, hybrid capital, securitisations) from the European and global markets. The London Branch's activities include:

- supporting the Group's expansion in international financing through a team of specialised executives with access to global markets
- providing mortgage loans to Greek and UK citizens, living in the UK and seeking to acquire real property locally, in Greece or any other country where the Group is active.

The London Branch also offers deposit products combined with tailor-made personal banking services.

6.6.2. Marathon National Bank of New York

Marathon National Bank of New York joined Piraeus Bank Group in July 1999. It focuses on high quality customer services, and designs innovative products for SMEs and professionals, contributing to the economic growth of the local communities where it operates. Marathon Bank now has 13 branches in New York City (in Queens, Brooklyn, Manhattan and Staten Island), and 1 branch in New Jersey.

6.6.3. Piraeus Bank Romania S.A.

Piraeus Bank Romania has established its presence in the local banking market in the 8 years since its integration into Piraeus Bank Group in 2000 due to the elaboration of a systematic business plan which aimed at strengthening the Bank's presence in the market and offering a full range of banking products and services.

Piraeus Bank Romanian network numbered 180 branches in 2008. Apart from its lending expansion, the Piraeus Bank Romania also achieved a remarkable increase in its deposits by 82 per cent. throughout the year, fully aligned with the strategy focusing on fund raising.

In the leasing sector, Piraeus Leasing Romania continued to grow in 2008 with total assets amounting to €345 million and loans to €265 million. Furthermore, Piraeus Insurance Reinsurance Brokerage Romania SRL, SSIF Piraeus Securities Romania SA and Multicollection Romania SRL (a collections company) operate as subsidiaries in Romania.

6.6.4. Tirana Bank IBC

Tirana Bank was founded in September 1996 and was the first privately owned bank in Albania. At the end of 2008 Tirana Bank had 45 branches.

During 2008, Tirana Bank focused on the quality of services provided to customers by upgrading its operating systems. In the context of offering a complete product range of banking services, the Group has operated a leasing company in Albania, Tirana Leasing, since October 2004.

6.6.5. Piraeus Bank Bulgaria AD

Piraeus Bank Bulgaria, the first foreign bank established in Bulgaria in 1993, celebrated its 15th anniversary of operation with 94 branches in 2008.

2008 was yet another year of success for Piraeus Bank Bulgaria, which was proclaimed the "Most Dynamic Bank" in the annual "Bank of the Year" event organised by the financial paper "Pari". It was also awarded the "Straight Through Processing (STP) Excellence Award" 2007 by Deutsche Bank AG for the euro payment transfers performed by Piraeus Bank Bulgaria all over the world.

In 2008, Piraeus Bank Bulgaria succeeded in both strengthening its banking operations and developing its own subsidiaries operating in Bulgaria. In the leasing sector, the Group companies in Bulgaria continued to grow in 2008 with total assets amounting to €161 million and loans to €153 million. Since June 2006, Piraeus Insurance Brokerage has also been active in Bulgaria. Finally, the acquisition of Dient Bulgaria, a car leasing company, was completed in 2008; whereupon the company was immediately integrated into Piraeus Best Leasing Bulgaria.

6.6.6. Piraeus Bank Beograd AD

Piraeus Bank Group started operations in May 2005 when it acquired Atlas Bank, renamed Piraeus Bank Beograd AD in June 2006. In 2008, despite the effects of the broader financial crunch on the Serbian economy, Piraeus Bank Beograd managed to maintain the 2007 deposits level.

In the leasing sector, the Group companies in Serbia, established at the end of 2007, continued to grow in 2008 with total assets amounting to €31 million and total loans to €16 million.

6.6.7. Piraeus Bank Egypt SAE

Piraeus Bank Group has been operating in Egypt since mid-2005 when it acquired Egyptian Commercial Bank, which was renamed Piraeus Bank Egypt SAE.

During 2008, Piraeus Bank Egypt focused on providing basic consumer credit products (consumer loans and cards) and deposit accounts in local and foreign currencies, as well as upgrading its operating and technological infrastructures.

In the leasing sector, Piraeus Egypt Leasing continued its growth trend in 2008, with total loans amounting to €17 million.

Additionally, Piraeus Bank Group operates insurance services (Piraeus Insurance Consultant) and asset management companies (Piraeus Egypt Asset Management SAE) in Egypt.

6.6.8. OJSC Piraeus Bank ICB

Piraeus Bank Group entered the Ukrainian market in September 2007 when it acquired International Commerce Bank JSC, later renamed OJSC Piraeus Bank ICB, in March 2008. The Group's main objective for this deal was to establish a presence in a large market with long term prospects and offer comprehensive banking services to individuals and businesses.

In 2008, the Bank's objective in the Ukraine was to create appropriate infrastructure throughout its management units, by restructuring its technological applications and utilising its human resources. Thanks to a broad network of 85 branches, the growth of Piraeus Bank ICB has been driven by local needs.

6.6.9. Piraeus Bank (Cyprus) Ltd

Piraeus Bank Group entered the Cypriot banking market in the beginning of 2008 following its acquisition of Arab Bank's branches which were incorporated into a new subsidiary company named Piraeus Bank (Cyprus) Ltd., which operated 14 branches at the end of 2008. Piraeus Bank (Cyprus) Ltd. is active in the fields of wealth management, corporate and SME banking, as well as retail banking. At the end of 2008, Piraeus Bank (Cyprus) Ltd held €1 billion in assets and €0.8 billion in deposits.

At the same time, a special International Operations unit was internally set up by the Group to support foreign customers and international companies operating in Cyprus. The aim of the Cyprus operations is to establish an international financial centre for the broader area.

6.7. *Other activities*

The Group's other activities are in the real estate sector, with the aim of exploiting investment opportunities and synergies in the real estate market.

6.7.1. Picar S.A.

The company has undertaken the utilisation and operation of the Citylink Complex, covering an area of 65,000 m², of the building block surrounded by Stadiou, Voukourestiou, Panepistimiou and Amerikis streets at the center of Athens, until 2052.

The users of Citylink include the most reliable and famous companies in the Greek and global market adding prestige to the entire complex and the company. The Citylink Complex houses Piraeus Bank's headquarters, Attica Department Store, the fully renovated "Pallas", "Aliko" and "Mikro Pallas" theatres, the reputed "Holmes Place Athens" Health Club Spa, as well as premium restaurants and some of the most celebrated international designers' stores. Picar S.A. also holds an equity participation in "Attica Golden", the company that manages and operates this department store.

6.7.2. ETBA Industrial Estates S.A.

ETBA Industrial Areas S.A. was set up under Law 2545/97. The equity participation in the company resulted from ETBAbank's acquisition in 2002, while the separation of the industrial areas sector from ETBAbank was completed in June 2003. Piraeus Bank holds a 65 per cent. and the Greek State holds a 35 per cent. stake in the company. Thus, an original, profitable and highly efficient private public partnership has been developed, combining entrepreneurship with the country's regional development.

ETBA Industrial Areas S.A. operates 32 industrial areas nation-wide, continuing to develop their infrastructures and managing their operations. Over 2,500 businesses are currently established in these industrial areas employing over 40,000 people.

The company in its current form aims at the following:

- modernisation of existing industrial areas, as regards the management and adequacy in infrastructure as well as promoting sales of exploitable sites;
- development of new industrial parks; and
- development of areas that had been defined as industrial areas at the time when ETBA was a state-owned enterprise or had been partially constructed and then left unutilised.

The company's revenues originate mainly in the sale of land within the owned industrial areas, as well management services (water supply, sewage, biological purification, etc.). Furthermore, due to its significant experience in development project management, the company derives income from relevant services.

6.7.3. Piraeus Real Estate S.A.

The company provides a full range of real estate design, development and management services. It is involved in real estate development, project management and administration, integrated real estate management on behalf of owners/investors and property valuations, while it also offers investment consulting services to real estate investment companies and funds.

In 2008, the company managed the construction of projects with a total value of €18.0 million, performed property valuations amounting to €2.0 million, provided services of financial and technical consultant amounting to €1.0 million, and continued to manage five major commercial and recreation developments in which the Group has equity participation.

7. Risk Management

Risk management is at the focus of attention and a key concern of Piraeus Group's Management, thus being one of the key functions of the Group. The Bank's Management, aiming at sustainable business stability and continuity, has as its top priority target the constant development and implementation of an effective risk management framework.

A Risk Management Committee (BRC) has operated since 2006, so as to ensure effective monitoring and uniform control of all forms of risk and provide specialised handling and coordination at Bank and Group levels. The core responsibilities of the Committee are to define risk appetite and regulatory capital management, ensure the development of an internal risk management system and define the principles underpinning its operation. The Committee convenes at least once every quarter, and evaluates the adequacy and effectiveness of the Group's risk management policies, the suitability of limits, the adequacy of provisions and the capital adequacy in general regarding the level and nature of the undertaken risks.

The Assets and Liabilities Committee (ALCO) plays an active role in the Group's market and liquidity risk management. The Committee meets at least once a month, in order to review market developments and financial risk exposures undertaken by the Bank and its subsidiaries. In 2008 special emphasis was placed on liquidity management, in order to ensure sufficient liquidity for the Bank due to the international financial crisis.

Group Risk Management operates as an independent unit in Piraeus Bank, reporting to the BRC, for issues within the scope of its responsibility, and is subject to Internal Audit Division's review in terms of the adequacy and effectiveness of the risk management procedures. Group Risk Management is responsible for the design, specification and implementation of the risk management policies, according to the BRC. In the above context, independent units were set up and staffed to monitor and manage financial risks in Group's subsidiaries. Moreover, efforts to further expand and adjust the information and monitoring systems of the subsidiaries were intensified, with the aim to achieve more effective and centralised monitoring of all undertaken risks in Group level.

7.1. Credit Risk Management

The Bank's business activities and profitability entail the assumption of credit risk. Credit risk is the risk of financial loss for the Bank that arises when debtors are not able to fulfil their contractual/transactional obligations. It is the most significant source of risk for Piraeus Bank Group and, therefore, its effective monitoring and management is a key concern for the Bank's Management. The Group's total exposure to credit risk mainly originated by the approved credit limits of and loans granted by the Corporate Credit and Retail Credit Divisions, Bank investment and trading activities, transactions on the derivatives markets, and placements in securities. The risk involved in each credit exposure depends on numerous factors, including general conditions of the economy and market conditions, the financial position of debtors, the amount, type and duration of exposures, as well as the availability of collaterals and guarantees.

The implementation of the Group's credit policy that describes credit risk management principles ensures uniform and effective credit risk management. Piraeus Group applies a uniform policy and practice with respect to the credit assessment, approval, renewal and monitoring procedures. All credit limits are revised and/or renewed at least once a year, and the competent approval authorities are defined based on the size and the category of the total credit risk assumed by the Bank per debtor or group of associated debtors.

7.2. Credit Risk Measurement and Monitoring

The continuous development of infrastructures, systems and methodologies, aimed at quantifying, monitoring and evaluating credit risk, both for business and retail portfolio, is an essential condition for the timely and efficient support of the Management and business units, with respect to decision making, control, policy formulation and fulfilment of supervisory requirements.

7.2.1. Loans and receivables

Regarding the credit risk measurement of the Bank's loans and advances at counterparty level:

- the debtor's creditworthiness and the probability of default of its contractual obligations is systematically assessed;
- the exposure of the undertaken credit risk arising from the claim is monitored; and

- the possibility of potential recovery in the event that the debtor defaults on its obligations is assessed, based on existing collaterals and guarantees provided.

These three credit risk measurement parameters are incorporated into the Group's day-to-day operational activities.

Borrower creditworthiness and the related default probabilities are assessed by applying credit rating models, properly adjusted to borrower's characteristics/features. These rating models combine financial and statistical analyses with the expert judgment of the competent Bank officers, and are subject to evaluations, as appropriate, by comparing their output with externally available information. According to credit policy, borrowers are rated when the credit limit is originated and re-rated systematically on an annual basis thereafter. Ratings are also revised/updated when there is new information that could significantly change the borrower's potential credit risk level. Piraeus Group regularly confirms the predictive power of the rating models used by the Corporate and Retail Credit Divisions, thus ensuring the accurate depiction of potential credit risk and allowing for the timely implementation of relevant measures.

As far as corporate credit is concerned, the rating models applied diversity in terms of the nature and the size of the enterprise. Piraeus Group uses the Moody's Risk Advisor ("MRA") borrower credit rating system for the assessment of credit risk that arises from loans to medium-sized and large enterprises. It is noted that the MRA system is being used in the domestic financial subsidiaries since 2005, while starting from 2006 it has been extended to the Group's subsidiaries abroad. Internally developed rating systems, as well as scoring systems, are applied to SMEs.

As far as retail credit is concerned, the Group places high priority to the adoption and implementation of up-to-date methods for credit risk monitoring and management. Retail Credit Risk monitoring comprises of the evaluation of the credit risk scoring parameters (credit scoring), analysis of the portfolio structure, distribution of the debtor population, as well as monitoring of existing and/or potential problem loans. Since 2002, application scoring models have been implemented to assess the credit worthiness of prospect borrowers (applications scoring). At the same time, behaviour scoring models have been used to evaluate customers' behaviour both at product and customers levels (behaviour scoring). It is noted that during 2008 major progress was made in the development and implementation of application scoring models in the systems of subsidiaries abroad. The use of such applications is expected to contribute significantly to more sophisticated assessments of prospective borrowers' credit ratings upon filing a request at Group level.

	December 2008	December 2007
Group Loans in Arrears > 90 days (IFRS 7)	3.56%	3.39%

7.2.2. Securities

To measure and assess the credit risk entailed to securities, the ratings of External Credit Assessment Institutions are used. The Bank's exposure to credit risk arising from securities and bonds is measured on the basis of the market value of the exposures and/or on- and off-balance sheet positions.

Stress testing exercises form an integral part of the Bank's credit risk measuring and quantifying processes, delivering estimates of the size of financial loss that could be suffered under potential extreme financial circumstances. The applied methodology and the stressed scenarios used are based on the requirements of the tests performed by the IMF for the Greek banking system in the framework of the Financial Sector Assessment Program (FSAP), and are enriched with internally developed scenarios and models adapted to the risks profile of the Bank.

7.3. *Credit Risk Mitigating Techniques*

Piraeus Group manages, controls and mitigates its credit risk exposure and concentration using credit limit system. Credit limits define the maximum undertaken risk per counterparty, per group of counterparties, per product and per country. Additionally, limits are set and implemented against exposures to credit institutions. The Bank's total exposure to debtors' credit risk, including financial institutions, is further controlled by the implementation of sub-limits, which cover on- and off-balance sheet exposures, as well as daily positions in financial positions, such as FX futures.

In order to set its customer limits, the Group takes into consideration any collaterals or guarantees that reduce the level of credit risk assumed. The Bank rates the risk of its loans and advances in risk categories depending on the relevant collaterals or guarantees and their possibility to be liquidated. The

maximum credit limits that may be approved per risk category are determined by the Board of Directors.

Piraeus Bank's credit limits are valid for a maximum of twelve months and are subject to annual (or earlier) revision. Approved limits monitoring is performed on a daily basis and any violations are reported and handled in a timely manner. In order to determine borrowers' credit limits any collaterals or securities that mitigate the level of undertaken risks are taken into consideration.

7.4. *Liquidity Risk*

Liquidity risk management is associated with Piraeus Bank's ability to maintain adequate liquidity positions in order to meet its payment obligations. In order to manage this risk, future liquidity requirements are monitored thoroughly, along with the respective needs for funding, depending on the projected expiry of outstanding transactions. In general, liquidity management is a process of balancing cash flows within time bands, so that, under normal conditions, the Bank may meet all its payment obligations, as they fall due.

Piraeus Bank views liquidity risk management as a key priority. During 2008, due to the adverse liquidity conditions that prevailed over the international markets, functions related to close monitoring of the Bank's liquidity position, regular flow of relevant information and evaluation of measures to sustain adequate liquidity were further enhanced.

Since the end of 2003, all Group units have applied a uniform Liquidity Risk Management Policy. This policy is consistent with the globally applied practices and supervisory regulations, and adapted to the individual activities and structures of Piraeus Bank Group. This policy outlines the principal liquidity risk assessment definitions and methods, defines the roles and responsibilities of the units and staff involved and sets out the guidelines to manage liquidity crisis. The policy is focused on the liquidity needs expected to emerge, in a week's or month's time, on the basis of hypothetical liquidity crisis scenarios.

Furthermore, the policy includes a Liquidity Crisis Management Plan, which is applied in the event of a crisis due to either a specific event or rumour associated with the Group's activities, or the general market conditions. There are activation conditions and increased readiness indicators that trigger the activation of this plan.

At the same time, liquidity ratios are measured daily taking into account all balance-sheet items.

In addition, stress testing scenarios are performed on a regular and ad hoc basis, so as to calculate the impact of potential extreme market conditions on the Group's liquidity position.

During 2008, Piraeus Bank managed the adverse market liquidity conditions in an effective manner, maintaining and further expanding its funding sources (€2,550 million securitisations, interbank Schuldschein loan of €450 million and €50 million from the European Investment Bank loan).

High liquidity levels were also maintained at a satisfactory level as a result of the high liquidity of the Bank's bonds portfolio, which mainly consists of Greek Government bonds.

7.5. *Market Risk*

Market risk is defined as the risk of incurring losses due to adverse changes in the level or the volatility of market prices and rates, including equity prices, interest rates, commodity prices and currency exchange rates, as well as changes in their correlation.

The Bank has established a Group-wide market risk limit system. The adequacy of the system and the limits are reviewed annually. Piraeus Bank has adopted and applies widely accepted techniques for the measurement of market risk.

The Value-at-Risk ("VAR") measure is an estimate of the maximum potential loss in the net present value of a portfolio, over a specified period and within a specified confidence level. Piraeus Bank implements the parametric VAR methodology, assuming a one-day holding period and utilising a 99 per cent. confidence level. VAR is measured for the positions in the trading book as well as the Available for Sale equity portfolio.

The VAR for the Bank's total trading book was €5.46 million on 31st December, 2008. During 2008 there was a decline in the trading book's total VAR mainly due to the decrease in the stock portfolio.

Amounts in millions EUR	Group Trading Book Total VAR	VAR Interest Rate Risk	VAR Equity Risk	VAR Foreign Exchange Risk	VAR Commodities Risk	VAR Diversification Effect
31/12/08	5,46	2,09	4,27	2,64	0,11	-3,65
31/12/07	6,49	1,08	6,69	0,18	0,00	-1,46

The Bank tests the validity of the estimated VAR by conducting back-testing on the trading book. The VAR estimate is compared on a daily basis against the actual change in the value of the portfolio, due to the changes in market prices.

Additionally, the Bank monitors the evolution of assumed risks using sensitivity indicators and thus calculating the effect of changes in the level of market prices to the value of all on and off balance sheet items, so as to have a complete view on the level and evolution of risk factors. An additional key tool for the measurement of assumed risks is the regular application of stress testing scenarios measuring the effect of extreme adverse changes in market prices on the Bank's assets.

Due to the expansion of the Group's international business operations, the Bank constantly strengthens its infrastructures and closely monitors the evolution of market risks at subsidiary level, as well as on a consolidated basis. A single Market Risk Management Policy has been in place in all Group units since the beginning of 2003. On the basis of this policy, every Group unit has been assigned specific market risk limits, which are monitored on a systematic basis.

Interest rate risk is another major risk category and pertains to the potential negative effects on the Group's financial position as a result of exposure to general interest-rate variability.

Interest rate variations affect the Group's results, changing the net interest income, as well as the value of other revenues or expenses that are sensitive to interest rate changes and interest rate changes also affect the value of assets and liabilities, since the present value of future cash flow (or even cash flow itself) changes upon any interest rates variations. Therefore, it is imperative for the Group's financial security to apply an efficient risk management process that assesses and monitors interest rate risk and keeps it within an acceptable range (through effective hedging as appropriate).

Piraeus Bank Group applies an interest rate risk management policy adopting risk assessment techniques based on Interest Rate Gap Analysis. According to the analysis described above, assets and liabilities are divided into time periods depending on their maturities (fixed rate assets and liabilities), or next interest-rate repricing date (variable rate assets and liabilities). Interest Rate Gap Analysis allows the Group to access the interest rate risk through the "Earnings-at-Risk" measure which expresses the impact on projected earnings caused by a concurrent interest rate change in all maturities and currencies.

At the same time, another measure of interest rate risk in Piraeus Bank Group is the change in the net present value of assets and liabilities given a specific interest rate change.

The Group estimates potential financial losses based on hypothetical crisis scenarios affecting the general interest rate level. The crisis scenarios include major changes in interest rates, changes in the slope and shape of interest rate curves, or changes in the market rate variability.

During 2008, the Bank's risk profile did not change significantly compared to the previous year, and the market risks assumed ranged within acceptable limits. It is worth mentioning that the Bank does not hold structured or high risk transactions, or positions linked to the sub-prime debt market.

7.6. Operational Risk

Piraeus Bank Group acknowledges operational risk as a distinct type of risk and aims to establish and maintain an integrated approach to the operational risk management across all its business units, as well as its subsidiaries. The Management intends to implement and constantly develop an integrated and adequate Operational Risk Management ("ORM") framework fully harmonised with the best practices and regulatory requirements. This framework relies on the following fundamental principles:

- Operational Risk is assumed and the responsibility to manage it is assigned locally at unit level and as close to its original source as possible;
- the ORM framework:
 - includes documented methodologies and processes;
 - covers all the business activities and support operations of the Bank;

ensures the systematic monitoring of the relevant data, including loss data collection; and is regularly reviewed and adjusted depending on the total exposure and risk appetite.

By implementing the ORM framework throughout its scope of activities, the Group aims at achieving business and strategic objectives, including:

- minimisation of financial losses caused by Operational Risk incidents;
- prevention of unexpected damages and severe losses from potential Operational Risk incidents; and
- creation of added value for its shareholders, customers and human resources.

The ORM framework was successfully implemented in 2008 within the Bank. Moreover, its gradual implementation to the Group subsidiaries has started, whereby it has been adjusted to the individual size and scope of activities of each subsidiary as well as any local supervisory requirements.

With regard to the identification, assessment, measurement, monitoring and mitigation of the Operational Risk, the Bank successfully applied the Risk and Control Self-Assessment (RCSA) methodology to all its units in 2008. Furthermore, in 2008, the Loss Data Collection methodology was implemented to collect internal data on actual losses caused by Operational Risk incidents.

To mitigate operational risk, the Group has adopted suitable qualitative and quantitative techniques to control and minimise this risk, which are summarised as follows:

- Internal Control System (“ICS”)

The Group monitors systematically the adequacy and effectiveness of the existing Internal Control System and takes immediate actions, as required, to constantly manage and mitigate the Operational Risk. At the same time, the Group uses appropriate early warning mechanisms to control the consistent implementation of the ICS in its units, as well as the full compliance of all involved parties with the principles and objectives of the ICS.

- Insurance Coverage

The Group acknowledges that insurance policies serve as an efficient operational risk mitigating technique. According to the current insurance framework, these policies cover partial or total recovery of the actual losses induced by operational risk incidents.

- Human Resources Training

The Group provides its people with complete information and training in Operational Risk issues, thus making them more knowledgeable of and sensitive to the management and mitigation of this risk.

- Business Continuity Plan

The Bank has proceeded to the development and application of a comprehensive Business Continuity Plan intended to minimise potential negative effects of crisis situations on its activities. This Plan, coupled with the Disaster Recovery Site, ensure the Bank’s smooth operation in all its business units and entities, effective management of Operational Risk and full alignment with the regulatory framework.

7.7. *Basel II*

During 2008 most of the projects for the compliance with the requirements set under the new regulatory framework Basel II were completed. More specifically the Bank managed to complete the projects related to the implementation of the Standardised Approach for credit and operational risk. There are also projects in progress for the Group’s gradual migration to the more advanced methods for the calculation of capital requirements related to risks.

8. Analysis of Loan Portfolio

Net loans accounted for 70 per cent. per cent of the Group’s total assets in 2008. The loan portfolio of the Piraeus Bank Group is highly diversified across various sectors with loans to individuals (mortgage, and consumer credit) comprising 30.6 per cent. of total loans, loans to medium and large enterprises and shipping accounting for 21.7 per cent., and loans to SMEs 47.7 per cent. as at 31st December, 2008.

Distribution of Piraeus Bank Group Loans and Advances per Sector

**As at
31st December
2008**

Mortgage	17.2%
Consumer.....	13.5%
Manufacturing	13.0%
Trade.....	11.5%
Construction	7.1%
Real Estate	4.6%
Tourism.....	4.6%
Energy & Transport	4.2%
Project Finance-Infrastructure	4.0%
Shipping.....	3.6%
Hotels & Restaurants.....	3.0%
Professionals	3.5%
Financials	2.7%
Agriculture	1.4%
Handicraft	0.7%
State Firms.....	0.5%
Other*	7.9%

* other includes exposure to health industry, mines, logistics etc

The great majority of loans granted by the Group are on a floating rate basis, with interest resets mostly at one- or three-month intervals. As of 31st December, 2008, the Group's net loans and advances, in currencies other than Euro, amounted to €7,746 million (20.2 per cent. of total net loans and advances to customers).

Net loans and Advances to Customers in Euro & Foreign Currencies Amounts in EUR million

	Composition	
	as at 31st December	
	2008	2008
Euro	30,567	80%
Other Currencies	7,746	20%
Total Net Loans and Advances to Customers	38,313	100%

With regards to asset quality, the Group's non-performing loans (NPLs) ratio > 180 days was recorded at 1.89 per cent. at the end of 2008 compared to 1.78 per cent. at the end of 2007. The coverage ratio of these loans by cumulative provisions stood at 96 per cent., while the ratio sets at 155 per cent., when tangible collaterals are taken into account. Applying the stricter definition of IFRS 7, the ratio of loans in arrears above 90 days was 3.56 per cent. in 2008 versus 3.39 per cent. in 2007, while the respective coverage ratio stood at 50.6 per cent. At year end 2008, loans in arrears >90 days of the Greek banking system were at 5.0 per cent. and the coverage ratio at 48.9 per cent.

Loan Quality Amounts in EUR million

	as at 31st December	
	2008	2007
Total Loans.....	39,016	30,705
Non-performing Loans > 180 days	735	546
Loans in Arrears > 90 days.....	1,390	1,042
Total loan loss provisions.....	703	416
Addition to loan provisions during the year	373.7	108.5
Amounts written off during the year	86.7	70.3
NPLs > 180 days as a percentage of total loans	1.89%	1.78%
Loans in Arrears > 90 days ratio.....	3.56%	3.39%
Loan loss provisions as a percentage of total loans	1.8%	1.4%
Loan loss provisions as a percentage of Loans in Arrears > 90 days	50.6%	39.9%
Write-offs as a percentage of Loans in Arrears.....	5.87%	6.32%

9. Analysis of Funding

As at 31st December, 2008, the Group's total obligations to customers amounted to €28.4 billion, while total customer deposits and retail bonds amounted to €31.3 billion, recording an increase of 31 per cent. over the previous year. The Group concentrated on attracting customer deposits especially during year 2008, by launching new products, reinforcing marketing activities and opening 151 new branches both in Greece and abroad. This marketing effort will continue in 2009 through the launch of new products.

As at 31st December, 2008, the Group's deposits, in currencies other than Euro, amounted to €8,851 million (31 per cent. of total obligations to customers).

Total Obligations to Customers in Euro and Other Currencies Amounts in EUR million	Composition	
	as at 31st December	
	2008	2008
Euro	19,530	69%
Other Currencies	8,851	31%
Total obligations to Customers	28,381	100.0%

Obligations to Customers by Maturity as at 31st December Amounts in EUR million	Less than	More than	More than	Total
	3 months	3 months and up to 1 year	1 year	
Total obligations to customers	24,485	3,279	617	28,381

Liabilities to credit institutions totalled €14,122 million as at 31st December, 2008 compared with €10,706 million at the end of 2007, an increase of 32 per cent. Interbank funding in foreign currencies represents approximately 16 per cent. of the total interbank deposits, whereas maturities in all currencies most of the times do not exceed one year. Currency mismatches are managed through short-term foreign exchange forward transactions.

10. Information Technology

Computer-based Loans Systems

The core loan system (LS) was enhanced in functionality, as well as parametrisation and flexibility. This helped in successfully implementing and fully supporting two new loan securitisations that were implemented during the year.

Similarly, the system's reliability and flexibility enabled the Bank to offer new products, as well as special arrangements to its customers, such as the Greek fire victims of August 2007 or borrowers affected by the financial crisis.

In 2008, a new modern integrated Loan Origination platform started being developed in collaboration with an experienced Business Process Management (BPM) company. This platform will cater for all approval processes of loans to individual customers. A beta version is already in place meeting the needs of the subsidiaries in Cyprus and Albania, and it is expected to be completed and operational in Greece in the first half of 2009. The platform will provide advanced automated workflow facilities, and extended real-time connectivity with numerous subsystems.

Finally, last year the new automatic document identification and classification platform was realised and put in operation, using the world leading Captiva system, in order to further automate and upgrade the approval process of loans to SMEs. The new process was successfully integrated into the existing Loan Origination System (LOS), with the immediate benefits of easier document control, better monitoring of pending documents of requests, and, most important, considerable acceleration of processing time.

Deposit and Investment Products Systems

A major project conducted in 2008 was the implementation of adjustments to all the Bank's investment systems so that they function in accordance with MiFiD. The economic conditions that emerged in the second half of 2008, in particular, imposed the need for immediate launch of new deposit and investment products, such as the new term deposits "Chrysi Lira" (Gold Sovereign), "Epi-Telous", and the "Million Account" product (deposit account raffle draws based on the average monthly balances of customers' savings accounts, etc.). These products proved to be excellent tools for the Bank in its effort to increase liquidity in a highly competitive environment.

Risk Management Systems

Driven by the importance that the Bank attaches to risk management, the evaluation and selection process of systems was completed for credit and operating risk management .

In the framework of transition to the Basel II Internal Ratings Methodology, customer behavioural scoring models were put in place, among others, which incorporated Probability of Default (PDs), Loss Given Default (LGDs) and Exposure at Default (EADs) measuring models for the Bank's credit loans portfolios. Moreover, the data generation and integrity verification process was automated for all the data that are exported from the Bank's primary systems and its subsidiaries abroad, and are used to calculate capital adequacy.

Anti-Money Laundering

In its constant endeavour to comply with the provisions on anti-money laundering and counter-terrorism financing, in 2008, Piraeus Bank put in operation the world leading Norkom solution both in Greece and almost all Group subsidiary banks (Albania, Bulgaria, Romania, Serbia, Cyprus).

By means of this system, customers and other counterparties are automatically rated in risk categories, transactions are detected and transaction behaviours of both individuals and legal entities are screened based on scenarios created according to the typology of the Bank of Greece.

e-Banking Systems

In the beginning of 2008, the new "winbank international" platform was put in operation in the Group subsidiary in Albania, while in July 2008 it also became operational for the new subsidiary Bank in Cyprus, offering a comprehensive range of transactions compared to the competition. Additionally, two more countries, Greece and Bulgaria, are in the final stage of the migration to the new platform. This new platform is centrally installed in Greece and connected real-time with all the core systems of the Group. It is also a benchmark for the globally leading software company, Microsoft Corporation, and has been awarded international distinctions corroborating the high design and technical reliability of the platform and the know-how of the Bank. The extension of the functionality, focusing on its concurrent availability in the different countries, integration of the e-Commerce sites, and the installation of the platform in other countries, such as Egypt and Romania, will be the key points of e-banking systems this year.

New Group Data Centres

In 2008 two brand new computer data centres, hosting the primary and disaster sites of the Bank in Greece as well as of its subsidiary banks abroad, were completed. The primary data centre was built in Athens and the disaster site in Thessaloniki so as to fully meet the security requirements of the Group. They were built according to the most advanced specifications in terms of infrastructures, availability, security and business continuity. The primary data-centre offers N+N availability, which practically means that for each infrastructure (power supply, air-conditioning, telecommunications, etc.) there is always an additional back-up to take over in the event of failure. Thus, maximum availability is ensured for all hosted systems. The two data centres are constantly synchronised 24 hours a day, via high capacity lines, and in the event of any major problem in the primary one, the back-up can take over in only 2-3 hours without any data loss.

International IT Division

The newly established International IT Division focused on two main lines of action in its first year of operation: a) to strengthen its relations with the IT units of the subsidiary banks abroad, in order to support them more effectively and align the Group policies and procedures, and b) to implement the major strategic "International Blueprint" projects.

To achieve the above, the unit embarked on the editing of procedures that will be common to all subsidiary banks abroad, and implemented tools to support them. Completed projects in 2008 included the following:

1. development of a web-based International Portal for efficient project monitoring and management, knowledge sharing among the Group's subsidiary banks, process standardisation and easier communication;
2. centralisation of an "issue management" process, which will be gradually extended to include the subsidiaries (so far Cyprus, Albania and Bulgaria are centrally managed and/or monitored); and
3. centralisation of a "Demand Management" process that regard the development of new systems/applications.

Specifically, during 2008, the International IT Division, in close collaboration with local IT units, implemented a series of projects in the countries where the Group operates, aiming at the technological and organisational upgrade of local infrastructures.

It is worth noting that in Piraeus Bank (Cyprus) Ltd the installation of the new banking system was completed in July 2008. This project acted in fact as the International Blueprint model in order to transfer the installation to other counties as well ensuring technological and functional alignment. The Blueprint was implemented using innovative solutions (e.g. HW/SW centralisation and virtualisation), which enable cost saving, increased productivity and guaranteeing maximum security as well.

Organisation & Central Support

Architecture of Integrated Information Systems ("ARIS")

Over 80 per cent. of Branch processes have already been redesigned and posted on the intranet ARIS page, while the most significant central fund management and transfer processes have been recorded in ARIS format. Additionally, ARIS pages of the subsidiaries Piraeus Bank Romania and Piraeus Bank Beograd have also been developed. Furthermore, the development of uniform Group-wide policies and processes is also supported by ARIS, which is also available to Piraeus Bank Bulgaria and Tirana Bank. The expansion of the system to Piraeus Bank Group subsidiaries will be completed in 2009. Piraeus Bank received the international Business Process Excellence Award 2008 for Enterprise Architecture Management, for its innovative use of ARIS.

Business Continuity Plan ("BCP")

The planning of the BCP for the Bank and its domestic subsidiaries (Piraeus Direct Services, Piraeus Leasing, Piraeus Factoring, Piraeus Cards, Piraeus Asset Management Mutual Funds, Piraeus Securities) was completed, in order for the Group to comply with the Basle II requirements. The implementation of the BCP will be completed in 2009.

Queuing Management System

With the installation of the NEMO Q queuing system in another 77 branches with large daily transactions volumes, currently 106 branches (approximately 1/3 of the domestic branch network) have a modern way of informing their customers about the estimated wait time. Additionally, the system generates useful statistical data that are used to further improve the customer service level at the branches.

MiFID

In order for the Bank to be compliant with the MiFID framework, the investment products and services systems (Brokerage, Mutual Funds, Secondary Market-AIS) of the Bank were modified to provide the automated control stipulated by MiFID. Furthermore, branch processes were re-designed, in order to incorporate these changes.

Branch Physical Archive Record

The restructuring of the physical archive records kept in branches was a major project for the rational and law-abiding management of the archived records and optimum use of space in the branches. In the context of this project, the records requirements and specifications were analysed, and then management, storage and maintenance processes were developed.

Funds Transfer and Payments Systems

In 2008, the Bank strengthened its position in the payments market, recording a major increase in its work volume and confirming its reputation as high quality payment services provider. During the year, the payment systems infrastructures were completed for the Bank's alignment with the Single Euro Payments Area ("SEPA") Credit Transfers scheme, and were also made available through e-banking (winbank). The same infrastructures also met the needs of subsidiary Banks abroad to be aligned with SEPA such as the DIAS PROXY Gateway of Bulgaria and Romania, and provided the possibility of bulk funds transfers via winbank to Cyprus.

Furthermore, the connection with TARGET 2, the new real-time gross settlement system, was completed. Migration to this system required extensive adjustments to the back-office, swift and payments system. Finally, in 2008, the automated and real-time connection of the payment systems with the Watch-List Management (WLM) and Anti Money Laundering platforms was realised, according to the latest European Union Directives and guidelines of the Bank of Greece.

With the aim to strengthen the Bank's development character and be aligned with the business strategy, the Payment Products Development and Sales Support Team was set up, which is focused on providing energetic support to the Branch network, in order to attract customers that use payment services and identify growth opportunities creating new attractive payments products. Additionally, a Subsidiaries Support Team was established, which is focused on assisting the Group subsidiary banks in payments issues, such as products and services or systems. Both Teams proved to be invaluable in their respective fields of responsibility; specifically, they contributed to the considerable growth of payments operations in Greece, the establishment of the subsidiaries' International Blueprint and the successful migration of the subsidiary in Cyprus thereto.

During 2008, the payment systems were fully adjusted and the Bank successfully migrated to SEPA, thus enabling customers to use and benefit from SEPA possibilities. By the end of the year, the vast majority of euro payments volume was directed via SEPA compliant systems.

Finally, the increasingly upgraded IT infrastructures along with the highly trained and qualified staff led to the successful performance of high transactions volumes via the Branch network and winbank, increased by 57 per cent. and 93 per cent., respectively.

As a result of the above, Deutsche Bank, Bank of New York and JP Morgan (which hold par excellence the largest shares of euro and US dollar payments globally) awarded prizes to Piraeus Bank for the quality of payments in 2008.

Credit Management and Foreign Trade

In the framework of completing the integration and optimisation of the Bank's centralised operations (Group Central Operations), and reducing operating cost, the Bank's Credit Management Division became fully operational in 2008. The Division is responsible for the central management of: a) all loans and advances granted by the Bank to large enterprises and SMEs, b) pledged cheques and letters of guarantee, and c) mortgage loans and letters of credit (trade finance).

The portfolio under management comprises approximately 15,000 credit loans of the above categories in total, the target being that all credit loans be centrally managed by the end of 2009.

During the year, major improvements were made to the Bank's procedures and IT systems, which immediately led to considerable acceleration of the credit process, reduction of the operating costs as well as faster and better customer service.

It is worth noting that a state-of-the-art IT infrastructure was put in place, whereby all the supporting documents of a loan application submitted by an SME are scanned via a scanner, they are immediately recognised by special OCR software, and automatically stored in the Bank's central document management system.

Therefore, upon receipt of the electronic request, the officers at the approval unit have all the documents necessary for the loan approval available in electronic format. This automation has shortened significantly the time required to process loans to SMEs, and reduced operating costs, as there is no need to outsource digitisation of the loan file documents digitised later.

In the field of foreign trade, the administration of imports-exports and letters of credit was centralised, thus creating economies of scale and cutting down on operating costs. All the administration of letters of guarantee in the branch network of Attica, Southern Greece and Islands was also centralised, while it is expected the respective operation of the Northern Greece network will also be centralised in the beginning of 2009.

11. Human Resources

As at 31st December, 2008, the Piraeus Bank Group employed 14,255 persons compared to 12,357 in 2007, an increase of 15 per cent. Piraeus Bank in Greece employed 5,118 persons compared with 4,878 in 2007, an increase of 5.0 per cent., and the Group's subsidiaries (Greece and abroad) employed 9,137 persons compared to 5,757 in 2007.

The Group is an active practitioner of equal opportunity employment with female employees outnumbering male employees (55.0 per cent. versus 45.0 per cent.).

The age allocation of its human resources is yet another important advantage of the Group, as the majority refers to age groups up to 35 years, thus facilitating the Group to introduce and implement changes in technologies, methods and targets with great flexibility. The average age of the Group's employees is 35 years.

At the same time, Piraeus Bank Group takes advantage of the high percentage of graduates and post-graduates (67 per cent.), so that its highly educated and specialised workforce contributes substantially to the achievement of its corporate goals.

More emphasis was placed in 2008 on the international network's human resources as a result of the Group's geographical expansion. More specifically, the number of staff employed abroad reached 7,366 employees (52 per cent. of the Group's total workforce) at the end of the year. In Greece, 20 per cent. of the Group's staff is employed in greater Athens area, where a major part of the Group's activities are performed, and the remaining 28 per cent. are employed in the rest of Greece.

12. Subsidiaries and Associates

Piraeus Bank Group subsidiaries that were fully consolidated as at 31st December, 2008 are illustrated in the table below:

Subsidiary companies	Direct and Indirect participation
Marathon Banking Corporation	87.91%
Tirana Bank I.B.C. S.A.	91.24%
Piraeus Bank Romania S.A.	100.00%
Piraeus Bank Beograd A.D.	100.00%
Piraeus Bank Bulgaria A.D.	99.98%
Piraeus Bank Egypt S.A.E.	95.36%
OJSC Piraeus Bank ICB	99.95%
Piraeus Bank Cyprus LTD	100.00%
Piraeus Asset Management Europe S.A.	100.00%
Piraeus Leasing S.A.	100.00%
Piraeus Leasing Romania S.R.L.	100.00%
Piraeus Insurance and Reinsurance Brokerage S.A.	100.00%
Tirana Leasing S.A.	100.00%
Piraeus Securities S.A.	100.00%
Piraeus Group Capital LTD	100.00%
Piraeus Leasing Bulgaria EAD.....	100.00%
Piraeus Auto Leasing Bulgaria EAD.....	100.00%
Piraeus Group Finance P.L.C.	100.00%
Multicollection S.A.	51.00%
Piraeus Factoring S.A.	100.00%
Piraeus Multifin S.A.	100.00%
Picar S.A.	100.00%
Bulfina S.A.	100.00%
Piraeus ATFS S.A.	100.00%
General Construction and Development Co. S.A.	66.67%
Piraeus Best Leasing S.A.	48.08%
Piraeus Direct Services S.A.	100.00%
Exodus S.A.	50.10%
Komotini Real Estate Development S.A.	100.00%
Piraeus Real Estate S.A.	100.00%
ND Development S.A.	100.00%
Property Horizon S.A.	100.00%
ETBA Industrial Estates S.A.	65.00%
Piraeus Property S.A.	100.00%
Piraeus Development S.A.	100.00%
Piraeus Asset Management S.A.	100.00%
Piraeus Buildings S.A.	100.00%
Piraeus Developer S.A.	100.00%
Estia Mortgage Finance PLC	-
Euroinvestment & Finance Public LTD	90.79%
Lakkos Mikelli Real Estate LTD	50.65%

Subsidiary companies	Direct and Indirect participation
Philoktimatiki Public LTD	53.26%
Philoktimatiki Ergoliptiki LTD	53.26%
AGR Investments S.A.	100.00%
New Evolution S.A.	100.00%
Imperial Stockbrokers Limited	100.00%
Imperial Eurobrokers Limited	100.00%
EMF Investors Limited	100.00%
Euroinvestment Mutual Funds Limited	100.00%
Bull Fund Limited	100.00%
Good Works Energy Photovoltaics S.A.	33.15%
Piraeus Green Investments S.A.	100.00%
New Up Dating Development Real Estate and Tourism S.A.	100.00%
Sunholdings Properties Company LTD	26.63%
Piraeus Cards S.A.	100.00%
Polytropon Properties Limited	39.95%
Shinefocus Limited	53.26%
Capital Investments & Finance S.A.	100.00%
Maples Invest & Holding S.A.	100.00%
Margetson Invest & Finance S.A.	100.00%
Vitria Investments S.A.	100.00%
Piraeus Insurance Brokerage EOOD	99.98%
SSIF Piraeus Securities Romania S.A.	99.33%
Trieris Real Estate Management LTD	100.00%
Piraeus Egypt Asset Management S.A.E.	85.71%
Piraeus Egypt Leasing Co.	95.33%
Piraeus Egypt Brokerage Co.	95.17%
Piraeus Insurance Reinsurance Broker Romania S.R.L.	100.00%
Piraeus Real Estate Consultants S.R.L.	100.00%
Piraeus Leases S.A.	100.00%
Iapetos Energy Photovoltaics S.A.	33.16%
Phoebe Energy Photovoltaics S.A.	33.16%
Orion Energy Photovoltaics S.A.	33.16%
Astraios Energy Photovoltaics S.A.	33.16%
Multicollection Romania S.R.L.	51.00%
Olympic Commercial & Tourist Enterprises S.A.	94.00%
Piraeus Rent Doo Beograd	100.00%
Estia Mortgage Finance II PLC	-
Piraeus Leasing Doo Beograd	100.00%
Piraeus Real Estate Consultants Doo	100.00%
Piraeus Real Estate Bulgaria EOOD	100.00%
Piraeus Real Estate Egypt LLC	99.80%
Piraeus Bank Egypt Investment Company	95.17%
Piraeus Best Leasing Bulgaria EAD	99.98%
Piraeus Insurance Agency S.A.	100.00%
Piraeus Capital Management S.A. (former KL Real Estate S.A.)	100.00%
Estia Mortgage Finance III PLC	-
Piraeus Insurance Consultant	93.35%
Integrated Storage System Co.	89.54%
Axia Finance PLC.....	-

Estia Mortgage Finance PLC, Estia Mortgage Finance II PLC, Estia Mortgage Finance III PLC and Axia Finance PLC are special purpose vehicles for securitisation of loans and issuance of debt securities. Piraeus Best Leasing S.A., Good Works Energy Photovoltaics S.A., Sunholdings Properties Company LTD, Polytropon Properties Limited and Iapetos Energy Photovoltaics S.A., Phoebe Energy Photovoltaics S.A., Orion Energy Photovoltaics S.A., Astraios Energy Photovoltaics S.A. which are mentioned above are shown with percentages less than 50 per cent., are subsidiaries due to significant influence.

As at 31st December, 2008, the Piraeus Bank Group associate companies, which are consolidated using the equity method, are presented in the following table:

Associate company	Business activity	Direct and Indirect participation	Profit Before Tax for the year ended	
			Total Equity as at 31st December, 2008 (amounts in thousand €)	31st December, 2008 (amounts in thousand €)
Crete Scient. &Tech. Park Manag. & Dev. Co. S.A.	Scientific and technology park management	30.45%	192	16
"Evros" Development Company S.A.	European community programs management	30.00%	204	(35)
Stalko S.A.	Electrical equipment production	25.00%	4,271	85
Project on Line S.A.	Information technology & software	40.00%	568	70
Alexandria for Development and Investment	Investment company	20.98%	3,674	184
Nile Shoes Company	Footwear Seller- Manufacturer	37.51%	835	40
APE Commercial Property Real Estate Tourist & Develop.S.A.	Real estate, development/ tourist services	27.80%	3,658	–
APE Fixed Assets Real Estate Tourist & Development S.A.	Real estate, development/ tourist services	27.80%	2,858	–
Delphi Advanced Research Technologies LTD	Information technology services	25.00%	107	–
Borg El Arab Company	Manufacturing vegetable oils & animal foods	26.20%	7,416	1,472
Trieris Real Estate LTD	Property Management	22.80%	33,173	476
European Reliance Gen. Insurance Co. S.A.	General and life insurance and reinsurance	30.23%	*	*
APE Investment Property S.A.	Real estate, development/ tourist services	27.20%	48	–
Sciens International Investments & Holding S.A.	Holding Company	29.80%	*	*
Ekathariseis Aktoploias S.A.	Ticket Settlements	49.00%	56	(1)
Piraeus Real Estate Investment Property S.A.	Real estate investment property	33.80%	115,521	4,116
Proton Bank S.A.	Banking Activities	31.31%	159,072	2,523
Euroterra S.A.	Property Management	29.22%	96,721	–
Rebikat S.A.	Property Management	30.00%	21,428	–
Abies S.A.	Property Management	30.00%	1,979	(2)

During the date of approval of the Bank's consolidated financial statements, the listed associate companies European Reliance, Gen. Insurance Co. S.A. and Sciens International Investments & Holding S.A., have not published their annual financial statements for the year 2008. As a result, the disclosure of their financial data and results is not considered necessary. The above profit before tax and total revenues of Proton Bank S.A. refer to the period after the acquisition of participation from Piraeus Bank. According to stock market prices of 31st December, 2008, the fair value of the Bank's shareholding in associate listed companies is as follows: European Reliance Gen. Insurance Co. S.A. €6.2 million, Sciens International Investments & Holding S.A. €18.5 million, Piraeus Real Estate Investment Property S.A. €20.8 million and Proton Bank S.A. €12.0 million.

13. Profit and Loss Account

Set out below is the summary consolidated profit and loss account of the Piraeus Bank Group for the years ending 31st December, 2008 and 2007 respectively. After-tax profit attributable to Piraeus Bank's shareholders amounted to €315.1 million in 2008 compared with €502.7 million the year before (excluding extraordinary profit of €119 million). This decrease is mainly attributed to higher than initially forecasted provisions for full year 2008, following the substantial deterioration of the market conditions. Basic Earnings Per Share (EPS) in 2008, was €0.97.

The 2008 annual results for the Piraeus Bank Group were characterised by the following highlights:

- Growth of net interest income by 26 per cent. and net commissions commercial banking by 30 per cent.
- Net interest margin (NIM) (on average interest earning assets) stood at 3.0 per cent.
- Expansion of the loan portfolio by 27 per cent.
- Rise of deposits (including retail bonds issued) by 31 per cent.

Summary Consolidated Profit and Loss Account
Amounts in EUR million

as at 31st December

	2008	2007	Change %
Interest income	3,897.8	2,662.1	46
Less: Interest expense	2,737.9	1,745.1	57
Net Interest Income	1,159.8	917.0	26
Plus: Net Commission Income.....	241.6	226.5	7
Plus: Dividend Income	25.9	10.3	151
Plus: Net Trading Income.....	7.3	61.3	-88
Plus: Gains less losses from investment securities.....	0.3	172.4	-100
Plus: Other operating income	216.7	245.7	-12
Total Net Revenues	1,651.7	1,633.1	1
Less: Staff expenses.....	442.1	379.0	17
Less: Administrative expenses.....	382.5	303.9	26
Less: (Profit)/loss on sale of property and equipment	(5.0)	(12.2)	-59
Less: Depreciation and amortisation	77.0	66.1	16
Total expenses	896.6	736.8	22
Less: Impairment losses on loans and advances.....	388.2	115.9	235
Plus: Share of profit of associates	18.9	4.9	286
Profit before Tax	385.8	785.3	-51
Less: Income tax expense	54.5	133.9	-59
Minority interests	16.2	29.3	-45
Net Profit attributable to Shareholders	315.1	622.1	-49

Net revenues in 2008 amounted to €1,652 million compared with €1,474.0 million in 2007, an increase of 12.0 per cent. Net interest income and net commercial banking commissions constitute 82 per cent. of the Group's total net revenues.

Total cost (personnel costs, administrative and profit/loss on sale of property and equipment plus depreciation and amortisation) amounted to €896.6 million in 2008 against €736.8 million in 2007. In the last 12 months, 151 new branches were added to the Group (38 in Greece and 113 abroad).

The cost to income ratio increased to 54.3 per cent. from 45.1 per cent. in 2007.

As at 31st December, 2008 return on equity reached 10.6 per cent. after tax (against 29.5 per cent. in 2007).

14. Balance Sheet

As at 31st December, 2008 the Group's assets had increased to €54.9 billion as compared with €45.6 billion a year ago. The share of net loans in total assets remained at the level of 70.0 per cent. (65.2 per cent. in 2007).

As at 31st December, 2008, customer deposits (including retail bonds issued) constituted 57.0 per cent. of total liabilities & equity (against 51.5 per cent. in 2007).

Summary Consolidated Balance Sheet Amounts in EUR millions

as at 31st December

	2008	2007
ASSETS		
Cash and balances with central banks	3,741	3,400
Treasury bills and other eligible bills	207	215
Loans and advances to credit institutions	2,348	2,612
Derivative financial instruments	366	83
Other financial instruments at fair value through P&L	1,390	5,015
Loans and advances to customers	39,016	30,705
<i>Minus provisions for loan impairment</i>	703	416
Net loans and advances to customers	38,313	30,289
Investment securities	4,248	1,494
Bonds of Loan Portfolio	528	–
Investments in associates	219	117
Goodwill	201	180
Other intangible assets	102	85
Property, plant and equipment	971	863
Investment Property	710	693
Held for sale	11	5
Deferred tax assets	254	144
Other assets	1,281	1,233
Total Assets	54,890	46,427
LIABILITIES AND EQUITY		
Due to credit institutions	14,122	10,706
Derivative financial instruments	370	87
Due to customers	28,381	22,067
Debt securities in issue	6,488	7,789
Other borrowed funds	967	989
Other liabilities	1,210	1,176
Deferred tax liabilities	128	134
Retirement benefit obligations	199	170
Total Liabilities	51,865	43,118
Shareholders' funds	2,876	3,082
Minority interests	149	228
Total Equity	3,025	3,310
Total Liabilities & Equity	54,890	46,427

15. Summary Consolidated Cash Flow Statement

Amounts in EUR millions as at 31st December

	2008	2007
<i>Cash flows from operating activities</i>		
Profit before tax.....	385.8	785.3
Adjustments to profit before tax		
Add: impairment for loans and advances and other provisions	388.2	115.9
Add: depreciation and amortisation.....	77.0	66.1
Add: retirement benefits	33.4	35.2
(Gains)/losses from valuation of trading securities and financial instruments at fair value through profit or loss	66.5	4.4
(Gains)/losses from investing activities	(129.9)	(347.6)
<i>Cash flows from operating profits before changes in operating assets and liabilities.....</i>	820.9	659.4
<i>Changes in operating assets and liabilities:</i>		
Net (increase)/decrease in cash and balances with Central Bank.....	(283.3)	(287.2)
Net (increase)/decrease in treasury bills and other eligible bills	28.9	(138.5)
Net (increase)/decrease in trading securities and financial instruments at fair value through profit or loss	1,681.0	(2,641.2)
Net (increase)/decrease in loans and advances to credit institutions	556.9	(823.7)
Net (increase)/decrease in loans and advances to customers.....	(8,290.1)	(10,020.1)
Net (increase)/decrease in other assets.....	(112.4)	(300.5)
Net increase/(decrease) in due to Banks.....	3,353.7	5,813.0
Net increase/(decrease) in amounts due to customers	6,042.9	5,229.5
Net increase/(decrease) in other liabilities.....	18.1	181.7
<i>Cash from operating activities before income tax payment</i>	3,816.7	(2,327.8)
Income tax paid	(70.5)	(40.2)
Net cash inflow/(outflow) from operating activities	3,746.2	(2,367.9)
<i>Cash flows from investing activities</i>		
Purchases of property, plant and equipment	(328.4)	(303.5)
Sales of property, plant and equipment	89.7	96.4
Purchases of intangible assets.....	(31.0)	(51.0)
Purchases of available for sale securities.....	(449.4)	(956.7)
Disposals of available for sale securities.....	801.8	876.0
Purchase of held to maturity securities.....	(2,440.9)	(35.4)
Maturity of held to maturity securities.....	51.1	22.5
Acquisition of subsidiaries and participation in share capital increases	144.7	(64.5)
Disposal of subsidiaries.....	5.7	1.9
Acquisition of associates.....	(31.3)	(66.8)
Disposal of associates.....	0.1	24.9
Dividend receipts.....	25.8	10.3
Net cash inflow/(outflow) from investing activities	(2,162.0)	(445.9)
<i>Cash flows from financing activities</i>		
Net proceeds from issue of share capital.....	16.0	1,336.3
Net proceeds from issue/(repayment) of debt securities and other borrowed funds.....	(1,322.2)	2,511.2
Prior year dividends	(120.2)	(215.7)
Purchases of treasury shares.....	(188.7)	(188.6)
Sales of treasury shares and share options	24.7	38.1
Other cashflows from financing activities.....	(7.3)	4.1
Net cash inflow/(outflow) from financing activities.....	(1,597.8)	3,485.4
Effect of exchange rate changes on cash and cash equivalents.....	(39.7)	(18.8)
Net increase/(decrease) in cash and cash equivalents.....	(53.3)	652.8
Cash and cash equivalents at beginning of year	5,062.6	4,381.3
Cash and cash equivalents of new subsidiaries at the date of the acquisition (intercompanies excluded).....	–	28.5
Net cash and cash equivalents at beginning of year.....	5,062.6	4,409.8
Cash and cash equivalents at end of year	5,009.3	5,062.6

16. Capital Adequacy

On a consolidated basis, the Group's capital adequacy ratio (Basel II) as at 31st December, 2008, calculated in accordance with the Bank of Greece requirements stood at 9.9 per cent., with the Tier I ratio standing at 8.0 per cent.

17. Participation of the Hellenic Republic's representative in the meetings of the Board of Directors of the Bank, pursuant to articles 1 and 2 of L. 3723/2008, which may affect the Bank's decisions on certain matters provided in the aforementioned liquidity support scheme, after the Bank's voluntary submission to particular measures stipulated therein.

On 9th December, 2008, L. 3723/2008 was enacted by virtue of which the Hellenic Republic establishes a voluntary scheme for the capitalisation and liquidity support of credit institutions licensed by the Bank of Greece (the "Support Scheme"). The Bank has voluntarily accepted part of the Support Scheme. According to the Support Scheme, so long as a credit institution remains within the ambit of articles 1 and 2 of L. 3723/2008, the Hellenic Republic is entitled to appoint a representative that may be elected as an additional Board member of such credit institution. (the "Representative"). The Representative has veto power on decisions related to dividends' distribution and the remuneration policy of the Chairman and Chief Executive Officer and the rest of the Board members, as well as of the general managers and its deputies, pursuant to a specific Decision of the Minister of Economy and Finance or, if, according to his own judgment, such decisions may endanger the interests of the depositors or materially affect the solvency ratio and the proper operations of the credit institution. The Representative may also be present at the General Meeting of the Shareholders with the right to exercise the same veto powers upon discussion and resolution on the aforementioned specific matters.

18. Recent Developments (after the announcement of the full year 2008 results)

February 2009

- Moody's Investors Service downgraded Piraeus Bank to A2 negative outlook from A1 negative outlook. The negative outlook on Piraeus's long-term deposit and debt ratings reflects Moody's concerns regarding the longevity and severity of the economic crisis both in Greece and in South Eastern European countries where the Bank is exposed.

March 2009

- Fitch Ratings revised Piraeus Bank's outlook to A- 'negative outlook' from A- 'stable outlook' reflecting the challenges of an increasingly difficult macroeconomic environment.

April 2009

- The Ordinary General Meeting of the Shareholders took place on 30th April, 2009.
- On 30th April, 2009 the first asset backed issuance for Piraeus Bank's consumer loans in the amount of €725 million was completed.

May 2009

- On 4th May, 2009, Standard & Poor's Ratings downgraded Piraeus Bank to 'BBB' (stable outlook) from 'BBB+' (negative outlook). This rating action followed the agency's review of the rating on Greek and Cypriot banks in light of their expectations for a significantly more negative economic environment.
- On 7th May, 2009 the second securitisation of Piraeus Bank's business loans in the amount of €900 million was completed.
- On 14th May, 2009 an agreement was signed between Piraeus Bank and the Greek State whereby the latter acquired the Bank's 77,568,134 preferred non-voting shares worth €370 million within the framework of L. 3723/2008.

June 2009

- On 1st June, 2009, Piraeus Bank, pursuing its strategic aim to further strengthen its capital base, placed to international institutional investors 13,280,976 treasury shares representing 3.95 per cent. of the Bank's issued and outstanding ordinary shares.

- On 5th June, 2009 6,728,991 new shares were issued through the capitalisation of the net dividend amount of fiscal year 2008.

July 2009

- Piraeus Bank and BNP Wealth Management announced that they have concluded a strategic partnership in global Wealth Management in the countries where Piraeus Bank Group is present. Upon closing of the transaction, which is expected to occur in the last quarter of 2009, the partnership will be materialised by two new joint ventures, one in Greece and one in Switzerland.

THE BANKING SECTOR IN GREECE

Structure of the Market

The banking sector has expanded rapidly in the last ten years as a result of deregulation and modernisation, as well as entry into the Eurozone. In the past nine years, restructuring has led to higher concentration with seven state-controlled banks and four private banks changing ownership, while some new banks have entered the market. The 6 biggest banks had more than 81.0 per cent. share in the market (in terms of loans) at the end of December 2007.

Commercial Banks

At year end 2008, there were 19 Greek commercial banks. The largest are the National Bank of Greece, Alpha Bank, EFG Eurobank Ergasias, Piraeus Bank, Emporiki Bank (acquired by Credit Agricole in 2006) and ATE Bank. More specialised credit institutions, like the Agricultural Bank of Greece and the Postal Savings Bank, have been transformed into commercial banks (listed on ATHEX) following increased liberalisation of the Greek market. Traditionally, commercial banks are the dominant group among all categories of deposit and credit institutions operating in the Greek financial market.

Market Share of the 6 Principal Banks in Greece at 31st December, 2008

	<u>Lending</u>	<u>Deposits</u>
	(per cent.)	
National Bank of Greece.....	18.7	22.8
EFG Eurobank.....	16.1	13.8
Alpha Bank.....	16.0	14.5
Piraeus Bank.....	12.4	11.0
Emporiki Bank.....	9.7	7.3
ATE bank.....	8.7	8.5
Other	18.4	22.1

Source: Published financial statements of each bank & Bank of Greece

Foreign Banks

At the end of December 2008, there were approximately 30 foreign-owned or incorporated credit institutions operating in Greece. Principal participants include Citibank, HSBC, Société Générale, BNP Paribas and Bank of Cyprus. Overall, foreign banks have made limited inroads into the Greek retail market.

Specialised Credit Institutions

Today, there is only one specialised credit institution, i.e. the Deposits and Loans Fund (which is under the Ministry of Economy and Finance). However, the role of specialised credit institutions has been decreasing significantly in the last few years. In addition, there are 16 cooperative banks in Greece, however with limited market share.

Economic Environment

Despite the severely adverse global economic environment, in 2008 the Greek economy managed to curb the impact of the crisis presenting a 2.9 per cent. growth rate, which was significantly higher than the averages of the Euro zone (0.7 per cent.) and the European Union (0.9 per cent.). In particular, regarding the inflation rate, pressures for international energy price rises resulted in an increase in the average consumer price index by 4.2 per cent. despite the rapid de-escalation recorded in the last months of the year. Fiscal figures were less favourable. According to the National Statistical Service of Greece, the general government deficit, as a percentage of the GDP, stood at a level above 4 per cent. in 2008.

In 2009, the Greek economy is entering a critical period when it is expected that the effects of the recent recession in the European Union will be felt more acutely. An indication is the estimated increase in the unemployment rate of above 9 per cent. from the average 7.6 per cent. in 2008. However, despite the deceleration, the economic growth rate is expected to remain marginally positive, while economic recovery signs will probably appear as of the end of 2009. At the same time, inflation is expected to be stabilised at a much lower rate compared to previous years.

FORM OF THE DEED OF GUARANTEE

The following is the form of the Deed of Guarantee of Piraeus Bank:

"THIS DEED OF GUARANTEE is made on 2nd July, 2008 in London, England

by

(1) **PIRAEUS BANK S.A.**, a company incorporated in the Hellenic Republic (the "Guarantor").

IN FAVOUR OF

(2) **THE HOLDERS AND THE ACCOUNTHOLDERS** (each as defined below) (together, the "Beneficiaries").

WHEREAS

- (A) Piraeus Bank S.A., in its capacity as an issuer and Piraeus Group Finance PLC ("Piraeus PLC" and together with Piraeus Bank S.A. in its capacity as issuer, (the "Issuers") have established a Euro Medium Term Note Programme (the "Programme") for the issuance of notes. The Guarantor has authorised the giving of its irrevocable guarantee in relation to the notes issued by Piraeus PLC (the "Notes").
- (B) The Issuers and the Guarantor have, in relation to the notes issued under the Programme, entered into a fiscal agency agreement (as amended, supplemented and/or restated from time to time, the "Agency Agreement") dated 2nd July, 2008 with Deutsche Bank AG, London Branch as fiscal agent (the "Agent"; which expression shall include any successor) and the other paying agents named therein.
- (C) The Issuers have, in relation to the notes issued under the Programme, executed in London, England a deed of covenant (as amended, supplemented and/or restated from time to time, the "Deed of Covenant") dated 2nd July, 2008.
- (D) The Guarantor has agreed to irrevocably guarantee the payment of all sums expressed to be payable from time to time by Piraeus PLC in respect of the Notes and under the Deed of Covenant.
- (E) The Guarantor entered into a deed of guarantee dated 21st June, 2007 in relation to the Notes (such deed of guarantee, the "Original Deed of Guarantee").
- (F) The Guarantor agrees to make certain modifications to the Original Deed of Guarantee.
- (G) This Deed of Guarantee amends and restates the Original Deed of Guarantee. Any Notes issued under the Programme by Piraeus PLC on or after the date hereof shall be issued subject to this Deed of Guarantee (other than any such Notes issued so as to be consolidated and form a single series with any Notes issued prior to the date hereof which shall continue to be subject to the Original Deed of Guarantee).

THIS DEED OF GUARANTEE WITNESSES as follows:

1.1 Definitions and Interpretation

"Accountholder" means any accountholder or participant with a Clearing System which at the Relevant Date has credited to its securities account with such Clearing System one or more Entries in respect of a Global Note issued by Piraeus PLC, except for any Clearing System in its capacity as an accountholder of another Clearing System;

"Clearing System" means each of Euroclear and Clearstream, Luxembourg, and any other clearing system specified in the relevant Final Terms;

"Conditions" means the terms and conditions of the relevant Notes, including those contained in the applicable Final Terms, as the same may be modified or supplemented in accordance with the terms thereof, and any reference to a numbered "Condition" is to the correspondingly numbered provision thereof;

"Direct Rights" means the rights referred to in Clause 3 of the Deed of Covenant;

"Entry" means, in relation to a Global Note issued by Piraeus PLC, any entry which is made in the securities account of any Accountholder with a Clearing System in respect of Notes represented by such Global Note;

“Euroclear” means Euroclear Bank SA/NV, as operator of the Euroclear system;

“Holder” means, in relation to any Note, at any time, the person who is the bearer of such Note;

“person” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality; and

“Relevant Date” means, in relation to the payment of any sum expressed to be payable by Piraeus PLC in respect of a Note, whichever is the later of:

- (a) the date on which the payment in question first becomes due; and
- (b) if the full amount payable has not been received by the Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Holders.

“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 of Dated Subordinated Notes or other persons claiming under the Deed of Guarantee (whether only in the winding up of the Guarantor or otherwise).

- 1.2 Terms defined in the Conditions have the same meanings in this Deed of Guarantee.
- 1.3 Any reference in this Deed of Guarantee to any obligation or payment under or in respect of the Notes shall be construed to include a reference to any obligation or payment under or pursuant to Clause 3 of the Deed of Covenant.
- 1.4 Any reference in this Deed of Guarantee to a Clause is, unless otherwise stated, to a clause hereof.
- 1.5 Headings are inserted for convenience and ease of reference only and shall not affect the interpretation of this Deed of Guarantee.

2. Guarantee and Indemnity

- 2.1 The Guarantor hereby irrevocably guarantees:
 - (a) to each Holder the due and punctual payment of all sums from time to time payable by Piraeus PLC in respect of the Notes as and when the same become due and payable and accordingly undertakes to pay to such Holder, forthwith upon the demand of such Holder and in the manner and currency prescribed by the Conditions for payments by Piraeus PLC in respect of the Notes, any and every sum or sums which Piraeus PLC is at any time liable to pay in respect of the Notes and which Piraeus PLC has failed to pay; and
 - (b) to each Accountholder the due and punctual payment of all sums from time to time payable by Piraeus PLC to such Accountholder in respect of the Direct Rights as and when the same become due and payable and accordingly undertakes to pay to such Accountholder, forthwith upon the demand of such Accountholder and in the manner and currency prescribed by the Conditions for payments by Piraeus PLC in respect of the Notes, any and every sum or sums which Piraeus PLC is at any time liable to pay to such Accountholder in respect of the Notes and which Piraeus PLC has failed to pay.
- 2.2 The Guarantor irrevocably undertakes to each Beneficiary that, if any sum referred to in Clause 2.1 is not recoverable from the Guarantor thereunder for any reason whatsoever (including, without limitation, by reason of any Note, the Deed of Covenant or any provision thereof being or becoming void, unenforceable or otherwise invalid under any applicable law), then (notwithstanding that the same may have been known to such Beneficiary) the Guarantor will, forthwith upon demand by such Beneficiary, pay such sum by way of a full indemnity in the manner and currency prescribed by the Conditions. This indemnity constitutes a separate and independent obligation from the other obligations under this Deed of Guarantee and shall give rise to a separate and independent cause of action if any sum is not recoverable under Clause 2.1.
- 2.3 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 under the Deed of Guarantee shall be London, England and consequently any and all payments of the Guarantor under this Deed of

Guarantee shall be made out of or to the credit of bank accounts maintained with banks legally operating and situated in London, England.

3. Negative Pledge

The Guarantor covenants in favour of each Holder that it will duly perform and comply with the obligations expressed to be undertaken by it in Condition 4.

4. Taxation

The Guarantor covenants in favour of each Holder that it will duly perform and comply with the obligations expressed to be undertaken by it in Condition 10. In particular, if in respect of any payment to be made under this Deed of Guarantee, any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature is payable, the Guarantor shall pay the additional amounts referred to in Condition 10, all subject to and in accordance with the provisions of Condition 10.

5. Preservation of Rights

- 5.1 The obligations of the Guarantor hereunder shall be deemed to be undertaken as principal obligor and not merely as surety.
- 5.2 The obligations of the Guarantor hereunder shall be continuing obligations notwithstanding any settlement of account or other matter or thing whatsoever and, in particular but without limitation, shall not be considered satisfied by any intermediate payment or satisfaction of all or any of Piraeus PLC's obligations under any Note or the Deed of Covenant and shall continue in full force and effect until all sums due from Piraeus PLC in respect of the Notes and under the Deed of Covenant have been paid, and all other obligations of Piraeus PLC thereunder have been satisfied, in full.
- 5.3 Neither the obligations expressed to be assumed by the Guarantor herein nor the rights, powers and remedies conferred upon the Beneficiaries by this Deed of Guarantee or by law shall be discharged, impaired or otherwise affected by:
 - (a) the winding up, liquidation or dissolution of Piraeus PLC or analogous proceeding in any jurisdiction or any change in its status, function, control or ownership;
 - (b) any of the obligations of Piraeus PLC under or in respect of the Notes or the Deed of Covenant being or becoming illegal, invalid or unenforceable;
 - (c) time or other indulgence being granted or agreed to be granted to Piraeus PLC in respect of any of its obligations under or in respect of the Notes or the Deed of Covenant;
 - (d) any amendment to, or any variation, waiver or release of, any obligation of Piraeus PLC under or in respect of the Notes or the Deed of Covenant or any security or other guarantee or indemnity in respect thereof; or
 - (e) any other act, event or omission which, but for this sub-clause, might operate to discharge, impair or otherwise affect the obligations expressed to be assumed by the Guarantor herein or any of the rights, powers or remedies conferred upon the Beneficiaries or any of them by this Deed of Guarantee or by law.
- 5.4 Any settlement or discharge between the Guarantor and the Beneficiaries or any of them shall be conditional upon no payment to the Beneficiaries or any of them by Piraeus PLC or any other person on Piraeus PLC's behalf being avoided or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency or liquidation for the time being in force and, in the event of any such payment being so avoided or reduced, the Beneficiaries shall be entitled to recover the amount by which such payment is so avoided or reduced from the Guarantor subsequently as if such settlement or discharge had not occurred.
- 5.5 No Beneficiary shall be obliged before exercising any of the rights, powers or remedies conferred upon it by this Deed of Guarantee or by law:
 - (a) to make any demand of Piraeus PLC, save for the presentation of the relevant Note;
 - (b) to take any action or obtain judgment in any court against Piraeus PLC; or
 - (c) to make or file any claim or proof in a winding up or dissolution of Piraeus PLC,

and (save as aforesaid) the Guarantor hereby expressly waives presentment, demand, protest and notice of dishonour in respect of each Note.

- 5.6 The Guarantor agrees that, so long as any sums are or may be owed by Piraeus PLC in respect of the Notes or under the Deed of Covenant or Piraeus PLC is under any other actual or contingent obligation thereunder or in respect thereof, the Guarantor will not exercise any right which the Guarantor may at any time have by reason of the performance by the Guarantor of its obligations hereunder:
- (a) to be indemnified by Piraeus PLC;
 - (b) to claim any contribution from any other guarantor of Piraeus PLC's obligations under or in respect of the Notes or the Deed of Covenant;
 - (c) to take the benefit (in whole or in part) of any security enjoyed in connection with the Notes or the Deed of Covenant by any Beneficiary; or
 - (d) to be subrogated to the rights of any Beneficiary against Piraeus PLC in respect of amounts paid by the Guarantor under this Deed of Guarantee.
- 5.7 The Guarantor irrevocably undertakes that its obligations hereunder in respect of Notes specified in the applicable Final Terms as Senior Notes 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 4) and unsubordinated obligations of the Guarantor, save for such obligations as may be preferred by mandatory provisions of law.
- 5.8 The Guarantor irrevocably undertakes that its obligations hereunder in respect of Notes specified in the applicable Final Terms as Dated Subordinated Notes will constitute direct, general and unconditional, subordinated and unsecured obligations of the Guarantor which will be subordinated to the claims of Senior Creditors of the Guarantor 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 Dated Subordinated Notes 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 of Dated Subordinated Notes will only be paid by the Guarantor after all Senior Creditors of the Guarantor have been paid in full and such holders of Dated Subordinated Notes irrevocably waive their right to be treated equally with all other unsecured, unsubordinated creditors of the Guarantor in such circumstances.

6. Deposit of Deed of Guarantee

An original of this Deed of Guarantee shall be deposited with and held by the Agent until the date which is two years after all the obligations of Piraeus PLC under or in respect of the Notes and the Deed of Covenant have been discharged in full. The Guarantor hereby acknowledges the right of every Beneficiary to the production of this Deed of Guarantee.

7. Stamp Duties

The Guarantor shall pay all stamp, registration and other similar taxes and duties (including any interest and penalties thereon or in connection therewith) which are payable upon or in connection with the execution and delivery of this Deed of Guarantee, and shall, to the extent permitted by law, indemnify each Beneficiary against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, 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.

8. Benefit of Deed of Guarantee

- 8.1 This Deed of Guarantee shall take effect as a deed poll for the benefit of the Beneficiaries from time to time.

- 8.2 This Deed of Guarantee shall enure to the benefit of each Beneficiary and its (and any subsequent) successors and assigns, each of which shall be entitled severally to enforce this Deed of Guarantee against the Guarantor.
- 8.3 The Guarantor shall not be entitled to assign or transfer all or any of its rights, benefits and obligations hereunder. Each Beneficiary shall be entitled to assign all or any of its rights and benefits hereunder.
- 8.4 No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed, but that does not effect any right or remedy of any person which exists or is available apart from the Act.

9. Partial Invalidity

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any applicable jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the laws of any other applicable jurisdiction shall in any way be affected or impaired thereby.

10. Notices

- 10.1 All notices and other communications to the Guarantor hereunder shall be made in writing (by letter, telex or fax) and shall be sent to the Guarantor at:

Piraeus Bank S.A.

Address: 4 Amerikis Str
105 64 Athens
Greece
Tel: +30 210 333 5870
Fax: +30 210 333 5695
Attention: Mrs. Dimitra Pallikari, Legal Counsel
and

Address: 5, Korai Street
10564 Athens
Greece
Tel: +30 210 333 5818
Fax: +30 210 325 4207
Attention: Kostas Fouskas- Deputy Treasurer, Head of Asset &
Liability Management

or to such other address, telex number or fax number or for the attention of such other person or department as the Guarantor has notified to the Beneficiaries in the manner prescribed for the giving of notices in connection with the Notes.

- 10.2 Every notice, demand or other communication sent in accordance with Clause 10.1 shall be effective as follows:
- (a) if sent by letter or fax, upon receipt by the Guarantor; and
 - (b) if sent by telex, upon receipt by the sender of the Guarantor's answerback at the end of transmission;

provided that any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the Guarantor.

11. Governing Law and Jurisdiction

- 11.1 This Deed of Guarantee (other than Clause 5.8) is governed by, and shall be construed in accordance with, English law. Clause 5.8 is governed by and shall be construed in accordance with, Greek law.
- 11.2 The Guarantor agrees, for the exclusive benefit of the Beneficiaries, that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise 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.

- 11.3 The Guarantor irrevocably waives any objection which it might now or hereafter have to the courts referred to in Clause 11.2 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.
- 11.4 The Guarantor agrees that the process by which any Proceedings are begun may be served on it by being delivered to Piraeus Bank S.A., London Branch at its principal place of business for the time being in England (currently Tower 42, 25 Old Broad Street, London EC2N 1PB). If the Guarantor ceases to maintain a branch in England, the Guarantor shall appoint a further person in England to accept service of process on its behalf. Nothing in this sub-clause shall affect the right to serve process in any other manner permitted by law.
- 11.5 The submission to the jurisdiction of the courts referred to in Clause 11.2 shall not (and shall not be construed so as to) limit any right 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.

12. Modification

The Agency Agreement contains provisions for convening meetings of Holders to consider matters relating to the Notes, including the modification of any provision of this Deed of Guarantee. Any such modification may be made by supplemental deed poll if sanctioned by an Extraordinary Resolution and shall be binding on all Beneficiaries.

IN WITNESS whereof this Deed of Guarantee has been executed by the Guarantor and is intended to be and is hereby delivered on the date first before written.

EXECUTED as a deed
by
acting as attorney-in-fact
for and on behalf of
PIRAEUS BANK S.A.
in the presence of: }

Signature of witness:

Name of Witness:

Address:

Occupation:"

GUARANTEE OF DEBT SECURITIES BY THE HELLENIC REPUBLIC

Under Law 3723/2008 of the Hellenic Republic the Minister of Economy and Finance has the power to provide a guarantee on behalf of the Hellenic Republic for debt securities issued by the credit institutions licensed by the Bank of Greece. This power was granted as part of a package of measures designed to stabilise the financial markets in the Hellenic Republic. The support package has been approved by the European Commission as being compatible with EC Treaty State aid rules.

Nature of the guarantee

Pursuant to Law 3723/2008 a credit institution may apply to the Minister of Economy and Finance for debt securities to be guaranteed by the Hellenic Republic provided such securities fulfil certain criteria. Securities with the benefit of a guarantee from the Hellenic Republic granted pursuant to Law 3723/2008 will be guaranteed pursuant to a guarantee to be given by the Hellenic Republic in favour of the holders of the relevant securities. Where the applicable Final Terms indicate that such debt securities are unconditionally and irrevocably guaranteed by the Hellenic Republic pursuant to Law 3723/2008 and associated Ministerial decisions ("Guaranteed Debt Securities") such debt securities will be unconditionally and irrevocably guaranteed by the Hellenic Republic.

Exemption from the provisions of the Prospectus Directive

Pursuant to Article 1, paragraph 2(d) of the Prospectus Directive the provisions of the Prospectus Directive will not apply to any issue of Guaranteed Debt Securities. No election has been made by Piraeus Bank for Guaranteed Debt Securities to be treated as being within the scope of the Prospectus Directive.

No Notes issued pursuant to this Offering Circular will be Guaranteed Debt Securities and Guaranteed Debt Securities may not be offered to the public in any country of the European Union or admitted to trading on the regulated market of any country of the European Union using this Base Prospectus. In respect of an issue of Guaranteed Debt Securities, a separate information memorandum will be prepared.

TAXATION

Taxation in the Hellenic Republic

The following discussion of Greek taxation, as it relates to the Notes and the Guarantee, is of a general nature and is based on the provisions of tax law, currently in force in Greece. Holders of Notes who are in doubt as to their personal tax position should consult their professional advisers.

Under the Greek tax laws as of the date hereof:

1. payments of interest from Piraeus Bank in respect of Notes issued by it to Noteholders who:
 - (a) reside in Greece or maintain a permanent establishment therein for Greek tax law purposes, will be subject to Greek withholding tax at the rate of 10 per cent., which does not exhaust the tax liability of certain types of such Noteholders;
 - (b) are not individuals and neither reside nor maintain a permanent establishment in Greece for Greek tax law purposes will not be subject to Greek income tax, provided that the relevant Noteholders present a "tax residence certificate" issued at a date not later than one year before such certificate is presented;
 - (c) are individuals, acting as "beneficial owners"; and reside in a Member State of the European Union, other than Greece, in the sense of article 4 par. 1 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") and receiving such payments from a "paying agent" in the sense of article 4 par. 2 of the Implementing Law, will not be subject to any Greek tax withholding.
2. No Greek withholding tax shall be imposed on payments of principal or interest from Piraeus PLC (or of principal by Piraeus Bank under the Deed of Guarantee) in respect of Notes issued outside Greece by Piraeus PLC and paid to Noteholders who neither reside in Greece nor maintain a permanent establishment therein and provided further that such payments are not made out of Greece.
3. Payments of interest from Piraeus Bank under the Deed of Guarantee in respect of Notes issued by Piraeus PLC to Noteholders who:
 - (a) reside in Greece or maintain a permanent establishment therein for Greek tax law purposes, may be subject to Greek withholding tax at the rate of 20 per cent. which does not exhaust the tax liability of such Noteholders;

unless payment of interest under the Deed of Guarantee, qualifies as "interest" in the sense of article 4 par. 3 of the Implementing Law, the Guarantor acts as "paying agent" in the sense article 4 par. 2 of the Implementing Law, and the holder is an individual, providing evidence that he has not received or secured such interest for his own benefit, in the sense of article 4 par. 1(a) to (c) of the Implementing Law;
 - (b) are companies or legal entities and who neither reside nor maintain a permanent establishment in Greece for Greek tax law purposes, may be subject to Greek withholding tax at the rate of 25 per cent., which exhausts the tax liability of such Noteholders.

However, if such a Noteholder is a resident of a country with which Greece has executed a bilateral tax treaty for the avoidance of double taxation, then the provisions of such treaty shall prevail over the provisions of internal Greek tax laws and shall apply, provided such Noteholder presents to Piraeus Bank a duly signed and stamped "claim" for the application of the relevant treaty supported by a tax residence certificate issued at a date not later than one year before such claim is presented.
4. On 3rd 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.

Greece has implemented the EU Savings Directive by virtue of the Implementing Law (Law 3312/2005 — Gov. Gazette No A' 35/2005), in force as of the 1st July, 2005, whilst in the course of 2005 and 2006 several implementing practical measures were enacted in this context.

Taxation in the United Kingdom

The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of the Notes. The comments are made on the assumption that Piraeus Bank is not resident in the United Kingdom for United Kingdom tax purposes and that any interest on Notes issued by Piraeus Bank (other than through its UK branch) will not have a UK source. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders should be aware that the particular terms of issue of any Series of Notes as specified in the relevant Final Terms may affect the tax treatment of that and other Series of Notes. The following is a general guide and should be treated with appropriate caution. Noteholders who are in any doubt as to their tax position should consult their professional advisers.

Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

A. UK Withholding Tax on UK Source Interest

A.1 UK Notes Listed on a Recognised Stock Exchange

The Notes issued by Piraeus PLC (the "UK Issuer") or Piraeus Bank issuing through its UK branch (also the "UK Issuer"; and together with Piraeus PLC, the "UK Issuers") which carry a right to interest ("UK Notes") will constitute "quoted Eurobonds" 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 (the "Act"). Securities will be treated as listed on a recognised stock exchange if (and only if) they are admitted to trading on that exchange and either they are included in the United Kingdom official list (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) 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. The Luxembourg Stock Exchange is a recognised stock exchange for these purposes. While the UK Notes are and continue to be quoted Eurobonds, payments of interest on the UK Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

A.2 UK Notes issued by Piraeus Bank acting through its UK branch

In addition to the exemption set out in A.1 above, interest on Notes issued by Piraeus Bank acting through its UK branch may be paid without withholding or deduction for or on account of United Kingdom income tax if and for so long as Piraeus Bank issuing through its UK branch is a "bank" for the purposes of section 991 of the Act and so long as such payments are made by it in the ordinary course of its business. In accordance with the published practice of HM Revenue & Customs, such payments will be accepted as being made by Piraeus Bank issuing through its UK branch in the ordinary course of its business unless either:

- (i) the borrowing in question conforms to any of the definitions of tier 1, 2 or 3 capital adopted by the Bank of England whether or not it actually counts towards tier 1, 2 or 3 capital for regulatory purposes; or
- (ii) the characteristics of the transaction giving rise to the interest are primarily attributable to an intention to avoid United Kingdom tax.

A.3 Notes issued to UK corporation tax payers

Interest on the Notes may also be paid without withholding or deduction on account of UK tax where interest on the Notes 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 Notes is paid reasonably believes) that the beneficial owner is within the charge to UK corporation tax as regards the payment of interest; provided that HM Revenue & Customs 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.

A.4 Notes with short maturity dates

Interest on the UK Notes may be paid without withholding or deduction for or on account of United Kingdom income tax if the relevant interest is paid on Notes with a maturity of less than one year from the date of issue and which are not issued under arrangements the effect of which is to render such Notes part of a borrowing with a total term of a year or more.

A.5 All other Notes

In all cases falling outside the exemptions described in A.1, A.2, A.3 and A.4 above, interest on the UK Notes must be paid under deduction of United Kingdom income tax at the savings rate (currently 20 per cent.) (or, if the Finance Bill 2008 is enacted in its current form, from 6th April, 2008, the basic rate, which would also be 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.

B. Payments by the Guarantor

If the Guarantor makes any payments in respect of interest on Notes issued by Piraeus PLC (or other amounts due under such Notes other than the repayment of amounts subscribed for the Notes) such payments may be subject to United Kingdom withholding tax subject to such relief as may be available under the provisions of any applicable double taxation treaty. Such payments by the Guarantor may not be eligible for the exemptions described in A above.

C. Payments under the Deed of Covenant

Any payments made by an Issuer under the Deed of Covenant may not qualify for the exemptions from United Kingdom withholding tax described above.

D. Provision of Information

Noteholders should note that where any interest on Notes is paid to them (or to any person acting on their behalf) by any UK Issuer or any person in the United Kingdom acting on behalf of any Issuer (a "paying agent") or is received by any person in the United Kingdom acting on behalf of the relevant Noteholder (other than solely by clearing or arranging the clearing of a cheque) (a "collecting agent"), then the relevant UK Issuer, the paying agent or the collecting agent (as the case may be) may, in certain cases, be required to supply to HM Revenue & Customs details of the payment and certain details relating to the Noteholder (including the Noteholder's name and address). These provisions will apply whether or not the interest has been paid subject to withholding or deduction for or on account of United Kingdom income tax and whether or not the Noteholder is resident in the United Kingdom for United Kingdom taxation purposes. Where the Noteholder is not so resident, the details provided to HM Revenue & Customs may, in certain cases, be passed by HM Revenue & Customs to the tax authorities of the jurisdiction in which the Noteholder is resident for taxation purposes.

For the purposes of the provision of information, "interest" should be taken, for practical purposes, as including payments made by a guarantor in respect of interest on Notes.

HM Revenue & Customs also has power, in certain circumstances, to obtain information from any person in the UK who pays amounts payable on the redemption of Notes which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005 to or receives such amounts for the benefit of another person. HM Revenue & Customs published practice indicates that it will not exercise its power to require this information in respect of amounts payable on the redemption of deeply discounted securities where such amounts were paid on or before 5th April, 2010. Such information may include the name and address of the beneficial owner of the amount payable on redemption.

Luxembourg Taxation

The following summary is of a general nature and is included herein solely for information purposes. It 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. Prospective investors in the Notes should therefore consult their

own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Withholding Tax

(i) Non-resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the laws of 21st June, 2005 (the "Laws") mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

Under the Laws implementing the EC Council Directive 2003/48/EC of 3rd June, 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "Territories"), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which is a resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it is currently levied at a rate of 20 per cent. and will be levied at a rate of 35 per cent. as of 1st July, 2011. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Laws would at present be subject to withholding tax of 20 per cent.

(ii) Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23rd December, 2005 (the Law) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is a resident of Luxembourg 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 Notes coming within the scope of the Law would be subject to withholding tax of 10 per cent.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Austria, Belgium and Luxembourg are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being 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 15th September, 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13th November, 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above. The European Parliament approved an amended version of this proposal on 24th April, 2009.

SUBSCRIPTION AND SALE

The Dealers have in an amended and restated programme agreement (the “Programme Agreement”) dated 12th August, 2009 agreed with Piraeus Bank and Piraeus PLC a basis upon which they or any of them may from time to time agree to subscribe Notes. Any such agreement will extend to those matters stated under “Form of the Notes” and “Terms and Conditions of the Notes” above. In the Programme Agreement, Piraeus Bank and Piraeus PLC have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under the Securities Act 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 the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer, or in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all the Notes of the Tranche of which such Notes are a part within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issue of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealer or Dealers may agree as a term of the issue and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms. Each relevant Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

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 Notes which are the subject of the offering contemplated by the Offering Circular 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 Notes to the public in that Relevant Member State:

- (a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “Non-exempt Offer”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority

in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;

- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
 - (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
 - (d) at any time to fewer than 100 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 Issuer for any such offer; or
 - (e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,
- provided that no such offer of Notes referred to in (b) to (e) above shall require the 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 Notes to the public” in relation to any Notes 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the Law No. 25 of 1948, as amended; the “FIEA”) and each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Law 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.

Selling restrictions addressing additional United Kingdom Securities laws

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) in relation to any Notes issued by Piraeus PLC having a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not, or in the case of the Guarantor would not, if it was not an authorised person, apply to the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief having made all due and proper enquiries) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of Piraeus PLC, Piraeus Bank and any other Dealer shall have any responsibility therefor.

None of Piraeus PLC, Piraeus Bank and any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the relevant Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

GENERAL INFORMATION

Authorisation

The establishment and update of the Programme and the issue of Notes by Piraeus PLC have been duly authorised by resolutions of the Board of Directors of Piraeus PLC dated 2nd June, 2004, 21st July, 2005, 14th June, 2007, 27th June, 2008 and 28th July, 2009. The establishment and update of the Programme and the giving of the Deed of Guarantee have been duly authorised by resolutions of the Board of Directors of Piraeus Bank dated 12th May, 2004, 13th July, 2005, 18th April, 2007, 31st October, 2007 and 8th April, 2009.

Any issue of Notes by Piraeus Bank under the Programme is subject to the prior decision of the Board of Directors of Piraeus Bank.

Approval, listing and admission to trading

Application has been made to the CSSF to approve this document as a base prospectus in respect of Piraeus PLC and in respect of Piraeus Bank. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The regulated market of the Luxembourg Stock Exchange is a regulated market for the purposes of MiFID.

Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available from the registered office of each Issuer and from the specified offices of the Paying Agents for the time being in London and Luxembourg:

- (i) the constitutional documents of Piraeus Bank and Piraeus PLC (in English);
- (ii) the audited IFRS financial statements of Piraeus Bank in respect of the financial years 31st December, 2008 and 31st December, 2007 (in both cases with an English translation thereof) (in each case together with the audit reports prepared in connection therewith);
- (iii) the audited financial statements of Piraeus PLC in respect of the financial years ended 31st December, 2008 and ended 31st December, 2007 (in each case together with the audit reports prepared in connection therewith);
- (iv) the Programme Agreement, the Agency Agreement, the Deed of Covenant, the Deed of Guarantee, the forms of the temporary global Notes, the permanent global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (v) a copy of this Offering Circular; and
- (vi) any future offering circulars, prospectuses, information memoranda and supplements to this Offering Circular and Final Terms (save that Final Terms relating to a Note 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 will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the relevant Issuer or the relevant Paying Agent, as the case may be, as to its holding and identity) and any other documents incorporated herein or therein by reference.

In addition, copies of this Offering Circular, each Final Terms, relating to Notes which are admitted to trading on the Luxembourg Stock Exchange's regulated market and each document incorporated by reference are available in the Luxembourg Stock Exchange's website at www.bourse.lu.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1 210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

Material or Significant Change

Save as disclosed in this Offering Circular, there has been no material adverse change in the prospects of Piraeus Bank, or the Group, since 31st December, 2008, and no significant change in the financial position of Piraeus Bank or the Group since 31st March, 2009.

Save as disclosed in this Offering Circular, there has been no material adverse change in the prospects of Piraeus PLC since 31st December, 2008 and no significant change in the financial position of Piraeus PLC since 31st December, 2008.

Litigation

None of Piraeus PLC, Piraeus Bank or any subsidiary of Piraeus Bank is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Piraeus PLC or Piraeus Bank is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of Piraeus PLC, Piraeus Bank or the Group.

Auditors of Piraeus PLC

The auditors of Piraeus PLC are PricewaterhouseCoopers LLP, Hays Galleria, 1 Hays Lane, London SE1 2RD (member of the Institute of Chartered Accountants in England and Wales). The financial statements of Piraeus PLC for the years ended 31st December, 2007 and 2008 have been audited by PricewaterhouseCoopers LLP. The auditors of Piraeus PLC have no material interest in Piraeus PLC.

Auditors of Piraeus Bank

The statutory auditors of Piraeus Bank are PricewaterhouseCoopers – Athens (member of the Institute of Certified Public Accountants of Greece).

The audited consolidated financial statements of the Group as of 31st December, 2007 and as of 31st December, 2008 were prepared in accordance with the IFRS and have been audited by PricewaterhouseCoopers – Athens.

The auditors of Piraeus Bank have no material interest in Piraeus Bank.

Post-issuance information

Save as set out in the Final Terms, the Issuers do not intend to provide any post-issuance information in relation to any assets underlying issues of Notes constituting derivative securities.

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