

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

**€20,000,000,000 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 €20,000,000,000 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 €20,000,000,000 (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 depositary 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 25), 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  
Citi  
Credit Suisse  
Goldman Sachs International  
ING Commercial Banking  
Natixis  
Piraeus Bank S.A.**

**16th August, 2010**

**BofA Merrill Lynch  
Crédit Agricole CIB  
Deutsche Bank  
HSBC  
Morgan Stanley  
Nomura  
UBS Investment Bank**

**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 subparagraph (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 subparagraph (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, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, 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.*

<b>Issuers:</b>	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.
<b>Guarantor (in the case of Notes issued by Piraeus PLC):</b>	Piraeus Bank S.A.
<b>Description of the Issuers and the Guarantor:</b>	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.
<b>Risk Factors:</b>	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, the Greek property market and the macro-economic environment. 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.
<b>Description:</b>	Euro Medium Term Note Programme (the "Programme")
<b>Arranger:</b>	Citigroup Global Markets Limited

<b>Dealers:</b>	<p>Barclays Bank PLC  Citigroup Global Markets Limited  Crédit Agricole Corporate and Investment Bank  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 &amp; Co. International plc  Natixis  Nomura International plc  Piraeus Bank S.A. (only in respect of issues of Notes by Piraeus PLC)  UBS Limited</p> <p>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.</p>
<b>Certain Restrictions:</b>	<p>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).</p> <p>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.</p>
<b>Issuing and Principal Paying Agent:</b>	Deutsche Bank AG, London Branch
<b>Luxembourg Listing Agent:</b>	Deutsche Bank Luxembourg S.A.
<b>Amount:</b>	Up to €20,000,000,000 (or its equivalent in other currencies calculated as described herein) outstanding at any time. The Issuers may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
<b>Distribution:</b>	Subject to applicable selling restrictions, Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
<b>Currencies:</b>	Subject to any applicable legal or regulatory or central bank requirements, such currencies as may be agreed between the relevant Issuer and the relevant Dealer including, without limitation, Australian dollars, Canadian dollars, Danish kroner, euro, Hong Kong dollars, Japanese Yen, New Zealand dollars, Norwegian kroner, Sterling, Swedish kronor, Swiss francs and United States dollars (as indicated in the applicable Final Terms).
<b>Redenomination, Exchange or Consolidation:</b>	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 depositary, 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).

<b>Taxation:</b>	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.
<b>Negative Pledge:</b>	<p>The Senior Notes will contain a negative pledge provision as further described in Condition 4.</p> <p>There will be no negative pledge provision relating to Dated Subordinated Notes.</p>
<b>Cross Default:</b>	<p>The Senior Notes will contain a cross default provision as further described in Condition 11(1)(a).</p> <p>The Dated Subordinated Notes will not contain a cross default provision.</p>
<b>Status of the Senior Notes:</b>	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).
<b>Status of the Dated Subordinated Notes:</b>	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.
<b>Status of Deed of Guarantee:</b>	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.
<b>Approval, listing and admission to trading:</b>	<p>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.</p> <p>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.</p> <p>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.</p>

**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 in terms of reducing the ability of homeowners to service their debt as well as in terms of falling property prices and any knock-on effects this may have on lender recoveries. These consequences could have an adverse effect on Piraeus Banks' financial position.

#### ***Emerging Markets***

Apart from its operations in Greece, the U.K. and the U.S.A., Piraeus Bank has built up operations in Bulgaria, Romania, Albania, Serbia, Ukraine, Egypt and Cyprus. Its international operations outside the European Union or the U.S.A. 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 joined the European Union on 1st January, 2007 and Cyprus joined the Eurozone on 1st January, 2008.

#### ***Regulation***

Piraeus Bank is regulated by the Bank of Greece. The regulatory regime requires Piraeus Bank to comply across many aspects of activity, including the training, authorisation and supervision of personnel, systems, processes and documentation. If Piraeus Bank fails to comply 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 in potential reductions in 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 bank's ability to maintain sufficient liquidity to meet financial obligations when they fall due.

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

The volatility that has characterised financial markets since 2008 has impacted and has itself been affected by the negative macroeconomic picture. Though the world economy has emerged from recession, and is projected to grow about 4.6 per cent. in 2010 and 4.3 per cent. in 2011 (source: World Economic Outlook, the International Monetary Fund (the "IMF"), 7 July 2010), the Greek economy entered a period of recession in 2009, accompanied by a very significant deterioration in the size of the deficit of the general government.

In early May 2010, the Greek Government agreed to an ambitious stabilisation programme (the "Stabilisation Plan") under the joint auspices of the IMF, the EU and the European Central Bank ("ECB") in the amount of approximately €110 billion. The Stabilisation Plan is designed to provide support over the next three years by covering a large part of Greece's sovereign funding needs on more beneficial terms than currently available to the Hellenic Republic in the primary debt issuance market. It also requires major fiscal and structural adjustments to be undertaken by the Hellenic Republic over a number of years.

The effect of fiscal adjustments will be significant as they imply a re-shaping of the public sector and may impact output as well as consumer and business confidence. As per the Stabilisation Plan, output is projected to decline by 4 per cent. in 2010 (source: Ministry of Finance), and is expected to return to positive growth on an annual basis in 2012. However, as forward-looking macro-economic projections remain sensitive to changes and the full impact of the recently enacted fiscal measures has not manifested itself, there remains significant execution risk associated with the attainment of the fiscal aims outlined above.

The Stabilisation Plan also contains measures to boost the country's competitiveness, which is essential to improving Greece's real growth rates and to supporting the repayment of the large national debt. Specifically, it entails ambitious measures which would, *inter alia*, reduce the unfunded liabilities of the pension system, improve the flexibility of the labour market and open up product and service markets. The Stabilisation Plan also contains a third pillar to protect the stability of the banking system by providing both liquidity as well as capital support.

A continuation or deterioration in the macro-economic environment could have an adverse effect on Piraeus Bank's financial position.

## **Proposal to the Greek State for Acquiring its stakes in Agricultural Bank of Greece S.A. and Hellenic PostBank S.A.**

On 14th July, 2010 Piraeus Bank made a proposal to acquire the Greek state's shares in Agricultural Bank of Greece S.A. ("Agricultural Bank") and Hellenic PostBank S.A. ("PostBank") for an aggregate price of €701 million. In the event that the state accepts the above proposal, Piraeus Bank will control the leading market shares in both loans and deposits in Greece and become the second biggest Greek financial group in the region. However, difficulties in integrating the acquired businesses and potential liabilities relating to the acquired businesses may arise.

## **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 or to certain limited types of entities established in that other Member State. However, for a transitional period, 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. The European Parliament approved an amended version of this proposal on 24th April, 2009. 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.

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 (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

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

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

## 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 2009 Annual Financial Report of Piraeus Bank, including:
  - (i) the auditors' report in respect of the audited consolidated and non-consolidated annual financial statements as of and for the financial year ended 31st December, 2009 which appears on page 10 of the Annual Financial Report;
  - (ii) the audited consolidated annual financial statements as at and for the financial year ended 31st December, 2009 which appear on pages 8 to 69 of the Consolidated Financial Statements section. The balance sheet appears on page 9, the income statement appears on page 8, the cash flow statement appears on page 11 and the explanatory notes appear on pages 12 to 69 of the Consolidated Financial Statements section; and
  - (iii) the audited non-consolidated annual financial statements as at and for the financial year ended 31st December, 2009 which appear on pages 3 to 54 of the Financial Statements section. The balance sheet appears on page 4, the income statement appears on page 3, the cash flow statement appears on page 6 and the explanatory notes appear on pages 7 to 54 of the Financial Statements section;
- (b) the 2008 Annual Financial Report of Piraeus Bank, including:
  - (i) 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 section. The auditors' report appears on page 68, the balance sheet appears on page 12, the income statement appears on page 11, the cash flow statement appears on page 14 and the explanatory notes appear on pages 15 to 67 of the Consolidated Financial Statements section; and
  - (ii) 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 section. The auditors' report appears on page 52, the balance sheet appears on page 4, the income statement appears on page 3, the cash flow statement appears on page 6 and the explanatory notes appear on pages 7 to 51 of the Financial Statements section;
- (c) the financial statements for the three months ended 31st March, 2010 of Piraeus Bank, including the unaudited consolidated interim condensed financial statements as at and for the three months ended 31st March, 2010 which appear on pages 2 to 17. 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 17 of that document;
- (d) the financial statements for the three months ended 31st March, 2010 of Piraeus Bank, including the unaudited interim condensed financial statements as at and for the three months ended 31st March, 2010 which appear on pages 2 to 15. 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 15 of that document;
- (e) the annual report for the year ended 2009 of Piraeus PLC, including the auditors' report and audited annual financial statements as at and for the financial year ended 31st December, 2009 which appear on pages 6 to 20. The auditors' report appears on page 6, the balance sheet appears on page 8, the profit and loss account appears on page 7, the cash flow

statement appears on page 9 and the explanatory notes appear on pages 10 to 20 of that document; and

- (f) the annual report for the year ended 2008 of Piraeus PLC, including 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. The auditors' report appears on page 6, the balance sheet appears on page 8, the profit and loss account appears on page 7, the cash flow statement appears on page 9 and the explanatory notes appear on pages 10 to 21 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](http://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 herein<sup>1</sup>. 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 €20,000,000,000 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.

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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

**€20,000,000,000 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].<sup>1</sup>

[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].<sup>2</sup>

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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.

## 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 13th August, 2010 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.]*

- |    |       |                                   |   |
|----|-------|-----------------------------------|---|
| 1. | (i)   | Issuer:                           | [Piraeus Group Finance PLC]<br>[Piraeus Bank S.A.] <sup>1</sup>   |
|    | (ii)  | Issuing Branch:                   | [Not Applicable/specify branch]   |
|    | (iii) | [Guarantor:                       | [Piraeus Bank S.A. <i>in respect of Notes issued by Piraeus Group Finance PLC</i> ]] <sup>1</sup>                           |
| 2. | (i)   | Series Number:                    | [ ]   |
|    | (ii)  | Tranche Number:                   | [ ]   |
|    |       |                                   | <i>(if fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)</i> |
| 3. |       | Specified Currency or Currencies: | [ ]   |

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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.

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 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 subparagraphs 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 subparagraphs 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 subparagraphs 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 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): [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 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 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: [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(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]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (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]
- (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(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 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 nonexempt 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 €20,000,000,000 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** [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 [ ].]

2. **RATINGS**

Ratings:

The Notes to be issued have been rated:

[S&P: [ ]]

[Moody's: [ ]]

[[Fitch]: [ ]]

[[Other]: [ ]]

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*

*(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: [ ]

*(See "Use of Proceeds" wording in Offering Circular – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)*

(ii) Estimated net proceeds: [ ]

*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

(iii) Estimated total expenses: [ ]. *[Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses".]*

*(N. B. If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (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: [ ]

[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

**€20,000,000,000 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 13th August, 2010 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.]<sup>1</sup>
- (ii) Issuing Branch: [Not Applicable/specify branch]
- (iii) [Guarantor: [Piraeus Bank S.A. in respect of Notes issued by Piraeus Group Finance PLC]]<sup>1</sup>
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]

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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.

*(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]  
[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  
  
N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration  
  
N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)
- (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]  
  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[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: [ ]  
(Either LIBOR, EURIBOR or other, although additional information is required if other –

including 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 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)*
  - Relevant Screen Page: [ ]  
*(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
  - (vii) ISDA Determination:
    - Floating Rate Option: [ ]
    - Designated Maturity: [ ]
    - Reset Date: [ ]
  - (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 €20,000,000,000 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:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

(vii) *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 unmaturing 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](http://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 2006. The principal place of business of Piraeus PLC is Tower 42, 25 Old Broad Street, London EC2N 1PB, telephone +44 20 7920 6000. The registered office of Piraeus PLC is 4 Felstead Gardens, Ferry Street, London E14 3BS. Piraeus PLC was acquired by Piraeus Bank on 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:

<b>Name</b>	<b>Address</b>	<b>Principal activities</b>
Chris Wheeler	Tower 42, 25 Old Broad Street London EC2N 1PB	Director of Piraeus PLC Director of Piraeus Group Capital Ltd
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.

Save for Piraeus PLC's dependence upon Piraeus Bank and other subsidiaries of Piraeus Bank (as referred to above), no trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on Piraeus PLC's prospects for the current financial year have been identified.

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

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, 2009 and 31st December, 2008. There has been no material change in the capitalisation of Piraeus PLC since 31st December, 2009.

	<b>Year ended 31st December, 2009</b>	<b>Year ended 31st December, 2008</b>
	<b>(Amounts in EUR thousands)</b>	
Authorised Share Capital of 50,000 Ordinary Shares of £1 each.....	71	71
Issued Share Capital of 50,000 Ordinary Shares of 25 pence each paid up .....	18	18
Profit and loss account .....	368	35
<b>Total Shareholders' Equity</b> .....	<b>386</b>	<b>53</b>
Shareholders' Equity.....	386	53
Creditors falling due within one year .....	1,949,208	1,192,258
<b>Total Shareholders' Equity and Liabilities</b> .....	<b>4,302,918</b>	<b>4,106,503</b>

The debt of Piraeus PLC as of 31st December, 2009 was €4,302.9 million (2008: €4,106.5 million).

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

### Accounts and Dividends

Since the date of its incorporation, four dividend payments have been made. These amounted to €3.5 million in 2006, €6 million in 2007, €5.5 million in 2008 and €3.0 million in 2009. Copies of the latest annual accounts for the years ended 31st December, 2008 and 2009 and interim accounts of Piraeus PLC 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, 2009. 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, 2009	Year ended 31st December, 2008
	(Amounts in EUR thousands)	
Turnover .....	112,773	325,858
Interest payable .....	(108,194)	(318,103)
Foreign exchange losses.....	(38)	(125)
	4,541	7,630
Administrative expenses.....	(78)	(148)
<b>Profit on ordinary activities before taxation</b> .....	4,463	7,482
Tax on Profit on Ordinary Shares .....	(1,130)	(2,215)
<b>Retained profit for the financial period</b> .....	3,333	5,267

### Balance Sheet

	Year ended 31st December, 2009	Year ended 31st December, 2008
	(Amounts in EUR thousands)	
<b>Current Assets</b>		
Amounts due from parent undertakings .....	4,292,719	4,100,401
Fair Value of derivatives .....	2,179	-
Cash at bank and in hand .....	8,020	6,102
	4,302,918	4,106,503
<b>Creditors: Amounts falling due within one year</b> .....	(1,949,208)	(1,192,258)
<b>Derivative financial instruments</b> .....	(2,179)	-
<b>Net Current Assets</b> .....	2,351,531	2,914,245
<b>Creditors: Amounts falling due after more than one year</b> .....	(2,351,145)	(2,914,192)
<b>Net Assets</b> .....	386	53
<b>Capital and Reserves</b>		
Called up capital .....	18	18
Profit and loss account .....	368	35
<b>Shareholders' Funds</b> .....	386	53

## Cash Flow Statement

	<b>1st January- 31st December, 2009</b>	<b>1st January- 31st December, 2008</b>
	<b>(Amounts in EUR thousands)</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Cash Inflows</b>		
Interest and commission receipts .....	112,773	325,858
Less: (Increase)/decrease in accrued income.....	(1,192)	19,188
<b>Sum of cash inflows</b> .....	<u>111,581</u>	<u>345,046</u>
<b>Cash Outflows</b>		
Interest and commission expense .....	108,194	318,103
Other operating and exceptional expenses .....	78	148
Loss from FX trading and revaluations and loss from securities trading .....	38	125
Increase/(decrease) in loans and advances to customers and credit institutions .....	191,126	(2,557,867)
(Decrease)/increase in accrued expenses .....	(2,058)	19,307
Taxes and dividends cash flows .....	<u>7,386</u>	<u>4,274</u>
<b>Sum of cash outflows/(inflows)</b> .....	<u>304,764</u>	<u>(2,215,910)</u>
<b>Net cash from operating activities</b> .....	(193,183)	2,560,956
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Cash inflows/(outflows)</b>		
Increase/(decrease) in liabilities from issuing bonds and other securities.....	<u>195,101</u>	<u>(2,560,613)</u>
<b>Net cash from financing activities</b> .....	<u>195,101</u>	<u>(2,560,613)</u>
<b>Net increase in cash and cash equivalents</b> .....	1,918	343
<b>Cash and cash equivalents at the beginning of the year ..</b>	<u>6,102</u>	<u>5,759</u>
<b>Cash and cash equivalents at the end of the year</b> .....	<u><u>8,020</u></u>	<u><u>6,102</u></u>

## 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 the regulation 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 types of financial and banking activities in the Greek market. Piraeus Group possesses particular know-how in the areas of small and medium-sized enterprises ("SMEs"), retail banking, corporate banking, project finance, leasing, capital markets, investment banking and provides services in asset management and bancassurance. Piraeus Bank offers services through a nationwide network and also through the electronic banking network winbank ("winbank"). The latter offers a full set of services through four different distribution channels: the internet, mobile phones, a call centre and ATMs. The excellent level of service provided by winbank has attracted a number of awards and distinctions.

Both Piraeus Bank and the Piraeus Group, as a whole, have developed significantly over the last few years, both 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 seven 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, 2009, Piraeus Bank Group had a network of 872 branches (359 in Greece and 513 abroad) and employed 13,417 people, while its total assets amounted to €54.3 billion.

As of 31st December, 2009, Piraeus Bank's share capital consisted of 336,272,519 common registered shares with voting rights, listed on ATHEX. The total number of shareholders stood at 146,938. No individual shareholder owns an interest in excess of 5 per cent. No shareholder has a controlling interest in Piraeus Bank. Piraeus Bank Group's equity capital amounted to €3.6 billion (including Greek state preference shares of €0.37 billion) with a CAD ratio of 9.8 per cent. and Tier I 9.1 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 (nominal value €4.77 each) 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").

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NB: There might be slight variations of the total sums contained in some tables compared to the figures of the consolidated financial statements of 2009, due to rounding of the decimals of separate items which comprise them.

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, Piraeus Bank prepares all its financial statements under the International Financial Reporting Standards ("IFRS"), while, for comparability purposes, in 2004 financial statements were also prepared under IFRS. PricewaterhouseCoopers are the auditors for the annual financial statements. The quarterly financial statements prepared by Piraeus 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 11.6 per cent. at December 2009 (source: published parent level financial statements – Bank of Greece).

For 2010, the domestic economic environment is expected to be tough and full of challenges, with reduced demand and adaptation to the new situation dictated by the new stringent fiscal adjustment process which was agreed upon in early May 2010 between Greece and the European Union, the ECB and the IMF.

In order to ensure satisfactory liquidity and capital adequacy, the Group's 2010 policy continues to pivot around the priorities set for 2009:

- to shield its balance sheet;
- to ensure asset quality;
- to maintain satisfactory liquidity;
- to manage operating costs efficiently; and
- to maintain a satisfactory capital adequacy level.

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, 2009 (save as stated therein):

<b>Piraeus Bank Group</b>				
<b>Commercial Banking</b>	<b>Investment Banking</b>	<b>Asset Management</b>	<b>Bancassurance</b>	<b>Non-Financial Companies</b>
Tirana Bank I.B.C. S.A. (97%) Marathon Banking Corporation (94%) <i>(as of June 2010)</i> Piraeus Bank Romania S.A. (100%) Piraeus Bank Beograd A.D. (100%) Piraeus Bank Bulgaria A.D. (100%) Piraeus Bank Egypt S.A.E. (98%) <i>(as of June 2010)</i> OJSC Piraeus Bank ICB (100%) Piraeus Bank Cyprus LTD (100%) Piraeus Leases S.A. (100%) Piraeus Card Services S.A. (100%) Piraeus Multifin S.A. (100%) Piraeus Factoring S.A. (100%) 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 (98%) <i>(as of June 2010)</i> Piraeus Leasing Doo Beograd (100%) Olympic Commercial & Tourist Enterprises S.A. (60%) <i>(as of June 2010)</i>	Piraeus Securities S.A. (100%) Piraeus Egypt for Securities Brokerage Co (97%) <i>(as of June 2010)</i>	Piraeus Asset Management Mutual Funds (100%) Piraeus Asset Management Europe S.A. (100%) Piraeus Group Capital LTD (100%) Piraeus Group Finance PLC (100%)	Piraeus Insurance and Reinsurance Brokerage S.A. (100%) Piraeus Insurance Agency S.A. (100%) Piraeus Insurance – Reinsurance Broker Romania S.R.L. (100%) Piraeus Insurance Brokerage EOOD (100%) Piraeus Insurance Brokerage Egypt (95%) <i>(as of June 2010)</i>	Piraeus Direct Services S.A. (100%) Piraeus Real Estate S.A. (100%) Picar S.A. (100%) ETVA Industrial Estates S.A. (65%)

#### **4. Ownership of Piraeus Bank**

As at 31st December, 2009 the ownership of Piraeus Bank per shareholder identity was as follows:

28.1%	Foreign institutional investors
11.1%	Greek institutional investors
20.3%	Enterprises
2.5%	Greek State (ex-ETVAbank's shareholder)
0.7%	ETESEP
37.3%	Individual Shareholders

On 1st June, 2009, Piraeus Bank, pursuing its strategic aim to strengthen further 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.

On 31st December, 2009, the Piraeus Bank share capital amounted to €1,974,019,914.81, divided into 336,272,519 common registered shares with voting rights and a nominal value of €4.77 each, and 77,568,134 preference shares of L.3723/2008, without voting rights and a nominal value of €4.77 each.

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 (hereinafter also known as "BoD"). The Board of Directors, which is the managerial body of the Bank, is made up of sixteen members, of which six have executive and ten have non-executive duties. Three of the non-executive directors are also independent, according to the effective legislation. The meetings of the Board of Directors are attended by the appointed Representative of the Greek State, under article 1 of L.3723/2008.

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 CEO (Chief Executive Officer)

Stavros M. Lekkakos, Managing Director & Deputy CEO

Alexandros S. Manos, Managing Director

Christodoulos G. Antoniadis, Deputy Managing Director

Ilias D. Milis, Deputy Managing Director

Spiridon A. 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 Adviser to Piraeus Bank, University Professor, Member of the Audit Committee

Eftyhios Th. Vassilakis, Businessman

Iakovos G. Georganas, Financial Adviser and Chairman of the Risk Management Committee  
Stylianos D.Golemis, Economist, Businessman

Fotini A. Karamanli, Lawyer (\*)

Theodoros P. Mylonas, Chairman of the Audit Committee (\*)

Vassilios St. Fournalis, 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, project finance, 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. Deposits and retail bonds of the Group amounted to €30.8 billion at the end of December 2009, a decrease of 1.7 per cent. year-on-year on the back of the decline in the Greek portfolio (a decrease of 3 per cent. compared to 2008), while international deposits were up 5.9 per cent. compared to the previous year.

<b>Deposits (on a consolidated basis)</b> <b>Amounts in EUR million</b>	<b>as at 31st December</b>		
	<b>2009</b>	<b>2008</b>	<b>Change</b>
Savings deposits .....	4,293	3,382	+26.9%
Sight & Other deposits .....	5,615	4,738	+18.5%
Term deposits, Retail Bonds & Repos .....	20,848	23,173	-10.0%
<b>Total customer deposits and retail bonds .....</b>	<b>30,755</b>	<b>31,294</b>	<b>-1.7%</b>

#### 6.1.2. Mortgage and Consumer Credit

Mortgage loans in Greece amounted to €5.9 billion at the end of 2009 compared to €6 billion one year earlier, with a market share of 7.4 per cent.

The Group's consumer loans balance in Greece reached €3.3 billion at the end of 2009 compared to €3.5 billion at the end of 2008, in line with the market trends and maintaining almost the same market share, at 8.3 per cent.

Regarding personal loans, the Bank introduces a new philosophy in the promotion of products for individuals, with the launch of the 'Profile' consumer loans. Profile offers tailor-made consumer loans which are rated according to each customer's characteristics, specific needs and capabilities, its relationship with Piraeus Bank and its credit behaviour with other banks.

The Bank's credit cards market share rose to 8 per cent. in 2009 from 7 per cent. in 2008, with the balance reaching €766 million (from €706 million in 2008), as a result of customer-focused product design (e.g. balance transfer programmes and programmes for the payment of taxes and road use charges).

The Bank is active in consumer vehicle financing via Piraeus Multifin S.A., which finances new and used cars, motorcycles and small vessels. It cooperates with more than 300 car dealers and car importers, including certain major dealers.

**Consumer Credit (on a consolidated basis)**  
**Amounts in EUR million**

	<b>as at 31st December</b>		
	<b>2009</b>	<b>2008</b>	<b>Change</b>
Consumer Loans.....	4,949	5,264	-6.0%
Mortgage Loans .....	6,659	6,693	-0.5%
<b>Totals .....</b>	<b>11,608</b>	<b>11,956</b>	<b>-2.9%</b>

6.1.3. Other Retail Banking Services

6.1.3.1. Bancassurance and Insurance Brokerage

Piraeus Insurance Agency S.A., together with Piraeus Insurance and Reinsurance Brokerage S.A., form the single arm of insurance mediation services, aimed at fully covering the insurance needs of Piraeus Bank Group customers. In 2009, the total managed portfolio increased to €223 million, from €207 million, in 2008, while premium income from new business in 2009 was €48 million compared to €37 million in 2008.

- Piraeus Insurance Agency S.A.

Maximising its business synergies with insurance companies ING and VICTORIA, the know-how of its staff, as well as the bancassurance segment of Piraeus Bank, the company offers insurance solutions covering the daily needs of its customers.

Its scope of business focuses on boosting the sales of standard Life, Health, Pension and Retail General Insurance (motor, property, liability, personal accident) products, using the Piraeus Bank network. It is also in charge of providing top training to the branch network staff, as well as new product design and all the necessary marketing activities.

- Piraeus Insurance and Reinsurance Brokerage S.A.

The company operates as a broker for all types of insurance contracts. The company's activities are primarily intended to cover the insurance needs of the Bank's customers as well as the needs of the Group in total. At the same time, it focuses on broadening the Group's customer base by developing relations with prospective individual or corporate clients.

6.1.3.2. winbank, e-banking

For the ninth consecutive year, winbank (the Bank's internet banking service) is still the e-banking leader among similar services offered by Greek banks, since it ranked first in all comparative competitions held by technology magazines, such as PC World ("Excellent Service"), PC Magazine ("Editor's Choice") and RAM ("Top Performance"), but also in the voting Tech Excellence Awards, where winbank was voted the best e-banking service of the year. Moreover, a customer

satisfaction survey conducted in 2009 reported very high satisfaction rates regarding the use of winbank, reaching 96 per cent.

In 2009, the subsidiary Piraeus Bank Bulgaria AD was also integrated in the winbank international platform (awarded in 2008 by Microsoft and Banking Technology magazine), making it the third subsidiary to become part of this platform after Albania and Cyprus. At the same time, internet banking is expected to begin in Piraeus Bank Egypt S.A.E. during 2010, since the system has already been developed.

In 2009, there was a 24 per cent. increase in registered winbank users, increasing the percentage of Piraeus Bank customers using the service in 2009 to 21 per cent., from 17 per cent. in 2008 and 12 per cent. in 2007. Winbank visits increased by 23 per cent. from 17 per cent. in 2008, while the number of active users increased by 30 per cent. in 2009 compared with 11 per cent. in 2008. There was also a noteworthy increase in stock exchange orders placed via winbank in 2009, which exceeded 60 per cent. annually. Winbank served over 40 per cent. of payments to the State (VAT, Social Security Institute, Insurance Organization for Professionals), processed 40 per cent. of customers' remittances and accounted for 50 per cent. of the Bank's stock exchange trading.

At the end of 2009, the Piraeus Bank ATM network had 694 ATMs: 362 installed in Bank branches and 332 off-site. In 2009, a total of 24 million transactions were conducted via ATMs, 4 per cent. more than 2008, (of which 6 million were conducted using the off-site network) and 10 per cent. more than in 2008. Moreover, the total number of activated debit cards at the end of 2009 was 945,000, an increase of 9 per cent. since 2008. Transactions using debit cards at ATMs amounted to €17 million, (an increase of 8 per cent.), while transaction value amounted to €4.3 billion in 2009 compared to €4 billion in 2008. There was a significant increase in the use of debit cards for purchases (an increase of 29 per cent.), with more than 2 million transactions and a total value of €160 million, showing an increase of 17 per cent. Finally, at the end of 2009, the Bank started to distribute the new "smart" debit cards, integrating EMV Chip technology for additional security.

#### 6.1.3.3. Green business and green banking products

In 2009, Piraeus Bank made a commitment to provide further financing to enterprises and individuals wishing to invest in environmentally friendly projects. Therefore, it offers financing options to all enterprises and private individuals involved in any of the following fields:

- Renewable Energy Sources (RES)
- Energy Saving
- Green Transportation
- Alternative Waste and Water Management
- Organic Farming
- Green Chemistry
- Ecotourism – Agrotourism

Consequently, Piraeus Bank supports all areas of green business in an effort to respond to the current environmental challenges, thereby helping to address the greenhouse effect and the consequences brought about by climate change.

Since 2006, Piraeus Bank has been offering specifically designed green banking products to support the various areas of green business. By year-end 2009, Piraeus Bank had financed green businesses with €387 million. Moreover, it extended credit lines to green investments in excess of €640 million. This is more than double compared to 2008.

## 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, 2009, Piraeus Bank Group's loan portfolio consisted of 70 per cent. business loans, with an outstanding principal balance of €27 billion at the same level compared to the 2008 balance. Corporate loans increased by 5.2 per cent. to €8.9 billion in 2009, of which €1.2 billion were to shipping companies (3.2 per cent. of the Group's loan portfolio). Loans to SMEs decreased to €18.2 billion, representing 47 per cent. of total Group portfolio.

### 6.2.1. Corporate Loans and Advances to Businesses

Piraeus Bank Group holds a strong position in business financing with considerable diversity in all sectors of the economy and an emphasis on SMEs. Total loans and advances to businesses by Piraeus Bank Group in Greece amounted to €20.7 billion at the end of 2009, slightly higher than €20.6 billion in 2008. Loans to large enterprises rose to €7.3 billion, while loans to medium- and small-sized enterprises stood at €13.4 billion. At the end of 2009, the Bank's market share in Greece for all business loans stood at 14.7 per cent. compared to 15.4 per cent. at the end of 2008 (source: Bank of Greece for the Greek Market, Piraeus Bank Financial Statements).

With respect to leasing activities, Piraeus Leases S.A. focuses on car, real estate and machinery leasing and has a market share of 14 per cent. (source: Piraeus Bank estimate). In 2009, total loans have decreased to €1.2 billion from €1.3 billion in 2008.

Olympic Commercial and Tourist Enterprises S.A., which operates under the AVIS-Best Leasing trademark, continued to grow during 2009, exceeding its targets in both short-term and long-term leases, despite the relatively difficult conditions that prevailed in the sector. Specifically, in long-term leases, which accounts for 87 per cent. of the company's business, there was major growth, despite the negative economic climate, with the addition of approximately 500 new cars, exceeding initial expectations.

The company also undertook fleet management on behalf of large companies. These synergies led to significant benefits, which are expected to continue in the future. The company's total fleet amounted to 30,500 cars in 2009 with a value of €379 million (total fleet at the end of 2008 stood at 20,900 cars with a value of €378 million), while turnover grew by 6 per cent. to €133 million compared to €126 million in 2008 (13 per cent. increase).

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.

<b>Loans (on a consolidated basis)</b> <b>Amounts in EUR million</b>	<b>as at 31st December</b>		
	<b>2009</b>	<b>2008</b>	<b>Change</b>
Medium–Large Enterprises .....	8,901	8,457	+5.2%
SMEs .....	18,175	18,602	-2.3%
<b>Total</b> .....	<b>27,076</b>	<b>27,059</b>	<b>+0.1%</b>

### 6.3. Investment Banking

#### 6.3.1. Capital Market Operations & Advisory Services

Piraeus Bank provides underwriting and advisory services across the capital market product spectrum. In 2009, Piraeus Bank was one of the two main underwriters of the only IPO that was made on the Athens Exchange, namely that of MIG Real Estate S.A. At the same time, the Bank also acted as adviser on the share capital increase of PostBank, Agricultural Bank and Probank S.A.

It is also worth noting that in 2009 Piraeus Bank ranked as the top adviser to the boards 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. was one of the first private securities companies to become a member of ATHEX upon the company's establishment in 1990. The company's network includes two branch offices (Thessaloniki and Patra), eighteen associated Investment Brokerage Companies, 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 2009, 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 stood at 7.2 per cent compared to 8 per cent. in 2008. Furthermore, in 2009 its market share of futures on stocks rose to 25.3 per cent. compared to 24 per cent. in 2008. The company was equally active on behalf of its customers in derivatives transactions in all major international capital markets.

#### 6.3.3 Shareholdings – Participations

2009 marked the continued capital strengthening of subsidiaries, affiliates and other equity participations of the Group, as well as the restructuring of individual activities. These actions are aimed at expanding the Piraeus Group's operations, as well as better management at both the business and operating levels. To this end, the Bank has:

- increased its equity participation in subsidiary companies of the financial sector abroad by €60 million;
- increased its equity participation in Picar S.A., operating in real estate management, in Atlantic Insurance Public Co Ltd based in Cyprus and in Piraeus Insurance Agency S.A.; and
- sold its equity participation in Proton Bank S.A.

### 6.4. Asset Management

Total assets managed by the Piraeus Bank Group (deposits, mutual funds, wealth management) amounted to €32 billion at the end of 2009, marginally down against year-end 2008 due to redemptions of retail bonds.

#### Assets under Management by the Group Amounts in EUR million

	as at 31st December		
	2009	2008	Change
Deposits & repos .....	30,064	28,381	5.9%
Retail bonds .....	692	2,913	-76.3%
Assets under management <sup>(1)</sup> .....	1,208	1,318	-8.3%
<b>Total</b> .....	<b>31,964</b>	<b>32,612</b>	<b>-2.0%</b>

(1) Mutual Funds (excluding money market) and wealth management

#### 6.4.1 Piraeus Asset Management Mutual Funds

Piraeus Asset Management Mutual Funds S.A. is the Bank's investment arm in the management of mutual funds and institutional investors.

In 2009, Piraeus Asset Management Mutual Funds continued its collaboration with the international financial firms Goldman Sachs, JP Morgan Asset Management, Pioneer Asset Management and ING Luxembourg, and also launched a new partnership with Pictet Funds Luxembourg.

The company manages/represents a total of 206 mutual funds. At year-end 2009, the total mutual fund assets stood at €0.4 billion compared to €0.5 billion in 2008.

#### 6.4.2. Wealth Management

At the end of 2009, assets under the management of the Wealth Management unit amounted to €0.9 billion. In July 2009, Piraeus Bank and BNP Wealth Management concluded a strategic agreement for the provision of wealth management services in the countries where Piraeus Group operates. Piraeus Wealth Management S.A., the company that resulted from the joint venture between Piraeus Group and BNP Paribas Wealth Management, obtained the necessary authorisations from supervisory authorities in November 2009 and started operating on 29th March, 2010. This new company offers a unique combination of powerful specialisation in Greece and international know-how, allowing customers access to global-level wealth management solutions, as well as a complete nexus of products and services, both in Greece and abroad.

#### 6.5. *Treasury*

2009 started off with international markets caught in the wake of negative end-2008 developments. Major concerns included maintaining adequate liquidity, the quality of balance sheet items, and the efficient use of regulatory capital, all of which represent priorities for the Bank's Treasury activities.

2009 saw changes in the amounts of deposits and loans that were equivalent to each other. The year also witnessed the securitization of business and consumer loans in the amount of €5.1 billion as well as two new €500 million fixed-rate senior bond issues with tenors of two and three years.

Total credit instruments in circulation reached €4.3 billion at year-end 2009, slightly decreased year-on-year. Despite the negative climate in the money markets, the Bank managed to maintain its interbank lending at the level of €1 billion compared to €2 billion at the end of 2008, and indeed, with a large number of counterparties. Institutional investors increased their placements with the Bank, while transactions with these customers reached historic highs at €1.3 billion compared to €0.7 billion at the end of 2008 (an increase of 86 per cent.).

The Bank pursued the prudent and diligent management of assets under management. At the same time, there was constant support to all the business units of the Bank and development of new products. Special emphasis was placed on the one hand on attracting customers' capital, as a result of which there was an improvement of the loans to deposits ratio (adjusted for securitisations to 107 per cent. compared to 112 per cent. in 2008), and on the other hand on hedging products enabling customers to conduct significant transactions, in terms of volume and complexity, and successfully managing a broad range of FX, interest rate and commodity risks.

In the Greek Government Bond market, according to the evaluation of the Bank of Greece, the Bank ranked 2nd among the 21 Primary Dealers for the second year in a row. This ranking was achieved following an evaluation of both quantitative and qualitative criteria, as well as the fact that the Bank primarily sold securities worth €7 billion to end-investors, while being very active in the secondary market with a total transaction volume exceeding €115 billion compared to €170 billion in 2008.

One of the key goals set by Piraeus Bank for 2009 was to ensure its liquidity. In this framework, the Group's credit has been adjusted to market conditions and with a policy to match the change of loans and deposits.

#### 6.6. *International Banking Activities*

2009 was a year that confirmed Piraeus Group's options abroad. Prudent and selective geographic expansion, combined with cautious and well-planned risk management, proved to be choices that helped to avoid any overall negative impact on the Group's international activities throughout the crisis that started at the end of 2008.

Piraeus Group is present in nine countries, four of which are EU Member States.

The Group's main fields of business abroad include medium enterprises, corporate, investment and retail banking, offering quality and innovative products and services to customers. Moreover, the fact that the Piraeus Group has a number of subsidiaries abroad, offering specialised financial services (leasing, insurance and investment services, real estate), does indeed expand its customer base, adding, at the same time, great value to the business activity in each country of operation.

Another point of focus for the Group in 2009 was the safeguarding of the loan portfolios held by subsidiaries in countries abroad, through increased provisions, considering the prevailing conditions in each market, as well as its fundamentals.

In 2009, the deposits of the Bank's foreign units rose by 5.9 per cent., amounting to €4.9 billion compared to €4.6 billion at the end of 2008. There was a €271 million increase in deposits compared with a €74 million decrease in loans in 2009. The loans of the Bank's foreign units decreased by 1.2 per cent. year-on-year, amounting to €6.2 billion in 2009 (almost at the same level compared to 2008).

In 2009, the Group's international network comprised 513 branches compared to 537 in 2008. It is noteworthy that this decrease in the number of branches is attributed to the rationalisation of the network in Ukraine, with the discontinuation of small branches that were considered ineffective.

#### **Deposits from Customers**

**(based on financial statements in each country)**

	<b>as at 31st December</b>		
	<b>2009</b>	<b>2008</b>	<b>Change</b>
	<b>Amounts in EUR million</b>		
Albania – Tirana Bank IBC S.A. ....	410	426	-3.9%
Bulgaria – Piraeus Bank Bulgaria AD .....	655	633	3.4%
Romania – Piraeus Bank Romania S.A. ....	1,142	941	21.4%
Serbia – Piraeus Bank Beograd AD.....	154	104	47.7%
Egypt – Piraeus Bank Egypt SAE .....	1,091	1,054	3.5%
Ukraine – OJSC Piraeus Bank ICB .....	63	46	36.6%
Cyprus – Piraeus Bank Cyprus Ltd .....	774	784	-1.3%
USA – Marathon Banking Corporation .....	506	501	0.8%
London – Piraeus Bank UK .....	67	101	-33.2%
<b>Total</b> .....	<b>4,862</b>	<b>4,591</b>	<b>5.9%</b>

**Loans and Advances to Customers****(based on financial statements in each country)****as at 31st December****2009      2008      Change****Amounts in EUR million**

Albania – Tirana Bank IBC S.A. ....	446	469	-4.8%
Bulgaria – Piraeus Bank Bulgaria AD .....	1,564	1,687	-7.3%
Romania – Piraeus Bank Romania S.A. ....	1,812	1,936	-6.4%
Serbia – Piraeus Bank Beograd AD.....	389	335	16.3%
Egypt – Piraeus Bank Egypt SAE .....	713	840	-15.1%
Ukraine – OJSC Piraeus Bank ICB .....	223	216	3.2%
Cyprus – Piraeus Bank Cyprus Ltd .....	616	346	78.1%
USA – Marathon Banking Corporation .....	390	401	-2.6%
<b>Total</b> .....	<b>6,155</b>	<b>6,229</b>	<b>-1.2%</b>
From Piraeus Bank mainly to firms of Greek and European Union interests .....	2,558	2,692	-5.0%

**6.6.1. Piraeus Bank Branch in London**

Piraeus Bank Group has established its presence in London, one of the world's largest financial centres, since 1999. The London Branch activities include:

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

The Branch also offers deposit products combined with tailor-made personal banking services. Finally, it is worth noting that the London Branch is the Group's organisation base in terms of raising funds (senior, subordinated debt, hybrid funds, securitisations) from the European and global markets.

**6.6.2. Marathon National Bank of New York**

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

**6.6.3. Piraeus Bank Romania S.A.**

Piraeus Bank Group established its presence in Romania in 2000, and currently has a network of 186 branches. In 2009, Piraeus Bank Romania mostly focused on maintaining asset quality and on attracting deposits.

In 2008, the Bank invested heavily in edifices and technological infrastructures. Specifically, it upgraded the central system and installed a new loan system that significantly improved the efficiency of information processing, while supporting the promotion of new products. Moreover, the recently-acquired head office building was completed and the departments were relocated. The Bank also concluded an agreement with the European Investment Bank (the "EIB") for a funding programme of €50 million that will be disbursed as loans to SMEs. Subsidiaries Piraeus Leasing Romania and Piraeus Insurance Brokerage Romania also operate in the country.

#### 6.6.4. Tirana Bank IBC S.A.

Tirana Bank IBC S.A. was founded in September 1996 and was the first privately owned bank in Albania. Today, it has 47 branches and is the second largest bank in the country, in terms of loans (source: Albanian Association of Banks).

In 2009, Tirana Bank IBC S.A. focused on fully upgrading both its operations and the quality of services provided to customers. It also reorganised its structure by creating new departments to cater to the increasing market requirements. Moreover, the bank entered into an agreement with the EIB to disburse €10 million to SMEs. It also refurbished its head offices and the entire branch network, creating modern and ergonomic working areas. Since 2004, a leasing company has been operating in Albania, called Tirana Leasing S.A..

#### 6.6.5. Piraeus Bank Bulgaria AD

Piraeus Bank Bulgaria AD started operating in 1993, when a branch was set up in Sofia, making it the first foreign bank established in Bulgaria. Today, with an existing network of 101 branches, the Bank offers extensive geographical coverage of the country and is one of the major banks in Bulgaria. Subsidiaries Piraeus Leasing Bulgaria EAD, Auto Leasing Bulgaria EAD and Piraeus Insurance Brokerage EOOD also operate in the country.

2009 was a successful year in terms of operation for Piraeus Bank Bulgaria AD. The bank sought and managed to significantly improve and upgrade the operation of its branch network. Two business centres were created exclusively for providing services to SMEs, while, at the same time, an agreement was signed with the EIB to disburse €40 million to SMEs. In addition, special emphasis was placed on increasing deposits with the establishment of a specialised department in order to attract funds.

#### 6.6.6. Piraeus Bank Beograd AD

Piraeus Bank Beograd AD has made remarkable progress since it joined the Piraeus Bank Group in May 2005. Today, the subsidiary has a network of 47 branches.

During 2009, Piraeus Bank Beograd AD took part in the "Development Fund" programme which consists of a framework of measures introduced by the Serbian government to stimulate the economy. It also reached an agreement with the EIB to receive a funding programme of €20 million, to disburse to SMEs.

In 2009, the head offices were relocated to a new, modern building, thus covering the need for contemporary and functional work areas.

With regards to bancassurance, the bank launched a partnership with Alico and organised training sessions for selected employees, so that they obtain the necessary certificates to sell insurance products in the branches. Finally, the bank placed emphasis on attracting deposits by developing new products. In the leasing sector, Group subsidiaries Piraeus Leasing Doo Beograd and Piraeus Rent Doo Beograd, which were established at the end of 2007, operate in Serbia.

#### 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 S.A.E. Today, the subsidiary has 49 branches.

2009 was the year that marked the completion of infrastructure projects which were important to the Bank's growth, such as the installation of a new central system and the commissioning of the new head office building. The branch network was reorganised to further boost productivity and upgrade the services provided. Additionally, there are insurance services (Piraeus Insurance Services) and asset management companies (Phoenix Kato Asset Management Co.) operating in Egypt, as well as a subsidiary, Piraeus Egypt Leasing Co.

#### 6.6.8. OJSC Piraeus Bank ICB

Piraeus Group has been operating in Ukraine since the end of 2007, when it acquired ICB Bank, later renamed to Piraeus Bank ICB. During 2009, the bank continued in its efforts to restructure and improve its infrastructure. This included the completion of the project to connect all branches on-line, as well as consolidation of numerous bank operations, projects that have contributed to the improvement of customer services and a reduction in operating costs. The advertising campaign launched in April 2009 and in general the bank's promotional activities, intended to enhance its corporate brand, have had a positive effect that has led to an increase in deposits at a rate faster than the market's. In addition, the extensive contraction of the country's economy in 2009 (GDP decreased by 15 per cent. compared to an increase of 2.1 per cent. in 2008) had a very negative impact on the asset quality, causing the formulation of significant provisions in order to safeguard the subsidiary's balance sheet.

Soon, the bank will start offering debit cards that can be linked with multiple accounts and used in ATMs throughout the country. Moreover, installation of the Group's e-banking platform is near completion, and will offer greater choice to customers.

#### 6.6.9. Piraeus Bank Cyprus Ltd

Piraeus Bank Group entered the Cypriot banking market at the beginning of 2008 following the acquisition of the Arab Bank branch network, becoming a subsidiary company named Piraeus Bank Cyprus Ltd., currently operating 15 branches.

During 2009, in line with the Group's main strategy, Piraeus Bank Cyprus Ltd focused its efforts on attracting deposits while at the same time offering new products to individuals, thus increasing its market share. The services offered by the bank were significantly upgraded thanks to the launching of winbank e-banking services. Furthermore, Piraeus Bank Cyprus Ltd was particularly active in strengthening the portfolio of foreign companies (International Banking Unit, IBU) operating in Cyprus. Finally, it's worth mentioning that the bank was heavily involved in Cypriot bond auctions, and also developed partnerships with Cypriot State organisations.

#### 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 65,000m<sup>2</sup>, located on the building block surrounded by Stadiou, Voukourestiou, Panepistimiou and Amerikis streets in the centre of Athens, until 2052. The users of Citylink include well-known companies in the Greek and global market. The Citylink Complex houses Piraeus Bank's headquarters, Attica Department Store, the fully renovated "Pallas", "Aliko" and "Mikro Pallas" theatres, the renowned "Holmes Place Athens" health club spa, as well as premium dining halls and international designer stores. PICAR also holds an equity participation in "Attica Golden", the company that manages and operates the relevant department store.

##### 6.7.2. ETVA Industrial Parks S.A.

ETVA Industrial Parks S.A. was set up in 2003, after the Industrial Areas sector was spun off from ETVAbank and acquired by Piraeus Group, having as its main scope of activity the establishment, management and operation of existing or new Industrial Areas. Piraeus Bank holds a 65 per cent. and the Greek state a 35 per cent. stake in the company.

The company has developed and today manages a large number of industrial areas and parks throughout Greece. ETVA Industrial Parks S.A. operates 26 industrial areas nationwide, where it

engages in building and managing infrastructure projects. Over 2,300 businesses are currently established there employing over 40,000 people.

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

Today, ETVA Industrial Parks aims at:

- effectively managing and operating the industrial areas, to create an organisation based on modern environmental standards and pivoting around the upgrading of existing industrial areas, the production of clean energy in the industrial areas, the creation of new "green" industrial areas and the creation of Environmental Business Parks on islands;
- creating opportunities by attracting new business activities to existing but also new industrial areas, thus benefiting local and regional development;
- assuming a decisive role on issues concerning the country's industrial development, and notably on issues concerning the development of sustainable business parks, as well as on issues concerning applied environmental innovation technologies at a national and international level; and
- "exporting" the acquired experience and know-how by offering high quality services to other businesses, agencies and organisations in Greece and the greater geographical region.

#### 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 2009, the company managed the construction of projects in Greece and abroad with a total budget of €92 million (€18 million in 2008), performed valuations of property with a total estimated value of €4 billion (€2 million in 2008), provided financial and technical consultant services amounting to €1 million (same as 2008) and continued the management of five major commercial and recreation developments in which Piraeus Group has equity participation.

## 7. Risk Management

Risk management is a key concern of the Management. The Bank's Management has as its top priority the constant development and implementation of an effective risk management framework, to mitigate any possible negative consequences on the Group's financial results and capital base.

The Board of Directors (BoD) has appointed a risk management committee (Board Risk Committee) so as to ensure effective monitoring and uniform control of all forms of risk and to provide specialised handling and coordination. This Committee is in charge of implementing and supervising the financial risk management principles and policy. The Board Risk Committee convenes at least on a quarterly basis and reports to the BoD on its activities.

The Assets and Liabilities Committee (ALCO) plays an active role in the Group's market and liquidity risk management. The Committee convenes at least once a month, in order to review market developments and financial risk exposures undertaken by the Bank and its subsidiaries. During 2009, special emphasis was placed on liquidity management, given the volatile market conditions.

Piraeus Group reviews on an annual basis the adequacy and effectiveness of the risk management framework, so as to respond to market dynamics, changes in products and the recommended international practices. Group Risk Management is responsible for the design, specification and implementation of the risk management framework, according to guidelines set by the Risk Management Committee. Group Risk Management consists of the Group Credit Risk and Capital Management Division and the Group Market and Operational Risk Management Division. It is subject to the Internal Audit Division's review in terms of the adequacy and effectiveness of the applied risk management procedures.

### 7.1. *Credit Risk Management*

The Bank's business activity and profitability entail the assumption of credit risk. Credit risk is the risk of financial loss for the Bank that arises when debtors are unable to fulfil their contractual/transactional obligations. It is a very significant source of risk for the Piraeus Bank Group and, therefore, its effective monitoring and management constitute a top priority for the Management. The Group's overall exposure to credit risk mainly originates from the approved credit limits and financing of corporate and retail credit, from the Group's investment and transaction activities, from trading activities in the derivative markets, as well as from the settlement of financial instruments. The level of risk associated with any credit exposure depends on various factors, including the general economic and market conditions prevailing, the debtors' financial condition, the amount, the type, and duration of the exposure, as well as the presence of any collateral/security (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, while the competent approval authorities are defined based on the size and the category of the total credit risk assumed by the Bank Group per debtor or group of associated debtors.

### 7.2. *Credit Risk Measurement and Monitoring*

Reliable credit risk measurement is at the heart of the Group's credit risk framework. 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, policy formulation and fulfilment of regulatory supervisory requirements.

As far as corporate credit is concerned, the credit rating models applied depend on the type of operations and size of the enterprise. Piraeus Bank Group applies the Moody's Risk Adviser ("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 has been used in the domestic financial subsidiaries in Greece since 2005, while from 2006 its application has been adopted by the Group's subsidiaries abroad. Regarding SMEs, internally developed (in-house) rating systems, as well as scoring systems, are applied. According to the regulatory framework for credit institutions (Basel II), the Bank has developed and applies distinct credit rating models for specialised lending.

In the context of validating, optimising and calibrating the existing MRA credit rating model to suit the Greek accounting standards, the Group optimised the existing credit rating model applicable to the corporate portfolio that concerns borrowers keeping class C accounting books with a turnover in excess of €2.5 million, and also developed a new model for the corporate portfolio that concerns borrowers keeping class C accounting books with a turnover up to €2.5 million. Corporate borrowers are ranked into fourteen ratings representing different levels of credit risk and linked to different default probabilities, thus allowing provisions to be formulated for specific exposures. Each rating level is associated with a specific customer relationship policy.

As far as retail credit is concerned, the Group places high priority on the adoption and implementation of up-to-date methods for credit risk monitoring and management. Retail credit risk monitoring entails 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 current and/or potential problem loans. Since 2002, application scoring models have been implemented to assess the creditworthiness of prospect borrowers (application scoring). At the same time, behaviour scoring models have been used to evaluate existing customers' behaviour (behaviour scoring) both at product and customer levels.

It is noted that during 2009 further progress was made in the development and implementation of application scoring models in the systems of the Group's subsidiaries abroad. Moreover, Piraeus Bank now also uses the credit rating model of Tiressias S.A. (Credit Bureau), which takes into account all exposures that an applicant has in the Greek market. Use of this model has greatly improved the performance of existing models. All models that are used by the Bank are validated at least semi-annually.

### **Piraeus Bank Group**

	<b>December 2009</b>	<b>December 2008</b>
Loans in Arrears > 90 days (IFRS 7).....	5.1%	3.6%

During 2009, there was an extended use of behaviour models in production process. Specifically, models were applied throughout the collection process cycle, resulting in better customer service and lower operating costs. At the same time, there was a major improvement in the scope and quality of credit risk assessment models implemented throughout the approval process. The importance that the Bank places on the use of model statistics in the credit cycle has led to the upgrading of the infrastructure for both in-house development and in-house validation, through the enhanced cooperation between the Bank and consultancy firms for the transfer of know-how on the above field and the acquisition of the proper software.

Other ways of monitoring credit risks include portfolio structure review, distribution of debtor population as well as monitoring of problem loans. These analyses have been further expanded to provide fuller and faster updates on the portfolio's development, with a view to the direct and effective management of the retail banking portfolio.

For the measurement and evaluation of credit risk entailed in debt securities, external ratings from rating agencies are applied. The way the Group's exposure to credit risk from debt securities and other bills is calculated, varies according to IFRS classification.

#### **7.2.1. Credit Risk Stress-Testing Exercises**

Stress-testing exercises constitute an integral part of the Bank's credit risk measuring and quantifying processes, providing estimates of the size of financial losses that could occur under potentially extreme financial conditions. Pursuant to the Bank of Greece's directives (Governor's Act 2577/09.03.06) Piraeus Bank Group conducts regular credit risk stress testing exercises, and the results are presented to and evaluated by the Risk Management Committee.

#### **7.3. Credit Risk Mitigating Techniques**

Piraeus Bank Group applies credit limits in order to manage and control its credit risk exposure and concentration. 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. Total exposure to debtors' credit risk, including financial institutions, is further controlled by the implementation of sub-limits, which address on- and off-balance sheet exposures.

In order to set customer limits, the Group takes into consideration any collateral or security which reduces the level of risk assumed. The Group categorises the risk of credits into risk classes, based on the type of associated collateral/security and their liquidation potential. The maximum credit limits that may be approved per risk class are determined by the BoD. Credit limits of the Group are set with an effective duration of up to twelve months and are subject to annual or more frequent review. Monitoring of approved limits is performed on a daily basis and any violations are reported and handled in a timely manner.

#### Collateral & Guarantees

The Group accepts collateral and guarantees against credits granted to customers, thus reducing the overall credit risk and ensuring timely payment of debts.

#### 7.4. *Liquidity Risk Management*

Liquidity risk management is associated with Piraeus Group's ability to maintain sufficient 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 the Group may meet all its payment obligations, as they fall due.

Piraeus Group considers liquidity risk management as a key priority, especially in 2009, due to the adverse liquidity conditions that prevailed both in international markets during the first half, and in the Greek economy in the fourth quarter. For this reason, functions related to close monitoring of the Bank's liquidity position, regular flow of Management information and constant evaluation of measures to sustain adequate liquidity, were further enhanced.

High liquidity levels were also maintained at a satisfactory level as a result of the highly liquid profile of the Bank's fixed income portfolio, which mainly consists of Greek Government bonds. Moreover, a large portion of the Bank's loans meets the strict eligibility criteria as guarantee for refinancing by the ECB, thus offering additional funding possibilities.

#### 7.5. *Market Risk Management*

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 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 Value-at-Risk methodology, assuming a one-day holding period and utilising a 99 per cent. confidence level. Value-at-Risk is measured for the positions in the trading book as well as the Available for Sale equity portfolio.

Total Value-at-Risk was estimated at €9.22 million for the Group's total trading book and available for sale portfolio on 31st December, 2009. During 2009, there was an increase in the trading book's total Value-at-Risk, mainly due to the increased Greek Government Bonds' positions and their rising volatility noticed throughout the year.

	<b>Group Trading Book Total VAR</b>	<b>VAR Interest Rate Risk</b>	<b>VAR Equity Risk</b>	<b>VAR Foreign Exchange Risk</b>	<b>VAR Com- modities Risk</b>	<b>Diversifi- cation effect</b>
<b>Amounts in € million</b>						
31/12/09 .....	9.22	6.40	5.44	3.30	0.13	-6.05
31/12/08 .....	5.46	2.09	4.27	2.64	0.11	-3.65

#### 7.6. *Operational Risk Management*

The Piraeus Bank Group acknowledges its exposure to operational risk stemming from its daily operation and from the implementation of business and strategic targets. In 2009, the Group pursued the consistent implementation of the operational risk management framework in the Bank's business units and the Group's subsidiaries. The aforementioned framework covers the identification, assessment, quantification, monitoring and mitigation of the operational risk. The continuous development of the framework enhances the timely and effective support to the business function of the Group and to the fulfilment of the regulatory requirements.

#### 7.7. *Group Capital Adequacy*

During 2009, the Piraeus Bank Group effectively managed the consequences of the economic crisis, a fact reflected in its financial figures. The contributing factors were the Group's quality capital structure (mostly impacted share capital and reserves), enabling it to absorb any unforeseen losses. Thus, on 31st December, 2009, the Group's Total Capital Adequacy and Tier 1 ratios were 9.8 per cent. (9.9 per cent. in 2008) and 9.1 per cent. (8 per cent. in 2008), respectively. The Group also took up a series of important initiatives to upgrade the quality of its technical infrastructure, aiming at a faster and more complete implementation of Basel projects. In this context, it launched the implementation of a new software for calculating capital adequacy at a parent and consolidated basis. Finally, projects are already in progress for the Group's gradual migration to more advanced methods for calculating capital requirements related to risks.

### **8. Analysis of Loan Portfolio**

Net loans accounted for 69.4 per cent. of the Group's total assets in 2009. The loan portfolio of the Piraeus Bank Group is highly diversified across various sectors with loans to individuals (mortgage and consumer credit) comprising 30 per cent. of total loans, loans to medium- and large-enterprises and shipping accounting for 23 per cent., and loans to SMEs 47 per cent. as at 31st December, 2009.

## Distribution of Piraeus Bank Group Loans and Advances per Sector

	<b>as at 31st December 2009</b>
Mortgage .....	17.2%
Consumer .....	12.8%
Manufacturing & Handicraft.....	13.0%
Trade .....	11.7%
Construction.....	8.4%
Real Estate .....	5.2%
Logistics & Transport .....	3.3%
Project Finance-Infrastructure .....	4.8%
Shipping .....	3.2%
Hotels.....	4.5%
Financials .....	3.0%
Agriculture .....	1.3%
State Firms .....	1.8%
Energy .....	0.8%
Other* .....	9.0%

\* other includes exposure to health industry, mines, fishery 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, 2009, the Group's net loans and advances, in currencies other than Euro, amounted to €6,926 million (18.4 per cent. of total net loans and advances to customers) compared to €7,746 million as of 31st December, 2008 (20.2 per cent. of total net loans and advances to customers).

### Net loans and Advances to Customers in Euro & Foreign Currencies

	<b>Composition as at 31st December</b>	
	<b>2009</b>	<b>2009</b>
	<b>Amounts in EUR million</b>	
Euro .....	30,762	82%
Other Currencies .....	6,926	18%
<b>Total Net Loans and Advances to Customers .....</b>	<b>37,688</b>	<b>100%</b>

With regards to asset quality, according to IFRS 7 definition, the ratio of loans in arrears above 90 days was 5.08 per cent. in 2009 versus 3.56 per cent. in 2008, while the respective coverage ratio stood at 50.6 per cent. The average ratio of loans in arrears above 90 days for the Greek market reached 7.7 per cent. in December 2009, while the average coverage ratio by provisions was 41.5 per cent. (source: Bank of Greece).

## Loan Quality

	<b>as at 31st December</b>	
	<b>2009</b>	<b>2008</b>
	<b>Amounts in EUR million</b>	
Total Loans .....	38,683	39,016
Loans in Arrears > 90 days .....	1,967	1,390
Total loan loss provisions .....	995	703
Addition to loan provisions during the year .....	449.1	373.7
Amounts written off during the year .....	157.1	86.7
Loans in Arrears > 90-day ratio .....	5.08%	3.56%
Loan loss provisions as a percentage of total loans .....	2.6%	1.8%
Loan loss provisions as a percentage of Loans in Arrears > 90 days .....	50.6%	50.6%
Write-offs as a percentage of Loans in Arrears .....	7.4%	5.9%

### 9. Analysis of Funding

As at 31st December, 2009, the Group's total obligations to customers amounted to €30.1 billion, while total customer deposits and retail bonds amounted to €30.8 billion compared to €31.3 billion as at 31st December, 2008, (a decrease of 1.7 per cent.). The Group's deposits on an annual basis were decreased by €0.5 billion, a fall attributed to term deposits and retail bonds, a decrease of €2.3 billion, while sight and savings deposits, comprising 32.2 per cent. of the Group's total deposit base versus 25.9 per cent. in 2008, recorded an increase of €1.8 billion in 2009.

As at 31st December, 2009, the Group's deposits, in currencies other than Euro, amounted to €5,972 million (20 per cent. of total obligations to customers).

#### Total Obligations to Customers in Euro and Other Currencies

	<b>Composition as at 31st December</b>	
	<b>2009</b>	<b>2009</b>
	<b>Amounts in EUR million</b>	
Euro .....	24,091	80%
Other Currencies .....	5,972	20%
<b>Total obligations to Customers</b> .....	<b>30,064</b>	<b>100.0%</b>

<b>Obligations to Customers by Maturity as at 31st December 2009</b>	<b>More than 3 months and up to 1 year</b>			<b>More than 1 year</b>	<b>Total</b>
	<b>Less than 3 months</b>				
	<b>Amounts in EUR million</b>				
Total obligations to customers .....	25,988	3,450	625	30,064	

Liabilities to credit institutions totalled €14,433 million as at 31st December, 2009 compared with €14,122 million at the end of 2008, an increase of 2.2 per cent. Interbank funding in foreign currencies represents approximately 9.7 per cent. of the total interbank deposits, whereas

maturities in all currencies most of the time do not exceed one year. Currency mismatches are managed through short-term foreign exchange forward transactions.

## **10. Technology and Infrastructures**

The main objective of Piraeus Group for 2009 was to enhance and improve IT procedures and systems, in order to upgrade the internal operation quality and enable faster and better customer service. This is in line with the constant policy followed by the Group in recent years to invest in technology and infrastructures. In this context, a series of projects and interventions were implemented, the most important being:

### *10.1. Organisation & Central Operations*

As in previous years, in 2009 the main consideration of organisation pivoted around the optimisation of operations, procedures and systems in Greece, and the improvement of organisational and operational infrastructures of international subsidiaries, with a view to constantly improving the Group's operational quality. The most important initiatives and interventions include:

#### 10.1.1. New Customer-Oriented Branch Platform

After ten years of using the Bank's customer platform, and in order to further foster relations with our customers and provide them with better quality services, a new customer-oriented platform was developed, called ICE – Integrated Customer Environment. This new platform places customers at the very core of our interest, providing a single work environment that offers users a great deal of information on each customer's entire portfolio and possible sales opportunities. At the same time, users can run all banking applications in the same environment which improves the speed and quality of completing tasks.

#### 10.1.2. Loans

In the framework of automating the loan operations of retail banking, a new and modern system (Velti BPM) was developed and implemented, which supports the submission and approval management of requests made by individuals for credit products.

#### 10.1.3. Document Digitisation

In order to serve customers more effectively and to improve the functionality of services provided, the Bank implemented the Electronic Storage of Documents of Individual Customers programme.

#### 10.1.4. Automation of Branch Cash Management Operations

A new automated process has been implemented for cash consignments to and from branches in Athens and Thessaloniki.

#### 10.1.5. International Subsidiaries Support

In 2009, the operation of Piraeus Bank Egypt S.A.E. was successfully transformed based on the principles and standards of the organisational and operational model that Piraeus Bank has adopted. The successful completion of the project led to Piraeus Bank Egypt S.A.E.'s alignment with the common policies and regulations governing the Group's operation.

## 10.6. *Technology and IT Systems*

### 10.6.1. Computer-based Loans Systems

The new single DMS (Document Management System) platform was implemented and put into operation; this platform is used to digitise, electronically manage and archive all documents of the Bank's customers.

### 10.6.2. Risk Management Systems

Implementation of the first two operation stages of the internationally-recognised credit risk management software by Fermat; these stages concern the calculation of capital adequacy and generation of corresponding reports based on the standard Basel II methodology, with respect to credit risk and market risk.

### 10.6.3. Business Intelligence and CRM systems

In conjunction with the new customer-oriented system, the Bank also launched a new customer data analysis platform, PPM (Piraeus Performance Management), which depicts customers' behaviour throughout their transaction cycle, offering a consolidated picture of their banking relations and activities, thus enabling faster decision-making and better quality service. The same platform also integrates a key performance indicators system that enables the effectiveness of branch network sales to be monitored.

### 10.6.4. Systems Security

In 2009, following a thorough inspection conducted by TUV Hellas, the Bank's Information Security Management System (ISMS) was certified according to ISO/IEC 27001:2005. This certification is of particular importance since it is the first time that it is awarded to an entire unit which provides services (Information Technology & Information Security), considering the size of the Bank's IT Division and the scope and complexity of the existing IT infrastructure.

### 10.6.5. Systems Infrastructures

Seeking the unimpeded and uninterrupted operation of the Bank's systems, a series of upgrades were performed on the main and backup systems (IBM AS 400, SAN, VMS) and on infrastructures, along with a complete modernisation of the telecommunications network infrastructure, by creating a new IP MPLS telecom network aimed at upgraded services, high network availability and reduced telecoms costs. The project has already been implemented on a pilot basis in 20 branches and will expand to all branches during 2010.

### 10.6.6. International IT

Significant infrastructure projects were implemented in international subsidiaries in 2009, aimed at improving and expanding existing infrastructures (Tirana Bank IBC S.A., Piraeus Bank Bulgaria AD, Piraeus Bank Cyprus Ltd, OJSC Piraeus Bank ICB).

### 10.6.7. Centralisation of Operations

Continuing the intense efforts made in recent years to decongest the branch network of any back-office operations, by centralising them so as to provide faster and better quality services to customers, the Bank completed the centralisation of the Letters of Guarantee management function, with the integration of the Northern Greece network in the system, and continued the centralisation of the network's business loan management function. At the end of 2009, approximately 50 per cent. of the network's business loans was under centralised management.

#### 10.6.8. Funds Transfer–Payments Systems

In 2009, the Bank made significant progress in harmonising its infrastructure with the SEPA requirements (integration into SEPA Direct Debits in November 2009) and the new payments legal framework (Payments Service Directive), that all Member States of the European Economic Area are required to be harmonised with. Also, in 2009 there was a notable increase in the volume of funds transfers and payments operations by 20 per cent.

#### 10.6.9. Custody Services

Despite the financial crisis and intense competition, the promotion of custody services prospered resulting in the attraction of new institutional customers and the management of high-value transactions. In 2009, the Bank continued the distribution and support of all the products in the Greek capital market (bonds, stocks, derivatives). Piraeus Bank offered its custody services for all international markets, with constantly rising portfolio value, supporting all classes of institutional customers, as well as the subsidiary international banks. The total managed portfolio rose to €8.2 billion, which is quite satisfactory, given the reduced customers' portfolios as a result of the drop in stock markets globally. As regards dividend payment, and in spite of intense competition, the Bank maintained its second place in the market.

### 11. Human Resources

At the end of 2009, Piraeus Bank Group employed 13,417 people compared to 14,255 in 2008, down by 6 per cent., while Piraeus Bank in Greece employed 5,049 people in 2009 versus 5,118 in 2008, down by 1 per cent. In total, at the end of 2009, the Group employed 6,660 people in Greece and 6,757 abroad compared to 6,890 and 7,366, respectively, a year earlier.

Among the total Group employees, 55 per cent. are female and 45 per cent. male, in the context of the Group's commitment to provide equal opportunities.

The average age of the Group's employees is 36.5 years. The age distribution of employees is a major advantage for the Group. The age composition is such that favours the introduction and implementation of changes in technology, methods and targets, as 83 per cent. of people are up to 45 years old. At the same time, its highly-trained employees provided support in offering efficient customer guidance and services in the financially critical year that elapsed.

The Group employs highly qualified and educated employees as can be seen by the high rate of graduate and post-graduate degree holders (68 per cent.). The equivalent percentage of such employees in the international subsidiaries is 78 per cent.

In 2009, emphasis was placed on utilising the existing human resources to meet new business needs. Specifically, only 21 per cent. of vacancies were filled through external recruitment at Piraeus Bank, while 79 per cent. were covered through internal reallocations. At Group level, staffing needs were met through external recruits by 27 per cent., internal candidates by 67 per cent. and, finally, movements among Group companies by 6 per cent.

## 12. Subsidiaries and Associates

Piraeus Bank Group subsidiaries that were fully consolidated as at 31st December, 2009 are illustrated in the table below:

<b>Subsidiary companies</b>	<b>Direct and Indirect participation</b>
Marathon Banking Corporation .....	91.03%
Tirana Bank I.B.C. S.A .....	96.71%
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. ....	95.37%
OJSC Piraeus Bank ICB .....	99.96%
Piraeus Bank Cyprus LTD .....	100.00%
Piraeus Asset Management Europe 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%
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 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 .....	90.85%
Lakkos Mikelli Real Estate LTD .....	50.66%
Philoktimatiki Public LTD .....	53.29%
Philoktimatiki Ergoliptiki LTD .....	53.29%
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%

<b>Subsidiary companies</b>	<b>Direct and Indirect participation</b>
Piraeus Green Investments S.A. ....	100.00%
New Up Dating Development Real Estate and Tourism S.A. ....	100.00%
Sunholdings Properties Company LTD ....	26.65%
Piraeus Cards S.A. ....	100.00%
Polytropon Properties Limited ....	39.97%
Shinefocus Limited ....	53.29%
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%
Phoenix Kato Asset Management Co. ....	85.83%
Piraeus Egypt Leasing Co. ....	95.33%
Piraeus Egypt for Securities 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%
Multicollection S.A. ....	51.00%
Olympic Commercial & Tourist Enterprises S.A. ....	74.90%
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 ....	95.18%
Piraeus Best Leasing Bulgaria EAD ....	99.98%
Piraeus Insurance Agency S.A. ....	100.00%
Piraeus Capital Management S.A. ....	100.00%
Estia Mortgage Finance III PLC ....	-
Piraeus Insurance Brokerage Egypt ....	93.35%
Integrated Storage System Co. ....	89.54%
Axia Finance PLC ....	-
Piraeus Wealth Management A.E.PE.Y. ....	65.00%
Axia Finance II PLC ....	-
Praxis Finance PLC.....	-
Axia Finance III PLC ....	-
Praxis II Finance PLC ....	-
Gaia Lease PLC ....	-
Axia III APC LIMITED ....	-
Praxis II APC LIMITED ....	-
PROSPECT N.E.PA. ....	100.00%
R.E Anodus LTD ....	99.90%
Erechtheas Investments & Holdings S.A. ....	100.00%

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

As at 31st December, 2009, the Piraeus Bank Group associate companies, which are consolidated using the equity method, are presented in the following table:

<b>Associate company</b>	<b>Business activity</b>	<b>Direct and Indirect participation</b>	<b>Total Equity as at 31st December, 2009 (amounts in thousand €)</b>	<b>Profit Before Tax for the year ended 31st December 2009 (amounts in thousand €)</b>
Crete Scient. &Tech. Park Manag. & Dev. Co. S.A.	Scientific and technology park management	30.45%	187	(2)
"Evros" Development Company S.A.	European community programs management	30.00%	125	(80)
Delphi Advanced Research Technologies LTD	Information technology services	25.00%	142	21
Project on Line S.A.	Information technology & software	40.00%	(205)	(178)
Alexandria for Development and Investment	Investment company	20.98%	3,795	232
Nile Shoes Company	Footwear Seller - Manufacturer	37.51%	910	59
APE Commercial Property Real Estate Tourist & Develop.S.A.	Real estate, development/ tourist services	27.80%	1,302	(2,355)
APE Fixed Assets Real Estate Tourist & Development S.A.	Real estate, development/tourist services	27.80%	913	(1,945)
Trieris Real Estate LTD	Property Management	22.80%	33,283	110
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%	12,059	(4,889)
Sciens International Investments & Holding S.A.	Holding Company	29.80%	*	*
Ekathariseis Aktoploias S.A.	Ticket Settlements	49.00%	52	-
Trastor Real Estate Investment Company (former Piraeus Real Estate Investment Property S.A)	Real estate investment property	33.80%	112,522	5,042
Euroterra S.A.	Property Management	29.22%	96,808	(190)
Rebikat S.A.	Property Management	30.00%	21,593	(26)
Abies S.A.	Property Management	30.00%	2,024	(9)
Atlantic Insurance Company Public Ltd	General Insurances	21.70%	*	*

(\*) At the date of approval of the Bank's consolidated financial statements, the listed associate companies European Reliance Gen. Insurance Co. S.A., Sciens International Investments & Holding S.A. and Atlantic Insurance Company Public Ltd., have not published their annual financial statements for the year 2009. As a result, the disclosure of their financial data and results is not considered necessary. According to stock market prices of 31st December, 2009, the fair value of the Bank's shareholding in associate listed companies is as follows: European Reliance Gen. Insurance Co. S.A.: €5.2 million, Sciens International Investments & Holding S.A.: €31.6 million and Trastor Real Estate Investment Company (formerly Piraeus Real Estate Investment Property S.A.): €23.4 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, 2009 and 2008 respectively. Pre-provision profit amounted to €778 million in 2009 compared to €774 million in 2008, slightly increased by 0.5 per cent. Profit in 2009 was burdened by the increased provisions of €491 million compared to €388 million in 2008, as a result of the deterioration of the economic conditions. Hence, 2009 net profit attributable to

shareholders amounted to €235 million versus €315 million the year previously, decreased by 25.3 per cent. Adjusting for the one-off tax (the one-off tax which was imposed on 2008 profit posted by the largest Greek enterprises, was €34 million), net profit attributable to shareholders amounted to €202 million, a reduction 36 per cent.

Basic Earnings Per Share (EPS) in 2009, was €0.5551.

The key highlights of the 2009 annual results for the Piraeus Bank Group were the following:

- Net interest income amounted to €1,105 million down 4.7 per cent. compared to 2008, mainly attributed to the increased cost of deposits;
- Net fee and commission income was €206 million down 14.7 per cent. compared to 2008, affected by the decrease in economic activity (contraction of GDP);
- On an annual basis, net interest margin (NIM) (on average interest earning assets) was 2.6 per cent. compared to 3 per cent. in 2008 due to the compression attributed to the increased cost of deposits;
- Net Loans €37.7 billion, decreased by 1.6 per cent. compared to 2008; and
- Deposits (including retail bonds issued) €30.8 billion decreased by 1.7 per cent. compared to 2008.

## Summary Consolidated Profit and Loss Account

	2009	2008
	Amounts in EUR million	
Interest income .....	2,789.2	3,897.8
Less: Interest expense .....	1,684.3	2,738.0
<b>Net Interest Income .....</b>	<b>1,104.9</b>	<b>1,159.8</b>
Plus: Net Commission Income .....	206.0	241.6
Plus: Dividend Income .....	13.3	25.9
Plus: Net Trading Income .....	173.9	7.4
Plus: Gains less losses from investment securities .....	3.5	0.3
Plus: Other operating income .....	160.9	216.7
<b>Total Net Revenues .....</b>	<b>1,662.6</b>	<b>1,651.7</b>
Less: Staff expenses .....	426.2	442.1
Less: Administrative expenses .....	377.2	382.5
Less: (Profit)/loss on sale of property and equipment .....	(2.7)	(5.0)
Less: Depreciation and amortisation .....	92.8	77.0
<b>Total operating expenses before provisions .....</b>	<b>893.5</b>	<b>896.6</b>
<b>Profit before provisions and income tax .....</b>	<b>769.1</b>	<b>755.1</b>
Less: Impairment losses on loans and receivables .....	488.1	386.3
Less: Other Provisions .....	3.1	1.9
Plus: Share of profit of associates .....	8.6	18.9
<b>Profit before Income Tax .....</b>	<b>286.6</b>	<b>385.8</b>
Less: Tax for the year .....	46.8	54.5
Less: Tax Contribution .....	34.2	-
Income Tax .....	(81.0)	(54.5)
Profit after Tax .....	205.6	331.3
Profit for the year attributable to equity holders of the parent entity .....	201.7	315.1
Minority interests .....	3.9	16.2
<b>Earnings per share attributable to equity holders of the parent entity</b>		
– <b>Basic</b> .....	<b>0.5551</b>	<b>0.9541</b>
– <b>Diluted</b> .....	<b>0.5551</b>	<b>0.9541</b>
<b>Net Profit attributable to equity holders without tax contribution ....</b>	<b>235.5</b>	<b>315.1</b>

Net revenues in 2009 amounted to €1,663 million compared with €1,652 million in 2008, an increase of 0.7 per cent. Net interest income and net commercial banking commissions constitute 76.4 per cent. of the Group's total net revenues.

Total cost (personnel costs, administrative expenses, profit/loss on sale of property and equipment, depreciation and amortisation) amounted to €893 million in 2009 compared to the level of €897 million in 2008. In 2009, the number of branches stood at 872 (359 in Greece and 513 internationally) compared to 895 in 2008 (1 branch opened in Greece and 24 branches closed abroad).

The cost to income ratio remained unchanged in 2009 at 53.7 per cent., compared to 54.3 per cent. in 2008.

As at 31st December 2009, return on equity reached 7.9 per cent., a decrease of 271 bps compared to 2008 (ROE excluding preference shares and the one-off tax €34 million referring to 2008 profit).

#### 14. Balance Sheet

As at 31st December, 2009 the Group's assets had decreased to €54.3 billion as compared with €54.9 billion a year ago (a decrease of 1.1 per cent. year-on-year). The share of net loans in total assets remained at the level of 69.4 per cent. (69.8 per cent. in 2008).

As at 31st December, 2009, customer deposits (including retail bonds issued) constituted 56.7 per cent. of total liabilities & equity (57 per cent. in 2008).

#### Summary Consolidated Balance Sheet

	as at	
	31st December 2009	2008
	Amounts in EUR million	
<b>ASSETS</b>		
Cash and balances with central banks.....	2,978	3,741
Treasury bills and other eligible bills.....	–	207
Loans and advances to credit institutions .....	992	2,348
Derivative financial instruments – assets.....	171	366
Other financial instruments at fair value through P&L.....	1,556	1,390
Loans and advances to customers .....	38,683	39,016
<i>Minus provisions for loan impairment</i> .....	995	703
Net loans and advances to customers.....	37,688	38,313
Investment securities .....	5,702	4,248
Debt securities receivable .....	1,183	528
Investments in associates .....	184	219
Intangible fixed assets .....	339	303
Property, plant and equipment.....	987	971
Investment Property.....	820	710
Held for sale .....	102	11
Deferred tax assets .....	283	254
Other assets.....	1,294	1,281
<b>Total Assets</b> .....	<b>54,280</b>	<b>54,890</b>
<b>LIABILITIES AND EQUITY</b>		
Due to credit institutions .....	14,433	14,122
Derivative financial instruments – liabilities .....	162	370
Due to customers .....	30,064	28,381
Debt securities in issue .....	4,206	6,488
Other borrowed funds .....	511	967
Deferred tax liabilities .....	140	128
Retirement benefit obligations.....	202	199
Other liabilities .....	947	1,210
<b>Total Liabilities</b> .....	<b>50,666</b>	<b>51,865</b>
<b>Capital and reserves attributable to equity holders of the parent entity</b>	<b>3,466</b>	<b>2,876</b>
Minority interests .....	148	149
<b>Total Equity</b> .....	<b>3,614</b>	<b>3,025</b>
<b>Total Liabilities &amp; Equity</b> .....	<b>54,280</b>	<b>54,890</b>

## 15. Summary Consolidated Cash Flow Statement

Amounts in EUR millions as at 31st December	2009	2008
<i>Cash flows from operating activities</i>		
Profit before tax	286.6	385.8
<b>Adjustments to profit before tax</b>		
Add: impairment for loans and advances and other provisions	491.2	388.2
Add: depreciation and amortisation	92.8	77.0
Add: retirement benefits	28.6	33.4
(Gains)/losses from valuation of trading securities and financial instruments at fair value through profit or loss	(34.9)	66.5
(Gains)/losses from investing activities	(90.9)	(129.9)
<i>Cash flows from operating profits before changes in operating assets and liabilities</i>	<b>773.4</b>	<b>820.9</b>
<i>Changes in operating assets and liabilities:</i>		
Net (increase)/decrease in cash and balances with Central Bank	192.7	(283.3)
Net (increase)/decrease in treasury bills and other eligible bills	150.5	28.9
Net (increase)/decrease in trading securities and financial instruments at fair value through profit or loss	(103.6)	1,681.0
Net (increase)/decrease in debt securities - receivables	(655.3)	–
Net (increase)/decrease in loans and advances to credit institutions	321.9	556.9
Net (increase)/decrease in loans and advances to customers	175.3	(8,290.1)
Net (increase)/decrease in other assets	(108.0)	(112.4)
Net increase/(decrease) in amounts due to credit institutions	311.0	3,353.7
Net increase/(decrease) in amounts due to customers	1,682.8	6,042.9
Net increase/(decrease) in other liabilities	(281.8)	18.1
<i>Net cash from operating activities before income tax payment</i>	2,459.0	3,816.7
Income tax paid	(20.3)	(70.5)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>2,438.7</b>	<b>3,746.2</b>
<i>Cash flows from investing activities</i>		
Purchases of property, plant and equipment	(261.0)	(319.6)
Sales of property, plant and equipment	48.3	87.6
Purchases of intangible assets	(23.6)	(31.0)
Purchases of held for sale	(76.4)	(8.8)
Sales of held for sale	0.1	2.1
Purchases of available for sale securities	(1,641.6)	(449.4)
Disposals of available for sale securities	144.1	801.8
Purchase of held to maturity securities	(46.1)	(2,440.9)
Maturity of held to maturity securities	47.1	51.1
Acquisition of subsidiaries (net of cash & cash equivalents acquired)	(6.5)	144.7
Disposal of subsidiaries (net of cash and cash equivalents disposed)	–	5.7
Acquisition and participation in share capital increases of associates	(19.5)	(31.3)
Disposal of associates	73.6	0.1
Dividends received	12.6	25.8
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(1,748.9)</b>	<b>(2,162.0)</b>
<i>Cash flows from financing activities</i>		
Net proceeds from issue/(repayment) of debt securities and other borrowed funds	(2,738.1)	(1,322.2)
Net proceeds from issue of share capital due to reinvestment of dividends	32.1	16.0
Net proceeds from issue of preference shares - Greek State	365.9	–
Reinvestment/Payment of prior years dividends	(38.2)	(120.2)
Purchases of treasury shares	(4.2)	(188.7)
Sales of treasury shares	100.7	24.7
Other cash flows from financing activities	20.5	(7.3)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(2,261.4)</b>	<b>(1,597.8)</b>
Foreign exchange differences on cash and cash equivalents	(48.6)	(39.7)
<b>Net increase/(decrease) in cash and cash equivalents of the year</b>	<b>(1,620.2)</b>	<b>(53.3)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>5,009.3</b>	<b>5,062.6</b>
<b>Cash and cash equivalents at end of year</b>	<b>3,389.0</b>	<b>5,009.3</b>

## **16. Capital Adequacy**

On a consolidated basis, the Group's capital adequacy ratio (Basel II) as at 31st December, 2009, calculated in accordance with the Bank of Greece requirements, stood at 9.8 per cent., with Tier I ratio at 9.1 per cent. At the end of September, 2009 the Group called its €400 million Lower Tier II bond.

## **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 established 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 the distribution of dividends 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 (now called "Minister of Finance") or, if according to his own judgement, 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 2009 results)**

### **February 2010**

- On 23rd February, 2010 the credit agency Fitch Ratings downgraded Greece's four largest banks, including Piraeus Bank, to BBB from BBB+ with negative outlook. The downgrade reflected Fitch's view that the bank's already weakening asset quality and profitability will come under further pressure due to anticipated considerable fiscal adjustments in Greece.

### **March 2010**

- On 3rd March, 2010 the Moody's rating agency placed the Bank's ratings (A2 with negative outlook) on review for possible downgrade.
- On 16th March, 2010 Standard & Poor's affirmed Piraeus Bank's BBB/A-2 credit rating and changed its Credit Watch Negative status to Negative. According to the agency, the negative outlook reflects low growth prospects and structural weaknesses for Greek banks, whose financial profiles, however, are fairly resilient.
- On 31st March, 2010 the Moody's rating agency downgraded Piraeus Bank's deposit rating to Baa1 from A2 and debt rating BFSR to D+ from C-. The downgrade of Piraeus Bank reflects the bank's increased dependence on short-term market funding and its deteriorating financial performance.

### **April 2010**

- On 9th April, 2010 the credit agency Fitch Ratings downgraded the Long-term Issuer Default Rating ("IDR") of Piraeus Bank to BBB- from BBB and placed it on Rating Watch Negative

("RWN"). This action reflects the Greek banks' debilitated risk profile, particularly regarding their liquidity and funding position as a result of increased sovereign concerns. The resolution of the RWN will depend on the developments of Greek banks' funding profile in the near term as well as reduced reliance on ECB funding in the more medium term.

- On 27th April, 2010 Standard & Poor's downgraded Piraeus Bank's long-term credit rating to BB from BBB and its short-term credit rating to B from A-2. Standard & Poor's downgraded four Greek banks following a three-notch downgrade of the Greek sovereign (Hellenic Republic BB+/Negative/B). The outlook for these banks remains negative, reflecting the possibility that they could be lowered if the sovereign is downgraded further or if liquidity, asset quality or profitability at the banks worsens more than currently anticipated.
- On 30th April, 2010 the Moody's rating agency downgraded the long-term rating of Piraeus Bank to Ba1/Not Prime (from Baa1/Prime-2) and kept it on review for possible downgrade at the same time that it downgraded the deposit and debt ratings of nine banks to reflect their weakening stand-alone financial strength and the anticipated additional pressures stemming from the country's challenging economic outlook.

### **May 2010**

- In April and May, 2010 the major Greek banks activated the part of the Support Scheme that had not been utilised during the 2008-2009 period. Piraeus Bank received €0.4 billion of special bonds (Pillar III), while it also used Pillar II bond guarantees of €2.4 billion. During 2010, the Support Scheme has expanded by another €15 billion (Pillar II) out of which Piraeus Bank has received €2.2 billion.
- In May, 2010 a one-off extraordinary social responsibility tax contribution was imposed by article 5 of Law 3845/2010 on the total 2009 net income of legal entities, on the condition that such income exceeds 100 thousand (100,000) euros. The amount of extraordinary tax contribution will be recognised in the 2010 financial statements.
- On 12th May, 2010 Moody's downgraded 23 structured finance transactions of the Greek banks. This downgrade mainly reflects Greece's rating downgrade to A3 on 22nd April, 2010. With regard to Piraeus Bank, five structured finance transactions were downgraded (Estia Mortgage Finance II, Praxis I, Axia II, Praxis II, Gaia Lease), while they remained at the A rating level.
- On 18th May, 2010 Standard & Poor's lowered senior Greek banks' RMBS and ABS notes to A and at the same time concluded that this rating level is the highest for Greek securitisation notes given the country's credit rating. This action follows the rating downgrade of Greece to BB+ on 27th April, 2010. With regard to Piraeus Bank, two RMBS transactions (I Estia Mortgage Finance and II Estia Mortgage Finance) were downgraded to A rating level.

### **June 2010**

- On 15th June, 2010 the Moody's rating agency confirmed Piraeus Bank's long-term debt and deposit ratings at Ba1, while it changed its outlook from 'review for possible downgrade' to 'negative'. On the same date, Moody's took actions on the debt and deposit ratings of eight other Greek banks reflecting the rating agency's downgrade of the Greek Government's sovereign debt rating to Ba1 from A3, with a stable outlook.
- Piraeus Bank issued another €2.2 billion bonds guaranteed by the Hellenic Republic under Pillar II of L.3723/2008.

### **July 2010**

- On 15th July, 2010 Piraeus Bank made a proposal to the Greek Government to acquire the Greek State's shares in Agricultural Bank of Greece S.A (77.31 per cent.) and Hellenic

PostBank S.A (33.04 per cent.), both currently owned by the Greek State. The aggregate price offered was €701 million (€372 million for Agricultural Bank and €329 million for PostBank)

- On 16th July, 2010 Fitch Ratings affirmed the IDR of Piraeus Bank at BBB-, while it changed Piraeus Bank's outlook to Negative from Rating Watch Negative. At the same time Fitch affirmed the IDR of three other Greek banks and upgraded the IDR of one Greek bank, with negative outlook, based on the availability of international support for the Greek banking sector from the EU/IMF framework and via the ECB.
- On 16th July, 2010 Standard & Poor's placed its 'BB' long-term and B short-term counterparty credit ratings on Piraeus Bank SA on CreditWatch with negative implications. The CreditWatch placement follows the bank's announcement that it has presented an offer to buy the Greek Government's 77.31 per cent. stake in Agricultural Bank and its 33.04% stake in PostBank. The rating action reflects Standard & Poor's opinion that if the proposal is accepted it may weaken Piraeus's financial profile.

## THE BANKING SECTOR IN GREECE

### Structure of the Market

The banking sector has expanded rapidly in the last twelve years as a result of the deregulation and modernisation, as well as the entry into the Eurozone. In the past ten 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. At the end of December, 2009, the six largest banks in Greece had more than 77 per cent. share in the market (in terms of loans) (source: Bank of Greece for the Greek market, financial statements at parent level for the other banks).

### Commercial Banks

At year end 2009, there were eighteen Greek commercial banks. The largest are the National Bank of Greece, Alpha Bank, EFG Eurobank Ergasias, Piraeus Bank, Emporiki Bank (acquired by Crédit Agricole in 2006) and Agricultural Bank. More specialised credit institutions, like the Agricultural Bank and PostBank, 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 Six Principal Banks in Greece at 31st December, 2009

	<u>Lending</u>	<u>Deposits</u>
	(per cent.)	
National Bank of Greece .....	18.2	22.9
EFG Eurobank.....	15.3	14.7
Alpha Bank .....	15.0	14.4
Piraeus Bank.....	11.6	10.6
Agricultural Bank.....	8.6	9.1
Emporiki Bank .....	8.6	6.1
Other banks .....	22.7	22.2

Source: Published parent level financial statements, Bank of Greece as of 31.12.09

### Foreign Banks

At the end of December, 2009 there were approximately seventeen foreign-owned or incorporated credit institutions operating in Greece. Principal participants included Citibank, HSBC, Société Générale (through Geniki Bank), and BNP Paribas. Overall, foreign banks have made limited inroads into the Greek retail market.

### Specialised Credit Institutions

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

### Economic Environment

In 2009, the Greek economy entered the vortex of the international economic crisis that was already affecting the global economy, bringing to the surface long-established macroeconomic imbalances and structural problems. In this context, in 2009 the Greek economy shrank by 2 per

cent. (from positive growth of 2 per cent. in 2008), while in terms of prices, falling energy prices consolidated inflation at 1.2 per cent. Additionally, the budget deficit expanded to 13.6 per cent. of GDP in 2009 and the public debt reached 115.1 per cent. of GDP, revealing the chronic structural weaknesses of the Greek economy: low productivity, deteriorating competitiveness and inadequate fiscal management.

The beginning of 2010 found the Greek economy at the centre of global debate, certainly not reflective of the country's size, but mainly due to the fact that it is a euro-area member state. The critical situation of its financial condition made it imperative for Greece to react and announce measures aimed at an extensive but absolutely necessary adjustment, not limited just to fiscal recovery but extending to the improvement of the economy's competitiveness in general, which is the root cause of the whole situation. Within this context, Greece reached an agreement with the European Union, the ECB and the IMF in early May 2010 for the granting of a €110 billion loan (€80 billion from the European Union and €30 billion from the IMF), thus ensuring the majority of the loan capital needed for the following three years. This financing is an integral part of the economic policy programme which will be monitored quarterly. The criteria for a smooth continuation of the financing programme will be the progress on the implementation of the policies and the attainment of the goals. The programme involves fiscal adaptation and structural reforms in the state and the economy. It must be noted that part of the aforementioned support package, i.e. €10 billion out of €110 billion, aims to support the Greek banking sector when necessary through the establishment of the Financial Stability Fund for banks.

In 2010, the Greek economy (Real GDP) is expected to contract by approximately 4 per cent. and inflation is expected to be at the level of 1.9 per cent. At the same time, the budget deficit as a percentage of GDP is expected to be 8.1 per cent., while the public debt is estimated at 133.3 per cent. of GDP (source: Greek Ministry of Finance in cooperation with the IMF).

## 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 L.3723/2008 of the Hellenic Republic, as in force, the Minister of Economy and Finance (now called "Minister of Finance") has the power to provide a guarantee on behalf of the Hellenic Republic for debt securities issued by the credit institutions licensed by the Bank of Greece. This power 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 L.3723/2008 a credit institution may apply to the Minister of Finance for debt securities to be guaranteed by the Hellenic Republic provided such securities fulfil certain criteria. Securities with the benefit of a guarantee from the Hellenic Republic granted pursuant to L.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 L.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 applicable tax laws, currently in force in Greece. It should be noted, however, that the Greek tax system has been significantly reformed very recently pursuant to, *inter alia*, Law 3842/2010 and, although certain explanatory circulars have been issued by the Greek Ministry of Finance, at present, there is no certainty as to the manner that the Greek tax authorities will interpret and implement in practice the provisions of that law and any other applicable tax laws. Therefore, Noteholders who are in doubt as to their personal tax position should consult their professional advisers.

#### *Payment of principal under the Notes and the Guarantee*

No Greek income tax will be imposed on payments of principal to any Noteholders in respect of Notes:

- (a) issued by Piraeus PLC or Piraeus Bank; or
- (b) issued by Piraeus PLC and made by Piraeus Bank under the Guarantee.

#### *Payments of interest under the Notes*

Payments of interest in respect of the Notes issued by Piraeus PLC or Piraeus Bank to Noteholders:

- (a) who either reside or maintain a permanent establishment in Greece for Greek tax law purposes will be subject to Greek withholding income tax, currently at the rate of ten per cent., which does not exhaust the tax liability of certain types of such Noteholders. Such tax will be withheld as follows: (i) if a "paying agent" (as defined in article 4 of Greek Law 3312/2005, which transposed into Greece the EU Savings Directive (as defined below) (the "Implementing Law") located in Greece has been appointed, by such paying agent, whilst (ii) if no such "paying agent" has been so appointed, by either (x) Piraeus Bank in respect of payments of interest made directly by it to such Noteholders under Notes issued either by it or Piraeus PLC, or (z) any other person located in Greece who has been authorised by either Piraeus Bank or Piraeus PLC to make such payment on their behalf to such Noteholders; and
- (b) who neither reside nor maintain a permanent establishment in Greece for Greek tax law purposes will not be subject to Greek income tax.

#### *Payments of interest under the Guarantee*

Payments of interest by Piraeus Bank under the Guarantee made to holders of Notes issued by Piraeus PLC should be expected to have the same income tax treatment, as described above under the caption "*Payments of interest under the Notes*". However, there is no clear guidance given by the Greek Ministry of Finance as to the classification of the relevant income and, therefore, the Greek tax authorities could take a view which may be different from that expressed in the preceding sentence.

#### *Disposal of Notes – Capital Gains*

The transfer of Notes or coupons in respect of Notes issued by Piraeus Bank or Piraeus PLC and made by Noteholders who either reside or maintain a permanent establishment in Greece for Greek tax law purposes will be subject to withholding income tax, currently at the rate of ten per cent. Such tax will be imposed on the interest accrued during the relevant interest period up to the

time of such transfer and withheld in the manner contemplated in paragraph (a) under the caption "Payments of interest under the Notes" set out above.

The Greek tax legislation does not include any explicit provision with respect to the taxation of capital gains arising from the disposal of debt securities issued by non-Greek issuers. However, pursuant to Ministerial Circular POL 1092/27.7.2007, the Greek tax authorities have taken the view that in case of a disposal of such securities by Greek tax residents (natural or legal persons), any capital gains (i.e. any gain in addition to accrued interest and capital) arising from such disposals will be taxed according to the general tax provisions.

### ***Implementation of the EU Savings Directive***

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, 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 within the meaning of section 878 of the Act. 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 UK Notes may also be paid without withholding or deduction on account of UK tax where interest on the UK 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 UK 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 UK 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 basic rate (currently 20 per cent.) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply.

### **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, 2011. 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, or collected by such a person for an individual resident or certain limited types of entity established in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Austria 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). Under such withholding system, tax will be deducted unless the recipient of the payment elects instead for an exchange of information procedure. The current rate of withholding is 20 per cent. and it will be increased to 35 per cent. with effect from 1 July 2011. A number of non-EU countries (including Switzerland) and certain dependent or associated territories of certain Member States 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. The European Parliament approved an amended version of this proposal on 24th April, 2009. 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. Investors who are in any doubt as to their position should consult their professional advisers.

## **SUBSCRIPTION AND SALE**

The Dealers have in an amended and restated programme agreement (the "Programme Agreement") dated 13th August, 2010 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 “Nonexempt 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, 28th July, 2009 and 5th August, 2010. 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, 8th April, 2009, 17th March, 2010 and 14th July, 2010.

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, 2009 and 31st December, 2008 (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, 2009 and ended 31st December, 2008 (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 herein are available on the Luxembourg Stock Exchange's website at [www.bourse.lu](http://www.bourse.lu).

### **Clearing Systems**

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1 210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 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, 2009, and no significant change in the financial position of Piraeus Bank or the Group since 31st March, 2010.

Save as disclosed in this Offering Circular, there has been no material adverse change in the prospects of Piraeus PLC since 31st December, 2009 and no significant change in the financial position of Piraeus PLC since 31st December, 2009.

### **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, England (member of the Institute of Chartered Accountants in England and Wales). The financial statements of Piraeus PLC for the years ended 31st December, 2008 and 2009 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, 2008 and as of 31st December, 2009 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.

## **ISSUER**

### **Piraeus Group Finance PLC**

Tower 42  
25 Old Broad Street  
London EC2N 1PB  
England

## **ISSUER AND GUARANTOR**

### **Piraeus Bank S.A.**

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