PROSPECTUS

ATTICA BANK S.A.

(*incorporated with limited liability in Greece*)

€100,200,000 6.41 per cent. Tier 2 Subordinated Notes due 2028

Issue Price: 100 per cent.

The €100,200,000 6.41 per cent. Tier 2 Subordinated Notes due 2028 (the **Notes**) will be issued by, Attica Bank S.A. (the **Issuer** or the **Bank**). The Notes will constitute direct, unsecured and subordinated obligations of the Issuer, as further described in Condition 2 (*Status and Subordination*) of the Terms and Condition of the Notes (the **Conditions**).

Interest will be payable semi-annually in arrear in equal instalments on 30 June and 31 December in each year (each an **Interest Payment Date**). Interest will accrue from (and including) 20 December 2018 (the **Issue Date**) to (but excluding) 20 December 2028 (the **Maturity Date**) at a rate of 6.41 per cent. per annum. The first payment (for the period from and including the Issue Date to but excluding 31 December 2018 and amounting to €191.60 per Note) shall be made on 31 December 2018.

Subject, *inter alia*, to the prior permission of the Bank of Greece or such other body (including without limitation the European Central Bank) or authority having primary supervisory authority with respect to the Issuer and/or the Group (as defined herein) (the **Relevant Regulator**), the Notes may be redeemed at the option of the Issuer in whole, but not in part on 20 December 2023 or at any date thereafter, at their outstanding principal amount together with interest accrued to (but excluding) the date of redemption. Subject as aforesaid, the Issuer may also redeem the Notes at its option in whole, but not in part, in each of the following cases at their outstanding principal amount together with interest accrued to (but excluding) the date of redemption, (i) for taxation reasons or (ii) upon the occurrence of a Capital Disqualification Event, in each case as further described in the Conditions. Subject to any early redemption as aforesaid, the Notes will be redeemed on the Maturity Date at 100 per cent. of their principal amount.

Application has been made to the Financial Conduct Authority (the **FCA**) under Part VI of the Financial Services and Markets Act 2000 (the **UK Listing Authority**) for the Notes to be admitted to the official list of the UK Listing Authority (the **Official List**) and to the London Stock Exchange plc (the **London Stock Exchange**) for such Notes to be admitted to trading on the London Stock Exchange's Regulated Market (the **Market**). References in this Prospectus to the Notes being **listed** (and all related references) shall mean that the Notes have been admitted to the Official List and have been admitted to trading on the Market. The Market is a regulated market for the purposes of Directive 2014/65/EU, as amended (**MiFID II**) of the European Parliament and of the Council on markets in financial instruments.

The Notes will be issued in bearer form and available and transferable in minimum denominations of €100,000. The Notes will initially be represented by a temporary global note (the **Temporary Global Note**), which will be deposited on or about the Issue Date with a common safekeeper for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**). Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the **Permanent Global Note** and, together with the Temporary Global Note, the **Global Notes**), without interest coupons, on or after 29 January 2019 (the **Exchange Date**), upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for definitive Notes only in certain limited circumstances. See "*Summary of Provisions relating to the Notes while represented by the Global Notes*".

An investment in the Notes involves certain risks. Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. THE NOTES INVOLVE A HIGH DEGREE OF RISK AND POTENTIAL

INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT. It is the responsibility of prospective purchasers to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the Notes and are not relying on the advice of the Issuer in that regard. For a discussion of these risks see "*Risk Factors*" below.

The date of this Prospectus is 18 December 2018.

IMPORTANT INFORMATION

This Prospectus constitutes a prospectus for the purposes of Article 5.3 of the Prospectus Directive. When used in this Prospectus, **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

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

This Prospectus should be read and construed with all documents (or, as the case may be, any sections of any such documents) which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*").

No person has been authorised by the Issuer to give any information or to make any representation not contained in, or not consistent with, this Prospectus or any other document entered into in relation to the issue of the Notes or any information supplied by the Issuer and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer.

Neither the delivery of this Prospectus nor the offering, sale or delivery of the Notes shall, in any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date hereof or that there has been no material adverse change in the prospects of the Issuer since the date hereof or that any other information supplied in connection with the Issuer or the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about, and to observe, any such restrictions.

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

This Prospectus does not constitute an offer or an invitation to subscribe for or purchase the Notes and should not be considered as a recommendation by the Issuer that any recipient of this Prospectus should subscribe for or purchase the Notes. Each recipient of this Prospectus shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

IMPORTANT – EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (**MiFID II**); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, **IMD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE - Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

All references in this document to *U.S. dollars*, *U.S.$* and *$* refer to United States dollars. In addition, all references to *Sterling* and *£* refer to pounds sterling and to *euro* and *€* refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended. References to the *Eurosystem* are to the monetary authority of the eurozone, the collective of European Union member states that have adopted the euro as their sole official currency.

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RISK FACTORS

THE PURCHASE OF THE NOTES MAY INVOLVE SUBSTANTIAL RISKS AND MAY BE SUITABLE ONLY FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF AN INVESTMENT IN THE NOTES. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE PURCHASERS SHOULD CONSIDER CAREFULLY, IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES, ALL THE INFORMATION SET FORTH IN THIS PROSPECTUS AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW. PROSPECTIVE PURCHASERS SHOULD MAKE SUCH ENQUIRIES AS THEY DEEM NECESSARY WITHOUT RELYING ON THE BANK.

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

The Bank believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Bank is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Bank believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.

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

The Bank believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Bank may be unable to pay interest, principal or other amounts on or in connection with the Notes for other reasons and the Bank does not represent that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision as these risk factors cannot be deemed complete.

Capitalised terms used herein and not otherwise defined shall bear the meanings ascribed to them in "Terms and Conditions of the Notes" below.

FACTORS THAT MAY AFFECT THE BANK'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES

Risks Relating to the Greek Economic Crisis

Adverse macroeconomic and financial developments and uncertainty in Greece have had, and are likely to continue to have, significant adverse effects on the Bank's business, results of operations, financial condition and prospects.

The Bank and its subsidiaries (the **Group**) operates only in Greece. Accordingly, the Bank's business, results of operations, the quality of the Bank's assets and general financial condition are directly and significantly affected by macroeconomic conditions and political developments in Greece. As a credit institution operating in Greece, the Bank holds a portfolio of Greek government debt and related derivatives. As at 31 December 2017, the Group's overall exposure to the Greek state and state entities amounted to €162.9 million, comprising Greek government bonds with a book value of €44.4 million, financial derivatives with the Greek state amounting to €3.5 million and loans, financial guarantees and other claims with the Greek state of €115 million. In total, Greek government bonds and Greek treasury bills represented 1.2 per cent. of the Group's assets and 7.6 per cent. of the Group's securities portfolio as at 31 December 2017 and 1.4 per cent. of the Group's assets and 79.8 per cent. of the Group's securities portfolio as at 31 December 2016.

Since May 2010, Greece has been receiving financial support from the European Union (**EU**) and the International Monetary Fund (**IMF**) in the form of financial loans within the framework of economic adjustment programmes, which has included a series of fiscal policy measures and structural reforms. In the private sector involvement in the first half of 2012 (the **PSI**), existing Greek government bonds were exchanged for new Greek government bonds having a face amount equal to 31.5 per cent. of the face amount of the debt exchanged and two-year European Financial Stability Fund (**EFSF**) bonds having a face amount equal to 15 per cent. of the face amount of the debt exchanged. Each participating holder also received detachable GDP linked securities of Greece with a notional amount equal to the face amount of the new Greek bonds issued to that participating holder. As at 31 December 2012, total losses to the Group from the PSI amounted to €146 million, most of which were recognised in 2011. In December 2012, the Greek state completed a buy back of Greek government bonds (the **Buy Back Programme**), in which the Bank submitted for exchange the Bank's entire portfolio of new Greek government bonds with a total face value of €58.1 million (carrying amount €17.5 million) and received EFSF bonds with a total face value of €4.5 million. As a result of its participation in the Buy Back Programme, the Group recognised a gain of €5.3 million for the financial year ended 31 December 2012. As at 31 December 2017, the Bank had total deferred tax assets (**DTAs**) of €383.7 million, of which €33.9 million related to the PSI and the Buy Back Programme. Under Greek Law 4172/2013, as amended by Greek Laws 4302/2014, 4303/2014, 4340/2015, 4465/2017, 4472/2017 and 4484/2017 a portion of the Bank's DTAs could be converted into directly enforceable claims against the Greek state.

Following the Parliamentary elections of 25 January 2015, the Greek government moved to negotiate a new financing framework and a revised reform programme with the IMF, the EU and the European Central Bank (the **ECB**, and together with the IMF and the EU, the **Institutions**) in the context of the fifth review of the Second Economic Adjustment Programme.

In the context of these negotiations, the Second Economic Adjustment Programme was extended by the EFSF at the request of the Greek government until 30 June 2015, to allow the Greek authorities to design and implement reforms that would lead to a successful conclusion of the review of the Second Economic Adjustment Programme and the design of the necessary implementation measures. Another technical extension of the Second Economic Adjustment Programme had been previously granted on 19 December 2014 until 28 February 2015 (the programme was scheduled to expire on 31 December 2014).

The negotiations and discussions between Greece and the Institutions did not lead to an agreement or the successful completion of the review of the Second Economic Adjustment Programme. As a result, additional financial assistance within the framework of such programme was not dispersed and the liquidity position of the Greek State deteriorated significantly in the period from January 2015 to the end of June 2015.

On 26 June 2015, a referendum on the measures proposed by the Institutions was called by the Greek government for 5 July 2015 against the backdrop of significant pressures on public finances, significant deposit outflows and growing uncertainty on the ability of Greece to continue to meet its international payment obligations.

On 28 June 2015, the ECB announced that it would not increase the ceiling for the emergency liquidity assistance (**ELA**) for Greece’s banking system from the €89 billion limit agreed on 26 June 2015. At that time, the Eurosystem’s support to Greek banks (directly through the ECB’s main refinancing operations and indirectly through the ELA) amounted to €126.6 billion (of which the Bank’s Eurosystem funding totalled €32.7 billion), which exceeded 70 per cent. of Greece’s GDP. Limited access to liquidity in the Greek banking system resulted in heavy reliance on Eurosystem funding, without which Greece’s banking system would have come under severe pressure, threatening the continued operations of the Greek banks.

In order to protect the Greek banking system from increasing deposit outflows, the Greek government passed legislation on 28 June 2015 declaring the period from 28 June 2015 through 6 July 2015 a bank holiday for all financial and payment institutions operating in Greece in any form. Simultaneously, restrictions on cash withdrawals from ATMs, transferring funds abroad and other transactions were put in force during the bank holiday. In parallel, the regulated markets and the multilateral trading facility of Athens Stock Exchange (**ATHEX**) remained closed throughout the bank holiday, pursuant to a decision of the Hellenic Capital

Market Commission. In the referendum on 5 July 2015, 61.31 per cent. of the voters rejected the bailout conditions proposed by the Institutions. The bank holiday was subsequently extended until (and including) 19 July 2015.

After the end of the bank holiday, cash withdrawal and capital transfer restrictions were put in place, which are still in effect (although certain restrictions have been gradually relaxed or lifted (for example, the opening of new bank accounts and, most recently, cash withdrawals within Greece)), mainly pursuant to the Legislative Acts dated 18 July 2015 and 31 July 2015, which were ratified by article 4 of Greek law 4350/2015, as amended and currently in force. The Second Economic Adjustment Programme and the overall financial support framework for Greece expired on 30 June 2015 and Greece missed a payment due to the IMF on the same day. Following the distressed financial conditions generated by the bank holiday, capital controls, deteriorating public finances and arrears due to the IMF, Greece finally made a request for financial support.

On 11 July 2015, the Greek Parliament authorised the Prime Minister and certain other Ministers of the government to negotiate the final terms and conditions for a new loan from the European Stability Mechanism (**ESM**).

On 12 July 2015 and 13 July 2015, a Euro Area Summit took place whereby Greece committed to remain within the Eurozone and to adopt a first set of measures to enact within a strict timeline in order to rebuild trust with the Institutions and as a prerequisite for initiating negotiations for the Memorandum of Understanding for further financial support.

The Greek Parliament passed the relevant legislation on 16 July 2015 and on 23 July 2015.

On 17 July 2015, Greece obtained a three-month €7.2 billion bridge loan from the EU, following which, on 20 July 2015, Greece repaid the totality of its arrears to the IMF, equivalent to Special Drawing Rights 1.6 billion (approximately €2 billion) and €4.2 billion to the ECB. On 23 July 2015, a separate request for financial assistance was sent to the IMF.

On 3 August 2015, the Board of Directors of the Hellenic Capital Market Commission decided to reopen the regulated markets and the multilateral trading facility operated by ATHEX subject to certain restrictions (primarily on Greek investors).

On 11 August 2015, the Greek authorities, the European Commission and the ECB, with input from the IMF, reached a staff level agreement on the Memorandum of Understanding, which the Eurozone finance ministers (the **Eurogroup**) endorsed politically, and on 14 August 2015 the Greek Parliament approved the Financial Assistance Facility Agreement (the **FAFA**) and the Memorandum of Understanding. The Memorandum of Understanding provided a further set of prior actions which the Greek Parliament passed into law on 14 August 2015.

On 19 August 2015, the European Commission (on behalf of the ESM) signed the Memorandum of Understanding, which sets forth the conditions attached to disbursements under the FAFA and a comprehensive set of fiscal and other measures and structural reforms constituting the Third Economic Adjustment Programme, and which included up to €86 billion in financial assistance with an average maturity of 32.5 years. Although the IMF did not participate in the Third Economic Adjustment Programme, it would continue providing technical assistance. The full participation of the IMF was conditional on the implementation of certain structural reforms and the achievement of debt sustainability.

A first disbursement of funds under the FAFA in the amount of €13 billion was made on 20 August 2015. On the same day, following the government's resignation, the Greek Parliament was dissolved on 28 August 2015, and parliamentary elections were called for 20 September 2015. Following the 20 September elections, the governing coalition led by Prime Minister Tsipras remained in power.

The Third Economic Adjustment Programme provided for up to €86 billion in financial assistance to be made available to Greece over a period of three years (2015-2018) and required a series of structural reform

measures. A total buffer of up to €25 billion (out of the €86 billion) was allocated to address the recapitalisation needs of viable banks and resolution costs of non-viable banks whilst the FAFA specified the financial terms of the loan Greece received from the ESM. In accordance with the Memorandum of Understanding, the disbursement of funds was linked to progress in the delivery of certain policy conditions, reviewed and updated quarterly, that were intended to enable the Greek economy to return to a sustainable growth path based on sound public finances, enhanced competitiveness and investment, high employment and financial stability.

The Greek Government managed to complete two sets of prior actions - reforms from the Third Economic Adjustment Programme at the end of November 2015 and in December 2015. This permitted the disbursement of two additional instalments of €3 billion in total, from the August 2015 first instalment of the ESM loan. By mid-December 2015, the four systemic banks' recapitalisations were completed with only approximately €5.4 billion from the initial buffer of up to €25 billion used.

On 25 May 2016, the Eurogroup agreed on a package of debt relief measures that was phased in progressively, i.e., short-term, medium-term and long-term debt relief measures, as required, in order to ensure the sustainability of Greece's public debt. The short-term measures were implemented after the first review of the Third Economic Adjustment Programme.

The first review of the Third Economic Adjustment Programme occurred in June 2016. The conclusion of the first review of the Third Economic Adjustment Programme permitted the disbursement of an instalment of €10.3 billion that was disbursed in two sub-tranches. The first sub-tranche of €7.5 billion was disbursed in late June 2016 after the approval by the ESM on 21 June 2016. The second sub-tranche of €2.8 billion was approved by the ESM on 25 October 2016 and disbursed shortly afterwards.

In June 2016, a supplemental memorandum of understanding was agreed, which updated certain of the policy conditions set out in the Memorandum of Understanding. The Memorandum of Understanding (as supplemented) stated that the primary surplus target for Greece for 2016, 2017 and 2018 was 0.5 per cent., 1.75 per cent. and 3.5 per cent. of GDP, respectively. The 2017 Budget that was ratified by the Greek Parliament in late November 2016 had a forecast for the 2016 primary surplus of 1.1 per cent. of GDP. Based on the most recent available data published by the Hellenic Statistical Authority, the general government primary balance was at a surplus of 3.9 per cent. of GDP in ESA 2010 (as defined below) terms or according to the Greek Government and the European Commission at 4.2 per cent. of GDP in – the stricter – Third Economic Adjustment Programme's terms.

On 22 May 2017, a preliminary technical agreement was reached between Greece and the Institutions in the context of the second review of the Third Economic Adjustment Programme, which had officially started in October 2016.

On 15 June 2017, the Eurogroup welcomed the agreement on the second review of the Third Economic Adjustment Programme, reached between Greece and the Institutions after the implementation of a series of prior actions including structural reforms and fiscal structural measures amounting to *circa* 2 per cent. of GDP for the post-programme period. The agreement paved the way for the release of the next loan tranche to Greece, amounting to €8.5 billion, of which €6.9 billion covered debt servicing needs and the remaining €1.6 billion was used for arrears clearance and disbursed in two sub-tranches of €0.8 billion each. The second sub-tranche of €0.8 billion was disbursed on 30 October 2017, following an assessment of good progress in clearing arrears to the private sector that amounted to €5.4 billion at the end of July 2017.

The aforementioned developments led to the upgrade of the Greek sovereign rating by Moody's from Caa3 to Caa2 on 23 June 2017 and to a revision of its outlook to positive from stable. Standard & Poor's on 21 July 2017 revised its outlook on Greece to positive from stable and kept its rating unchanged. On 18 August 2017, Fitch Ratings (**Fitch**) upgraded Greece's sovereign rating to B- from CCC, with a positive outlook, citing reduced political risk and sustained GDP growth. On the back of these positive developments, the Greek Government issued a €3 billion 5-year syndicated bond on 25 July 2017 at a yield of 4.625 per cent.

for the first time since July 2014 with the proceeds to be used for further liability/debt management and for the build-up of a state cash buffer in the context of the 15 June 2017 Eurogroup's decisions.

On 22 January 2018, the Eurogroup welcomed the implementation of almost all of the agreed prior actions for the third review of the Third Economic Adjustment Programme. The positive report by the Euro Working Group on 2 March 2018 on the full implementation of the outstanding prior actions, paved the way for the disbursement of the fourth tranche under the Third Economic Adjustment Programme, amounting to €6.7 billion. The first sub-tranche of €5.7 billion was disbursed in the second half of March 2018 for debt servicing needs, further arrears clearance and support of the build-up of a state cash buffer. The second sub-tranche of €1 billion used for arrears clearance was disbursed in June 2018.

On 19 January 2018, Standard & Poor’s upgraded the Greek sovereign rating from B- to B with a positive credit outlook on the basis of the improved fiscal and growth outlook as well as the labour market recovery and the political stability relative to the recent past. Fitch on 16 February 2018 upgraded the Greek sovereign rating from B- to B with a positive credit outlook on the basis of improved fiscal conditions on expectations of a prompt conclusion of the Third Economic Adjustment Programme as well as on the expectation of an agreement on further debt relief measures by the end of the programme. Furthermore, Moody’s on 21 February 2018 upgraded the Greek sovereign rating from Caa3 to B3 based on similar arguments. On 19 May 2018, the European institutions and the Greek authorities reached a staff level agreement on the policy package to be implemented for the conclusion of the fourth and final review of the Third Economic Adjustment Programme. On 21 June 2018, Greece concluded the fourth and last review of the Third Economic Adjustment programme. In addition, an agreement was reached on the medium term debt relief measures in the context of the 25 May 2016 Eurogroup’s decisions. According to the decisions of the 21 June 2018 Eurogroup, the medium term debt relief measures include: (a) the further extension of the interest and amortisation of the loan received under the Second Economic Adjustment Programme and the extension of that loan’s maximum weighted average maturity by ten years, (b) the abolition of the step-up interest rate margin related to the debt buy-back tranche of the Second Economic Adjustment Programme loan as of 2018 and (c) the use of the ECB and Eurosystem’s Securities Markets Programme and, Agreement on Net Financial Assets profits for reducing Greece’s gross financing needs and/or financing other agreed investments. Pursuant to the 21 June 2018 decision of the Eurogroup, items (b) and (c) above, will be subject to the conditionality and the quarterly reviews of the post-programme surveillance process for the 2018-2022 period. For the post-programme period, Greece will be under an enhanced surveillance framework adapted to Greece in view of the longstanding crisis and challenges faced. Under this framework, the Greek authorities will undertake in the continuation, completion and delivery of reforms agreed under the Third Economic Adjustment Programme. An additional list of reforms to be implemented between 2018 and 2022 was agreed between Greece and the European Commission in the context of the enhanced post-programme surveillance. Monitoring of the progress on structural reform will be undertaken by the Commission, in liaison with the ECB and, where appropriate, with the IMF. The ESM will also participate in the context of its Early Warning System as in all other instances of post-programme surveillance. Enhanced surveillance provides for quarterly reports, which will be the basis for the activation of policy-contingent debt measures agreed in the Eurogroup statement of 22 June 2018. Furthermore, on 7 July 2018 the enhanced post-programme surveillance scheme was activated by the European Commission.

On 6 August 2018 the ESM disbursed the last instalment under the ESM programme for Greece amounting €15.0 billion. On 20 August 2018 the ESM announced that Greece had officially concluded its Third Economic Adjustment Programme with a successful exit. In total, the ESM disbursed to Greece €61.9 billion under the Third Economic Adjustment Programme out of a total ESM loan of €86 billion. The unused amount mainly derived from the substantially lower recapitalisation needs of banks compared to what was originally foreseen (€5.4 billion used out of a maximum amount of €25 billion) and from more efficient management of cash resources by the Greek government. Of the total disbursed amount, €36.3 billion covered debt servicing needs, €11.4 billion provided a cash buffer, €8.8 billion covered other fiscal needs (including €7.0 billion for arrears clearance) and €5.4 billion covered bank recapitalisation needs.

On 10 August 2018 the ECB announced that Greece from 21 August 2018 shall no longer be considered a euro area Member State under a EU/IMF programme and therefore the conditions for the temporary

suspension of the Eurosystem's credit 15 quality thresholds in respect of marketable debt instruments issued or fully guaranteed by the Hellenic Republic, as set out in Article 8(2) of Guideline ECB/2014/31, will no longer be fulfilled. As a result, from 21 August 2018 onwards, the aforementioned marketable debt instruments will be subject to the standard haircuts set out in Guideline (EU) 2016/65 of the European Central Bank (ECB/2015/35).

On 10 August 2018, Fitch upgraded Greece to BB- from B with a stable outlook on the basis of the conclusion of the fourth review, the end of the Third Economic Adjustment Programme and the improved economic and fiscal conditions. On 20 July 2018, S&P revised its outlook on Greece to positive from stable on improved policy predictability and growth prospects. On 25 June 2018, S&P upgraded the Greek sovereign rating from B to B+ with a stable outlook on the basis of the 21 June 2018 Eurogroup's decisions regarding the creation of a fiscal buffer aiming to facilitate the exit of the country to the international markets and on the debt maturity extensions. Furthermore, Moody's upgraded the Greek sovereign rating from Caa2 to B3 on 21 February 2018. The sovereign's rating is still significantly below an investment grade rating but the recent upgrades and the aforementioned progress on programme implementation led to the improvement of the spread of the Greek 10 year bonds over the respective German bonds by 155.2 basis points or 30 per cent. between the end of November 2017 and 25 September 2018.

Greece has encountered and continues to encounter significant fiscal challenges and structural weaknesses in its economy that led to concerns of a possible Greek exit from the Eurozone. However, this risk carries now a lower probability compared with mid-2015 since the current government was elected with a pro-reform programme in late September 2015. The main opposition party is pro-reformist as well and the Third Economic Adjustment Programme was successfully completed on 20 August 2018 with significant results achieved so far. The potential magnitude and range of effects that may occur if Greece were to exit the Eurozone are uncertain, but any exit or threat of exit could have a material adverse effect on the Bank's operations and liquidity position, including the Bank's ability to continue accessing ECB funding. In addition, the increased foreign currency exchange rate risk from the adoption of a national currency, which could be devalued significantly against other major currencies, could impact the Bank's business, results of operations, financial condition and prospects. For further details on exchange risk, see "*General risks related to the Notes*" – "*Exchange rate risks and exchange controls*".

Further, the negotiations in the first half of 2015, the failure to successfully complete the last review of the Second Economic Adjustment Programme, the ensuing financial, fiscal and political uncertainty, the imposition of capital controls, the referendum, the bank holiday and associated political uncertainty, the delayed conclusion of the reviews of the Third Economic Adjustment Programme, negatively affected consumer and investment confidence in the Greek economy and the trust between the Greek government and the Institutions, which still may jeopardise the benefits resulting from the implementation of the Third Economic Adjustment Programme and the commitments which the Greek government undertook as a condition for the implementation of debt sustainability measures, thus leading to additional significant political and macroeconomic consequences. See "*Failure in realising the benefits of the Third Economic Adjustment Programme may have material adverse effects on the Bank's business, results of operations, financial condition and prospects*".

Despite the successful completion of the Third Economic Adjustment Programme, the current macroeconomic environment, adverse macroeconomic and political developments and uncertainty in Greece have had, and are likely to continue to have, a material adverse effect on the Bank's business, results of operations, financial condition and prospects, which may adversely affect the Bank's ability to pay interest and principal on the Notes in full and in a timely manner.

The Group may not be allowed to continue to recognise the main part of deferred tax assets under IFRS as regulatory capital, which may have an adverse effect on its operating results and financial condition.

The Group currently includes DTAs calculated in accordance with International Financial Reporting Standards (**IFRS**) as endorsed by the EU in calculating the Group's capital and capital adequacy ratios. As at 30 June 2018, the Group DTAs was €414.8 million (31 December 2017: €376.4 million).

The Group reviews the carrying amount of its DTAs at each reporting date, and such review may lead to a reduction in the value of the DTAs on the Group's statement of financial position, and therefore reduce the value of the DTAs as included in the regulatory capital.

Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (**CRD IV**) provides that DTAs recognised for IFRS purposes that rely on the future profitability of a credit institution and exceed certain thresholds must be deducted from its Common Equity Tier 1 (**CET1**) capital. This deduction will be implemented gradually until 2024.

The deduction introduced by CRD IV has a significant impact on Greek credit institutions, including the Group. However, as a measure to mitigate the effects of the deduction, article 27A of Greek Law 4172/2013, as introduced by paragraph 1 of article 23 of Greek Law 4302/2014 and amended by article 5 of Greek law 4303/2014, by article 4 of Greek law 4340/2015, paragraph 2 of article 43 of Greek Law 4465/2017 applicable from 2016 onwards, article 82 of Greek Law 4472/2017, paragraph 3 of article 80 of Greek Law 4484/2017 and most recently by paragraph 1 of article 114 of Greek Law 4549/2018 (the **DTC Law**) allows, under certain conditions, credit institutions to convert DTAs arising from the PSI and the Greek State Debt Buy Back Program unamortised losses, as well as from the sum of (a) the unamortised part of the crystallised loan losses from write offs and disposals, (b) the accounting debt write offs and (c) the remaining accumulated provisions and other losses due to credit risk recorded up to 30 June 2015 reduced by the amount of any utilised tax credit and of any yearly amortisation of crystallised loan losses from write-offs and disposals as well as any subsequent specific tax provisions which are specifically attributable to the said accumulated provisions (the **Eligible DTAs** or **DTCs**) to final and settled claims against the Hellenic Republic (the **Tax Credits**). As at 31 December 2017, the Group's eligible DTAs amounted to €33.8 million (31 December 2016: €35.3 million).

Applicable income tax rates for the calculation of Eligible DTAs cannot exceed the rate applicable for the fiscal year 2015, i.e. 29 per cent. It should be noted that article 58 of Greek Law 4172/2013, as recently amended by article 14 of Greek Law 4472/2017, provides for a decrease from 29 per cent. to 26 per cent. of the Greek corporate tax rate for legal persons and legal entities other than credit institutions for the tax years starting from 1 January 2019 and onwards, if and to the extent that this does not result in deviations from the medium-term fiscal goals determined in the context of the Third Economic Adjustment Programme, pursuant to relevant assessment, in the context of the final review of the Third Economic Adjustment Programme, made by the IMF and the European Commission, in cooperation with the ECB, the ESM and the Greek authorities, the conclusions of which will be included in an announcement by the Greek Minister of Finance to be published in Greek Government Gazette.

The main condition for the creation of Tax Credits is the existence of an accounting loss (after tax) at the Bank standalone level for a respective year, starting from accounting year 2016 and onwards, for which Tax Credits can be created in the following year, i.e., from 2017. The Tax Credits will be calculated as a ratio of IFRS accounting losses after tax to net equity (excluding the IFRS year's losses after tax) and such ratio will be applied to the remaining Eligible DTAs in a given year to calculate the Tax Credit that will be converted in that year, in respect of the prior tax year. This legislation allows credit institutions, including the Group, to treat such Eligible DTAs as not "relying on future profitability" according to CRD IV, and as a result such Eligible DTAs are not deducted from CET1, thereby improving an institution's capital position.

In April 2015, the European Commission announced that it had sent requests for information to Spain, Italy, Portugal and Greece regarding their treatment of deferred tax credits for financial institutions under national law. Even though the European Commission has not launched a formal investigation up to now, there can be no assurance that the tax provisions implemented by the DTC Law as described above, which was fashioned after the Portuguese DTC regulation, will not be challenged by the European Commission as illegal state aid. However, pursuant to article 82 of Law 4472/2017, which amended article 27A of Law 4172/2013 in May 2017, an annual fee of 1.5 per cent. is imposed on the excess amount of deferred tax assets guaranteed by the

Greek State, stemming from the difference between the current tax rate (i.e. currently 29 per cent.) and the tax rate applicable on 30 June 2015 (i.e. 26 per cent.). According to the Explanatory Report of Greek Law 4472/2017, which introduced the annual fee of 1.5 per cent. as above, such measure was implemented to address potential state aid issues. Further, for the period ended on 31 December 2017, an amount of €516,339.97 has been recognised in the Bank's income statement and the amount of €539,013.06 refers to the respective fee for the period ended on 31 December 2016.

Notwithstanding the above, there can be no assurance that any final interpretation of the amendments described above will not change or that the European Commission will not conclude that the treatment of the DTCs under Greek Law is illegal and, as a result, Greek credit institutions will ultimately not be allowed to maintain certain DTCs as regulatory capital.

If the regulations governing the use of DTCs as part of the Group's regulatory capital change, this may affect the Group's capital base and consequently its capital ratios. As at 31 December 2017, 59.2 per cent. of the Group's CET1 capital was comprised of DTCs. If any of the above risks materialise, this could have a material adverse effect on the Group's ability to maintain sufficient regulatory capital, which may in turn require the Group to issue additional instruments qualifying as regulatory capital, to liquidate assets, to curtail business or to take any other actions, any of which may have a material adverse effect on the Group's operating results and financial condition and prospects.

Failure in realising the benefits of the Third Economic Adjustment Programme may have material adverse effects on the Bank's business, results of operations, financial condition and prospects.

The fiscal targets for the period after the end of the Third Economic Adjustment Programme may not be met despite the measures already decided for the post-programme period and the Bank cannot assess the effects of the measures implemented under the programme on general economic activity. Further, the Greek government may not be in a position to implement the required structural reforms in full on a timely basis. Failure to implement such reforms and to attain the fiscal targets, or to implement the commitments Greece undertook towards the Institutions as part of the enhanced post-programme surveillance framework or further restructuring of the Greek debt, will increase the risk of the occurrence of an adverse credit event regarding Greece's public debt. Any risks relating to financial stability in Greece and the ability of Greece to fulfil its international obligations, either as such or in combination with other adverse developments (including, for example, aggravation of international financial conditions or at a Eurozone level), could have a material adverse effect on the Bank's business, results of operations, financial condition and prospects, including:

- a significant increase in the provisions the Bank records, mostly for loans;
- a reduction of the carrying amount of the Bank's portfolio of Greek government debt and other securities;
- an impairment in the carrying amount of the Bank's DTAs;
- a weakening of the Bank's regulatory capital position;
- significant difficulties in raising funds and complying with minimum capital and funding regulatory requirements;
- a substantial reduction in the Bank's liquidity;
- difficulty in achieving sustainable levels of profitability;
- increased ownership and control by the Greek state, including as a result of the provision of new capital support;

- forced consolidation in the banking sector; and
- imposition of resolution measures under Law 4335/2015, which implemented the Bank Recovery and Resolution Directive (establishing a framework for the recovery and resolution of credit institutions and investment firms (the **BRRD**)).

Even in the post-programme period, the Greek economy may not achieve the level of economic growth required to ease the financial constraints affecting the country and the markets and may not be able to achieve a permanent access in the international markets and may ask for a credit line or a new financing programme. Furthermore, if the Greek economy requires more time than expected to respond to social security, labour market and other structural reforms intended to enhance competitiveness or if fiscal effects of the recession are more severe than currently anticipated, the financial crisis may last longer than expected. In addition, any delay, defect or failure in the implementation of any of the above measures may have an adverse effect on the Greek banking sector in general and could have a material adverse effect on the Bank's business, results of operations, financial condition and prospects.

The capital control measures currently in force have adversely affected and may further affect the Greek economy and cause further liquidity challenges and increase NPEs.

On 28 June 2015, following the announcement of the ECB that it would not increase the ceiling for the ELA for Greece's banking system from the €89 billion limit agreed on 26 June 2015, the Greek government implemented cash withdrawal and capital transfer restrictions, in order to protect the Greek banking system from increasing deposit outflows. At that time, the Eurosystem's support to Greek banks (directly through the ECB's main refinancing operations and indirectly through the ELA) amounted to €126.6 billion (of which the Bank's Eurosystem funding totalled €890 million), which exceeded 70 per cent. of Greece's GDP. According to the Bank of Greece, in December 2017, the Eurosystem's support to Greek banks amounted to €33.7 billion with ELA at €21.6 billion in December 2017 and €13 billion (the lowest level since September 2008) with ELA at €4.8 billion in July 2018, a significant improvement compared with the ELA as at late June 2015. These capital controls have caused, and are likely to continue to cause, distress to the economy due to the loss of confidence in the Greek banking sector, the constriction in liquidity and the adverse effect on Greek exports, among other factors.

Although certain restrictions have been gradually relaxed or lifted (for example, the opening of new bank accounts and most recently cash withdrawals within Greece), capital controls still remain in place, and any resulting decline in customer demand and customers' ability to service their liabilities, may lead to a further contraction of liquidity in the market and an increase in troubled assets, which, consequently, may have an adverse impact on the Bank's liquidity, business, results of operations, financial condition and prospects, which may adversely affect the Bank's ability to pay interest and principal on the Notes in full and in a timely manner. So long as capital controls are in place, the Bank's operations are limited. Moreover, as and when such restrictions are further reduced or lifted, the Bank may experience significant deposit outflows which could adversely affect the Group's business, financial condition, results of operations and prospects and the Bank's ability to pay interest and principal on the Notes in full and in a timely manner.

The prolonged economic recession has placed significant pressure on companies and individuals in Greece, and the Bank is exposed to their financial performance and creditworthiness.

The Bank's business, results of operations, financial condition and prospects are exposed in many different ways to the economic and financial performance, creditworthiness, prospects and economic outlook of companies and individuals in Greece or with a significant economic exposure to the Greek economy, which may adversely affect the Bank's ability to pay interest and principal on the Notes in full and in a timely manner. For example, the Bank's business activities depend on the level of demand for banking, finance and financial products and services, as well as customers' capacity to service their obligations or maintain or increase their demand for the Bank's services. Customer demand and customers' ability to service their liabilities depend considerably on their overall economic confidence, prospects, employment status, the state of public finances in Greece, investment and procurement by the central government and municipalities and the general availability of liquidity and funding on reasonable terms.

According to the Hellenic Statistical Authority, the Greek economy has been in recession from 2008 to 2016 (with the exception of 2014 where positive growth of 0.4 per cent. of GDP was realised). Revised data based on the new European System of Accounts methodology (**ESA 2010**) shows that real GDP in Greece decreased by a total of 26.4 per cent. between 2008 and 2016. According to the most recent data issued by the Hellenic Statistical Authority, real GDP increased in 2017 by 1.4 per cent. from -0.2 per cent. and -0.3 per cent. in 2016 and 2015 respectively. The IMF's Summer 2018 forecast for 2018 was at 2 per cent. and for 2019 at 2.4 per cent and the respective European Commission's Summer 2018 forecast was at 1.9 per cent and for 2019 at 2.3 per cent. The 2018 budget's real GDP forecasts for 2018 was at 2.5 per cent. According to ELSTAT's 1st 2018 Fiscal Data Notification the 2017 in ESA 2010 terms, the primary balance (before debt service costs) registered a surplus of 4 per cent. of GDP. In Third Economic Adjustment Programme terms the aforementioned 2017 primary surplus is at 4.2 per cent. of GDP according to an announcement by the Greek Ministry of Finance, significantly higher compared to the respective programme target of 1.75 per cent. of GDP. In addition, the fiscal goal for 2018 under the 2018 budget is to achieve a primary surplus of 3.82 per cent. of GDP in 2018. The primary surplus target in the Third Economic Adjustment Programme for Greece in 2018 was at 3.50 per cent. of GDP. Further, pursuant to the Eurogroup agreement of 21 June 2018, the primary surplus target for Greece for the post-programme period up to 2022 is at 3.50 per cent. of GDP and at 2.20 per cent. of GDP thereafter. Such targets may not be met and the Greek economy may not recover.

The fiscal discipline measures introduced in the Economic Adjustment Programmes have significantly reduced household disposable income and business profitability, and the additional measures to be introduced under the terms of the post-programme framework are expected to add further pressure, and consequently, to have a further adverse effect on the ability of households and businesses to service their loans and meet their other financial obligations to the Bank and the other operators in the Greek banking sector.

Fiscal discipline measures and the potential deterioration in the business environment may further weaken the demand for loans. Further, the need to reduce Greek banks' dependence on Eurosystem funding has caused, and may further cause, the banks to decrease their lending activity even further.

In an environment characterised by continuing turbulence in the market, negative macroeconomic conditions and high levels of unemployment, combined with decreasing private consumption and corporate investment and the deterioration of credit profiles of corporate and retail borrowers, the value of the assets which collateralise the loans the Bank has extended, including houses and other immovables, could be further significantly reduced or could result in an increase in loans in arrears. Since the implementation of the Second Economic Adjustment Programme has not been completed, especially with regard to the scheduled structural reforms, and further fiscal measures were required in addition to the ones already agreed upon, growth in financial activity was much lower than expected in 2014-2016. According to the most recent Bank of Greece data, in July 2018 the private sector domestic credit balance stood at €177.2 billion from €188.8 billion in July 2017, a decrease of 6.2 per cent. A significant part of this deleveraging was due to the reduction of the stock of non-performing exposures (**NPEs**). These fell from €106.9 billion or 50 per cent. at the end of June 2016 to €88.6 billion or 47.7 per cent. at the end of June 2018, according to the most recent available data from the Bank of Greece. If the implementation of the commitments under the post-programme surveillance framework is also not successful, increase of financial activity may be significantly lower than expected for 2018, and the post-programme period, which could further delay the recovery of the Greek economy. Under the worst case scenario, or if there will be no implementation of the commitments under the post-programme surveillance framework and no implementation of medium-term debt relief measures or if the agreed commitments under the post-programme surveillance framework and the debt relief measures fail to achieve their targets, a severe economic recession, coupled with increasing market uncertainty and volatility in asset prices, higher unemployment rates and declining consumer spending and business investment could result in further substantial impairments in the values of the Bank's loan assets, decreased demand for borrowings, increased deposit outflows (in the event that the current capital controls regime is further reduced or lifted) and/or a significant increase in the level of NPEs.

Even following the successful implementation of the Third Economic Adjustment Programme, the Greek economy may not achieve the sustained and robust growth that is necessary to ease the financial constraints on the country and improve conditions for foreign direct investment and the availability of funding from the capital markets.

The Bank's ability to obtain unsecured funding remains constrained and its access to the capital markets is limited; the Bank remains dependent on the ECB and the Bank of Greece for funding and the Bank's liquidity may be affected by their decisions.

Lengthy periods of recession and weak economic growth in Greece and Europe have adversely affected the Bank's credit rating and limited the Bank's access to international markets for funding, which together with the continued and sharp decline in the Group's deposits since 2009, has increased considerably the Bank's reliance on funding from the ECB and the Bank of Greece within the Eurosystem. The deterioration in the Bank's credit rating has also resulted in increasing funding costs and the need to provide additional collateral in repurchase agreements and other collateralised funding agreements, including the Bank's agreements with the ECB and the Bank of Greece. The severity of pressure experienced by Greece in its public finances has also restricted the Bank's access to the capital markets for funding, particularly unsecured funding and funding from the short-term interbank market, because of concerns by counterparty banks and other creditors. The past uncertainties relating to the implementation of the Second Economic Adjustment Programme and the sovereign debt reduction through the PSI, as well as uncertainty relating to the post-programme period, have adversely affected and are expected to continue to adversely affect liquidity and profitability of the Greek financial system in general and of the Bank in particular. Liquidity in the Greek banking system is limited, reflecting limited access to the market for financing since the end of 2009 and a sizeable contraction of the domestic deposit base since the end of 2010 and a heavy reliance on Eurosystem funding (directly through the ECB's main refinancing operations and indirectly through the ELA mechanism of the Bank of Greece), as well as more recently the imposition of capital controls.

Political initiatives at an EU level for amendments to the framework for supporting credit institutions have resulted in the adoption of the BRRD in May 2014, which was transposed into Greek law with effect from 23 July 2015 (with the exception of certain provisions, which became effective on 1 January 2016). The implementation of the BRRD may result in shareholders, creditors and unsecured depositors sharing the risks and potential costs of the recapitalisation and/or liquidation of troubled banks, which may result in a loss of customer confidence and further outflows of deposits from the banking system. The risk that creditors may also be required to bear the risks and potential costs of a recapitalisation and/or liquidation may result in an increase in the Bank's cost of funding. The Bank's ECB funding and funding from the Bank of Greece through the ELA (which has less strict collateral rules but carries a higher rate of interest, currently 150 basis points above the interest rate charged on ECB funding), has increased considerably since the start of the Greek crisis, peaking in 2012 and again in 2015. Since then, however, as market and liquidity conditions have been improving, the Bank's dependence on ECB (and ELA in particular) funding, has been declining. As at 31 December 2016, the Bank's net Eurosystem funding was €1,015 million, all of which involved funding from the ELA rather than from the ECB, compared to €780 million of Eurosystem funding as at 31 December 2015. As of 31 December 2017, Eurosystem funding was €915 million, all of which was from the ELA.

The liquidity the Bank receives from the ECB or the Bank of Greece may be adversely affected by changes in ECB or Bank of Greece regulations. In February 2015, due to the uncertainty around a successful conclusion of the review of the Second Economic Adjustment Programme, the ECB lifted (effective from 11 February 2015) the waiver previously applicable to marketable debt instruments issued or fully guaranteed by the Greek state that allowed these instruments to be used as collateral in Eurosystem monetary policy operations despite the fact that they did not fulfil minimum credit rating requirements. However, on June 2016 and following the completion of the first review of the Third Adjustment Programme, the ECB has reinstated this waiver and reduced the applicable haircuts. Further, as of 1 March 2015, bonds issued by a counterparty of the ECB and guaranteed by EEA government entities may no longer be used as collateral by the Bank in the ECB's monetary policy operations, subject to the possibility of temporary derogations. On 10 August 2018, the ECB announced that, from 21 August 2018, Greece shall no longer be considered a euro

area Member State under a EU/IMF programme and therefore the conditions for the temporary suspension of the Eurosystem's credit quality thresholds in respect of marketable debt instruments issued or fully guaranteed by the Hellenic Republic, as set out in Article 8(2) of Guideline ECB/2014/31, will no longer be fulfilled. As a result, from 21 August 2018 onwards, the aforementioned marketable debt instruments have been subject to the standard haircuts set out in Guideline (EU) 2016/65 of the European Central Bank (ECB/2015/35). This has not impacted the funding amount but has led to an increase in the funding costs for the Bank, which is bearable.

The amount of funding available from the ECB or the Bank of Greece is tied to the value of the collateral the Bank provides, including the market value of the Bank's holdings of Greek government bonds, which may decline. If the value of the Bank's assets decline, then the amount of funding that the Bank can obtain from the ECB or the Bank of Greece will be correspondingly limited. In addition, if the ECB or the Bank of Greece were to continue to revise their collateral standards or increase the rating requirements for collateral securities such that these instruments are no longer eligible to serve as collateral, the Bank's funding costs would be materially increased and the Bank's access to liquidity limited. In addition, a continuation in deposit withdrawals and prolonged need for additional Eurosystem funding may lead to the exhaustion of available collateral required to raise funds from the Eurosystem. Any such constraints in the Bank's ability to obtain funding could adversely affect the Group's business, financial condition, results of operations and prospects, which may adversely affect the Bank's ability to pay interest and principal on the Notes in full and in a timely manner.

Should the capital controls be lifted, if a significant outflow of funds from customer deposits were to materialise, this could have an adverse liquidity impact, put upward pressure on the Bank's costs of funding and have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

Historically, one of the Bank's principal sources of funds has been customer deposits. Since the Bank relies on customer deposits for the majority of the Bank's funding, if the Bank's depositors were to withdraw their funds at a rate faster than the rate at which borrowers repay their loans, or if the Bank is unable to obtain the necessary liquidity by other means, the Bank would be unable to maintain the Bank's current levels of funding without incurring significantly higher funding costs or having to liquidate certain of the Bank's assets, or without increasing access to the Eurosystem under its then-current terms. As a result of the political and financial uncertainty in 2015, the Greek banking system experienced substantial deposit outflows, which led to the imposition of capital controls to stabilise deposits. As at 31 December 2017, the Group's customer deposits were €1,924 million, compared to €1,892 million as at 31 December 2016.

These capital controls are now gradually being relaxed following improvements in the Greek economy and the successful implementation of the various Economic Adjustment Programmes described above. As a result, there can be no assurance that the Bank's customer deposits will not suffer further decreases in the future. Further, the general scarcity of wholesale funding since the onset of the economic crisis has led to a significant increase in competition for retail and corporate deposits in Greece. The Bank faces competition from other Greek banks and Greek branches of foreign banks, many of which may have greater resources and superior credit ratings to the Bank's own. The Bank's competitors may be able to recover deposits faster than the Bank can or secure funding at lower rates.

The ongoing availability of deposits to fund the Bank's loan portfolio is subject to potential changes in certain factors outside of the Bank's control, such as depositors' concerns regarding the economy in general, the financial services industry or the Bank specifically, the risk of implementation of changes in the framework for supporting the financial credit institutions that are having problems by requiring the participation of their respective shareholders, their creditors and their unsecured depositors and/or initiatives for taxation of deposits, significant further deterioration in economic conditions in Greece and the availability and extent of deposit guarantees. Government or resolution authority interventions aimed at alleviating the financial crisis and preventing a potential bank failure are uncertain and carry additional risks. Unsecured depositors sharing the burden of the recapitalisation and/or liquidation of troubled banks, as well as the taxation of deposits, may result in a loss of customer confidence and lead to further outflows of deposits from the Greek banking system, which would have a material adverse effect on the Issuer's ability

to operate as a going concern (see "*Risks Relating to the Bank's Business—The new framework on bank recovery and resolution may adversely affect the composition of the Bank's Board of Directors and management team and the Bank's financial condition, results of operations and prospects*").

Any loss in customer confidence in the Bank's banking business or in the banking sector in general could significantly increase the amount of customer deposit withdrawals, or increase the cost of deposits, in a short period of time. If the Bank experiences an unusually high level of withdrawals or is unable to replace such withdrawals, the unavailability of funding or higher funding costs may have an adverse effect on the Bank's results, financial condition and prospects. Unusually high levels of withdrawals could prevent the Bank or any entity of the Group from funding operations and meeting minimum liquidity requirements. In those circumstances, the Bank and its subsidiaries and affiliates may not be in a position to continue operating without additional funding support, which the Bank may be unable to secure. The cash withdrawal and capital transfer restrictions that are currently in place aim to prevent large scale and widespread withdrawals of bank deposits and safeguard the Greek banking system. Such restrictions, however, may not remain in place, and may be lifted in the near future. The Bank cannot predict future legislative developments in connection with the capital controls imposed and their effect on the Bank's customers and, consequently, their impact on the Bank's financial condition.

The Bank is exposed to the risk of political instability in Greece.

The Bank's business, results of operations, the quality of the Bank's assets and general financial condition are directly and significantly affected by political developments in Greece. Since 2009, there have been four parliamentary elections and one referendum on the bail-out measures proposed by the Institutions, with voters going to the polls three times in 2015 alone. The current government of Prime Minister Tsipras holds a slim majority in Parliament and it is required to pass a number of unpopular reforms as part of the commitments under the post-programme surveillance framework. If the passage of reform legislation is stalled in Parliament or if the economic environment and social tensions precipitate a change in government, this could result in political instability and market uncertainty. The current political, economic and budgetary challenges that the Greek government faces with respect to Greece's high public debt burden and challenging economic prospects may continue beyond 2018. It should be noted that the next parliamentary elections are scheduled for late September 2019, while the local (municipalities) and regional elections as well as the European Parliament elections are already scheduled for the end of May 2019. Any change in economic policy as a result of a change in government or a revision in policies could affect the Bank's business and strategic orientation, which may adversely affect the Bank's business, financial condition, results of operations and prospects.

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

In May 2013, two regulations were enacted by the European Parliament: (i) Regulation (EU) 473/2013 on common provisions for surveillance of draft budgetary plans of euro area member states, with special regimes for those subject to an excessive deficit procedure; and (ii) Regulation (EU) 472/2013 on enhanced economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious financial difficulties or in receipt of financial assistance. These two regulations, which became effective in May 2013, introduced provisions for tighter monitoring of countries' budgetary policies. In addition, greater emphasis is being placed on the debt criterion of the Stability and Growth Pact, under which Member States whose debt exceeds 60 per cent. of GDP (i.e., the EU's debt reference value) without diminishing at an adequate rate (i.e., by 5 per cent. per year on average over three years), such as Greece, would be required to take steps to reduce their debt at a pre-defined pace, even if their deficit is below 3 per cent. of GDP (the EU's deficit reference value). As a preventive measure, an expenditure benchmark, which implies that annual expenditure growth should not exceed a reference medium-term rate of GDP growth, has been implemented. A new set of financial sanctions has been introduced for Member States that do not comply with the excessive deficit procedure as described in Regulation 473/2013 of the EU; such sanctions are triggered at a lower deficit level and use a graduated approach. Given the dimensions of Greece's public debt imbalance, these measures are likely to have the effect of limiting the government's capacity to stimulate economic growth through spending or through a reduction of the tax burden for a long period. Any

limitation on growth of the Greek economy is likely to adversely affect the Group's business, financial condition, results of operations and prospects, which may adversely affect the Bank's ability to pay interest and principal on the Notes in full and in a timely manner.

The Bank may require additional capital in order to satisfy supervisory capital and liquidity requirements.

The Bank is required by the Single Supervisory Mechanism (**SSM**) and the Bank of Greece to meet minimum capital and liquidity requirements. Based on the 2018 Basel III transitional rules, as at 31 December 2017, the Group had a phased in CET1 ratio of 14.72 per cent. and a phased in total capital adequacy ratio of 14.72 per cent. Based on full implementation of Basel III in 2024, as at 31 December 2017, the Group had a fully loaded CET1 ratio of 11.51 per cent. and a fully loaded total capital ratio of 11.51 per cent.

The Bank's and the Bank's regulated subsidiaries' ability to maintain required regulatory capital ratios could be affected by a number of factors, including the level of risk-weighted assets (**RWAs**). In addition, the Group's capital adequacy ratio will be directly affected by the Group's after-tax results, which could be affected, most notably, by a greater than anticipated worsening of economic and market conditions and, as a result, asset impairments. The Bank may, therefore, in the future have insufficient capital resources to meet minimum regulatory capital and liquidity requirements. In addition, minimum regulatory requirements may increase in the future, such as pursuant to the supervisory review and evaluation process, and/or the manner in which existing applied regulatory requirements may change. Likewise, liquidity requirements may come under heightened scrutiny, and may place additional stress on the Bank's liquidity demands.

Any failure by the Bank to maintain minimum regulatory capital ratios could result in administrative actions or other sanctions, which in turn may have a material adverse effect on the Bank's operating results, financial condition and prospects or even result in the revocation of the Bank's licence. If the Bank is required to bolster its capital position, it may not be possible for the Bank to raise additional capital from the financial markets or to dispose of marketable assets.

Effective management of the Bank's regulatory capital is critical to the Bank's ability to operate the Bank's businesses, to grow organically and to pursue the Bank's strategy. Any change that limits the Bank's ability to manage the Bank's balance sheet and regulatory capital resources effectively, including, for example, reductions in profits and retained earnings as a result of write-downs or otherwise, increases in RWAs, delays in the disposal of certain assets or an inability to syndicate loans as a result of market conditions or otherwise or an inability to access funding sources could have a material adverse impact on the Bank's financial condition and regulatory capital position which may adversely affect the Bank's ability to pay interest and principal on the Notes in full and in a timely manner.

IFRS 9 Financial Instruments

From 1 January 2018, the Group implemented IFRS 9 which introduces a new accounting framework for the recognition and measurement of credit losses. For information regarding the impact of the new standard please refer to the audited consolidated annual financial statements of the Bank for the financial year ended 31 December 2017 which are included in "*Documents Incorporated by Reference*").

The Bank may not be able to preserve its customer base.

The Bank’s success depends on the Bank’s capacity to maintain high levels of loyalty among the Bank’s customer base and to offer a wide range of competitive and high quality products and services to the Bank’s customers. In order to pursue these objectives, the Bank has adopted a strategy of segmentation of its customer base, aimed at serving the various needs of each segment in the most suitable manner. Moreover, the Bank seeks to maintain long-term financial relations with its customers through the sale of a full range of products and services. Nevertheless, the Bank may not be able to continue to compete successfully with domestic and international banks in the future given the high levels of competition in Greece. An increased emphasis in cost reduction may result in an inability to maintain high loyalty levels of the Bank’s customer base, in providing competitive products and services, or of maintaining high customer service standards, each of which may materially adversely affect the Bank’s business, financial condition, results of operations and prospects.

The Bank’s wholesale borrowing costs and access to liquidity and capital depend on the credit ratings of both the Bank and Greece.

A downgrade in the credit ratings of the Bank or of Greece may have an adverse effect on the Bank’s access to and cost of funding, which may adversely affect the Bank’s ability to pay interest and principal on the Notes in full and in a timely manner.

Negative publicity following a downgrade in the Bank’s credit rating may have an adverse effect on depositors’ sentiment, which may increase the Bank’s dependence on Eurosystem and ELA funding. The Bank is currently restricted in its ability to obtain funding in the capital markets and is heavily dependent on the Eurosystem for funding, and any further reductions in the long-term credit ratings of the Bank or Greece could delay the Bank’s return to the capital and interbank markets for funding, increase the Bank’s borrowing costs and/or restrict the potential sources of funding available to the Bank.

Since 2009, Greece has experienced a series of credit rating downgrades and in 2010 moved to below investment grade. Greece’s credit rating was lowered by all three international credit rating agencies to selective default levels following the activation of collective action clauses in Greek government bonds subject to Greek law in late February 2012. Greece’s sovereign ratings initially improved due to attainment of certain fiscal targets and the ongoing implementation of structural reforms under the First Economic Adjustment Programme and Second Economic Adjustment Programme. In 2015, however, Greece’s credit rating was downgraded mainly due to the uncertainty over whether the Greek government would reach an agreement with official creditors in time to meet upcoming repayments on marketable debt. The conclusion of the second review of the Third Economic Adjustment Programme led to the upgrade of the Greek sovereign rating by Moody's from Caa3 to Caa2 on 23 June 2017 and to a revision of its outlook to positive from stable. On 18 August 2017, Fitch upgraded Greece's sovereign rating to B from CCC, with a positive outlook, citing reduced political risk and sustained GDP growth. On 19 January 2018, Standard & Poor’s revised Greek sovereign rating from B- to B citing improved growth and fiscal outlooks alongside a labour market recovering and amid a period of relative policy certainty. On 16 February 2018, Fitch upgraded the Greek sovereign rating from B- to B with a positive credit outlook and on 21 February 2018 Moody’s also upgraded the Greek sovereign rating from Caa2 to B3, maintaining a positive outlook. Standard & Poor’s subsequently upgraded Greece’s sovereign rating to B+ with a stable outlook on 25 June 2018 and to B+ with a positive outlook on 20 July 2018 and Fitch upgraded Greece’s sovereign rating to BB- with a stable outlook on 10 August 2018.

As at the date of this Prospectus, Greece had been given a positive outlook on its rating by the international credit rating agencies, and its credit ratings are:

Standard & Poor’s: "B+ (positive outlook)"

Fitch: "BB- (stable outlook)"

Moody’s: "B3 (positive outlook)"

The Bank has a long-term credit rating of Caa3, assigned by Moody’s.

A downgrade of Greece's rating may occur in the event of a failure to implement the commitments under the post-programme surveillance framework or if relevant measures fail to produce the intended results. Accordingly, the credit risk for Greece could increase further, with negative effects on the cost of risk and cost of funding for Greek banks and thereby on their results. Further downgrades of Greece's sovereign credit rating could also result in a corresponding downgrade in the Bank's credit rating.

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

The global economic slowdown and the economic crisis in Greece since 2008 have resulted in an increase in past due loans and significant changes in the fair values of the Bank's financial assets. A substantial portion of the Group's loans to corporate and individual borrowers are secured by collateral such as real estate, securities, term deposits and receivables. In particular, as mortgage loans are one of the Group's principal assets (gross volume €0.43 billion as at 31 December 2017), the Group is currently highly exposed to developments in real estate markets, especially in Greece. From 2002 to 2007, demand for housing and mortgage financing in Greece increased significantly, driven by, among other things, economic growth, favourable expectations about the future prospects of the Greek economy, declining unemployment rates, demographic and social trends and historically low interest rates in the Eurozone. Based on Hellenic Statistical Authority data, construction activity has contracted sharply since 2009. Between the end of 2007 and the end of 2017, the cumulative decrease in gross fixed capital formation (in chain linked volumes) in total construction was 62 per cent. According to the latest available Bank of Greece data, housing prices began decreasing in 2009 and these decreases continued until the fourth quarter of 2017 due to further contraction of disposable income and high supply of houses available for sale. For the period between the fourth quarter of 2007 and the fourth quarter of 2017, apartment prices declined cumulatively by 41.5 per cent., according to the Bank of Greece. However, housing prices have begun to increase in 2018. According to the most recent Bank of Greece data, apartment prices increased by 0.3 per cent. and 1.0 per cent. on an annual basis in the first and the second quarter of 2018 respectively.

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

A decline in the value of the collateral securing the Group's loans may also result from a further deterioration of financial conditions in Greece or the other markets where the collateral is located, and may differ depending on the category of loan. In addition, the Bank's failure to recover the expected value of collateral in the case of foreclosure, or the Bank's inability to initiate foreclosure proceedings due to domestic legislation, may expose the Bank to losses that could have a material adverse effect on the Bank's business, results of operations, financial condition and prospects. Specifically, foreclosures initiated by credit institutions for satisfaction of claims against the primary residence of debtors who meet certain eligibility criteria have been forbidden since 1 July 2010, and such prohibition was expanded until 31 December 2014, pursuant to Law 4224/2013, while, as a result of the capital controls, enforcement actions were suspended through 31 October 2015. Although there is currently no blanket restriction on enforcement such as the framework described above, this or a similar prohibition may be enacted in future periods, and the private debt resolution mechanism to be proposed by a special governmental council established by virtue of Law 4224/2013 may restrict the Bank's ability to take enforcement measures against the Bank's debtors in future periods.

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

well as the Bank’s capital adequacy, which may adversely affect the Bank’s ability to pay interest and principal on the Notes in full and in a timely manner.

Risks Relating to Volatility in the Global Financial Markets

The Group is vulnerable to the ongoing political disruptions and volatility in the global financial markets.

Following a lengthy period of recession in many economies around the world, including Europe, in the wake of the financial crisis, global economic growth has returned, although at a relatively modest pace and is uneven across countries. Most of the economies with which Greece has strong export links, including a number of European economies, continue to face high levels of private or public debt and elevated unemployment rates. Increasing downside risks on the back of a weaker external environment and heightened geopolitical risks may restrict the European economic recovery, which remains greatly dependent on accommodative monetary policy, with a corresponding adverse effect on the Group’s business, results of operations and financial condition. Moreover, any material adverse effect on the financial and political resources of the EU as a result of the continuing Syrian war and the related refugee crisis, the relations with Turkey or the decision of the United Kingdom to leave the EU, could materially adversely affect the Greek State and the environment in which the Bank operates.

The Bank’s results of operations, in the past have been, and in the future may continue to be, materially affected by many factors of a global nature, including: political and regulatory risks and the condition of public finances; the availability and cost of capital; the liquidity of global markets; the level and volatility of equity prices, commodity prices and interest rates; currency values; the availability and cost of funding; inflation; the stability and solvency of financial institutions and other companies; investor sentiment and confidence in the financial markets; or a combination of any of the above factors.

On 23 June 2016 the United Kingdom held a referendum to decide on the United Kingdom's membership of the EU. The United Kingdom vote was to leave the EU. There are a number of uncertainties in connection with the future of the United Kingdom and its relationship with the EU. In March 2017, the United Kingdom formally requested the start of negotiations to exit the EU. The negotiation of the United Kingdom’s exit terms will have to be completed, if no postponement is accepted, by March 2019. Until the terms of the United Kingdom’s exit from the EU are clearer, it is not possible to determine the impact that the United Kingdom’s departure from the EU and/or any related matters may have on the Bank and the Group including its ability to conduct business in the UK. As such, no assurance can be given that such matters would not adversely affect the ability of the Bank to satisfy its obligations under the Notes and/or the market value and/or the liquidity of the Notes in the secondary market.

The Bank is exposed to risks faced by other financial institutions that are the Bank’s counterparties.

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

general, could have a material adverse effect on the Bank's business, financial condition, results of operations, prospects and capital position.

Risks relating to the Bank's business

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

Greece, as part of the Second Economic Adjustment Programme, made a series of commitments to the European Commission regarding the restructuring of Greek banks that have received state aid, including the appointment of a monitoring trustee, who acts on behalf of the European Commission and aims to ensure the compliance of each bank with the corporate governance provisions and to monitor the implementation of the Restructuring Plan. Amongst other powers, the monitoring trustee may attend meetings of the board of directors and the credit committees of the Bank as an observer, and monitors the development of the loan portfolio, the maximum amount that can be granted to borrowers, the transactions with related parties and other relevant matters. As a result, the Bank's management's discretion is subject to further oversight and certain decisions may be constrained by powers accorded to the monitoring trustee.

As a result of the participation of the Bank in the Support Scheme, the Hellenic Republic has certain rights and may exercise through its appointed representative significant influence over the Bank on certain management and business decisions.

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

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

Consequently, there is a risk that the Hellenic Republic may exercise the rights it has to exert influence over the Bank and may disagree with certain decisions of the Bank and the Group, which may ultimately limit the operational flexibility of the Group.

Any inability on the Bank's part to meet the commitments of the Restructuring Plan, may result in the initiation of the procedures for partial or entire recovery of state aid and/or the imposition of additional conditions.

As a result of its participation in the Support Scheme, the Bank is subject to the EU state aid framework. Therefore, the Bank has submitted a Restructuring Plan to the competent authorities which is subject to revision upon request by the European Commission (**DG Comp**). Last submission of the Restructuring Plan by the Bank was made in December 2016 and the Bank provided all requested clarifications to the European Commission (DG Comp), without the latter raising any further requests or objections.

Any inability on the Bank's part to comply with the terms of the Restructuring Plan or any required future revisions thereto, may result in the European Commission initiating a procedure to investigate the misuse of aid, which may result in the partial or entire recovery of state aid and/or the imposition of additional conditions, including limiting the Bank’s ability to support the Group's subsidiaries or introducing additional limitations on the Bank's ability to hold and manage the Bank's securities portfolio, among other conditions, in line with previous requests to banks in the EU that have received state aid.

Furthermore, if the European Commission decides that there has been a misuse of aid, the Hellenic Republic may be required to recover all or a portion of the state aid, which has been misused by returning all or a portion of the capital support that the Bank has received from the Hellenic Republic.

If the participation of the Single Social Security Entity (EFKA) in the Bank’s share capital increase is deemed subject to the EU state aid framework in the future, this may result in the initiation of the procedures for partial or entire recovery of state aid.

As from 1 January 2017 (date of commencement of EFKA’s operations), the “Unified Insurance Fund of Independently Employed” – “Pension Fund of the Engineers and Public Works Contractors” (**ETAA-TSMEDE**), the Bank’s former main shareholder, integrated into EFKA, which is now the main shareholder of the Bank.

During 2014 the DG Comp had examined whether the participation of ETAA-TSMEDE in the share capital increase of the Bank, which took place in July 2013 could be considered as state aid. In the opinion of the DG Comp the participation of ETAA-TSMEDE in said share capital increase did not constitute state aid. According to the conclusion of the Directorate-General for Competition, despite the fact that the ETAA-TSMEDE resources are imputable to the Greek State, such participation does not constitute state aid as in the present case the ETAA-TSMEDE participation complied with the market-economy investor principle, taking into account the following factors:

(a) Almost half of the share capital increase was covered from private investors. Further, the decision of other main shareholders not to participate in the share capital increase is justified by other external reasons and is not due to the terms of the increase.

(b) ETAA-TSMEDE participated in the share capital increase under exactly the same terms as other investors.

(c) The terms and conditions of the share capital increase (in particular the subscription price for the new shares) were determined upon normal procedure and emerged following advice from independent consultants. The conditions were reasonable, given the particular situation.

However, the DG-Comp reserved the right to examine in the future, whether the participation of ETAA-TSMEDE in a subsequent share capital increase is compatible with the state aid rules as well. In order to consider the participation of ETAA-TSMEDE compatible, in the view of the Directorate-General, the above conditions met at the share capital increase completed in July 2013 should be at the bare minimum adhered to.

In addition, ETAA-TSMEDE participated in the share capital increase of the Bank completed in December 2015, with a total amount of EUR 384 million. The compatibility of such participation with the state aid rules has not been considered by the DG-Comp.

If the DG Comp initiates proceedings for the investigation of EFKA's participation in the Bank's share capital increases in the future and if such participation is considered to constitute state aid, the Bank may be required to repay all or part of the amount of EFKA's participation plus interest thereon.

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

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

Continuing volatility and further dislocation affecting certain financial markets and asset classes could further impact the Group's results of operations, financial condition and prospects. In the future, these factors could have an impact on the mark-to-market valuations of assets in the Group's available-for-sale and trading portfolios and financial assets and liabilities for which the fair value option has been elected. In addition, any further deterioration in the performance of the assets in the Group's investment securities portfolios could lead to additional impairment losses. Investment securities accounted for 16.3 per cent. and 1.7 per cent. of the Group's total assets as at 31 December 2017 and 31 December 2016, respectively.

Volatility can also lead to losses relating to a broad range of other trading securities and derivatives that the Bank holds, including swaps, futures, options and structured products. For further information on market risk exposures in those portfolios, see "*The Group is exposed to credit risk, market risk, liquidity risk, operational risk and litigation risk*".

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

The Group is subject to credit risk, which is the risk that a borrower may not meet its payment or repayment obligations and its creditworthiness may deteriorate with detrimental consequences to the Group. In general, the possible losses that the Bank could incur with respect to the exposure of the Group to credit risk (both on an individual and a portfolio level) may depend, in addition to the applicable regulations and legal framework, on various circumstances, including macroeconomic conditions, the performance of specific sectors of the economy, the deterioration of the competitive position of the Bank's borrowers, the downgrading of individual counterparties, the level of indebtedness of families, the performance of the real estate market and other circumstances that may have an impact on the creditworthiness of the Bank's counterparties and reduce the value of the collateral securing the loans. Adverse economic conditions could result in a further significant reduction of the value of security received by customers and/or the impossibility for customers to supplement the security received. A further deterioration in credit quality and the consequent significant increase of NPEs due to the borrowers' lower ability to meet their repayment obligations could result in adverse material effects on the Bank's results of operations, business and financial condition. In addition, the deterioration in credit quality could result in higher provisions for impaired loans, which could result in adverse material effects on the Bank's results of operations, business and financial condition, which may adversely affect the Bank's ability to pay interest and principal on the Notes in full and in a timely manner.

Loans more than 90 days past due (**90DPD**) represented 32.9 per cent. of the Bank's loans as at 31 December 2017, compared to 49.9 per cent. as at 31 December 2016. The Bank's consolidated NPE ratio, decreased from 60.8 per cent. as at 31 December 2016 to 44.6 per cent. as at 31 December 2017. The effect of the economic crisis in Greece may result in further adverse effects on the credit quality of the Bank's borrowers, with increasing delinquencies and defaults. As at 31 December 2017, the Group had cumulative provisions for impairment losses on loans and advances to customers of €474.7 million (representing a 90DPD coverage ratio of 54.2 per cent.), a decrease of €732 million compared to €1,207.7 million as at 31 December 2016 and a decrease of €695.5 million compared to €1,170.2 million as at 31 December 2015. Any further deterioration in the credit quality of the Bank's loan portfolio, and any resulting increase in delinquencies and defaults, could lead the Bank to further increase the Bank's provision for impairment losses, which could have a material adverse effect on the Bank's capital position, financial condition and results of operations,

which may adversely affect the Bank's ability to pay interest and principal on the Notes in full and in a timely manner.

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

Interest rates are highly sensitive to many factors beyond the Bank's control, including monetary policies and domestic and international economic and political conditions. Events in the future could alter the interest rate environment in Greece, which may adversely affect the Bank's ability to pay interest and principal on the Notes in full and in a timely manner.

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

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

Changes in consumer protection laws in Greece could limit the fees that banks may charge for certain products and services such as mortgages, unsecured loans, credit cards and funds transfers and remittances. If introduced, such laws could reduce the Group's net income, which could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

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

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

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

The Group is subject to financial services laws, regulations, administrative actions and policies in Greece. All of these regulatory requirements are subject to change, particularly in the current market environment, where there have been unprecedented levels of government intervention and changes to the regulations governing financial institutions. In response to the global financial crisis, national governments as well as supranational groups, such as the EU, have been considering significant changes to current bank regulatory frameworks, including those pertaining to capital adequacy, liquidity and the scope of banks' operations, such as the CRD IV which was transposed in Greece pursuant to Law 4261/2014 in May 2014, and the CRR. Under the CRD IV, the minimum CET1 capital ratio is now 4.5 per cent., the minimum Tier 1 capital ratio is now 6 per cent. and the total capital ratio is 8 per cent., and banks are required to gradually increase their capital conservation buffer to 2.5 per cent by 2019 beyond existing minimum equity (i.e. 1.875 per cent. as at 1 January 2018), raising the minimum CET1 capital ratio to 7 per cent. and the total capital ratio to 10.5 per cent. in 2019. These and any future changes to capital adequacy and liquidity requirements in Greece may require the Group to increase its Tier 1 and Tier 2 capital by way of further issues of securities, and could result in existing Tier 1 and Tier 2 securities issued by the Group ceasing to count towards its regulatory capital, either at the same level as at present or at all. As a result of these and other ongoing and possible future changes in the financial services regulatory framework (including requirements imposed by virtue of the Bank's participation in any government or regulator-led initiatives, such as the Hellenic Republic Bank

Support Plan), the Bank may face stricter regulation, and compliance with such regulations may increase the Bank's capital requirements and costs. Current and future regulatory requirements may be different across jurisdictions, and even requirements with EEA-wide application may be implemented or applied differently in different jurisdictions.

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

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

Directive 2014/49/EU on deposit guarantee schemes (the **DGS**) entered into force in May 2014 (the **DGSD**) recasting the Directive 94/19/EC and introducing new harmonised rules on DGS applicable throughout the EU. Amongst other things, the DGSD preserves the harmonised coverage level of €100,000 per depositor, which will continue to be offered in the form of repayment in the case of a bank's liquidation where deposits would become unavailable. It also reconfirms the fundamental principle underpinning DGS, namely that it is banks that finance DGS and not the taxpayers. In addition, for the first time since the introduction of DGS in 1994, there are legislative financing requirements for DGS. In principle, the target level for *ex ante* funds of the DGS is 0.8 per cent. of covered deposits to be paid by member banks (in the case of highly concentrated banking sectors, the European Commission may authorise a Member State to set a lower target level for its DGS, but this may not be lower than 0.5 per cent. of covered deposits). A maximum of 30 per cent. of the funding can be made up of payment commitments. The target fund level must be reached within a 10-year period (which can be extended by 4 years if there is a substantial cumulative disbursement of amounts under DGS during the phasing-in period). In the case of insufficient *ex ante* funds, DGS will collect *ex post* contributions from the banking sector, and, if necessary, as a last resort, alternative funding arrangements such as loans from public or private third parties are permitted. There will also be a voluntary scheme facilitating mutual borrowing between DGS from different EU countries.

In addition, the DGSD introduced a requirement for contributions to be risk-based, while Article 13 thereof lays down a number of criteria for the calculation of contributions to DGS, notably that:

- contributions are compulsorily based on the amount of covered deposits and the risk profile of each member institution;
- DGS are allowed to develop and use their own calculation methods in order to tailor contributions to market circumstances and risk profiles; and
- Member States may provide for lower contributions from institutional protection scheme members and low-risk sectors regulated under national law.

To ensure consistent application of the DGSD across Member States, the European Banking Authority on 28 May 2015 adopted detailed guidelines to specify methods for calculating contributions to DGS in accordance with the above Article 13 of the DGSD, which are binding on the Member States DGS.

In line with Article 10(1) of the DGSD, DGS will have to collect contributions at least annually beginning on 3 July 2015 (the deadline for transposing the DGSD). From this date, pursuant to Article 13 of the DGSD, contributions will have to be risk-based, unless the appropriate authorities of a Member State have

established that a DGS is not yet in a position to comply with Article 14 of the DGSD, in which case the risk-based requirement can be deferred, but no later than 31 May 2016.

In Greece, the DGSD was transposed into Greek law by Law 4370/2016, which came into force on 7 March 2016 and repealed the previously applicable Law 3746/2009, defining, among others, the scope and certain aspects of the operation of the Hellenic Deposit and Investment Guarantee Funds (**HDIGF**), the terms of participation of credit institutions as well as the process for determining and paying contributions to its schemes.

The Group may be required to increase the Group's contributions in the relevant DGS, which in turn may adversely affect the Group's operating results and the Bank's ability to pay interest and principal on the Notes in full and in a timely manner.

The new framework on bank recovery and resolution may adversely affect the composition of the Bank's Board of Directors and management team and the Bank's financial condition, results of operations and prospects.

The BRRD entered into force on 2 July 2014 with the aim of safeguarding financial stability and minimising taxpayers' contributions to bail-outs or exposures relating to credit institutions and investment firms considered to be at risk of failing. The BRRD was transposed into Greek law pursuant to Law 4335/2015 which came into force on 23 July 2015, except for the bail-in tool. The bail-in tool became effective on 1 November 2015 following the amendment of Law 4335/2015 by Greek law 4340/2015, except for certain provisions relating to certain eligible liabilities and the loss absorption requirement for the implementation of government financial stabilisation tools, which became effective as of 1 January 2016.

The BRRD, as transposed into Greek law, provides for either the recovery or the resolution of credit institutions facing financial difficulties. Under this new regime, the national competent authority for credit institutions and the resolution authority are equipped with tools and powers to handle crises at the earliest possible moment. These tools and powers include preparatory and preventative measures as well as early intervention measures (including, as the case may be, the removal or replacement of senior management or members of the board of directors of the credit institution concerned) to address emerging problems at an early stage. In the event that such measures prove to be insufficient and the financial situation of the credit institution concerned has significantly deteriorated or the credit institution has seriously infringed certain laws and/or regulations, the ECB may require the removal of senior management or the management body of the credit institution concerned, in its entirety or with regard to certain individuals, and the appointment of new senior management and a new management body subject to the approval of the ECB, or it may even appoint one or more temporary administrators to such institution.

Where a credit institution fails or is likely to fail and there is no reasonable prospect that any alternative solution would prevent such failure, Law 4335/2015 empowers the resolution authority to take resolution action, provided that this is necessary in the public interest, which is intended to ensure the continuity of the credit institution's critical services and manage its failure in an orderly fashion. The resolution powers and tools available to the resolution authority comprise the asset separation tool, the bridge institution tool, the sale of business tool and the bail-in tool. In addition, in the event of an extreme systemic crisis, extraordinary public financial support may be provided, in accordance with articles 56 - 58 of Law 4335/2015 and article 6b of Greek Law 3864/2010, as in force, for the purpose of participating in the resolution of an institution with a view to meeting the objectives for resolution and preventing its liquidation, subject to the provisions of article 59 of Law 4553/2015 setting out the requirements of writing-down or conversion capital instruments. However, the provision of extraordinary public financial support shall be used as a last resort after having assessed and used the resolution tools, including the bail-in tool, to the maximum extent practicable whilst maintaining financial stability.

Under the BRRD, European banks will be required to maintain certain types of financial resources in order to meet the Minimum Requirement for own funds and Eligible Liabilities (**MREL**). These resources should be eligible to absorb losses or recapitalize the Bank in resolution without recourse to taxpayers' money. The level of MREL will be bank specific and will be determined by the Resolution Authority based on various

characteristics of each credit institution. The Resolution Authority has neither determined a binding MREL level for the Bank yet, nor a timeline for compliance with a particular MREL level.

In view of establishing a single resolution process in the EU, the Single Resolution Fund (**SRF**) has been created to provide funding support for the resolution of banks and will be financed by bank levies raised at a national level. The SRF would reach a target level of at least 1 per cent. of covered deposits of all credit institutions in Member States participating in the Banking Union over an eight-year period. During this transitional period, the SRF would comprise national compartments corresponding to each participating Member State. The resources accumulated in those compartments will be progressively mutualised over a period of eight years. The European Council has adopted an implementing act to calculate the contributions of banks to the SRF and an implementing regulation specifying uniform conditions of application of the SRM Regulation with regard to *ex ante* contributions to the SRF. In Greece, the scope and certain aspects of the operation of the HDIGF, the terms of participation of credit institutions, as well as the process for determining and paying contributions to its schemes are specified in Law 4370/2016 (see above).

The BRRD framework may materially and adversely affect the composition of the Bank's Board of Directors and management team, the Bank's financial condition, results of operations, prospects and credit ratings.

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

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

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

In establishing the fair value of certain financial instruments, the Group relies on quoted market prices in an active market or, where the market for a financial instrument is not sufficiently active, fair value is determined based on other valuation techniques that include the use of valuation models which utilise observable financial market data and minimise unobservable inputs. In certain circumstances, the data for individual financial instruments or classes of financial instruments utilised by such valuation models may not be available or may become unavailable due to changes in financial market conditions. In such circumstances, the Group's internal valuation models in order to establish fair value, require the Group to make assumptions, judgments and estimates depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. These internal valuation models are complex, and the assumptions, judgments and estimates the Group is required to make often relate to matters that are inherently uncertain, such as areas of credit risk, volatilities and correlations. Such assumptions, judgments and estimates may need to be updated to reflect changing facts, trends and market conditions. The resulting change in the fair values of the financial instruments could have a material adverse effect on the Group's earnings and financial condition. In addition, market volatility and illiquidity has challenged the factual bases of certain underlying assumptions and has made it difficult to value certain of the Group's financial instruments. Valuations in future periods, reflecting prevailing market conditions, may result in changes in the fair values of these instruments, which could have a material adverse effect on the Group's financial condition, results of operations and prospects and in turn may adversely affect the Bank's ability to pay interest and principal on the Notes in full and in a timely manner.

The Group is exposed to credit risk, market risk, liquidity risk, operational risk and litigation risk.

As a result of the Group's activities, the Group is exposed to a variety of risks. Among the most significant of these risks are credit, market, liquidity and operational. The Group's failure to effectively manage these risks could have a material adverse effect on the Group's business, financial condition, results of operation and prospects, which may adversely affect the Group's business, financial condition, results of operations and prospects.

Credit Risk

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

Market Risk

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

(a) Interest rate risk

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

(b) Equity risk

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

Liquidity Risk

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

Since 2011 and as a result of the Greek debt crisis, Greek banks had to rely on the ECB and the Bank of Greece for a significant part of their funding requirements. As at 31 December 2017, the financing received by the ECB and the Bank of Greece, net of related costs, amounted to €10 billion, compared to €13.9 billion as at 31 December 2016.

Continuing volatility as a result of market forces that are beyond the Group's control may lead to a deterioration of the Group's liquidity position. Such deterioration would increase both the funding requirement from the ECB and Bank of Greece and the cost of funding, thus affecting the Group's capital generating capacity and capital ratios, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Operational Risk

Operational risk is the risk of loss due to inadequate or failed internal processes, or due to external events, whether deliberate, accidental or natural occurrences. The events associated to internal processes include, but

are not limited to, fraud and mistakes by employees, clerical and record-keeping errors and information system malfunctions or manipulations. External events include floods, fires, earthquakes, civil unrest or terrorist attacks, fraud by outsiders and equipment failures. Finally, The Bank may also fail to comply with regulatory requirements or conduct of business rules.

Litigation Risk

In the context of Bank's daily activities, it cannot be excluded the possibility that legal risks may arise from a variety of reasons, including different approaches on legal issues adopted by jurisprudence, or legislative provisions regulating already established legal relationships.

The Bank however, conducts its operations pursuant to applicable laws and takes all necessary measures to comply with legislative framework.

The Bank is exposed to the risk of fraud and illegal activities.

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

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

The Bank's economic hedging may not prevent losses.

If any of the variety of instruments and strategies that the Bank uses to economically hedge the Bank's exposure to market risk is not effective, the Bank may incur losses. Many of the Bank's strategies are based on historical trading patterns and correlations. Unexpected market developments therefore may adversely affect the effectiveness of the Bank's hedging strategies. Moreover, the Bank does not economically hedge all of the Bank's risk exposure in all market environments or against all types of risk. The Group is exposed to several types of risk including, but not limited to, counterparty risk, which is taken into consideration in the valuation of the fair values of the various items. These risks are described in detail in "*The Bank is exposed to credit risk, market risk, liquidity risk, operational risk and litigation risk—Credit Risk*" and "*The Bank is exposed to credit risk, market risk, liquidity risk, operational risk and litigation risk—Market Risk*". Even when the Bank is able to hedge certain of the Bank's risk exposures, the methodology by which certain risks are economically hedged may not qualify for hedge accounting, in which case, changes in the fair value of such instruments are recognised immediately in the income statement, which may result in additional volatility in the Group's income statement.

Transactions in the Bank's portfolio involve risks.

The Bank carries out various proprietary activities, such as trading in primary and secondary markets for government/corporate securities or interest rate futures. The management of the Bank's portfolio includes taking positions in fixed income via cash and derivative products and other financial Notes. Trading on account of the Bank's portfolio carries risks, since the Bank's results from proprietary trading depend on market conditions. Moreover, the Bank relies on a vast range of reporting and internal management tools in order for its management to be able to report its exposure in such transactions correctly and in due time. The

Bank may incur losses from proprietary trading, which could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects and in turn may adversely affect the Bank's ability to pay interest and principal on the Notes in full and in a timely manner.

The Bank's loan portfolio in Greece may continue to contract.

In the current recessionary economic environment, the Group's loan portfolio in Greece may continue to contract. Developments in the Bank's loan portfolio will be affected mainly by, among other factors, the health of the Greek economy, the smooth transition out of the Third Economic Adjustment Programme and the implementation of the commitments under the post-programme enhanced surveillance framework. Continued contraction of the Bank's loan portfolio, in combination with past due loans, may limit the Bank's net interest income, which could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects and in turn may adversely affect the Bank's ability to pay interest and principal on the Notes in full and in a timely manner.

The Group's operational systems and networks have been, and will continue to be, exposed to an increasing risk of continually evolving cybersecurity or other technological threats, which could result in the disclosure of confidential customer or corporate information, put at risk the Group's reputation, increase costs to the Group, or even cause regulatory penalties and financial or other claims.

Certain of the Group's operations, including those outsourced to third parties, rely on the secure processing, storage and transmission of confidential and other information. The Group stores an extensive amount of personal and other customer-specific information for its retail, corporate and governmental customers and must accurately and securely record, process and reflect their extensive account transactions. The proper functioning of the Bank's payment systems, financial and sanctions controls, risk management, credit analysis and reporting, accounting, customer service and other information technology systems, as well as the communication networks between its branches and main data processing centres, are critical to the Bank's operations. These activities have been, and will continue to be, subject to an increasing risk of cyber-attacks. The Group's computer systems, software and networks have been and will continue to be exposed to technological failure or cyber-threats including, but not limited to, unauthorised access, intentional or inadvertent loss or destruction of data (including confidential customer information), denial of service, computer viruses or other malicious code and other events. If one or more of these events occurs, it could result in the disclosure of confidential customer or corporate information, disruptions or malfunctions in the operations of the Group, its customers or other third parties, putting at risk the Group's reputation with its customers and the market, and even causing regulatory penalties and financial claims, against both the Group and its customers. While the Group maintains insurance coverage that may, subject to policy terms and conditions, cover certain aspects of cyber risks effects such as fraud and financial crime, such insurance coverage may have limitations in covering all losses, which may adversely affect the Bank's ability to pay interest and principal on the Notes in full and in a timely manner.

Additional taxes may be imposed on the Group

Law 4334/2015 imposed an increase in the corporate income tax rate for legal entities from 26 per cent. to 29 per cent. for fiscal years 2015 and onwards. In addition, in the event that the Greek state does not achieve fiscal adjustment targets, the above tax rate may be further increased and additional taxes, contributions and levies may be imposed on companies established and operating in Greece, which may adversely affect the Bank and its subsidiaries.

Additional taxes and penalties may be imposed on Group companies with respect to unaudited tax years, subject to the statute of limitation applicable to each entity based on local tax legislation. Any additional taxes imposed on the Bank in the future, or any increases in tax rates, may have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

For the years ended 31 December 2011 to 31 December 2017, Group entities in Greece have obtained an "unqualified" annual tax certificate from external auditors.

In accordance with the Greek tax legislation and the respective Ministerial Decisions issued, additional taxes and penalties may in principle be imposed by the Greek tax authorities following a tax audit within the applicable statute of limitations (i.e. in principle five years as from the end of the fiscal year within which the relevant tax return should have been submitted), irrespective of whether an unqualified tax certificate has been obtained from the taxpaying company.

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

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

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 Prospectus 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 such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency of principal or interest payments is different from the currency in which such investor’s financial activities are principally denominated;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant 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.

Risks related to the structure of the Notes

The Notes are subject to optional or mandatory redemption by the Bank

At any time upon the occurrence of:

- a change in tax law pursuant to Condition 5.2, including where such change in, or amendment to, tax law (whether as a result of the implementation of the multilateral instrument in Greece or otherwise) causes (i) the Bank to be required to pay additional amounts (pursuant to Condition 6); or (ii) interest payments under or with respect to the Notes to no longer be (partly or fully) deductible by the Issuer for tax purposes in the Hellenic Republic; or

- a Capital Disqualification Event pursuant to Condition 5.3; or

- the exercise of the Bank’s option to redeem the Notes pursuant to Condition 5.4,

the Notes may be redeemed at the option of the Bank at the principal amount, as more particularly described in the Conditions. Such an optional redemption feature is likely to limit the market value of Notes. During any period when the Bank may elect to redeem the Notes, or during any period when it is perceived that the

Bank may elect to redeem the Notes, the market value of the 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.

Subject to the Conditions, the Bank may redeem the 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 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.

The Bank's obligations under the Notes are subordinated

As described under Condition 2.1 and Condition 2.2, the payment obligations of the Bank in respect of the Notes will be subordinated and will rank behind the claims of Senior Creditors of the Issuer. "Senior Creditors of the Issuer" means creditors of the Issuer who are either unsubordinated creditors of the Issuer or who are subordinated creditors of the Issuer but whose claims are expressed to rank in priority to the claims of the Noteholders (whether only in the winding-up, including placement under liquidation in accordance with article 145 of Greek law 4261/2015, as in force, of the Issuer or otherwise). Payments of principal and interest in respect of the Notes will be conditional upon the Issuer being solvent at the time of making such payments. Principal or interest will not be paid in respect of the Notes except to the extent that the Issuer could make such payment and still be solvent immediately thereafter.

In the event of the dissolution, liquidation, special liquidation and/or bankruptcy (as the case may be and to the extent applicable) of the Issuer, the Noteholders will only be paid by the Issuer after all Senior Creditors of the Issuer have been paid in full. If there are sufficient assets to enable the Issuer to pay the claims of Senior Creditors of the Issuer in full but insufficient assets to enable it to pay claims in respect of its obligations in respect of the Notes and all other claims which rank *pari passu* to the Notes, Noteholders will lose some (which may be substantially all) of their investment in the Notes.

There is no restriction on the amount of securities or other liabilities that the Issuer may issue, incur or guarantee and which rank senior to, or *pari passu* with, the Notes. The issue or guaranteeing of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Noteholders during a winding-up of the relevant Issuer and may limit the Issuer's ability to meet its obligations under the Notes.

General risks related to the Notes

Impact of the bank recovery and resolution directive

On 2 July 2014, the BRRD, providing for the establishment of an EU framework for the recovery and resolution of credit institutions and investment firms, entered into force. The BRRD is designed to provide authorities with a credible set of resolution tools and powers to intervene sufficiently early and quickly in an unsound or failing relevant entity, to ensure the continuity of the relevant entity's critical financial and economic functions, while minimising the impact of a relevant entity's failure on the economy and financial system.

The BRRD, as transposed into Greek law by Law 4335/2015 (as amended by Laws 4340/2015, 4346/2015, 4354/2015, 4370/2016 and 4438/2016 and in force) contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) a relevant entity is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such relevant entity within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business – which enables resolution authorities to direct the sale of the relevant entity or the whole or part of its business on commercial terms; (ii) bridge institution – which enables resolution authorities to transfer all or part of the business of the relevant entity to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control), which may limit the capacity of the relevant entity to meet its repayment obligations; (iii) asset separation – which enables resolution

authorities to transfer assets (including, without limitation, impaired or problem assets) to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in – which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing relevant entity (which write-down may result in the reduction of such claims to zero) and to convert certain unsecured debt claims (including the Notes) to equity or other instruments of ownership (the **general bail-in tool**).

In particular, with respect to the general bail-in tool, the resolution authority will exercise the write-down and/or conversion powers in accordance with the priority of claims imposed by Law 4335/2015, starting from common shareholders to subordinated debt holders and up to senior creditors eligible for bail-in. Any application of the general bail-in tool shall be in accordance with the hierarchy of claims in normal insolvency proceedings. The equity resulting from such conversion may also be subject to future cancellation, transfer or significant dilution. It should be noted that upon exercise of the general bail-in tool, the Bank may not be in a position to pay interest and principal on the Notes in full and in a timely manner and any rights of the Noteholders may be varied, if necessary, so as to give effect to any bail-in action by the relevant resolution authority.

The BRRD, as transposed into Greek law by Law 4335/2015, as amended and in force, also provides for a Member State as a last resort, after having assessed and used the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

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

In addition to the general bail-in tool, the BRRD, as transposed into Greek law, provides for resolution authorities to have the further power to permanently write-down or convert into equity capital instruments such as Notes at the point of non-viability and either independently or in combination with any other resolution action is taken (**non-viability loss absorption**). Any shares issued to Noteholders upon any such conversion into equity may also be subject to the general bail-in tool, resulting in their future cancellation, transfer or significant dilution.

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the BRRD is the point at which (i) the relevant authority determines that the relevant entity meets the conditions for resolution (but no resolution action has yet been taken) or (ii) the relevant authority or authorities, as the case may be, determine(s) that the relevant entity or its group will no longer be viable unless the relevant capital instruments (such as the Notes) are written-down or converted or (iii) extraordinary public financial support is required by the relevant entity other than, where the entity is an institution, for the purposes of remedying a serious disturbance in the economy of an EEA member state and to preserve financial stability.

Accordingly, the Noteholders may be subject to write-down or conversion into equity on any application of the general bail-in tool and, non-viability loss absorption, which may result in such Noteholder losing some or all of their investment, including principal amount plus any accrued interest. The write-down or conversion into equity may be imposed, without any prior notice by the resolution authority to the Noteholder of its decision to exercise such power.

The occurrence of circumstances under which write-down or conversion powers would need to be exercised would be likely to affect the trading behaviour of the Bank, if the latter is considered as failing or likely to fail by the resolution authority and to generally have a material adverse impact on the Bank’s business,

assets, cash flows, financial condition and results of operation, as well as on its funding activities and the products and services offered.

As a result, any remaining Notes may be of little trading value at the time that any bail-in power (whether through use of the bail-in tool or non-viability loss absorption) is exercised or become so thereafter as a result of legal challenges that may be raised against such bail-in action by any interested parties. Moreover, the Notes may not follow the trading behaviour or patterns associated with this type of instrument under different market conditions.

Finally, to the extent that any resolution action is exercised pursuant to Law 4335/2015 or otherwise, the trading of the Notes may be restricted or suspended.

Other than the general bail-in tool and non-viability loss absorption, the Bank may also be subject to further resolution measures that may have a significant adverse effect on the Notes, including the establishment of a bridge institution, whereby the Notes may not be transferred to the bridge institution, but remain with the residual part of the Bank that will cease to operate and will be wound up under normal insolvency proceedings (i.e. special liquidation). In such a case, the Noteholder may lose some or all of its investment.

The exercise of any power under the BRRD, as transposed into Greek law by Law 4335/2015, or any suggestion of such exercise could, therefore, materially adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the relevant Issuer to satisfy its obligations under the Notes.

Moreover, the powers set out in the BRRD, as implemented into Greece by virtue of Law 4335/2015, impact how credit institutions and investment firms are managed, as well as, in certain circumstances, the rights of creditors (see also "*Risks relating to the Bank's Business – The new framework on bank recovery and resolution may adversely affect the composition of the Bank's Board of Directors and management team and the Bank's financial condition, results of operations and prospects*" above).

The claims of Noteholders against the Bank will be of low ranking in case the Bank is placed under special liquidation.

In the event of special liquidation of the Bank in accordance with Article 145 of Greek Law 4261/2014, and subject to certain exemptions regarding claims of preferential treatment (arising from financial collateral arrangements within the meaning of article 2 of Law 3301/2004 or in connection to deposits of the Deposits Cover Scheme and Investments Cover Scheme of the HDIGF held with the Bank or in connection to contributions owed to such schemes by the Bank), the claims against the Bank shall be satisfied in the order of priority set out in par. 1 of article 145A, which was added to Law 4261/2014 by means of paragraph 1 of article 120 of Law 4335/2015, as amended and currently in force.

In particular, pursuant to article 145A of Law 4261/2014, as amended and in force, in case the Bank has been placed under special liquidation, claims against it shall be ranked as follows: (i) employment claims, as further defined in article 154 (d) of Law 3588/2007, as amended (the **Bankruptcy Code**); (ii) State claims in case that the public equity support tool has been used pursuant to articles 57 or 58 of Law 4335/2015; (iii) claims stemming from guaranteed deposits or subrogation claims of the HDGIF or claims of the HDIGF under the Deposits Cover Scheme in the context of resolution under article 104 of Law 4335/2015; (iv) State claims, irrespective of cause, including surcharges of any nature and interest charged on these claims; (v) claims of the Resolution Fund provided for under par. 6 of article 98 of Law 4335/2015 in case of financing for the purposes of fulfilling the obligations of the Resolution Fund, as further specified in article 95 of Law 4335/2015 and claims stemming from eligible deposits, insofar as they exceed €100,000 for deposits of individuals and small enterprises and SMEs; (vi) claims from covered investment services or relevant subrogation claims of the HDGIF; (vii) claims from eligible deposits, insofar as they exceed €100,000, but do not fall under (v) above; (viii) claims from deposits not covered under the compensation scheme of the HDGIF, with the exception of certain deposits set out in article 145A of Law 4261/2014; (ix) all claims neither falling under (i) to (viii) above nor being subordinated in accordance with the respective agreements,

excluding, *inter alia*, claims from bonds issued by the Bank (unless guaranteed by the Hellenic Republic) and claims arising from guarantees granted by the Bank in relation to bonds or hybrid instruments issued by the Bank's subsidiaries, having their registered seat in Greece or abroad.

In light of the above, in case the Bank is placed under special liquidation, the claims of Noteholders will rank after all claims referred to under (i) to (ix) above and therefore, the Bank's ability to fulfil its obligations under the Notes in full and in a timely manner may be adversely affected.

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 Issuer may, without the consent of any Noteholder, substitute for itself any other body corporate incorporated in any country in the world as the debtor in respect of the outstanding Notes upon notice by the Issuer and the substituted debtor provided that certain conditions as set out in Condition 12.1 of the Terms and Conditions of the Notes are complied with. These conditions include the Issuer and the substituted debtor entering into such documents as are necessary to give effect to the substitution. Upon such substitution, the substituted debtor shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the outstanding Notes issued by the Issuer with the same effect as if the substituted debtor had been named as the issuer thereof.

Differences between the Notes and bank deposits

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

The Notes are expected to be less liquid than bank deposits. Bank deposits are generally repayable on demand, or with notice from the depositors, whereas Noteholders have no ability to require early repayment of their investment other than in the case of a Subordinated Default Event (as defined in Condition 8). Furthermore, although the Notes are transferable, the Notes may have no established trading market when issued, and one may never develop. See "*The secondary market generally*" below.

Change of law

The Conditions of the Notes are based on English law save for Condition 2 (*Status and Sudordination*), Condition 13 (*Noteholders' Agent*) and Condition 14 (*Acknowledgement of Statutory Loss Absorption Powers*) which are governed by the laws of the Hellenic Republic). No assurance can be given as to the impact of any possible judicial decision or change to English law (or the Hellenic Republic law or to the European legislative regime, as applicable) or administrative practice after the date of issue of the Notes.

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

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

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

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

Limitation on gross-up obligation under the Notes

The Issuer’s obligation to pay additional amounts in respect of any withholding or deduction in respect of taxes under the terms of the Notes applies only to payments of interest due and paid under the Notes and not to payments of principal. As such, the Issuer would not be required to pay any additional amounts under the terms of the Notes to the extent any withholding or deduction applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under the Notes, Noteholders may receive less than the full amount due under the Notes, and the market value of the Notes may be adversely affected. Noteholders should note that principal for these purposes will include any payments of premium.

Risks related to the market generally

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

The secondary market generally

The Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be liquid any may be sensitive to changes in financial markets. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case should the Issuer be in financial distress, which may result in a sale of the Notes having to be at a substantial discount to their principal amount. Illiquidity may have a severely adverse effect on the market value of the Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in euro. 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 euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro 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 euro 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

The Notes will bear interest at a fixed rate. A holder of a security with a fixed interest rate is exposed to the risk that if market interest rates subsequently increase above the rate paid on such security, this will adversely affect the value of such security.

Market Value of Notes

The market value of an issue of Notes will be affected by a number of factors independent of the creditworthiness of the Issuer, including, but not limited to:

(i) market interest and yield rates;

(ii) fluctuations in exchange rates;

(iii) liquidity of the Notes in the secondary market;

(iv) the time remaining to any redemption date or the maturity date; and

(v) economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally.

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) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the 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 Prospectus shall be incorporated in, and form part of, this Prospectus:

(a) the auditors report and audited consolidated and standalone annual financial statements of the Issuer for the financial year ended 31 December 2016 and 31 December 2017; and

(b) the review report and unaudited condensed interim standalone and consolidated financial information of the Issuer for the six months ended 30 June 2018,

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of the documents incorporated by reference in this Prospectus can be obtained from the registered office of the Issuer and from the specified offices of the Paying Agents (as defined in the Conditions) for the time being in London.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus. Where there is any inconsistency between this Prospectus and any information incorporated by reference, this Prospectus shall prevail.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Conditions of the Notes which (subject to modification) will be endorsed on each Note in definitive form:

The €100,200,000 6.41 per cent. Tier 2 Subordinated Notes due 2028 (the **Notes**) of Attica Bank S.A. (the **Issuer**) are issued subject to and with the benefit of an Agency Agreement dated 20 December 2018 (such agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) made between the Issuer, Elavon Financial Services DAC, UK Branch as fiscal agent and principal paying agent (the **Fiscal Agent**) and the other initial paying agents named in the Agency Agreement (together with the Fiscal Agent, the **Paying Agents**). The holders of the Notes (the **Noteholders**) and the holders of the interest coupons appertaining to the Notes (the **Couponholders** and the **Coupons** respectively) are entitled to the benefit of a Deed of Covenant (the **Deed of Covenant**) dated 20 December 2018 and made by the Issuer. The original of the Deed of Covenant is held by the Common Safekeeper for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement. Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours by the Noteholders and Couponholders at the specified office of each of the Paying Agents. The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. References in these Conditions to the Fiscal Agent and the Paying Agents shall include any successor appointed under the Agency Agreement.

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Notes are in bearer form, serially numbered, in the denomination of €100,000 each with Coupons attached on issue.

1.2 Title

Title to the Notes and to the Coupons will pass by delivery.

1.3 Holder Absolute Owner

The Issuer and any Paying Agent will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon) and shall not be required to obtain any proof thereof or as to the identity of such bearer.

2. STATUS AND SUBORDINATION

2.1 Status

The Notes and the Coupons are direct, unsecured and subordinated obligations of the Issuer and rank at all times *pari passu*, without any preference among themselves.

2.2 Subordination

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, including placement under liquidation in accordance with article 145 of Greek law 4261/2015, as in force, 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, including placement under liquidation in accordance with article 145 of Greek law 4261/2015, as in force, 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 Noteholders (whether only in the winding-up, including placement under liquidation in accordance with article 145 of Greek law 4261/2015, as in force, of the Issuer or otherwise).

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

2.3 No set-off

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

3. INTEREST

3.1 Interest Rate and Interest Payment Dates

The Notes bear interest from and including 20 December 2018 (the **Issue Date**) at the rate of 6.41 per cent. per annum, payable semi-annually in arrear in equal instalments on 30 June and 31 December in each year (each an **Interest Payment Date**). The first payment (for the period from and including the Issue Date to but excluding 31 December 2018 and amounting to €191.60 per Note) shall be made on 31 December 2018. The payment in respect of each period commencing on or after 31 December 2018 (other than for the last period commencing on 30 June 2028) will amount to €3,205 per Note. The last payment (for the period from and including the 30 June 2028 to but excluding the Maturity Date and amounting to €3,013.40 per Note) shall be made on the Maturity Date.

3.2 Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 10 (*Notices*).

3.3 Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less than a full six months, it shall be calculated on the basis of (a) the actual number of days in the period from and including the date from which interest begins to accrue (the **Accrual Date**) to but excluding the date on which it falls due divided by (b) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date multiplied by 2. The resultant figure is rounded to the nearest cent (half a cent being rounded upwards).

4. PAYMENTS

4.1 Payments in respect of Notes

Payments of principal and interest in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Note, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agents.

4.2 Method of Payment

Payments 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 euro cheque.

4.3 Missing Unmatured Coupons

Each Note should be presented for payment together with all relative unmatured Coupons, failing which the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount 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 10 years after the Relevant Date (as defined in Condition 6 (*Taxation*)) in respect of the relevant Note (whether or not the Coupon would otherwise have become void pursuant to Condition 7 (*Prescription*)) or, if later, five years after the date on which the Coupon would have become due, but not thereafter.

4.4 Payments subject to applicable laws

Payments in respect of principal and interest on the Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 6 (*Taxation*).

4.5 Payment only on a Presentation Date

A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 3 (*Interest*), be entitled to any further interest or other payment if a Presentation Date is after the due date.

Presentation Date means a day which (subject to Condition 7 (*Prescription*)):

(a) is or falls after the relevant due date;

(b) is a Business Day in the place of the specified office of the Paying Agent at which the Note or Coupon is presented for payment; and

(c) in the case of payment by credit or transfer to a euro account as referred to above, is a TARGET2 Settlement Day.

In this Condition, **Business Day** means, in relation to any place, 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 that place and **TARGET2 Settlement Day** means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

4.6 Initial Paying Agents

The names of the initial Paying Agents and their initial specified offices are set out at the end of these Conditions. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

(a) there will at all times be a Fiscal Agent;

(b) 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 at least one Paying Agent (which may be the Fiscal Agent) having a specified office in the place required by the rules and regulations of the relevant Stock Exchange or any other relevant authority; and

(c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

Notice of any variation, termination, appointment and/or of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 10 (*Notices*).

5. REDEMPTION AND PURCHASE

5.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 20 December 2028.

5.2 Redemption for Taxation Reasons

If as a result of any change in, or amendment to, the laws, regulations or rulings of the Hellenic Republic or of any political subdivision thereof or any authority or agency therein or thereof having power to tax, or any change in the application or official interpretation or administration of any such laws, regulations or rulings which change becomes effective on or after the Issue Date:

(a) on the next Interest Payment Date the Issuer would be required to pay additional amounts as provided or referred to in Condition 6 (*Taxation*); or

(b) interest payments under or with respect to the Notes are no longer (partly or fully) deductible by the Issuer for tax purposes in the Hellenic Republic,

the Issuer may at its option (subject to Condition 5.7 (*Conditions to Redemption and Purchase*)), having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 10 (*Notices*) (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their principal amount together with accrued interest (if any) thereon to but excluding the date of redemption, provided that, in the case of (a) above, no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts, were a payment in respect of the Notes then due.

Any redemption of the Notes in accordance with this Condition 5.2 is subject, in each case, to the Issuer demonstrating to the satisfaction of the Relevant Regulator that such change in tax treatment of the Notes is material and was not reasonably foreseeable at the time of their issuance.

For the purposes of these Conditions:

Relevant Regulator means the Bank of Greece or such other body (including without limitation the European Central Bank) or authority having primary supervisory authority with respect to the Issuer and/or the Group.

5.3 Redemption Following the Occurrence of a Capital Disqualification Event

If a Capital Disqualification Event has occurred and is continuing, the Issuer may (subject to Condition 5.7 (*Conditions to Redemption and Purchase*)), at its option having given no less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 10 (*Notices*) (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes at their principal amount, together with accrued interest (if any) thereon to but excluding the date for redemption.

For the purposes of these Conditions:

BRRD means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended or replaced from time to time.

A **Capital Disqualification Event** will occur if at any time, on or after the Issue Date, there is a change in the regulatory classification of the Notes that results or would be likely to result in (i) the exclusion of the Notes in whole or, to the extent not prohibited by the Capital Regulations, in part from the Tier 2 Capital of the Issuer and/or the Group; and/or (ii) their reclassification, in whole or, to the extent not prohibited by the Capital Regulations, in part, as a lower quality form of regulatory capital of the Issuer and/or the Group, in each case other than where such exclusion or reclassification is only the result of any applicable limitation on such capital and provided (x) the Relevant Regulator considers that such change in the regulatory classification of the Notes is sufficiently certain and (y) the Issuer demonstrates to the satisfaction of the Relevant Regulator that such change in the regulatory reclassification of the Notes was not reasonably foreseeable at the time of their issuance. For the avoidance of doubt, any amortisation of the Notes pursuant to Article 64 of the Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms amending Regulation (EU) No. 648/2012, (or any equivalent or successor provision) shall not comprise a Capital Disqualification Event.

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

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

CRD IV Directive means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, as amended or replaced from time to time.

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

CRR means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on the prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended or replaced from time to time.

Group means the Issuer and its subsidiaries and subsidiary undertakings from time to time.

Tier 2 Capital has the meaning given to it by the Relevant Regulator from time to time.

5.4 Redemption at the Option of the Issuer

The Issuer may, (subject to Condition 5.7 (*Conditions to Redemption and Purchase*)) having given:

(a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 10 (*Notices*); and

(b) notice to the Fiscal Agent not less than 15 days before the giving of the notice referred to in (a);

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes, on 20 December 2023 or any date thereafter at their principal amount together with interest accrued (if any) thereon to but excluding the date of redemption.

5.5 Purchases

The Issuer or any of its Subsidiaries may (subject to Condition 5.7 (*Conditions to Redemption and Purchase*)) at any time from and including 20 December 2023 purchase Notes (provided that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in the open market or otherwise and at any price. Notes may be held, reissued or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

For the purposes of these Conditions:

Subsidiary means in relation to any person (the **first person**) at any particular time, any other person (the **second person**):

(a) whose affairs and policies the first person controls or has power to control, whether by ownership or share capital, contract, the power to appoint or remove members of the governing body of the second person or otherwise; or

(b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first person.

5.6 Cancellations

All unmatured Notes and Coupons redeemed or purchased and surrendered to any Paying Agent for cancellation will be cancelled forthwith and may not be reissued or resold.

5.7 Conditions to Redemption and Purchase

(a) Any redemption or purchase of Notes in accordance with Conditions 5.2, 5.3, 5.4 or 5.5 above is subject to:

(i) the Issuer giving notice to the Relevant Regulator and the Relevant Regulator granting permission to redeem or purchase the Notes (in each case to the extent, and in the manner, required by the Capital Regulations); and

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

To the extent required by the Capital Regulations, any modification of these Conditions, the Deed of Covenant or the Notes (as the case may be), or substitution of the Issuer as principal debtor under the Coupons, the Deed of Covenant, the Agency Agreement, (to the extent applicable) the Noteholders' Agency Agreement or the Notes (as the case may be), in each case pursuant to Condition 12 (*Substitution*), will only be permitted if the Issuer has first given notice to the Relevant Regulator of such modification or substitution (as the case may be), and the Relevant Regulator has not objected to such modification or substitution (as the case may be).

For the avoidance of doubt, the Capital Regulations currently include the requirements outlined in Articles 63, 77 and 78 of the CRR, as well as Article 1(a) of Greek law 3723/2008 added through paragraph 1 of article 80 of Greek law 4484/2017.

5.8 Notices Final

Upon the expiry of any notice as is referred to in paragraph 5.2, 5.3 or 5.4 above the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such paragraph.

6. TAXATION

6.1 Payment without Withholding

All amounts of interest payable by or on behalf of the Issuer in respect of the Notes and the Coupons will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Hellenic Republic or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will pay

such additional amounts as may be necessary in order that the net amounts received by the Noteholder after such withholding or deduction shall equal the respective amounts which would have been receivable by such Noteholder in the absence of such withholding or deduction; except that no such additional amounts shall be payable in relation to any payment in respect of any Note or Coupon:

(i) the holder of which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the Hellenic Republic other than the mere holding of such Note or Coupon; or

(ii) presented for payment by or on behalf of, a person who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon who would not be liable or subject to such withholding or deduction if he were to make a declaration of non-residence or other similar claim for exemption but fails to do so; or

(iii) presented for payment more than thirty days after the Relevant Date, except to the extent that the relevant Noteholder would have been entitled to such additional amounts on presenting the same for payment on such thirtieth day assuming that day to have been a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place of presentation of the relevant Notes or, as the case may be, Coupon; or

(iv) presented for payment in the Hellenic Republic.

6.2 Interpretation

(a) For the purposes of these Conditions, the **Relevant Date** means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Fiscal Agent on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received and being available for payment to Noteholders, notice to that effect shall have been duly given to the Noteholders in accordance with Condition 10 (*Notices*).

(b) If the Issuer becomes subject generally at any time to any taxing jurisdiction other than or in addition to the Hellenic Republic references in Condition 5.2 (*Redemption for Taxation Reasons*) and Condition 6.1 (*Payment without Withholding*) to those jurisdictions shall be construed as references to the Hellenic Republic and/or to such other jurisdiction(s).

6.3 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition.

7. PRESCRIPTION

Notes and Coupons will become void unless presented for payment within periods of 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the Notes or, as the case may be, the Coupons, subject to the provisions of Condition 4 (*Payments*).

8. WINDING UP

If, otherwise than for the purposes of a reconstruction or amalgamation on terms previously approved by Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders, an order is made or an effective resolution is passed for the winding-up of the Issuer, including the placement of the Issuer under liquidation in accordance with article 145 of Greek law 4261/2014,

any Noteholder may, by written notice to the Fiscal Agent (a **Subordinated Default Event**), declare such Note to be due and payable whereupon the same shall become immediately due and payable at its principal amount together (if appropriate) with accrued interest (if any) to (but excluding) the date of redemption unless such Subordinated Default Event shall have been remedied prior to receipt of such notice by the Fiscal Agent.

9. REPLACEMENT OF NOTES AND COUPONS

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Fiscal Agent upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

10. NOTICES

10.1 Notices to the Noteholders

All notices to the Noteholders will be valid if published in a leading English language daily newspaper published in London. It is expected that publication in a newspaper will normally be made in the *Financial Times*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

10.2 Notices from the Noteholders

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Fiscal Agent or, if the Notes are held in a clearing system, may be given through the clearing system in accordance with its standard rules and procedures.

11. MEETINGS OF NOTEHOLDERS AND MODIFICATION

11.1 Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of any of these Conditions or any of the provisions of the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that at any meeting the business of which includes any matter defined in the Agency Agreement as a Basic Terms Modification, including the modification of certain of these Conditions (including the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes, altering the currency of payment of the Notes, altering the provisions of Condition 2 (*Status and Subordination*) or altering the provisions of Condition 8 (*Winding Up*)), the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, of the principal amount of the Notes for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding or (iii) consent given by way

of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Fiscal Agent) by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Couponholders.

11.2 Modification

The Fiscal Agent, and the Issuer may agree, without the consent of the Noteholders or Couponholders, to:

(a) any modification of, the Notes, the Coupons or any of the provisions of 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 the law, or

(b) any modification (except a Basic Terms Modification (being a matter in respect of which an increased quorum is required as mentioned above)) of the Notes, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders.

Any modification shall be binding on the Noteholders and the Couponholders and, unless the Fiscal Agent agrees otherwise, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 10 (*Notices*).

11.3 Condition to Modification

Any modification pursuant to Condition 11.1 (*Meetings of Noteholders*) or 11.2 (*Modification*) above, is subject to Condition 5.7 (*Conditions to Redemption and Purchase*).

12. SUBSTITUTION

12.1 Conditions Precedent to Substitution

Subject to Condition 5.7 (*Conditions to Redemption and Purchase*), the Issuer may, without the consent of the Noteholders, be replaced and substituted by any other body corporate as principal debtor (the **Substituted Debtor**) in respect of the Notes provided that:

(a) a deed poll in or substantially in the form scheduled to the Agency Agreement and such other documents (if any) shall be executed by the Substituted Debtor as may be necessary to give full effect to the substitution (together the **Documents**) and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Noteholder to be bound by the Conditions of the Notes and the provisions of the Agency Agreement, the Deed of Covenant and the Noteholders' Agency Agreement (as defined below) as fully as if the Substituted Debtor had been named in the Notes and the Agency Agreement, the Deed of Covenant and the Noteholders' Agency Agreement as the principal debtor in respect of the Notes in place of the Issuer (or any previous substitute) and pursuant to which the Issuer shall irrevocably and unconditionally guarantee (subject to the subordination provision set out in Condition 2.2 (*Subordination*)) in favour of each Noteholder the payment of all sums payable by the Substituted Debtor as such principal debtor substantially in the form of the guarantee contained in the deed poll;

(b) without prejudice to the generality of subparagraph 12.1(a) above, where the Substituted Debtor is incorporated, domiciled or resident for taxation purposes in a territory other than the Hellenic Republic, the Documents shall contain a covenant by the Substituted Debtor and/or such other provisions as may be necessary to ensure that each Noteholder has the

benefit of a covenant in terms corresponding to the provisions of Condition 6 (*Taxation*) with the substitution for the references to the Hellenic Republic of references to the territory or territories in which the Substituted Debtor is incorporated, domiciled and/or resident for taxation purposes;

(c) the Documents shall contain a warranty and representation by the Substituted Debtor and the Issuer (i) that each of the Substituted Debtor and the Issuer has obtained all necessary governmental and regulatory approvals and consents for such substitution and for the giving by the Issuer of a guarantee in respect of the obligations of the Substituted Debtor and for the performance by each of the Substituted Debtor and the Issuer of its obligations under the Documents and that all such approvals and consents are in full force and effect and (ii) that the obligations assumed by each of the Substituted Debtor and the Issuer under the Documents are all legal, valid and binding in accordance with their respective terms;

(d) 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;

(e) the Substituted Debtor shall have delivered to the Fiscal Agent or procured the delivery to the Fiscal Agent of a legal opinion from a leading firm of lawyers in the jurisdiction of the Substituted Debtor to the effect that the documents constitute legal, valid and binding obligations of the Substituted Debtor, such opinion to be dated not more than seven days prior to the date of the substitution of the Substituted Debtor for the Issuer and to be available for inspection during normal business hours by Noteholders at the specified office of the Fiscal Agent;

(f) the Issuer shall have delivered to the Fiscal Agent or procured the delivery to the Fiscal Agent of a legal opinion from a leading firm of lawyers in the Hellenic Republic to the effect that the Documents (including the guarantee given by the Issuer in respect of the Substituted Debtor) constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection during normal business hours by Noteholders at the specified office of the Fiscal Agent;

(g) the Issuer shall have delivered to the Fiscal Agent or procured the delivery to the Fiscal Agent of a legal opinion from a leading firm of English lawyers to the effect that the Documents (including the guarantee given by the Issuer in respect of the Substituted Debtor) constitute legal, valid and binding obligations of the parties thereto under English law, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection during normal business hours by Noteholders at the specified office of the Fiscal Agent; and

(h) the Substituted Debtor shall have appointed the process agent appointed by the Issuer in Condition 15 (*Governing Law and Submission to Jurisdiction*) or another person with an office in England as its agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Notes.

12.2 Assumption by Substitute Debtor

Upon execution of the Documents as referred to in Condition 12.1 above, the Substituted Debtor shall be deemed to be named in the Notes as the principal debtor in place of the Issuer (or of any previous substitute under these provisions) and the Notes shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer (or such previous substitute as aforesaid) from all of its obligations as principal debtor in respect of the Notes.

12.3 Deposit of Documents

The Documents shall be deposited with and held by the Fiscal Agent for so long as any Note remains outstanding and for so long as any claim made against the Substituted Debtor or the Issuer by any Noteholder in relation to the Notes or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Noteholder to production of the Documents for the enforcement of any of the Notes or the Documents.

12.4 Notice of Substitution

Not less than 15 days after execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 10 (*Notices*).

13. NOTEHOLDERS' AGENT

The Issuer has appointed a Noteholders' Agent by way of a written contract (the **Noteholders' Agency Agreement**) and in accordance with the provisions of Greek law 3156/2003.

The Noteholders' Agent is a Credit Institution authorised to offer in the Hellenic Republic the regulated ancillary service of safekeeping and administration of financial instruments for the account of clients, including custodianship and related services, as listed in Section B of Annex I of Greek Law 4514/2018 implementing into Greek law Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (**MiFID II**).

The Noteholders' Agent shall inter alia:

(i) represent the interests of the Noteholders *vis-à-vis* the Issuer and any third parties;

(ii) co-operate with Euroclear or Clearstream, Luxembourg, for the registration of the interests of the Noteholders in the accounts of Euroclear and/or Clearstream, Luxembourg;

(iii) represent, in accordance with the provisions of Greek law 3156/2003, the Noteholders before the competent courts, in relation to matters concerning the Notes; and

(iv) generally perform any other duties and obligations, as set in Greek law 3156/2003 and these Conditions.

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

14. ACKNOWLEDGEMENT OF STATUTORY LOSS ABSORPTION POWERS

Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements or understanding between any of the parties thereto, or between the Issuer and the Noteholders (which, for the purposes of this Condition 14 (*Acknowledgement of Statutory Loss Absorption Powers*) includes each holder of a beneficial interest in the Notes), each Noteholder by its purchase of the Notes will be deemed to acknowledge, accept and agree, that any liability arising under the Notes may be subject to the exercise of Statutory Loss Absorption Powers by the Relevant Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:

(i) the effect of the exercise of any Statutory Loss Absorption Powers by the Relevant Resolution Authority, which exercise (without limitation) may include and result in any of the following, or a combination thereof:

(A) the reduction of all, or a portion, of the Relevant Amounts in respect of the Notes;

(B) the conversion of all, or a portion, of the Relevant Amounts in respect of the Notes into shares, other securities or other obligations of the Issuer or another person, and the issue to or conferral on the Noteholder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Notes;

(C) the cancellation of the Notes, or the Relevant Amounts in respect of the Notes; and

(D) the amendment or alteration of the maturity date of the Notes or the amendment of the amount of interest payable on the Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period; and

(ii) the variation of the terms of the Notes, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Statutory Loss Absorption Powers by the Relevant Resolution Authority.

Relevant Amounts means the outstanding principal amount of the Notes, together with any accrued but unpaid interest and additional amounts due on the Notes pursuant to Condition 6 (*Taxation*). References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any Statutory Loss Absorptions Powers by the Relevant Resolution Authority.

Relevant Resolution Authority means the resolution authority with the ability to exercise any Statutory Loss Absorption Powers in relation to the Issuer.

Statutory Loss Absorption Powers means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements applicable to the Issuer, relating to (i) the transposition of the BRRD and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of the Issuer (or any affiliate of the Issuer can be reduced, cancelled, modified, or converted into shares, other securities or other obligations of the Issuer, or any other person (or suspended for a temporary period).

15. GOVERNING LAW AND SUBMISSION TO JURISDICTION

15.1 Governing Law

The Agency Agreement, the Deed of Covenant, the Notes (except for Condition 2 (*Status and Subordination*), Condition 13 (*Noteholders' Agent*) and Condition 14 (*Acknowledgement of Statutory Loss Absorption Powers*)), the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant or the Notes and the Coupons are governed by, and construed in accordance with English law. Condition 2 (*Status and Subordination*), Condition 13 (*Noteholders' Agent*) and Condition 14 (*Acknowledgement of Statutory Loss Absorption Powers*) are governed by, and shall be construed in accordance with, the laws of the Hellenic Republic and, in the case of Condition 13 (*Noteholders' Agent*), Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013.

15.2 Submission to Jurisdiction

(a) Subject to Condition 15.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in

connection with the Notes and/or the Coupons (a **Dispute**) and each of the Issuer and any Noteholders and Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

(b) For the purposes of this Condition, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(c) To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

15.3 Appointment of Process Agent

The Issuer irrevocably appoints Protopapas Solicitors at its registered office at Queens House, 180 Tottenham Court Road, London W1T 7PD, United Kingdom as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of Protopapas Solicitors being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing in this Condition shall affect the right to serve process in any other manner permitted by law.

15.4 Other Documents

The Issuer has in the Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent in England for service of process, in terms substantially similar to those set out above.

16. RIGHTS OF THIRD PARTIES

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE REPRESENTED BY THE GLOBAL NOTES

The following is a summary of the provisions to be contained in the Temporary Global Note and the Permanent Global Note (together the ***Global Notes****) which will apply to, and in some cases modify, the Terms and Conditions of the Notes while the Notes are represented by the Global Notes.*

1. Accountholders

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or 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 principal amount of such Notes (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such 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 as the holder of that principal amount for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders and giving notice to the Issuer pursuant to Condition 10.2 (*Notices from the Noteholders*)) other than with respect to the payment of principal and interest on such principal amount of such Notes, the right to which shall be vested, as against the Issuer solely in the bearer of the relevant Global Note in accordance with and subject to its terms. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

2. Payments

On and after 29 January 2019, no payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. Payments of principal and interest in respect of Notes represented by a Global Note will, subject as set out below, be made to the bearer of such Global Note and, if no further payment falls to be made in respect of the Notes, against surrender of such Global Note to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purposes. The Issuer shall procure that the amount so paid shall be entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg and the nominal amount of the Notes recorded in the records of Euroclear and Clearstream, Luxembourg and represented by such Global Note will be reduced accordingly. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of Euroclear and Clearstream, Luxembourg shall not affect such discharge. Payments of interest on the Temporary Global Note (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

3. Notices

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relevant Accountholders rather than by publication as required by Condition 10 (*Notices*), provided that, so long as the Notes are admitted to the official list of the Financial Conduct Authority in its capacity as UK Listing Authority and admitted to trading on the London Stock Exchange plc's market for listed securities, notices shall also be published in accordance with the rules of such exchange. Any such notice shall be deemed to have been given to the Noteholders on the day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

Whilst any of the Notes held by a Noteholder are represented by a Global Note, notices to be given by such Noteholder may be given by such Noteholder (where applicable) through the applicable clearing system's operational procedures approved for this purpose and otherwise in such manner as the Fiscal Agent and the applicable clearing system may approve for this purpose.

4. Interest Calculation

For so long as Notes are represented by one or both of the Global Notes, interest payable to the bearer of a Global Note will be calculated by applying the rate of 6.41 per cent. per annum to the principal sum for the time being outstanding of the Global Notes.

5. Exchange and benefits

The Permanent Global Note will be exchangeable in whole but not in part (free of charge to the holder) for definitive Notes only if (each of the following being an **Exchange Event**):

(a) a Subordinated Default Event (as defined in Condition 8 (*Winding Up*)) has occurred and is continuing; or

(b) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or

(c) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form.

The Issuer will promptly give notice to Noteholders if an Exchange Event occurs. Thereupon, in the case of (a) or (b) above, the holder of the Permanent Global Note, acting on the instructions of one or more of the Accountholders (as defined below), may give notice to the Issuer and the Fiscal Agent and, in the case of (c) above, the Issuer may give notice to the Fiscal Agent of its intention to exchange the Permanent Global Note for definitive Notes. Any exchange shall occur no later than 45 days after the date of receipt of the first relevant notice by the Fiscal Agent. Exchanges will be made upon presentation of the Permanent Global Note at the office of the Fiscal Agent on any day on which banks are open for general business in London. In exchange for the Permanent Global Note the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Agency Agreement. On exchange of the Permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant definitive Notes.

In the event that (a) a Global Note (or any part of it) has become due and repayable in accordance with the Conditions or that the maturity date of the Notes has occurred and, in either case, payment in full of the amount due has not been made to the bearer, or (b) following an Exchange Event, the Permanent Global Note is not duly exchanged for definitive Notes by the day provided in the Permanent Global Note, then from 8.00 p.m. (London time) on such day each Accountholder will become entitled to proceed directly against the Issuer on, and subject to, the terms of the Deed of Covenant executed by the Issuer on 20 December 2018 in respect of the Notes and the bearer will have no further rights under a Global Note (but without prejudice to the rights any person may have under the Deed of Covenant).

6. Prescription

Claims against the Issuer in respect of principal and interest on the Notes represented by a Global Note will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 6 (*Taxation)*).

7. Cancellation

Cancellation of any Note represented by a Global Note and required by the Terms and Conditions of the Notes to be cancelled following its redemption or purchase will be effected by instruction to Euroclear and Clearstream, Luxembourg to make appropriate entries in their records in respect of all Notes which are cancelled.

8. Euroclear and Clearstream, Luxembourg

Notes represented by a Global Note are transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as appropriate. References in the Global Notes and this summary to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system through which interests in the Notes are held.

USE OF PROCEEDS

The net proceeds from the issuance of the Notes will be applied by the Issuer for the redemption, in accordance with paragraph 1a of article 1 of Greek Law 3723/2008 (added through paragraph 1 of article 80 of Greek Law 4484/2017) of 286,285,714 non-transferable, non-voting, redeemable preference shares of nominal value €0.35 each (with a total aggregate nominal value of €100,199,999.90), issued by the Bank and owned by the Greek State.

DESCRIPTION OF THE ISSUER

Introduction

Attica Bank S.A. (the **Bank**), together with its subsidiaries, offers a wide range of financial services to retail customers and corporate clients in Greece. The Bank is incorporated as a société anonyme and registered in the Greek General Commercial Registry under No. 255501000 (ex number 6067/06/B/86/06 of Companies' Registry) for a term expiring in 2075. The Bank's registered office is at 23 Omirou Street, Athens 10672 and its telephone number is +30 210 3669000. The Bank operates only in Greece in accordance with the provisions of Codified Law 2190/20 for Greek sociétés anonymes, Law 4261/2014 on the activity and prudential supervision of credit institutions (which implemented EU Directive 2013/36/EU (CRD IV) in Greece), and other relevant regulatory and legislative provisions. The Bank is subject to regulation and supervision by the Bank of Greece as well as the Hellenic Capital Markets Commission and the Department of Sociétés Anonymes which forms part of the Ministry of Economy and Development.

The Bank is principally active in lending to small and medium sized enterprises (**SMEs**) and retail consumers, and also offers a variety of investment products, mutual funds and brokerage services, as further detailed below under "*Structure*".

History

The Bank was originally founded in 1925 as "Bank of Attica S.A." and changed its name to Attica Bank S.A. in 2009. The Bank has been listed on the Athens Exchange since 1964. In 1964, the Bank became a member of the Commercial Bank of Greece Group (**Emporiki**). On 26 June 1997, Emporiki transferred a portion of its stake in the Bank to the Engineers and Public Works Contractors' Pension Fund (today **ETAA-TSMEDE**) and the Consignment, Deposits and Loans Fund. Emporiki continued to manage the Bank until the middle of 2002. On 9 September 2002, Emporiki transferred all of its remaining shares in the Bank to the Hellenic Postbank.

The Bank completed recapitalisation exercises in 2009, 2013 and 2015. The last of these followed the Asset Quality Review performed on the Bank in 2015, which found that the Bank had an estimated capital shortfall of €748m. This capital shortfall was subsequently fully covered by a share capital increase of €681m in December 2015 and through the capital impact of a securitisation and transfer of a non-performing loans portfolio of approximately €1,331.2m to a special purpose vehicle in August 2017 (as further described in the paragraph below).

In August 2017, the Bank completed the transfer of a portfolio of defaulted loans of approximately €1,331.2 million to a special purpose vehicle under the name Artemis Securitisation S.A. Upon completion of the transaction, the Bank de-recognised these assets and recognised a profit of €70 million that fully covered the capitalisation of the adverse scenario of the 2015 share capital increase. In the context of the transaction, the Bank issued a junior note (€806 million – fully retained by the investor) and a senior note (€525 million – fully retained by the Bank).

In December 2017, a meeting of the Bank's shareholders approved an increase of the share capital of the Bank up to the amount of €197,970,668.40 in cash and with pre-emption rights in favour of existing shareholders. This share capital increase took effect in May 2018. Furthermore in December 2017, the Bank decided to repay preference shares of €100,200,000.

Following the successful completion of Artemis Securitisation transaction and the injection of €70 million as profit from the transaction as capital and the fact that the adverse scenario of the 2015 share capital increase was fully covered, the Bank was accepted as an eligible counterparty by the ECB in January 2018.

In October 2018, the Bank completed the sale of the NPE's securitised loan portfolio amounting to €700.6 million to TOCU Europe S.a.r.l., as well as the management of the portfolio to Quant Master Servicer S.A., which is an affiliate of the buyer. The consideration paid by the investor for the transfer of the junior note issued was €47 million. As a result, the Bank will derecognise as at 31 December 2018 the securitised NPE portfolio (subject to all approvals from regulatory bodies) and has already booked a gain of €47 million, which is accounted for as Tier I capital. In the context of the transaction, the Bank issued a junior note (€357.25 million – retained at 5 per cent.) and a senior note (€343.25 million – fully retained by the Bank).

Operations

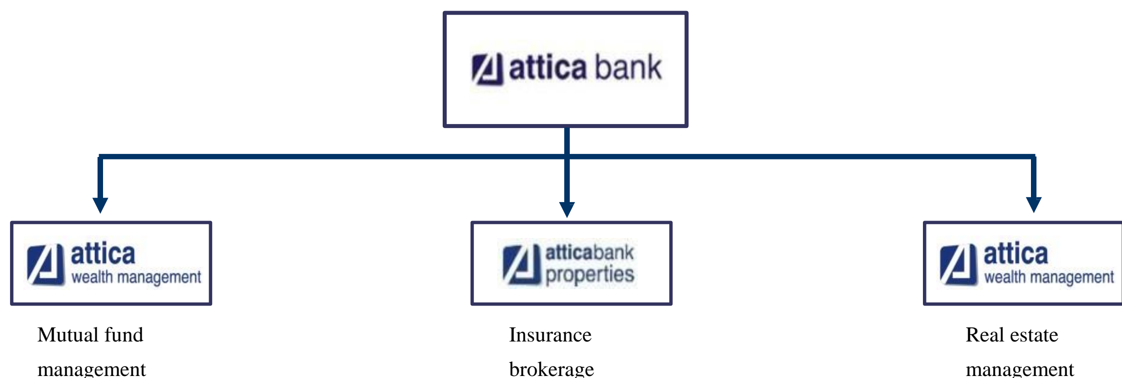
The Bank operates from a network of 55 branches located in major Greek cities, with 21 branches in or around Athens, 6 branches in Thessaloniki, and 28 branches in the rest of Greece.

As at 30 June 2018, the Bank's customer base consisted of 722,885 customers, (of which 690,592 were retail customers and 32.293 were business customers).

As at 30 June 2018, the Bank employed 627 people, with its subsidiaries employing a further 15 full-time employees.

Structure

The structure of the Bank and its subsidiaries (the **Group**) is as follows:



The Bank's three subsidiaries provide supplementary services to the Bank, with a marginal contribution to the overall profitability of the Group.

The Group's is active in three major operating segments:

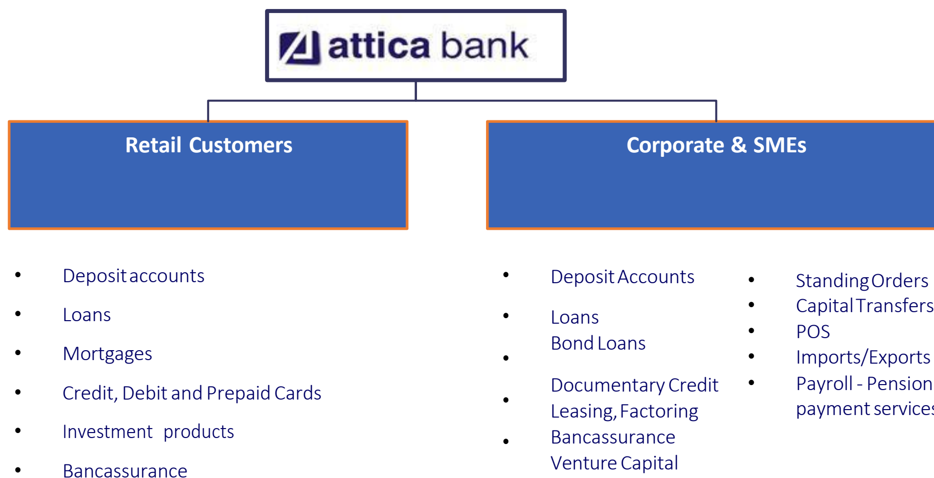
- **Corporate banking**: This segment includes all credit services provided to businesses and entrepreneurs. In addition to loans, the Group offers customers in this category a broad range of products and services related to consulting, financial and investment operations, as well as foreign exchange operations.

- **Retail banking**: This segment includes all private consumers and freelance professionals. The Group, through the network of the Bank's branches, and the competent central services, offers customers in this category a range of traditional products, as well as specialised products of an investment and savings nature.

- **Cash reserve management — Treasury**: This segment includes the management of the Group's cash assets, brokerage services in the sale of mutual funds, as well as the management of the Group's securities.

Products and Services

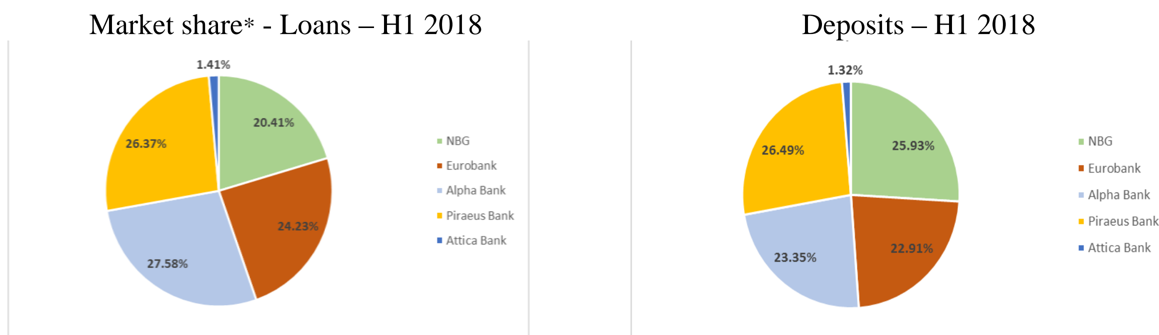
The following diagram sets out the main products and services provided by the Bank:



The majority of the Bank's deposits come from retail customers (approximately 62 per cent. of total deposits as at 30 June 2018) whereas most of the Bank's lending consists of loans to businesses (76 per cent. of total loans as at 30 June 2018).

Competitive Position

As at the date of this Prospectus, the bank is the fifth largest bank in Greece in terms of total assets. The below charts show the Bank's market share in Greece in respect of loans made and deposits received for the first half of 2018.



Source: Bank's published financials
*Market shares based on 5 largest banks' financial statements only

H1 2018 In EUR bn	NBG	Eurobank	Alpha Bank	Piraeus Bank	Attica Bank
Net Loans	30.5	36.2	41.2	39.4	2.1
Deposits	41.2	36.4	37.1	42.1	2.1

Management

As at the date of this Prospectus, the Directors of the Bank and their other principal activities are as follows:

Director Name	*Function*	*Other Principal Activities*
Panagiotis Roumeliotis	Chairman	Interpost – Member of the Board Idis – Member of the Board
Theodoros Pantalakis	Chief Executive Officer	Hellenic Petroleum S.A. – Member of the Board Ellaktor S.A. – Member of the Board SAE-EPE – Member of the Board
Athanasios Tsadaris	Deputy Chief Executive Officer	Ionathan Touristiki Kataskevastiki Ltd – Chairman of the Board
Ioannis Tsakirakis	Deputy Chief Executive Officer	-
Dimitrios Tzanninis	Independent Non-Executive Member	-
Athanasios Stathopoulos	Independent Non-Executive Member	SITA (Club of Employees of Attica Bank) – Chairman of the Board
Stavros Papagiannopoulos	Independent Non-Executive Member	-
Charalampos Mprilakis	Independent Non-Executive Member	Information Systems Audit & Control Association (ISACA) – Member of the Board
Ioannis Marmaggiolis	Independent Non-Executive Member	-
Georgios Vlachakis	Independent Non-Executive Member	R3 Associates S.A. – Non-Executive Member
Georgios Panagioutou	Independent Non-Executive Member	Wadja.Com Ltd – Member of the Board Themic Ltd – Member of the Board
Zacharoula Papatheodorou	Non-Executive Member	-

In addition to the Directors, the following persons carry out management roles or are members of management bodies of the Issuer:

Name	*Function*	*Other Principal Activities*
Nikolaos Koutsogiannis	Chief Financial Officer, Member of the Strategy & Corporate Communication Committee	-
Dimitrios Anagnostopoulos	Chief Risk Officer, Member of the Strategy & Corporate Communication Committee	THEA ARTEMIS FINANCIAL SOLUTIONS – Non Executive Member of Board
Dimitrios Vrailas	Chief Operating Officer	-
Dimitrios Plagiannis	Chief Digital & Retail Officer	-
George Triantafillopoulos	Member of the Strategy & Corporate Communication Committee	-

The business address of each of the persons referred to above is 23 Omirou Street, Athens 10672.

There are no potential conflicts of interest between the duties owed to the Bank by each of the persons referred to above, and his or her private interests and/or other duties.

In April 2017, a Greek prosecutor filed felony charges against Theodoros Pantalakis (the Bank's Chief Executive Officer) and six other current or former executives of Piraeus Bank (none of whom are employees of the Bank). The preliminary examination conducted by the competent judicial authorities relates to the investigation of possible offenses committed during the approval by the Expenditure Committee of Piraeus Bank, of which Mr Pantalikis was a member, of the purchase of five real estate properties by Piraeus Bank in 2006. The relevant investigation procedure, which is confidential, is still pending. In all cases, Mr Pantalakis considers that this business decision was appropriate and beneficial for Piraeus Bank, caused no damage to Piraeus Bank, all statutory procedures were followed for its making (as confirmed in 2015 by the Bank of Greece), and was based on the evaluation by an independent third party, requested and appointed by Piraeus Bank's technical department.

Shareholders

The Single Social Security Body (**EFKA**) is the Bank's largest shareholder with 46.16 per cent. of ordinary shares. TMEDE holds 32.5 per cent. of the ordinary shares of the Bank, while TAPILTAT (Fund for the Mutual Assistance of the Employees of former Ioniki-Laiki Bank and Other Banks) holds 2.83 per cent. The remaining 18.51 per cent. of ordinary shares in the Bank are owned mainly by individuals, none of whom individually owns more than 5 per cent. of the Bank's ordinary shares. Pursuant to an agreement signed between EFKA and the Financial Stability Fund on 31 July 2018, the voting rights of EFKA deriving from its ordinary shares in the Bank in excess of 33 per cent. will be exercised by the Financial Stability Fund, in accordance with Greek law. EFKA therefore holds 33 per cent. of the voting rights in the Bank, despite owning 16 per cent. of ordinary shares.

TAXATION

Hellenic Republic

The following discussion of Greek taxation, as it relates to the Notes, is of a general nature and is based on the provisions of the income tax law, Greek Law 4172/2013, as amended and in force as at the date of this Prospectus. It should be noted, however, that Greek tax law is subject to frequent changes, including changes resulting from Greece's commitments that apply after the end of the Third Economic Adjustment Programme on 20 August 2018 and consequently, Noteholders should consult their professional advisers prior to purchasing, selling or otherwise transacting in Notes, as the discussion below is not exhaustive and does not purport to deal with all the tax consequences applicable to all possible categories of holders of Notes, some of which may be subject to special rules. Further, Non-Resident Noteholders (as defined below), may have to submit a tax residence certificate or produce documentation evidencing non-residence in order to claim any exemption under applicable tax laws of Greece or in the context of a DTT (as defined below) entered into between Greece and the jurisdiction in which a Non-Resident Noteholder is a tax resident.

Prospective holders of Notes are advised to consult their own tax advisers as to the laws of Greece and other tax consequences of the purchase, ownership and disposal of the Notes.

Payment of principal under the Notes

No Greek income tax will be imposed on payments of principal to any Noteholders in respect of Notes issued by the Bank.

Payments of interest on the Notes

Payments of interest on the Notes issued by the Bank and held by:

(a) Noteholders with no residence or permanent establishment in Greece for Greek income tax law purposes (**Non-Resident Noteholders**) will be subject to Greek withholding income tax currently at a flat rate of fifteen per cent. subject to the provisions of any applicable tax treaty for the avoidance of double taxation of income and the prevention of tax evasion (a **DTT**) entered into between Greece and the jurisdiction in which such a Non-Resident Noteholder is a tax resident;

(b) Noteholders resident or having a permanent establishment in Greece for Greek income tax law purposes (**Resident Noteholders**) will be subject to Greek withholding income tax at a flat rate of fifteen per cent., which may not exhaust the tax liability of certain types of Resident Noteholders.

Disposal of Notes – Capital Gains

Capital gains resulting from the transfer of Notes issued by the Bank pursuant to Greek Law 3156/2003 and earned by Non-Resident Noteholders or Resident Noteholders will not be subject to Greek income tax.

CONSIDERATION FOR THE NOTES

The Hellenic Republic Bank Support Plan

On 9 December 2008, Greek Law 3723/2008 was enacted in Greece on the "Liquidity Support of the Economy for mitigating the consequences of the international financial and credit crisis and other provisions" (the **Law**). The Law established a voluntary scheme for the capitalisation and liquidity support of credit institutions licensed by the Bank of Greece (the **Hellenic Republic Bank Support Plan**) with the goal of strengthening the capital and liquidity positions of Greek banks in an effort to safeguard the Greek economy from the adverse effects of the global financial crisis. The Hellenic Republic Bank Support Plan has been revised several times by subsequent legislation and ministerial decisions and is comprised of three pillars. Under Pillar I, the Hellenic Republic provided up non-dilutive capital designed to increase Tier I ratios, in the form of preference shares with a 10 per cent. fixed return.

The Bank has voluntarily accepted the Hellenic Republic Bank Support Plan in the framework of Pillar I. In particular, the Bank issued in 2009 286,285,714 non-transferable, non-voting, redeemable preference shares (the **Preference Shares**) at a nominal value of €0.35 per Preference Share (i.e., of a total value of €100,199,999.90), which were fully subscribed and paid for by the Hellenic Republic through the transfer to the Bank of an equivalent amount of Greek Government bonds in accordance with article 1 of the Law.

Pursuant to article 80 of Greek Law 4884/2017, a new paragraph 1a was added to article 1 of the Law, which provides that after the lapse of 5 years credit institutions may redeem, in full or in part, preference shares which they have issued to the Greek state in accordance with article 1 of the Law in consideration for cash, Tier 2 capital instruments or a combination thereof. In consideration for the full redemption of the Preference Shares and in accordance with article 1a of the Law and the resolutions of the Shareholders' General Assembly of the Issuer passed on 22 December 2017 and 25 July 2018, the Issuer will issue the Notes to the Greek state. The Notes will, at issue, constitute Tier 2 capital of the Issuer and the Group.

GENERAL INFORMATION

Authorisation

The issue of Notes has been duly authorised by a resolution of the Board of Directors of the Issuer passed on 4 June 2018 in conjunction with the resolution of the Board of Directors of the Issuer passed on 5 December 2018.

Listing of Notes

Application has been made to the UK Listing Authority for the Notes to be admitted to the Official List, and to the London Stock Exchange for the Notes to be admitted to trading on the Market.

The Issuer estimates that the total expenses related to the admission to trading will be approximately £5,250.

Documents Available

Whilst the Notes remain outstanding, copies of the following documents will be available for inspection from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London:

(a) the Memorandum and Articles of Association (with an English translation thereof) of the Issuer;

(b) the audited consolidated and non-consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2016 and 31 December 2017 (with an English translation thereof), in each case together with the audit reports prepared in connection therewith. The Issuer currently prepares audited consolidated and non-consolidated accounts on an annual basis;

(c) the unaudited condensed interim individual and consolidated financial statements of the Issuer in respect of the six months ended 30 June 2018 (with an English translation thereof), together with the review report prepared in connection therewith. The Issuer currently prepares audited consolidated and non-consolidated interim accounts on a quarterly basis as well as unaudited consolidated and non-consolidated interim accounts in respect of the first and third quarter of each financial year;

(d) the Agency Agreement (which includes the forms of the Global Notes) and the Deed of Covenant; and

(e) a copy of this Prospectus.

Indication of Yield

Based upon an issue price of 100 per cent. of the principal amount of the Notes, the yield of the Notes, is 6.41 per cent. per annum on a semi-annual basis. The yield is calculated at the Issue Date and is not an indication of future yield.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN for the Notes is XS1918037794 and the Common Code is 191803779.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

The Notes are not, at the date of this Prospectus, intended to be held in a manner which would allow Eurosystem eligibility. However, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Global Note by which the Notes are at such time represented may then be deposited with one of Euroclear or Clearstream, Luxembourg as common safekeeper. This does not necessarily mean that the Notes represented by the Global Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life, such recognition depending upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.

Significant or Material Change

There has been no significant change in the financial or trading position of the Issuer or the Issuer and its subsidiaries (the **Group**) since 30 June 2018 and there has been no material adverse change in the financial position or prospects of the Issuer or the Group since 31 December 2017.

Litigation

Neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Prospectus which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

Auditors

The auditors of the Issuer are KPMG Certified Auditors AE (members of the Institute of Certified Auditors and Accountants of Greece), who audited the Issuer's accounts, without qualification, in accordance with IFRS for each of the financial years ended on 31 December 2016 and 31 December 2017. The auditors of the Issuer have no material interest in the Issuer.

ISSUER

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