

BASE PROSPECTUS



# ALPHA BANK

ALPHA CREDIT GROUP PLC

(incorporated with limited liability in England and Wales)

as Issuer

and

ALPHA BANK AE

(incorporated with limited liability in the Hellenic Republic)

as Issuer and Guarantor

## EUR 15,000,000,000 Euro Medium Term Note Programme

Under this EUR 15,000,000,000 Euro Medium Term Note Programme (the “**Programme**”), each of Alpha Credit Group PLC (“**Alpha PLC**”) and Alpha Bank AE (“**Alpha Bank**” or the “**Bank**” and, together with Alpha PLC, the “**Issuers**” and each an “**Issuer**” and references herein to the “**relevant Issuer**” being to the Issuer of the relevant Notes) may from time to time issue notes (the “**Notes**”) denominated in any currency agreed with the relevant Dealers (as defined below). Notes may be issued as Senior Preferred Liquidity Notes, Senior Preferred Notes, Senior Non-Preferred Notes or Tier 2 Notes (each as defined under “*Terms and Conditions of the Notes*”). Senior Preferred Notes and Senior Non-Preferred Notes may only be issued by Alpha Bank.

Notes issued by Alpha PLC will be guaranteed by Alpha Bank. In relation to each issue of Notes by Alpha PLC, the branch through which Alpha Bank is acting as guarantor for such issue will be specified in the applicable Final Terms (as defined below) (or Pricing Supplement, in the case of Exempt Notes (each such term as defined below)) or, as the case may be, the applicable Drawdown Prospectus (as defined below). In relation to each issue of Notes by Alpha Bank, the branch through which Alpha Bank is acting for such issue will be specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) or, as the case may be, the applicable Drawdown Prospectus.

For the purposes of Article 8 of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”), save in respect of Exempt Notes (as defined below) this Base Prospectus (together with supplements which may be published to this Base Prospectus from time to time) is a base prospectus which comprises two base prospectuses, one in respect of each of Alpha PLC (as Issuer) and Alpha Bank (as Issuer and Guarantor). In respect of Exempt Notes that are to be listed on the Euro MTF Market (as defined below), this Base Prospectus (together with the applicable Pricing Supplement and any supplements which may be published to this Base Prospectus from time to time) constitutes a base prospectus and final terms for the purposes of Part IV of the Luxembourg law on prospectus securities dated 16 July 2019.

The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed EUR 15,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

The Notes may be issued on a continuous basis to the Dealers specified herein and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a “**Dealer**” and together the “**Dealers**”). References in this Base Prospectus to the “**relevant Dealer**” shall, in relation to any issue of Notes, be to the Dealer or Dealers agreeing to purchase such Notes.

Application has been made to:

- (i) the *Commission de Surveillance du Secteur Financier* (“**CSSF**”) in its capacity as competent authority under the Prospectus Regulation to approve this document as a base prospectus. The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CSSF should not be considered as an endorsement of (i) the relevant Issuer, (ii) the Guarantor or (iii) the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. The CSSF assumes no responsibility for the economic or financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the relevant Issuer or, as the case may be, the Guarantor. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme (other than Exempt Notes) to be admitted to trading on the Luxembourg Stock Exchange’s regulated market and to be listed on the official list of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange’s regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU) (“**MiFID II**”); and
- (ii) the Luxembourg Stock Exchange to approve this Base Prospectus in connection with the issue by the Issuers of Exempt Notes to be admitted to trading on the Luxembourg Stock Exchange’s Euro MTF market (the Euro MTF market is not a regulated market pursuant to the provisions of MiFID II, but is subject to the supervision of the Luxembourg financial sector and stock exchange regulator, the CSSF) (the “**Euro MTF Market**”) and to be listed on the official list of the Luxembourg Stock Exchange.

References in this Base Prospectus to Notes being “**listed**” (and all related references) shall mean that such Notes have been admitted to the official list of the Luxembourg Stock Exchange and to trading on (i) the regulated market of the Luxembourg Stock Exchange; or (ii) the Euro MTF Market.

The requirement to publish a prospectus under the Prospectus Regulation only applies to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the “**EEA**”) and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. References in this Base Prospectus to “**Exempt Notes**” are to Notes for which no prospectus is required to be published under the Prospectus Regulation. **The CSSF has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Notes and the CSSF assumes no responsibility in relation to issues of Exempt Notes.**

**This Base Prospectus is valid for 12 months from its date. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.**

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under “*Terms and Conditions of the Notes*”) of Notes will (other than in the case of Exempt Notes, as defined above) be set out in a final terms document (the “**Final Terms**”) which will be filed with the CSSF or a drawdown prospectus (the “**Drawdown Prospectus**”) which will be submitted for approval by the CSSF.

Copies of Final Terms in relation to Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). In the case of Exempt Notes, notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the “**Pricing Supplement**”).

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

The Notes of each Tranche will be in bearer form and (unless otherwise specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) or Drawdown Prospectus (as the case may be)) will initially be represented by a temporary global Note which will be deposited on the issue date thereof with a common depositary or common safekeeper on behalf of Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”), and/or any other agreed clearing system and which will be exchangeable, as specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) or Drawdown Prospectus (as the case may be), for either a permanent global Note or Notes in definitive form, in each case upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations. The applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) or Drawdown Prospectus (as the case may be) will specify that a permanent global Note either (i) is exchangeable (in whole but not in part) for definitive Notes upon not less than 60 days’ notice or (ii) is only exchangeable (in whole but not in part) for definitive Notes following the occurrence of an Exchange Event (as defined on page 51) all as further described in “*Form of the Notes*”, “*Form of Final Terms*” and “*Form of Pricing Supplement*” below.

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

Alpha PLC has been rated Caa1 (Senior Unsecured Debt), Caa2 (Subordinated Debt) and NP (Short Term) by Moody's Investors Service Cyprus Limited ("Moody's") and CCC- (Senior Unsecured Debt) and C (Short Term) by Fitch Ratings Limited ("Fitch"). Alpha Bank has been rated Caa1 (long-term) and NP (short-term) by Moody's, B (long-term) and B (short-term) by S&P Global Ratings Europe Limited, Italy Branch ("S&P") and CCC- (long-term) and C (short-term) by Fitch. The Programme is expected to be rated B (Senior Unsecured Debt), CCC+ (Senior Subordinated Notes) and CCC (Subordinated Notes) by S&P and (P)Caa1 (Senior Unsecured), (P)Caa2 (Subordinated) and (P)NP (Short-Term) by Moody's. Each of S&P, Moody's and Fitch is established in the European Union and are registered under Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation"). As such, each of S&P, Moody's and Fitch are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>; for the avoidance of doubt the content of such website does not form part of the Base Prospectus in accordance with the CRA Regulation. Tranches of Notes issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms (or Pricing Supplement, in the case of Exempt Notes) or Drawdown Prospectus (as the case may be) and will not necessarily be the same as the rating assigned to the Programme by S&P and Moody's. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

*Arranger*

**CITIGROUP**

*Dealers*

**ALPHA BANK**

**CITIGROUP**

The date of this Base Prospectus is 15 November 2019.

## IMPORTANT INFORMATION

Each of Alpha PLC and Alpha Bank (the “**Responsible Persons**”) accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge and belief of the Responsible Persons (each having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything which in the context of the issuance and offering of Notes would be misleading and affect the import of such information.

This Base Prospectus comprises a Base Prospectus in respect of all Notes other than Exempt Notes issued under the Programme for the purposes of Article 8 of the Prospectus Regulation.

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

Other than in relation to the documents which are deemed to be incorporated by reference (see “*Documents Incorporated by Reference*” below), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the CSSF.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by Alpha PLC and/or Alpha Bank in connection with the Programme or any Notes or their distribution.

Certain of the Dealers and their affiliates (including their parent companies) have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may provide services to, the Issuers and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuers or the Issuers' affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuers routinely hedge their credit exposure to the Issuers consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially any Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the avoidance of doubt, the term “affiliates” also includes parent companies.

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

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or as constituting an invitation or offer by Alpha PLC and/or Alpha Bank or any Dealer that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or

any Notes should purchase any Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and Alpha Bank in the case of Notes issued by Alpha PLC. Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes constitutes an offer or invitation by or on behalf of Alpha PLC and/or Alpha Bank or any Dealer to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning Alpha PLC and/or Alpha Bank is correct at any time subsequent to its date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of Alpha PLC and/or Alpha Bank during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention. Investors should review *inter alia* the most recently published financial statements and, if published later, the most recently published interim financial statements (if any) of the relevant Issuer and Alpha Bank, in the case of Notes issued by Alpha PLC, when deciding whether or not to purchase any Notes.

**IMPORTANT – EEA RETAIL INVESTORS** – If the Final Terms (or Pricing Supplement, as the case may be) in respect of any Notes includes a legend entitled “Prohibition of Sales to 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 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 MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, 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 / target market** – The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) will include a legend entitled “MiFID II product governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the 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 target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers (in the case of Alpha Bank, in its capacity as Dealer) nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

**Benchmarks Regulation** – Amounts payable on Floating Rate Notes listed on the Luxembourg Stock Exchange’s regulated market will be calculated by reference to one of LIBOR, EURIBOR or ROBOR as specified in the relevant Final Terms or Drawdown Prospectus, each of which is a “benchmark” for the purpose of Regulation (EU) No. 2016/1011 (the “**Benchmarks Regulation**”). As at the date of this Base Prospectus, ICE Benchmark Administration Limited (as administrator of LIBOR) and the European Money Markets Institute (as administrator of EURIBOR) are both included in ESMA’s register of administrators under Article 36 of the Benchmarks Regulation. As at the date of this Base Prospectus, the National Bank of Romania (as

administrator of ROBOR) is not required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence) as, in its capacity as a central bank, it is outside the scope of the Benchmarks Regulation in accordance with Article 2(2)(a) of the Benchmarks Regulation.

#### **PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE**

The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) in respect of any Notes may include a legend entitled "Singapore SFA Product Classification" which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA").

The relevant Issuer will make a determination in relation to each issue under the Programme of the classification of the Notes being offered for purposes of section 309B(1)(a). Any such legend included on the relevant Final Terms (or Pricing Supplement, as the case may be) will constitute notice to each of the "relevant persons" for purposes of section 309B(1)(c) of the SFA.

**An investment in the Notes is not an equivalent to an investment in a bank deposit. Although an investment in Notes may give rise to higher yields than a bank deposit placed with Alpha Bank or with any other investment firm in the Group (as defined below), an investment in the Notes carries risks which are very different from the risk profile of such a deposit. The Notes are expected to have greater liquidity than a bank deposit since bank deposits are generally not transferable. However, the Notes may have no established trading market when issued, and one may never develop.**

**Investments in the Notes do not benefit from any protection provided pursuant to Directive 2014/49/EU of the European Parliament and of the Council on deposit guarantee schemes or any national implementing measures implementing this Directive in any jurisdiction. Therefore, if the relevant Issuer or (if applicable) the Guarantor becomes insolvent or defaults on its obligations, investors investing in the Notes in a worst case scenario could lose their entire investment.**

## IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY

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

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has 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 Base Prospectus, the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) or Drawdown Prospectus (as the case may be) or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor’s currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the

appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

For the avoidance of doubt, the content of any website to which active hyperlinks have been included in this Base Prospectus does not form part of the Base Prospectus.

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

This Base Prospectus shall only be used for the purposes for which it has been published.

All references in this document to “**RON**” are to Romanian New Lei, those to “**USD**” and “**\$**” are to United States dollars, those to “**Yen**” are to Japanese Yen, those to “**Sterling**” and “**£**” are to pounds sterling and those to “**€**” “**euro**”, “**Euro**” and “**EUR**” are to the single currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

All references in this document to “**Greece**” or to the “**Greek state**” are to the Hellenic Republic.

#### CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Some statements in this Base Prospectus may be deemed to be forward looking statements. Forward looking statements include statements concerning the Issuer's and/or the Guarantor's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward looking statements. When used in this Base Prospectus, the words “anticipates”, “estimates”, “expects”, “believes”, “intends”, “plans”, “aims”, “seeks”, “may”, “will”, “should” and any similar expressions generally identify forward looking statements. The Issuer and the Guarantor have based these forward looking statements on the current view of their management with respect to future events and financial performance. Although each of the Issuer and the Guarantor believes that the expectations, estimates and projections reflected in its forward looking statements are reasonable as of the date of this Base Prospectus, if one or more of the risks or uncertainties materialises, including those identified below or which the Issuer and/or the Guarantor has otherwise identified in this Base Prospectus, or if any of the Issuer's and/or the Guarantor's underlying assumptions proves to be incomplete or inaccurate, the Issuer's and/or the Guarantor's actual results of operation may vary from those expected, estimated or predicted.

The risks and uncertainties referred to above include:

- each Issuer's ability to achieve and manage the growth of its business;
- the performance of the markets in Greece and the wider region in which Alpha Bank and its subsidiaries and subsidiary undertakings from time to time (collectively, the “**Group**”) operate;
- the Group's ability to realise the benefits it expects from existing and future projects and investments it is undertaking or plans to or may undertake;
- the Group's ability to obtain external financing or maintain sufficient capital to fund its existing and future investments and projects; and
- changes in political, social, legal or economic conditions in the markets in which the Group and its customers operate.

Any forward looking statements contained in this Base Prospectus speak only as at the date of this Base Prospectus. Without prejudice to any requirements under applicable laws and regulations, each of the Issuer and the Guarantor expressly disclaims any obligation or undertaking to disseminate after the date of this Base Prospectus any updates or revisions to any forward looking statements contained in it to reflect any change in expectations or any change in events, conditions or circumstances on which any such forward looking statement is based.



## TABLE OF CONTENTS

RISK FACTORS .....	3
OVERVIEW OF THE PROGRAMME .....	36
DOCUMENTS INCORPORATED BY REFERENCE .....	46
FINAL TERMS (OR PRICING SUPPLEMENT, IN THE CASE OF EXEMPT NOTES) AND DRAWDOWN PROSPECTUSES .....	51
FORM OF THE NOTES .....	52
FORM OF FINAL TERMS .....	55
FORM OF PRICING SUPPLEMENT .....	68
TERMS AND CONDITIONS OF THE NOTES .....	82
USE OF PROCEEDS .....	136
ALPHA CREDIT GROUP PLC.....	137
THE GROUP.....	139
BUSINESS OF THE GROUP .....	148
RISK MANAGEMENT .....	162
DIRECTORS AND MANAGEMENT.....	174
ALTERNATIVE PERFORMANCE MEASURES .....	189
OVERVIEW OF THE BANKING SERVICES SECTOR IN GREECE .....	194
REGULATION AND SUPERVISION OF BANKS IN GREECE.....	196
FORM OF THE GUARANTEE.....	245
TAXATION .....	253
SUBSCRIPTION AND SALE .....	261
GENERAL INFORMATION.....	266

## STABILISATION

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) or Drawdown Prospectus (as the case may be) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation**

**action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.**

## RISK FACTORS

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

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

*Each of Alpha Bank and Alpha PLC believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of Alpha Bank or Alpha PLC to pay interest, principal or other amounts on or in connection with any Notes may occur for other unknown reasons. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

THE PURCHASE OF 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 INVESTORS SHOULD CONSIDER CAREFULLY, IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES, (I) ALL THE INFORMATION SET FORTH IN THIS BASE PROSPECTUS AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW AND (II) ALL THE INFORMATION SET FORTH IN THE APPLICABLE FINAL TERMS (OR PRICING SUPPLEMENT, IN THE CASE OF EXEMPT NOTES). PROSPECTIVE INVESTORS SHOULD MAKE SUCH ENQUIRIES AS THEY DEEM NECESSARY WITHOUT RELYING ON THE RELEVANT ISSUER AND/OR THE GUARANTOR, IF APPLICABLE, OR ANY DEALER.

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

Prospective investors should read the entire Base Prospectus. Words and expressions defined in the “*Terms and Conditions of the Notes*” below or elsewhere in this Base Prospectus have the same meanings in this section. Investing in the Notes involves certain risks. Prospective investors should consider, among other things, the following:

**Factors that may affect the Bank's ability to fulfil its obligations under Notes issued by it or (if applicable) the Guarantee under the Programme**

### **Risks relating to the Hellenic Republic Economic Crisis**

*Uncertainty resulting from the Hellenic Republic's financial and economic crisis has had and is likely to continue to have a significant adverse impact on the Group's business*

The Group's business depends on the macroeconomic and political conditions in Greece. As of 30 June 2019, 86.3 per cent. of the Group's total loans and advances to customers and 85.7 per cent. of net interest income were derived from operations in Greece and, as at 30 June 2019, loans, investment securities and derivative financial assets less derivative financial liabilities to the Greek public sector amounted to €6.1 billion.

Greece experienced an unprecedented financial crisis from 2008 to 2016. During this period, the Hellenic Republic faced significant pressure on its public finances and agreed with the International Monetary Fund (“IMF”), the European Union (“EU”) and the European Central Bank (“ECB”) and, together with the IMF and

the EU, the “**Institutions**”), and in 2015 with the Institutions and the European Stability Mechanism (“**ESM**”), three stabilisation programmes, the last of which was agreed in August 2015 (the “**ESM Programme**”). In accordance with these stabilisation programmes, the Hellenic Republic committed to certain substantial structural measures intended to restore competitiveness and promote economic growth in the country. See “*The Group – Financial crisis in the Hellenic Republic*”

In August 2018, the Hellenic Republic concluded the ESM Programme with a successful exit and no fourth stabilisation programme was agreed. Nevertheless, as part of the post-stabilisation programme period, the Hellenic Republic has made specific policy commitments to complete key structural reforms initiated under the ESM Programme within agreed deadlines and has made a general commitment to continue to implement all key reforms adopted under the ESM Programme.

Potential delays in the completion of remaining reforms and the rest of the commitments of the Hellenic Republic *vis-à-vis* the Eurogroup, could impact on the markets’ assessment of the risks surrounding the creditworthiness of the Hellenic Republic and, therefore, create uncertainty regarding its capacity to maintain a continuous access to market financing. Such a development could, in turn, have a material adverse impact on the Bank’s liquidity position, business, results of operations, financial condition or prospects.

Moreover, notwithstanding the successful implementation and completion of the ESM Programme, the Greek economy may not achieve the sustained and robust growth that is necessary to ease the financial constraints of the country and improve conditions for foreign direct investment. Further, the Hellenic Republic remains subject to downside risks in view of the very gradual improvement in household disposable income and the vulnerable financial position of a number of business entities. A continued depression in the Greek economy will have a significant material adverse effect on the Bank’s business, financial condition, results of operations and prospects.

*Recessionary pressures in Greece have had and may continue to have an adverse effect on the Bank’s business*

The Group’s business activities are dependent on demand for its banking, finance and financial products and services offered, as well as customers’ capacity to repay their liabilities. The levels of savings and credit demand are heavily dependent on customer confidence, employment trends and the availability and cost of funding.

During the period between 2008 and 2016 the decline in GDP and protracted recession in Greece resulted in significantly reduced disposable income, spending and debt repayment capacity in the Greek private sector. This led to further increases in non-performing loans (“**NPLs**”), impairment charges on the Bank’s loans and other financial assets, decreased demand for borrowings in general and increased deposit outflows.

The uncertainty created by the prolonged financial crisis in Greece and doubts as to the ability of the Greek economy to recover resulted in a significant outflow of deposits in the Greek banking sector of approximately €37 billion from 31 December 2014 to 31 December 2015 (Source: Bank of Greece).

The Bank’s NPL ratio (defined as NPLs divided by gross loans at the end of the relevant reference period) stood at 32.7 per cent. as of 30 June 2019. The decline in loan portfolios, in combination with a high NPL ratio, may result in decreased net interest income, and this could have a material adverse effect on the Bank’s business, financial condition, results of operations and prospects.

The Bank of Greece also assesses non-performing exposures (“**NPEs**”) based on the EBA standards in order to monitor Greek banks’ NPEs. The Group’s NPE ratio amounted to 48.1 per cent. as of 30 June 2019.

The Bank has implemented a troubled assets management plan to reduce NPL/NPE volume. Nevertheless, the implementation of such strategy (as described in more detail under “*Business of the Group – Other Activities –*

*NPL Management*”) is affected by a number of external and systemic factors and there is no guarantee such a programme will be effective.

Volatile macroeconomic conditions, coupled with low consumer spending and business investment, may adversely affect the value of assets collateralising secured loans, including houses and other real estate. Such a decline could result in impairment of the value of the Bank's loan assets or an increase in the level of NPLs and NPEs, either of which may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

### **Risks relating to funding**

*The Bank has limited sources of liquidity, which are not guaranteed and the cost of which may increase materially*

The economic crisis in Greece has adversely affected the Bank's credit risk profile, which has from time to time restricted the Bank from obtaining funding in the capital markets, and increased the cost of such funding and the need for additional collateral requirements in repurchase contracts and other secured funding arrangements, including those with the Eurosystem. Although access to capital markets has gradually been reinstated over the last few years, concerns relating to the on-going impact of current economic conditions and potential delays in the completion by the Hellenic Republic of key structural reforms (as part of its post-ESM Programme commitments) may restrict the Bank's ability to obtain funding in the capital markets in the medium term.

The Bank's principal sources of liquidity are (i) its deposit base, (ii) Eurosystem funding via the Main Refinancing Operations (“**MROs**”) and the Targeted Longer-term Refinancing Operations (“**TLTROs**”) with the ECB and (iii) repurchase securities agreements (“**repos**”) with major foreign financial institutions. ECB funding and repos with financial institutions are collateralised by high quality liquid assets, such as European Financial Stability Fund (“**EFSF**”) bonds, EU sovereign bonds, Greek government bonds and Treasury Bills (“**T Bills**”), as well as by other assets, such as highly rated corporate loans, covered bonds and asset backed securities issued by the Bank. As at 30 June 2019, the Bank's total Eurosystem funding was €4.1 billion, while outstanding repos amounted to €6.2 billion. Although the Bank's central bank funding has decreased significantly, with no dependence on emergency liquidity assistance (“**ELA**”) since February 2019, there can be no assurance that the Bank's funding needs will continue to be met by, or that it will continue to have access to, Eurosystem funding in the future.

In addition, deposit outflows could have a material adverse impact on the Bank's deposit base and on the amount of the Bank's ECB and ELA eligible collateral, which could have a material adverse impact on the Group's liquidity and the Group's access to Eurosystem funding in the future, which may in turn threaten the Bank's ability to continue as a going concern.

Furthermore, the liquidity the Bank is able to access from the ECB or ELA may be adversely affected by changes in ECB and Bank of Greece rules relating to collateral. If the ECB or the Bank of Greece were to revise their respective collateral standards, remove asset classes from being accepted, or increase the rating requirements for collateral securities such that certain instruments were no longer eligible to serve as collateral with the ECB or the Bank of Greece, the Bank's access to these facilities could be diminished and the cost of obtaining such funds could increase.

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

Historically, one of the Bank's principal sources of funds has been customer deposits. If depositors 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, it would be unable to maintain its current levels of funding without incurring significantly higher funding costs, having to liquidate certain assets or increasing its Eurosystem borrowings.

The on-going availability of customer deposits to fund the Bank's loan portfolio is subject to potential changes in certain factors outside the Bank's control, such as depositors' concerns relating to the economy in general, the financial services industry or the Bank specifically, an increasing tax burden thus leading depositors to use their funds (and subsequently decrease their deposits), increased competition by Greek and foreign banks through internet deposit products, perceived risks relating to so called "bail-in" measures and the availability and extent of deposit guarantees. Any of these factors separately or in combination could lead to a sustained reduction in the Bank's ability to access customer deposit funding on appropriate terms in the future, which would impact the Bank's ability to fund its operations and meet its minimum liquidity requirements and have an adverse effect on the Bank's business, financial condition, results of operations and prospects.

### **Risks relating to regulation**

*The Group is subject to extensive and complex regulation, which is the subject of ongoing change and reform in each jurisdiction in which it operates, imposing a significant compliance burden on the Group and increasing the risk of non-compliance*

The Group is subject to financial services laws, regulations, administrative actions and policies in each jurisdiction in which it operates. All of these regulatory requirements are subject to change, particularly in the current market environment, where there have been unprecedented levels of government intervention and changes to the regulations governing financial institutions. In response to the global financial crisis, national governments as well as supranational groups, such as the EU, have been considering and implementing significant changes to current bank regulatory frameworks, including those pertaining to capital adequacy, liquidity and scope of banks' operations. For example, significant amendments to the CRR (as defined below), the BRRD (as defined below) and Regulation (EU) No 806/2014 (the “SRMR”) were published in the Official Journal of the EU in June 2019. See further “Risk Management” and “Regulation and Supervision of Banks in Greece”.

Compliance with new requirements may also restrict certain types of transactions, affect the Group's strategy and limit or adversely affect the way in which the Group prices its products, any of which could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

As regulation becomes increasingly complex, the risk of non-compliance with applicable regulation increases. Actual or perceived non-compliance with applicable regulation could result in litigation or regulatory investigation, either of which could result in sanctions, monetary or otherwise. Any such sanctions could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects. Moreover, any determination (by a regulator or otherwise) that the Group has not complied with applicable regulation may have an adverse effect on the Group's reputation.

*The Group and the Bank are required to maintain minimum capital ratios. Changes in regulation may result in uncertainty about their ability to achieve and maintain required capital levels and liquidity*

The Group and the Bank are required by their regulators to maintain minimum capital ratios – see “Regulation and Supervision of Banks in Greece – Capital Adequacy Framework”. These required levels may increase in the future, for example pursuant to the supervisory review and evaluation process (“SREP”) as applied to the Bank. In addition, the manner in which the requirements are applied may adversely affect the Group and/or the Bank's capital ratios.

The Bank, its regulated subsidiaries and its branches are subject to the risk of having insufficient capital resources or a lack of liquidity to meet the minimum regulatory capital and/or liquidity requirements set by their regulators. In addition, those minimum regulatory capital requirements are likely to increase in the future and the methods of calculating capital resources may change, including in ways that result in the Bank or the Group's capital ratios being worse than under the existing methodology for calculating them. The Single Supervisory Mechanism (the “SSM”) could introduce risk-weighted asset (“RWA”) floors (as it has done in other jurisdictions), and further harmonisation of booking of RWAs could increase the risk weighting of exposures. In addition, proposals have been discussed that would cap the amount of sovereign bonds banks could hold, or assign risk weights to sovereign bond holdings, which could require banks to raise additional capital.

Likewise, the Bank is obliged under applicable regulations to retain a certain liquidity coverage ratio – see “*Regulation and Supervision of Banks in Greece – Capital Adequacy Framework – Liquidity Requirements*”. Such liquidity requirements may come under increased scrutiny and may place additional stress on the Group's liquidity demands in the jurisdictions in which it operates. Compliance with new requirements may increase the Bank's regulatory capital and liquidity requirements and costs, disclosure requirements, restrict certain types of transactions, affect its strategy and limit or require the modification of rates or fees that are charged on certain loan and other products, any of which could lower the return on the Group's investments, assets and equity. Any of these factors may result in the need for additional capital and capital increases for the Group. If the Group is not able to meet its capital requirements by raising funds from the capital markets, it may need to seek additional funding by means of state aid and/or the applicable resolution authority, thereby increasing the likelihood that the shareholders will be subject to limitations on their rights and/or incur significant losses in their investments.

*Negative results in the Group's stress testing may have an adverse effect on the Group's funding cost or the public's confidence in the Group and, consequently, may adversely affect its business, financial condition, results of operations and prospects*

The European Banking Authority (“EBA”) conducts stress tests in order to evaluate the capital base of EU banks and identify potential capital shortfalls. Stress tests analysing the European banking sector have been, and the Bank anticipates that they will continue to be, published by national and supranational regulatory authorities. For example, on 17 December 2018, the EBA announced its intention to carry out a new EBA stress test on EU credit institutions in 2020.

Asset quality reviews and stress testing exercises in countries where the Group operates may result in additional capital requirements. In addition, a loss of confidence in the banking sector following the announcement of any stress tests that take place from time to time regarding the Group or the Greek banking system as conducted in accordance with the legislative framework in force, or a market perception that any such stress tests are not rigorous enough, could also have a negative effect on the Group's cost of funding and may thus have a material adverse effect on its results of operations and financial condition.

See further “*The Group – ECB's Comprehensive Assessment*”, “*The Group – Asset Quality Review (AQR)*” and “*The Group – Other material milestones and transactions*”.

*The Bank Recovery and Resolution Directive may have a material adverse effect on the Bank's business, financial condition, results of operations and prospects*

Directive 2014/59/EU, as amended by Directive (EU) 2019/879 and as may be further amended from time to time (the “BRRD”), sets out rules designed to harmonise and improve the tools for dealing with bank crises across the EU to ensure that shareholders, creditors and unsecured depositors mandatorily participate in the recapitalisation and/or the liquidation of troubled banks. The BRRD (except for Directive (EU) 2019/879, which has not yet been implemented into Greek legislation and must be transposed by 28 December 2020) has

been implemented in Greece by virtue of Greek law 4335/2015 (the “**BRRD law**”) and in the other EU countries in which the Group has banking operations.

Where a credit institution (such as the Bank) is determined to be failing or likely to fail (as contemplated by the BRRD) and there is no reasonable prospect that any alternative solution would prevent such failure, various resolution actions are available to the relevant regulator under the BRRD comprising the asset separation tool, the bridge institution tool, the sale of business tool and the bail-in tool. These resolution actions are described under “*Regulation and Supervision of Banks in Greece – Recovery and resolution of credit institutions – Resolution tools*”.

Should the Bank be determined to be failing or likely to fail (as contemplated by the BRRD), the application of any of the powers and tools under the banking recovery and resolution regulations applicable to it (including the BRRD) could result in the removal of the Bank’s Board of Directors and management team and could adversely affect the Bank’s business, financial condition, results of operations and prospects. This could also result in Notes or (if applicable) the Guarantee being written down, converted to equity or cancelled by the competent resolution authority, which could lead to a partial or total loss of investment by the relevant holders regardless of whether or not the financial position of the Bank is restored. The resolution authorities may also decide to alter the maturities of any Notes or to reduce their nominal interest rate.

The BRRD prescribes minimum requirements for own funds and eligible liabilities in the EU legislation (“**MREL**”). The MREL framework provides that there should be sufficient loss-absorbing and recapitalisation capacity available in resolution of any credit institution to implement an orderly resolution that minimises any impact on financial stability, ensures the continuity of critical functions, and avoids exposing taxpayers (public funds) to loss. The Single Resolution Board (“**SRB**”) has been authorised to calculate and determine the level of MREL for each EU systemic credit institution (including the Bank). The SRB has not yet formally disclosed a binding MREL level for the Bank or any of its subsidiaries or a timeframe for compliance with a particular MREL level, although it is expected that the SRB will do so by the beginning of 2020. If the Bank is required to meet a particular MREL level within a short timeframe and/or the MREL level is high (or higher than expected), this could adversely affect the Bank’s ability to comply with the SRB’s requirements or could result in the Bank issuing MREL at very high costs, which could adversely affect the Bank’s business, financial condition, results of operations and prospects.

The SRB’s resolution powers (as the competent resolution authority under the BRRD) may also affect the confidence of the Bank’s depositor’s base and so may have a significant impact on the Bank’s results of operations, business, assets, cash flows and financial condition, as well as on the Bank’s funding activities and the products and services it offers.

### **Risks relating to credit and other financial risks**

*Wholesale borrowing costs and access to liquidity and capital may be negatively affected by any future downgrades of the Hellenic Republic’s credit rating*

The capacity of the Hellenic Republic to maintain its credit ratings is an important element of Greece’s economic and financial recovery and financial conditions in the private sector will, to a significant extent, depend on such credit ratings. However, there is still considerable uncertainty surrounding the prospective pace of improvement in Greece’s sovereign rating.

Downgrades of the Hellenic Republic’s rating could reoccur in the event of doubts about the country’s commitment to completing all fiscal reforms or meeting other related obligations. Should any downgrades occur or rating outlooks turn negative, the financing costs of the Hellenic Republic would increase and its access to market financing could be disrupted, with negative effects on the cost of capital for Greek banks (including the Bank) and the Bank’s business, financial condition and results of operations. Downgrades of the Hellenic



Republic's credit rating could also result in a corresponding downgrade in the Bank's credit rating and, as a result, increase wholesale borrowing costs and the Bank's access to liquidity, which could adversely affect the Bank's business and results of operations.

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

The ongoing global economic slowdown and economic crisis in Greece since 2008 has resulted in an increase in NPLs 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, vessels, term deposits and receivables. In particular, as mortgage loans are one of the Bank's principal assets, the Bank is currently highly exposed to developments in real estate markets, especially in Greece.

The real estate market in Greece continues to be adversely affected by the economic crisis. In particular, property prices have been adversely affected by, amongst other things, weak credit flows, oversupply in low demand areas and a high unemployment rate (18.0 per cent. in December 2018 (EL.STAT., Labor Force Survey, Monthly data, Press Release, December 2018)). Weakness in the real estate market adversely affects the value of the Bank's real estate collateral.

A further decline in the value of collateral may also result from deterioration of financial conditions in Greece or the other markets where collateral is located. In addition, failure to recover the expected value of collateral may expose the Bank to losses. Greek law 4605/2019 offers limited protections to borrowers (individuals) who have pledged their primary residence as collateral. This may also limit the Bank's ability to recover collateral.

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

### **Risks relating to volatility in the global financial markets**

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

The Bank's results of operations are 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 the above factors.

Most of the economies with which Greece has strong export links, including several Eurozone countries (some of which faced a sovereign debt crisis in the recent past), continue to face significant economic headwinds. The outlook for the global economy over the medium term remains challenging and many forecasts predict at best only stagnant or modest levels of gross domestic product growth in the European Monetary Union. Policymakers in many advanced economies have publicly acknowledged the need to urgently adopt credible strategies to contain public debt and excessive fiscal deficits and later reduce debt and deficits to more sustainable levels. The implementation of these policies may restrict economic recovery, with a corresponding negative impact on the Bank's financial condition, results of operations and prospects.

Concerns around Italy's economic and political situation, emerging markets contagion risk, US trade wars, China's economic slowdown, the prospect of potential interest rate hikes in the US, and the impact of the United

Kingdom's decision to leave the European Union are expected to continue to affect the global financial markets and may have an adverse effect on the Bank's business, financial condition, results of operations and prospects.

#### *Soundness of other financial institutions*

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. Such financial counterparties are subject to many of the pressures faced by the Bank as described above. Concerns about, or a default by, one financial institution could lead to significant liquidity problems and losses or defaults by other financial institutions. Many of the routine transactions into which the Group enters expose it to significant credit risk in the event of default by one of its significant counterparties. Such default by a significant financial counterparty, or liquidity problems in the financial services industry in general, could have a material adverse effect on the Group's business, financial condition, results of operations, prospects and capital position.

#### **Risks relating to operations outside the Hellenic Republic**

##### *The Group conducts significant international activities outside of Greece*

In addition to the operations in the Hellenic Republic, the Group has operations in Albania, Cyprus, Romania and the United Kingdom. The Group's operations in Cyprus and Romania are the Group's largest/most significant operations outside of the Hellenic Republic, accounting for 7.6 per cent. and 5.1 per cent., respectively, of the Group's total gross loans as at 30 June 2019. As at 30 June 2019, loans and advances to customers before allowance for impairment losses relating to the Group's international operations in South Eastern Europe (Albania, Cyprus and Romania) amounted to €6.8 billion and due to customers amounted to €5.2 billion. The Group's South Eastern Europe operations are exposed to the risk of adverse political, governmental or economic developments, changes in regulatory and legal framework in the countries in which it operates.

The majority of the Group's South Eastern Europe operations are in economies in which the Group faces particular operational risks and unpredictability including, amongst other things, deficit and inflation increases and unexpected new legislation. Such factors could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group's South Eastern Europe operations also expose the Group to foreign currency risk. A decline in the value of the currencies in which the Group's South Eastern Europe subsidiaries receive their income or value their assets relative to the value of the euro may have an adverse effect on the results of operations and financial condition. In addition, the economic crisis in Greece may materially adversely affect the Group's South Eastern Europe operations and increase depositors' concerns in these countries, which may, in turn, affect their willingness to continue to do business with the Bank's international subsidiaries.

##### *The Bank operates a branch and a subsidiary in the United Kingdom which may be affected by the United Kingdom's withdrawal from the European Union*

On 23 June 2016 the UK held a referendum on whether the UK should remain a member of the EU. The UK voted to leave the EU. On 29 March 2017, the UK invoked article 50 of the Lisbon Treaty and officially notified the EU of its decision to withdraw from the EU ("**Brexit**"). The UK government has commenced preparations for a 'hard' or 'non-deal' Brexit to minimise the risks for firms and businesses associated with an exit with no transitional agreement. The European authorities have not provided UK firms and businesses with similar assurances in preparation for a 'hard' Brexit.

Due to the on-going legal and political uncertainty as regards the terms of the UK's withdrawal from the EU and the structure of the future relationship, the precise impact on the business of the Bank (including the Bank's UK branch) is difficult to determine. As such, no assurance can be given that such matters would not adversely affect the Bank's financial performance or the ability of the Bank to satisfy its obligations under the Notes or (if applicable) the Guarantee and/or the market value and/or the liquidity of the Notes in the secondary market.

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

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

#### *Credit Risk*

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of the Bank's businesses. Adverse changes in the credit quality of the Bank's borrowers and counterparties or a general deterioration in the Greek, U.S. or global economic conditions, or arising from systematic risks in the financial systems, could affect the recoverability and value of the Bank's assets and require an increase in the Bank's impairment losses and provisions to cover credit risk.

#### *Market Risk*

The most significant market risks that the Bank faces are interest rate, foreign exchange and bond and equity price risks. Changes in interest rate levels, yield curves and spreads may affect the interest rate margin realised between the Bank's lending and borrowing costs. Changes in currency rates affect the value of the Bank's assets and liabilities denominated in foreign currencies and may affect income from foreign exchange dealing. The performance of financial markets may cause changes in the value of the Bank's investment and trading portfolios.

#### *Operational Risk*

The Bank's businesses are dependent on the ability to process a very large number of transactions efficiently and accurately. Operational risk and losses can result from fraud, errors by employees, failure to document transactions properly or to obtain proper internal authorisation, failure to comply with regulatory requirements and conduct of business rules, equipment failures, natural disasters or the failure of external systems including those of the Bank's suppliers or counterparties.

#### *Liquidity Risk*

The inability of a bank, including the Bank, to anticipate and provide for unforeseen decreases or changes in funding sources could have an adverse effect on such bank's ability to meet its obligations when they fall due.

#### *Litigation Risk*

In the context of its day-to-day operations the Bank is exposed to litigation risk, among others, as a result of changing and developing consumer protection legislation and legislation on the provision of banking and investment services. Although the Bank believes that it conducts its operations pursuant to applicable laws and takes all necessary measures for adopting its operations to legislative amendments, there can be no assurance that significant litigation will not arise in the future.

In 2015 and 2016 orders for preliminary investigation were made in respect of the credit process for the extension of loans by certain Greek banks to borrowers in certain business sectors, including publishing groups, as well as to certain individuals. These investigation orders concerned, among others, three Executive Members

of the Board of Directors of the Bank (not including the Chief Executive Officer) and one Non-Executive Member of the Board of Directors of the Bank (who was formerly an Executive Member), together with certain other officers of the Bank. Indictments have been issued and orders for main investigations made in respect of each case, whilst one case has reached the level of public hearings. The individuals have been charged with “breach of trust” (pursuant to Article 390 of the Greek Criminal Code). The charges relate to the certain loans made by the Bank to certain companies or individuals and concern the making of such loans, on-going maintenance and forbearance in respect of such loans and/or the writing off such loans in settlement for other claims. One of such cases reached the level of public hearing and, in October 2019, an acquittal for all Members of the Board of Directors and officers of the Bank was ordered by the court in respect of such case. Further, on 13 November 2019, the Hellenic Parliament approved an amendment of the Criminal Code, as a result of which cases of “breach of trust” will be pursued only following complaints by the person having suffered damage from the alleged breach. Any pending proceedings, such as those described below, where no such complaint has been filed, will be continued only if such person specifically requests for the proceedings to continue within a period of four (4) months as of the date of enactment of the Criminal Code amendment. Otherwise they will be dismissed.

Whilst the Bank is co-operating with the public prosecutor in relation to such charges, none of the Bank itself nor any other member of the Group are the subject of any related proceedings. Further, the Bank understands that certain directors and/or officers of other systemically important banks in Greece are the subject of similar charges.

Hellenic Competition Commission (“HCC”) officials visited, among other entities, the Bank’s headquarters on 7 and 8 November 2019, with authorisation to inspect documents and data in connection with alleged infringements of Article 101 of the Treaty of the Functioning of the European Union and its Greek equivalent. The Bank is and will continue to cooperate with the HCC. As per a press release of the HCC, the fact that the HCC carries out inspections does not mean that the inspected companies are involved in any sort of anti-competitive behaviour, nor does it prejudice the outcome of the investigation itself (<https://www.epant.gr/en/enimerosi/press-releases/item/197-press-release-unannounced-inspections-of-the-hellenic-competition-commission-in-the-banking-sector.html>).

Legal and regulatory actions (including those referred to above) are subject to many uncertainties, and their outcomes, including the timing, amount of fines or settlements or the form of any settlements, which may be material and in excess of any related provisions, are often difficult to predict, particularly in the early stages of a case or investigation, and the Bank’s expectation for resolution may change. In addition, responding to and defending any current or potential proceedings involving the Bank or any of its directors and other employees (including those referred to above) may be expensive and may result in diversion of management resources (including the time of the affected persons or other Group employees) even if the actions are ultimately unsuccessful.

Adverse outcomes or resolution of current or future legal or regulatory actions (including those referred to above) may result in additional supervision by the Group’s regulators and/or changes in the directors, officers or other employees of the Group and could result in further proceedings or actions being brought against any of the Group’s directors, officers or other employees. They may also adversely impact investor confidence and the Group’s broader reputation.

In addition, legal and regulatory actions involving the Group (for the avoidance of doubt, not including those referred to above) may also result in fines, administrative sanctions (including restrictions in operations, regulatory licence revocation, etc.), settlements or damages being awarded against the Group, further actions or civil proceedings being brought against the Bank or any of its subsidiaries and potentially have other adverse effects on the business of the Group.

Accordingly, any such legal proceedings and other actions involving the Bank, any member of the Group or any of its directors or other employees may adversely affect the Group's reputation and business.

*The Hellenic Financial Stability Fund (the "HFSF") as shareholder has certain rights in relation to the operation of the Bank*

The first Stabilisation Programme, as established in May 2010, introduced restructuring measures such as the establishment of the HFSF whose only shareholder is the Hellenic Republic and whose role is to maintain the stability of the Greek banking system by providing capital support in the form of ordinary shares or contingent convertible securities or other convertible securities to credit institutions legally operating in Greece and licensed by the Bank of Greece. The ESM Programme and Greek law 3864/2010, as amended and in force, provides the HFSF, through its representative, with specific shareholders' rights in the credit institutions in which it has committed to participate by means of the share capital increases.

Accordingly, the HFSF is entitled to exercise significant influence over the operations of the Group.

In addition to the provisions of Greek law 3864/2010, and pursuant to the Relationship Framework Agreement originally entered into on 12 June 2013 and subsequently replaced by the New Relationship Framework Agreement (the "**New RFA**"), entered into on 23 November 2015, the HFSF has a series of information rights with respect to matters pertaining to the Bank. Additionally, the HFSF may appoint at least one member of each of the Audit Committee, the Risk Management Committee, the Remuneration Committee, the Corporate Governance and the Nominations Committee. Finally, the Bank is obliged to obtain the prior approval of the HFSF on certain material issues, such as the Group's Risk and Capital Strategy, the Group's strategy in terms of NPLs, etc. (for more information please refer to "*Directors and Management – Management Committees – HFSF Influence*" and "*Directors and Management – Management Committees*"). Consequently, there is a risk that the HFSF may exercise its rights in cases of disagreement with certain decisions of the Bank and the Group, such as those relating to dividend distributions, benefit policies and other commercial and management decisions that may ultimately limit the operational flexibility of the Group.

*Cancellation or changes in the operational framework of the EFSF, ESM or the HFSF or in the participation of the Group in their programmes could have a material adverse effect on the financing of the Bank and the Group*

The cancellation or material change of the programmes of the EFSF, the ESM or the HFSF, through legislative amendment or otherwise, or the exclusion of the Group from the supporting programmes could create uncertainty regarding the creditworthiness of the Group, which could affect the terms on which the Group accesses sources of financing.

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

Positions in the Bank's trading and investment portfolio which relate to the debt, currency, equity and other markets could be adversely affected by continuing volatility in financial and other markets, creating a risk of substantial losses.

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 investment securities, trading securities, loans measured at fair value through profit and loss and financial assets and liabilities for which the fair value option has been elected.

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

*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. There can be no assurance that further events will not alter the interest rate environment in Greece and the other markets in which the Group operates. Cost of funding is especially at risk for the Bank due to increased Eurosystem funding and the tight liquidity conditions in the Greek domestic deposit market.

As with any bank, changes in market interest rates may affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities. This difference could reduce 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 its 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 clients' capacity to repay in the current economic circumstances.

*The Bank faces significant competition from Greek and foreign banks and may not be able to preserve its customer base*

The general scarcity of wholesale funding since the onset of the economic crisis has led to a significant increase in competition for retail deposits in Greece and significant consolidation of the Greek banking system. The Bank also faces competition from foreign banks. The Bank may not be able to continue to compete successfully with domestic and international banks in the future. These competitive pressures on the Group may have an adverse effect on its business, financial condition, results of operations and prospects.

The Group's success depends on its capacity to maintain high levels of loyalty among its customer base and to offer a wide range of competitive and high-quality products and services to its customers. In order to pursue these objectives, the Group 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 Group seeks to maintain long-term financial relations with its customers through the sale of anchor products and services, namely mortgage loans, salary accounts, standing transfers, credit cards, saving products and bank assurance products. Nevertheless, high levels of competition in Greece and in other countries where the Group operates, and an increased emphasis in cost reduction may result in an inability to maintain high loyalty levels of the Group's customer base, to provide competitive products and services, or to maintain high customer service standards, each of which may adversely affect the Group's business, financial condition, results of operations and prospects.

*Laws regarding the bankruptcy of individuals and regulations governing creditors' rights in Greece and various South Eastern European countries may limit the Group's ability to receive payments on NPEs*

Laws regarding the bankruptcy of individuals and other laws and regulations governing creditors' rights generally vary significantly within the region in which the Group operates. In some countries, the laws offer very limited protection for creditors compared with the bankruptcy regime in the United Kingdom or the United States. If the adverse effects of the economic crisis persist or worsen, 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, financial condition, results of operations and prospects.

*Changes in consumer protection laws might limit the fees that the Group may charge in certain banking transactions*

Changes in consumer protection laws in Greece and other jurisdictions where the Group has operations could limit the fees that banks may charge for certain products and services such as mortgages, unsecured loans and

credit cards. If introduced, such laws could reduce the Group's net income, though the amount of any such reduction cannot be estimated at this time. Such effects could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

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

The harmonisation of deposit guarantee systems throughout the European Union will represent significant changes to the mechanisms of the deposit guarantee systems currently in force in individual countries.

Greece has transposed Directive 94/19/EC of the European Parliament and of the Council of 30 May 1994 on deposit-guarantee schemes by virtue of Greek law 3746/2009, which established the Hellenic Deposit and Investment Guarantee Fund (the “**HDIGF**”). Greek law 3746/2009 was abolished by Greek law 4370/2016, which transposed Directive 2014/49/EC into Greek law. Three different schemes are run by the HDIGF, each regulated by a different set of legal provisions: the first is the deposit guarantee scheme (the “**DGS**”), the second is the investment guarantee scheme and the third is the scheme funding resolutions. The DGS is financed both on an ex ante and on an ex post basis. All credit institutions licensed by the Bank of Greece to accept deposits in Greece are obliged, by virtue of article 5 of law 4370/2016, to participate in the DGS.

The Bank may be required, pursuant to EU law, to make contributions that are higher than those currently required under applicable national law, which may adversely affect the Bank's operating results.

*The Group may not be able to treat its deferred tax assets as regulatory capital (to the full extent or partially), which may have an adverse effect on its capital position*

The Group currently includes deferred tax assets (“**DTAs**”) calculated in accordance with International Financial Reporting Standards (“**IFRS**”) in calculating its capital and capital adequacy ratios.

Under applicable capital requirements regulations, DTAs recognised pursuant to IFRS, which are based on the assumption of the future profitability of a credit institution and which exceed certain thresholds, must be deducted from the Group's Common Equity Tier 1 (“**CET1**”) capital. This deduction is to be implemented gradually until 2024. This deduction had a significant impact on Greek credit institutions, including the Bank, when it was introduced in 2013.

Since then, new Greek legislation has been introduced that permits Greek credit institutions, including the Bank, to treat such eligible DTAs as not “relying on future profitability” for the purpose of CRR. As a result, such DTAs are not deducted from CET1 capital but are rather assigned a risk weight of 100 per cent., thereby improving an institution's capital position, see “*Regulation and Supervision of Banks in Greece – Deferred Tax Assets (DTAs)*”. As at 30 June 2019, the Group's eligible DTAs were €3.2 billion.

As at 30 June 2019, 37.9 per cent. of the Group's CET1 capital was comprised of deferred tax credits (“**DTCs**”). Any adverse change in the regulations governing the use of DTCs as part of the Group's regulatory capital could also affect the Group's capital base and capital ratios. 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, financial condition and prospects.

*The Bank could be exposed to future pension and post-employment benefit liabilities*

The personnel of the Group in Greece are insured with funds providing social security (main pension, auxiliary pension, health and welfare). As at 30 June 2019 on a consolidated basis, the Group's employee defined benefit obligations amounted to €86.6 million. These amounts were calculated on the basis of specific economic and

demographic assumptions. These include assumptions relating to changes in interest rates, which may not actually occur. Should future events deviate from these assumptions, the Bank's liabilities may significantly increase.

In addition, in accordance with the amendments of Law 3455/2006, with respect to the employees who have been insured members and were hired prior to 31 December 2004 by Emporiki, the social contributions that are paid over the service life of said employees for the supplementary pension are larger compared to the respective contributions which are stipulated by law for other salaried employees.

The passing of Greek law 4387/2016, as well as several other pension and social insurance reform laws, introduced radical changes to the structure and mode of operation of the insurance system. These developments, which are targeted at creating a viable and sustainable general pension system and minimising state subsidies through, among other things, the consolidation of pension funds, may alter the liabilities of the banking sector and hence of the Bank or its subsidiaries in respect of contributions to meet actuarial or operational deficits of the pension funds. Moreover, it is impossible to predict potential legal challenges against the consolidations of pension funds, or the outcome of such disputes.

*If the Group's reputation is damaged, this would affect its image and customer relations, which could adversely affect 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, 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. Although the Group makes all possible efforts to comply with the regulatory instructions, negative publicity and negative public opinion could adversely affect the Group's ability to maintain and attract customers, in particular, institutional and retail depositors, whose loss could adversely affect the Group's business, financial condition and future prospects.

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

Most of the Bank's employees belong to a union and the Greek banking industry has been subject to strikes over the issues of pensions and wages. Prolonged labour unrest could have a material adverse effect on the Bank's operations in the Hellenic Republic, either directly or indirectly, for example on the willingness or ability of the government to pass the reforms necessary to successfully implement the ESM Programme.

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

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



in changes in the fair values of these instruments, which could have a material adverse effect on the Group's results, financial condition and prospects.

*The Bank is exposed to risk of fraud and illegal activities of other forms which, if they are not dealt with timely and successfully, could have negative effects on its business, financial condition, results of operation and prospects*

The Group is 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 current anti-money laundering and anti-terrorist financing policies and procedures are adequate to ensure compliance with applicable legislation, it cannot be guaranteed that they will comply at all times with all rules applicable to money laundering and terrorism financing as extended to the whole Group and applied to its workers in all circumstances. A possible violation, or even any suspicion of a violation of these rules, may have serious legal and financial consequences, which could have a material and adverse effect on the Bank's business, financial condition, results of operations and prospects.

*Economic hedging may not prevent losses*

If any of the variety of instruments and strategies that are used to economically hedge exposure to market risk is not effective, the Bank may incur losses. Many of the Bank's hedging strategies are based on historical trading patterns and correlations. Unexpected market developments may therefore adversely affect the effectiveness of these hedging strategies.

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

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

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

A significant portion of the Group's operations rely heavily on the secure processing, storage and transmission of confidential and other information as well as the monitoring of a large number of complex transactions on a constant basis. The Group stores an extensive amount of personal and client-specific information for its retail, corporate and governmental customers and clients and must accurately record and reflect their extensive account transactions. The proper functioning of the Group'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 Group's operations. These activities have been, and will continue to be, subject to an increasing risk of cyber-attacks, the nature of which is continually evolving. The Group's computer systems, software and networks have been and will continue to be vulnerable to unauthorised access, loss or destruction of data (including confidential client information), account takeovers, unavailability of service, computer viruses or

other malicious code, cyber-attacks and other events. These threats may derive from human error, fraud or malice on the part of employees or third parties, or may result from accidental technological failure. If one or more of these events occurs, it could result in the disclosure of confidential client information, damage to the Group's reputation with its clients and the market, additional costs to the Group (such as repairing systems or adding new personnel or protection technologies), regulatory penalties and financial losses, to both the Group and its clients. Such events could also cause interruptions or malfunctions in the operations of the Group (such as the lack of availability of the Group's online banking systems), as well as the operations of its clients, customers or other third parties. Given the volume of transactions at the Group, certain errors or actions may be repeated or compounded before they are discovered and rectified, which would further increase these costs and consequences.

In addition, third parties with which the Group does business may also be sources of cyber security risks or other technological risks. The Group outsources a limited number of supporting functions, such as printing of customer credit card statements and processing of cards, which results in the storage and processing of customer information. Although the Group adopts a range of actions to eliminate the exposure resulting from outsourcing, such as not allowing third-party access to the production systems and operating a highly controlled IT environment, unauthorised access, loss or destruction of data or other cyber incidents could occur, resulting in similar costs and consequences to the Group as those discussed above. While the Group maintains insurance coverage that may, subject to policy terms and conditions, cover certain aspects of cyber security risks such as fraud and financial crime, such insurance coverage may be insufficient to cover all losses.

#### *EU General Data Protection Regulation*

Regulation (EU) No. 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (also known as the EU General Data Protection Regulation or the “**GDPR**”) represents a new legal framework for the data protection in the EU. It has applied directly in all EU Member States since 25 May 2018 and replaces the current EU and Greek data privacy laws. Although a number of basic existing principles will remain the same, the GDPR introduces new obligations on data controllers and enhanced rights for data subjects.

The GDPR applies to organisations located within the EU but it also extends to organisations located outside of the EU if they offer goods and/or services to EU data subjects. Regulators have power to impose administrative fines and penalties for a breach of obligations under the GDPR, including fines for serious breaches of up to 4 per cent. of the total worldwide annual turnover of the preceding financial year or €20 million and fines of up to 2 per cent. of the total worldwide annual turnover of the preceding financial year or €10 million for other specified infringements. The GDPR identifies a list of points to consider when imposing fines (including the nature, gravity and duration of the infringement).

On 29 August 2019, Law 4624/2019, which, *inter alia*, implements the GDPR, was enacted into Greek law. As this was enacted very recently, there is very little guidance as to how the Hellenic Data Protection Authority will enforce the GDPR. However, the Bank has taken all reasonable measures to comply with the GDPR requirements.

#### **Factors that may affect Alpha PLC's ability to fulfil its obligations under Notes issued by it under the Programme**

Alpha PLC is a finance vehicle whose principal purpose is to raise debt to be deposited with Alpha Bank. Accordingly, Alpha PLC has no trading assets and does not generate trading income. Notes issued by Alpha PLC under the Programme are guaranteed on a subordinated or an unsubordinated basis by Alpha Bank, as specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes), pursuant to the Guarantee. Accordingly, if Alpha Bank's financial condition was to deteriorate, Alpha PLC and investors in Notes issued by Alpha PLC may suffer direct and materially adverse consequences.

*The Banking Act confers substantial powers on a number of UK authorities designed to enable them to take a range of actions in relation to UK banks, UK building societies, UK investment firms and UK recognised central counterparties which are considered to be at risk of failing. In certain circumstances, such actions may also be taken against a UK banking group company. The exercise of any of these actions in relation to Alpha PLC could materially adversely affect the value of any Notes issued by Alpha PLC*

Under the Banking Act 2009 (the “**Banking Act**”), substantial powers are granted to HM Treasury, the Bank of England, the Financial Conduct Authority and the Prudential Regulation Authority (together, the “**Authorities**”) as part of a special resolution regime (the “**SRR**”). These powers can be exercised, as applicable, by the Authorities in respect of a UK bank, UK building society, UK investment firm or UK recognised central counterparty (each a “**relevant entity**”) in circumstances in which the Authorities consider its failure has become likely and if certain other conditions are satisfied (depending on the relevant power) for example, to protect and enhance the stability of the financial system of the UK. Certain of these powers may also be used in respect of a UK incorporated company which meets certain conditions and is in the same group as a relevant entity, an EU incorporated credit institution or investment firm or a third country incorporated credit institution or investment firm (a “**UK banking group company**”) (such as Alpha PLC).

The SRR consists of five stabilisation options and two special insolvency procedures (bank administration and bank insolvency) which may be commenced by HM Treasury, the Bank of England, the Prudential Regulation Authority or Secretary of State, as the case may be. The stabilisation options provide for: (i) private sector transfer of all or part of the business of the relevant entity; (ii) transfer of all or part of the business of the relevant entity to a bridge bank wholly owned by the Bank of England; (iii) transfer of all or part of the business of the relevant entity to an asset management vehicle owned and controlled by the Bank of England; (iv) writing down certain claims of unsecured creditors of the relevant entity (including Notes issued by Alpha PLC) and/or converting certain unsecured debt claims (including Notes issued by Alpha PLC) to equity, which equity could also be subject to any future cancellation, transfer or dilution; and (v) temporary public ownership (nationalisation) of all or part of the relevant entity or its UK holding company. In each case, the Authorities have wide powers under the Banking Act including powers to modify contractual arrangements in certain circumstances and powers for HM Treasury to disapply or modify laws (with possible retroactive effect) to enable the stabilisation powers under the Banking Act to be used effectively.

In addition, the Banking Act provides the Authorities with the power to permanently write down or convert capital instruments, such as Tier 2 Notes issued by Alpha PLC, into equity at the point of non-viability and before any other resolution action is taken. Any shares issued to holders of Tier 2 Notes issued by Alpha PLC upon any such conversion into equity may also be subject to any future cancellation, transfer or dilution.

The point of non-viability under the Banking Act is the point at which the relevant Authority determines that the relevant entity or UK banking group company meets certain conditions (but no resolution action has yet been taken) or that the relevant entity or, in certain circumstances, group will no longer be viable unless the relevant capital instruments (such as Tier 2 Notes issued by Alpha PLC) are written down or converted.

The paragraphs below set out some of the possible consequences of the exercise of the powers under the SRR.

*The SRR may be triggered prior to insolvency of a relevant entity, a European Economic Area (“**EEA**”) institution or a third country institution in the same group as Alpha PLC*

The purpose of the stabilising options is to address the situation where all or part of a business of a relevant entity has encountered, or is likely to encounter, financial difficulties, giving rise to wider public interest concerns. Accordingly, the relevant stabilisation options may be exercised if (a) the relevant Authority is satisfied that a relevant entity is failing, or is likely to fail, (b) following consultation with the other Authorities, the relevant Authority determines that it is not reasonably likely that (ignoring the stabilising options) action will be taken that will result in the condition referred to in (a) ceasing to be met and (c) the Authorities consider

the exercise of the stabilisation options to be necessary, having regard to certain public interest considerations (such as the stability of the UK financial system, public confidence in the UK banking system and the protection of depositors). It is therefore possible that one of the stabilisation options could be exercised prior to the point at which any insolvency proceedings with respect to the relevant entity could be initiated. The stabilisation options may also be exercised against a UK banking group company (such as Alpha PLC) if certain conditions for resolution are met in relation to an EEA incorporated credit institution or investment firm or a third country incorporated credit institution or investment firm within the same group, as determined by the relevant EEA resolution authority or third country resolution authority.

*Various actions may be taken in relation to the Notes without the consent of the Noteholders*

If the stabilisation options were exercised under the SRR in respect of Alpha PLC, HM Treasury or the Bank of England may exercise extensive powers including, share transfer powers (applying to a wide range of securities), property transfer powers (including powers for partial transfers of property, rights and liabilities subject to certain protections in respect of Alpha PLC) and resolution instrument powers (including powers to make special bail-in provisions). Exercise of these powers could involve taking various actions in relation to any securities issued by Alpha PLC (including Notes) without the consent of the Noteholders, including (among other things):

- transferring Notes notwithstanding any restrictions on transfer and free from any trust, liability or encumbrance;
- writing down the principal amount of Notes and/or converting Notes into another form or class (which may include, for example, conversion of Notes into equity securities);
- modifying any interest payable in respect of the Notes, the maturity date or the dates on which any payments are due, including by suspending payment for a temporary period;
- disapplying certain terms of Notes, including disregarding any termination or acceleration rights or events of default under the terms of Notes which would be triggered by the exercise of the powers and certain related events; and/or
- where property is held on trust, removing or altering the terms of such trust.

The taking of any such actions could adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of Alpha PLC to satisfy its obligations under the Notes. In such circumstances, Noteholders may have a claim for compensation under one of the compensation schemes existing under, or contemplated by, the Banking Act, but there can be no assurance that Noteholders would thereby recover compensation promptly or equal to any loss actually incurred.

*A partial transfer of Alpha PLC's business may result in a deterioration of its creditworthiness*

If Alpha PLC were made subject to the SRR and a partial transfer of its business to another entity were effected, the quality of the assets and the quantum of the liabilities not transferred and remaining with Alpha PLC (which may include Notes issued by Alpha PLC) will result in a deterioration in the creditworthiness of Alpha PLC and, as a result, increase the risk that it will be unable to meet its obligations in respect of the Notes and/or eventually become subject to administration proceedings pursuant to the Banking Act. In such circumstances, Noteholders may have a claim for compensation under one of the compensation schemes existing under, or contemplated by, the Banking Act, but there can be no assurance that Noteholders would thereby recover compensation promptly or equal to any loss actually incurred.

As at the date of this Base Prospectus, the relevant Authorities have not made an instrument or order under the Banking Act in respect of Alpha PLC and there has been no indication that they will make any such instrument

or order. However, there can be no assurance that this will not change and/or that Noteholders will not be adversely affected by any such order or instrument if made.

*Financing arrangements between Alpha PLC and Alpha Bank or other members of the Group may be affected by the UK's withdrawal from the EU*

No assurance can be given that the UK's withdrawal from the EU would not adversely affect the ability of Alpha PLC to satisfy its obligations under the Notes and/or the market value and/or the liquidity of the Notes in the secondary market. See *"The Bank operates a branch and subsidiary in the United Kingdom which may be affected by the United Kingdom's withdrawal from the European Union"*.

## RISKS RELATING TO THE NOTES

### General risks relating to a particular issue of Notes

*Any Notes issued under the Programme, and/or the Guarantee, may be subjected in the future to the bail-in resolution tool by the competent resolution authority and to the mandatory burden sharing measures for the provision of precautionary capital support, which may result into their write-down in full*

The transposition of the BRRD into Greek law by virtue of Greek law 4335/2015 (as amended and currently in force) granted increased powers to the competent resolution authority, which for the Greek systemic banks (including Alpha Bank) is the Board of the SRM, for the imposition of resolution measures to failing credit institutions, as further described in “*Regulation and Supervision of Banks in Greece - Recovery and resolution of credit institutions*”.

These measures include the bail-in tool, through which a credit institution subjected to resolution may be recapitalised either by way of the permanent write-down or the conversion of some or all of its liabilities (including Notes issued under the Programme and/or the Guarantee) into common shares. Any such shares issued upon any such conversion into equity may also be subject to future cancellation, transfer or dilution. The bail-in tool may be imposed either as a sole resolution measure or in combination with any of the other resolution tools that may be used by the resolution authority.

Any Notes issued under the Programme and/or the Guarantee given by Alpha Bank in respect of Notes issued by Alpha PLC under the Programme may be subject to the exercise of the resolution measures. Exercise of such measures could involve, *inter alia*: transferring the relevant Notes to another entity notwithstanding any restrictions on transfer; delisting the relevant Notes; amending or altering the maturity of the relevant Notes; amending or altering the date on which interest becomes payable under the relevant Notes, including by suspending payments under for a temporary period; rendering unenforceable any right to terminate or accelerate the Notes that would be triggered by exercise of the resolution measures; and modifying or disapplying the terms of the Guarantee. In a worst case scenario, the value of such Notes may be written down to zero.

Moreover, the conditions for the HFSF granting precautionary recapitalisation support include, among others, the imposition, by virtue of a Cabinet Act, pursuant to article 6a of Greek law 3864/2010, as amended and in force, of mandatory burden sharing measures on the holders of capital instruments and other liabilities of the credit institution receiving such support (“**Mandatory Burden Sharing Measures**”). The Mandatory Burden Sharing Measures include the absorption of losses by existing subordinated creditors by writing down the nominal value of their claims. Such write-down is implemented by way of a resolution of the competent corporate body of the credit institution such that the equity position of the credit institution becomes zero. Any Tier 2 Notes issued under the Programme and (in the case of such Notes issued by Alpha PLC) the Guarantee are subject to the above provisions of article 6a of Greek law 3864/2010, as amended and in force. If the Bank were to receive precautionary financial support from the HFSF in the future and its equity position were negative, there can be no assurance that new Notes or the Guarantee would not be subjected to write-down as a result of the Mandatory Burden Sharing Measures.

In relation to Notes issued by Alpha PLC, see “*The Banking Act confers substantial powers on a number of UK authorities designed to enable them to take a range of actions in relation to UK banks, UK building societies, UK investment firms and UK recognised central counterparties which are considered to be at risk of failing. In certain circumstances, such actions may also be taken against a UK banking group company. The exercise of any of these actions in relation to Alpha PLC could materially adversely affect the value of any Notes issued by Alpha PLC*”, “*The SRR may be triggered prior to insolvency of a relevant entity, a European Economic Area (“EEA”) institution or a third country institution in the same group as Alpha PLC*”, “*Various actions may be*

*taken in relation to the Notes without the consent of the Noteholders” and “A partial transfer of Alpha PLC’s business may result in a deterioration of its creditworthiness” above for more information.*

*The circumstances in which the competent resolution authority may exercise the bail-in tool or other resolution tools are uncertain and such uncertainty may have an impact on the value of the Notes*

The conditions in which a credit institution may be subject to resolution and the application of the relevant powers of the competent resolution authority are set out in article 32 of the BRRD, Greek law 4335/2015 and the Banking Act. Such conditions include the determination by the resolution authority that: (a) the credit institution is failing or is likely to fail; (b) no reasonable prospect exists that any alternative private sector measures (including the write-down) would prevent the failure; and (c) a resolution action is necessary in the public interest, whilst the resolution objectives would not be met to the same extent by the special liquidation of the credit institution in the sense of article 145 of Greek law 4261/2014.

Such conditions, however, are not further specified in the applicable law and very limited precedent as to their application exists so their satisfaction is left to the determination and discretion of the competent resolution authority. Such uncertainty may impact on the market perception as to whether a credit institution meets or not such conditions and as such it may be subjected to resolution tools. This may have a material adverse impact on the present value of the Notes and other listed securities of the Issuers.

In addition, if any bail-in action is taken, interested parties, such as creditors or shareholders, may raise legal challenges. The taking of any action under the BRRD in relation to the Issuer (or, in respect of Notes issued by Alpha PLC, any action in relation to the Guarantor), or the suggestion of the exercise of any action, could materially adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under any Notes. If any litigation arises or is threatened in relation to bail-in actions this may negatively affect liquidity and increase the price volatility of the Issuers’ securities (including the Notes).

*Certain Notes (or in the case of Tier 2 Notes issued by Alpha PLC, the Guarantee) may be subject to loss absorption on any application of the general bail-in tool or at the point of non-viability of the Issuer or the Guarantor*

The BRRD contemplates that Tier 2 Notes or (in the case of notes issued by Alpha PLC) the related Guarantee may be subject to non-viability loss absorption in addition to the application of the general bail-in tool. Certain amendments to the BRRD, as implemented in the Hellenic Republic by virtue of Greek law 4583/2018, extend non-viability loss absorption to Senior Preferred Notes and Senior Non-Preferred Notes. At the point of non-viability, the SRB in co-operation with the competent resolution authority may write down capital instruments and eligible liabilities (including Tier 2 Notes, Senior Preferred Notes and Senior Non-Preferred Notes and, if applicable, the related Guarantee) and/or convert them into shares. See also “*The Banking Act confers substantial powers on a number of UK authorities designed to enable them to take a range of actions in relation to UK banks, UK building societies, UK investment firms and UK recognised central counterparties which are considered to be at risk of failing. In certain circumstances, such actions may also be taken against a UK banking group company. The exercise of any of these actions in relation to Alpha PLC could materially adversely affect the value of any Notes issued by Alpha PLC*”, “*The Bank Recovery and Resolution Directive may have a material adverse effect on the Bank’s business, financial condition, results of operations and prospects*” and “*Regulation and Supervision of Banks in Greece - Recovery and resolution of credit institutions*”.

### **Risks relating to the structure of a particular issue of Notes**

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Each of the risks highlighted below could adversely affect the

trading price of any Notes or the rights of investors under any Notes and, as a result, investors could lose some or all of their investment. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Notes and those which might occur in relation to certain types of Exempt Notes:

*An investor in Tier 2 Notes assumes an enhanced risk of loss in the event of the relevant Issuer's and/or Alpha Bank's insolvency or the failure of either the Issuer and/or the Guarantor to satisfy the solvency condition set out in Condition 4*

If, in the case of any particular Tranche of Notes, the applicable Final Terms, Pricing Supplement or the Drawdown Prospectus (as the case may be) specifies that the Notes are Tier 2 Notes, in the event of bankruptcy, moratorium of payments, insolvency, dissolution, liquidation or (if the Issuer or the Guarantor is Alpha Bank) special liquidation in the sense of article 145 of Greek law 4261/2014 of the relevant Issuer and/or if the relevant Issuer is Alpha PLC, Alpha Bank, the relevant Issuer (and, if applicable, Alpha Bank pursuant to the Guarantee) will be required to pay the Senior Creditors of the Issuer (to Tier 2 Notes) or, if applicable, the Senior Creditors of the Guarantor (to Tier 2 Notes) in full before it can make any payments on the relevant Notes. If this occurs, the relevant Issuer (or, if applicable, Alpha Bank pursuant to the Guarantee) may not have enough assets remaining after these payments to pay amounts due under the relevant Notes or the Guarantee (if applicable).

In addition, in the event of the winding-up or (where the Issuer or the Guarantor (if applicable) is Alpha Bank) special liquidation in the sense of article 145 of Greek law 4261/2014 of the relevant Issuer or the Guarantor (if applicable), the relevant Issuer's and the Guarantor's obligations to make payments of principal and interest in respect of Tier 2 Notes or the Guarantee, as applicable, will be conditional upon the relevant Issuer or the Guarantor being solvent at the time of making such payments. Principal or interest will not be payable in respect of Tier 2 Notes or the Guarantee, as applicable, in such winding-up or special liquidation except to the extent that, at the time of making such payments, the relevant Issuer or the Guarantor (if applicable) could make such payment and still be solvent immediately thereafter. For this purpose, the relevant Issuer or the Guarantor (as applicable) shall be considered to be solvent if it can pay principal and interest in respect of the Tier 2 Notes and still be able to pay its outstanding debts to Senior Creditors of the Issuer (to Tier 2 Notes) or Senior Creditors of the Guarantor (to Tier 2 Notes) (as applicable), which are due and payable.

In the event that the relevant Issuer and/or the Guarantor (if applicable) is not solvent (as described above), holders of Tier 2 Notes may not be paid some or all of the principal or interest that would otherwise be due. In the case of dissolution, liquidation, (in the case of Notes issued by Alpha Bank) special liquidation in the sense of article 145 of Greek law 4261/2014 and/or bankruptcy (as the case may be and to the extent applicable) of the Issuer, the holders will only be paid by the Issuer after all Senior Creditors of the Issuer (to Tier 2 Notes) have been paid in full and the holders irrevocably waive their right to be treated equally with all other unsecured, unsubordinated creditors of the Issuer in such circumstances. Any actual or perceived risk that the Issuer and/or the Guarantor (if applicable) is not solvent (as described above) may affect the market value or liquidity of the Tier 2 Notes.

There is no restriction on the amount of securities or other liabilities that the relevant Issuer may issue, incur or guarantee and which rank senior to, or *pari passu* with, the Tier 2 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 holders of Tier 2 Notes during a winding-up or (where the Issuer or the Guarantor (if applicable) is Alpha Bank) special liquidation in the sense of article 145 of Greek law 4261/2014 of the relevant Issuer or the Guarantor (if applicable) and may limit the relevant Issuer's or Guarantor's (if applicable) ability to meet its obligations under the Tier 2 Notes.

Although Tier 2 Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a significant risk that an investor in Tier 2 Notes will lose all or some of his investment in the event that the relevant Issuer and (if applicable) the Guarantor becomes insolvent. Furthermore, pursuant to Law



3864/2010, as amended and in force, in certain circumstances where a credit institution has been unable to cover a capital shortfall through voluntary measures, Alpha Bank's liability as Issuer in respect of Tier 2 Notes or as the Guarantor in respect of any Tier 2 Notes issued by Alpha PLC may mandatorily be converted into ordinary shares or may be written down and cancelled in part or in full.

*Senior Preferred Notes, Senior Non-Preferred Notes and Tier 2 Notes provide for limited events of default. Noteholders may not be able to exercise their rights on an event of default in the event of the adoption of any early intervention or resolution measure under the BRRD (or any relevant measure implementing the same)*

Noteholders have no ability to accelerate the maturity of their Senior Preferred Notes, Senior Non-Preferred Notes or Tier 2 Notes except in the case that an order is made or an effective resolution is passed for the dissolution and winding-up of the relevant Issuer and/or (in the case of Tier 2 Notes issued by Alpha PLC) the Guarantor, as provided in the Conditions. Accordingly, in the event that any payment on the Senior Preferred Notes, Senior Non-Preferred Notes or Tier 2 Notes is not made when due, each Noteholder will have a claim only for amounts then due and payable on their Notes and, as provided for in the Conditions, a right to institute proceedings for the dissolution and winding-up of the relevant Issuer or (in the case of Tier 2 Notes issued by Alpha PLC) the Guarantor. Notwithstanding the foregoing, the relevant Issuer or (in the case of Tier 2 Notes issued by Alpha PLC) the Guarantor will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

In addition, as mentioned in *"The Banking Act confers substantial powers on a number of UK authorities designed to enable them to take a range of actions in relation to UK banks, UK building societies, UK investment firms and UK recognised central counterparties which are considered to be at risk of failing. In certain circumstances, such actions may also be taken against a UK banking group company. The exercise of any of these actions in relation to Alpha PLC could materially adversely affect the value of any Notes issued by Alpha PLC"* and *"Any Notes issued under the Programme, and/or the Guarantee, may be subjected in the future to the bail-in resolution tool by the competent resolution authority and to the mandatory burden sharing measures for the provision of precautionary capital support, which may result into their write-down in full"*, the relevant Issuer or the Guarantor (as applicable) may be subject to a procedure of early intervention or resolution pursuant to the BRRD as implemented through the Banking Act or Greek law 4335/2015, as amended and currently in force, as the case may be. The adoption of any early intervention or resolution procedure shall not itself constitute an event of default or entitle any counterparty of the relevant Issuer or the Guarantor (if applicable) to exercise any rights it may otherwise have in respect thereof.

Moreover, any enforcement by a Noteholder of its rights under the Notes upon the occurrence of an event of default following the adoption of any early intervention or any resolution procedure will be subject to the relevant provisions of the BRRD, the Banking Act, the Greek banking law 4261/2014, as in force, or Greek law 4335/2015 in relation to the exercise of the relevant measures and powers pursuant to such procedure, including the resolution tools and powers referred to therein. Any claims on the occurrence of an event of default will consequently be limited by the application of any measures pursuant to the provisions of the BRRD, the Banking Act, the Greek banking law 4261/2014, as in force, or Greek law 4335/2015. There can be no assurance that the taking of any such action would not adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the relevant Issuer or the Guarantor (if applicable) to satisfy its obligations under the Notes and the enforcement by a Noteholder of any rights it may otherwise have on the occurrence of any event of default may be limited in these circumstances.

*Alpha Bank's obligations under Senior Non-Preferred Notes rank junior to Senior Creditors of the Issuer (to Senior Non-Preferred Notes)*

As described under Condition 3, the payment obligations of Alpha Bank in respect of Senior Non-Preferred Notes issued by it will be unsubordinated. However, as provided under Condition 3(b)(4), the rights of the

holders of any Senior Non-Preferred Notes will rank junior to present and future obligations of Alpha Bank in respect of Senior Creditors of the Issuer (to Senior Non-Preferred Notes).

Although Senior Non-Preferred Notes may pay a higher rate of interest than comparable Notes which benefit from a higher or a preferential ranking, there is a real (and more probable) risk that an investor in Senior Non-Preferred Notes will lose all or some of their investment should Alpha Bank become insolvent.

*Alpha Bank's obligations under the Notes rank (at least) junior to creditors having Privileged Claims in the case of special liquidation under Greek law*

Certain obligations of Greek credit institutions (including Alpha Bank), such as obligations vis-à-vis the Greek state, obligations of eligible deposits (within the meaning of Greek law 4370/2016) exceeding the protection amount of the deposit guarantee scheme, etc. enjoy a privileged ranking in the case of special liquidation of such credit institution by virtue of the provisions of article 145a of Greek banking law 4261/2014, as in force, on special liquidation (“**Privileged Claims**”). The claims of Noteholders against Alpha Bank will rank (at least) junior to Privileged Claims in the case of a special liquidation of Alpha Bank. Thus, if Privileged Claims exist against Alpha Bank, there is a risk that an investor in the Notes will lose all or some of its investment should Alpha Bank become subject to special liquidation.

*The Notes may be redeemed prior to maturity*

The Notes may be redeemed, as set out in the Conditions, at the option of the Issuer in certain circumstances including:

- the occurrence of one or more of the tax events described in Condition 7(b);
- (in the case of Tier 2 Notes only) if applicable, upon the occurrence of a Capital Disqualification Event as described in Condition 7(c);
- (in the case of Senior Non-Preferred Notes and Senior Preferred Notes only) if applicable, an MREL Disqualification Event as described in Condition 7(d); or
- if applicable, on an Optional Redemption Date as described in Condition 7(e).

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

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

*Early redemption or purchase or substitution or variation or modification of the Senior Preferred Notes, Senior Non-Preferred Notes or Tier 2 Notes may be restricted*

Any early redemption or purchase or substitution or variation or modification of Senior Preferred Notes, Senior Non-Preferred Notes or Tier 2 Notes is subject to (i) the relevant Issuer giving notice to the Relevant Resolution Authority (in the case of Senior Preferred Notes or Senior Non-Preferred Notes) or the Relevant Regulator (in the case of Tier 2 Notes) and such Relevant Resolution Authority or Relevant Regulator (as the case may be) granting prior permission to redeem or purchase or substitute or vary or modify the relevant Notes, in each case

to the extent and in the manner required by, in the case of Senior Preferred Notes and Senior Non-Preferred Notes, the MREL Requirements, and in the case of Tier 2 Notes, the Capital Regulations, and (ii) compliance by the relevant Issuer with any alternative or additional pre-conditions to redemption or purchase or substitution or variation or modification, as applicable, as set out in, in the case of Senior Preferred Notes and Senior Non-Preferred Notes, the MREL Requirements, and in the case of Tier 2 Notes, the Capital Regulations, in each case as provided in Condition 7(l) and Condition 7(m), as applicable.

As any early redemption, purchase, substitution, variation or modification of any such Notes will be subject to the prior permission of the Relevant Resolution Authority or the Relevant Regulator (as applicable), the outcome may not necessarily reflect the commercial intention of the Issuer or the commercial expectations of the holders of those Notes and this may have an adverse impact on the market value of the relevant Notes.

#### *Substitution or variation of Notes*

If, in the case of any Series of Notes, “Substitution and Variation” is specified as being applicable in the relevant Final Terms, Pricing Supplement or Drawdown Prospectus (as applicable) and an MREL Disqualification Event or Capital Disqualification Event or any of the events described in Condition 7(b) has occurred and is continuing (in each case to the extent applicable to the relevant Notes), or in order to ensure the effectiveness and enforceability of Condition 20 or Clause 11 of the Deed of Guarantee, then the relevant Issuer and the Guarantor (if applicable) may, subject as provided in Conditions 7(l), 7(m) and 7(n) of the Notes and without the need for any consent of the Noteholders or the Couponholders, substitute all (but not some only) of such Series of Notes for, or vary the terms of such Series of Notes or the Guarantee (if applicable) so that the Notes remain or become (as appropriate) Qualifying Senior Preferred Liquidity Notes, Qualifying Senior Preferred Notes, Qualifying Senior Non-Preferred Notes or Qualifying Tier 2 Notes.

No assurance can be given as to whether any of these changes will negatively affect any particular holder. In addition, the tax and stamp duty consequences of holding such substituted or varied Notes could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding such Notes prior to such substitution or variation. There can also be no assurance that the terms of any Qualifying Senior Preferred Liquidity Notes, Qualifying Senior Preferred Notes, Qualifying Senior Non-Preferred Notes or Qualifying Tier 2 Notes, as the case may be, will be viewed by the market as equally favourable to Noteholders, or that such Notes will trade at prices that are equal to the prices at which the Notes would have traded on the basis of their original terms.

#### *Waiver of set-off*

Each holder of a Senior Preferred Note, Senior Non-Preferred Note or a Tier 2 Note unconditionally and irrevocably waives any right of set-off, netting, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Senior Preferred Note, Senior Non-Preferred Note or Tier 2 Note, as the case may be.

#### *Limitation on gross-up obligation under the Senior Preferred Notes, Senior Non-Preferred Notes and Tier 2 Notes (collectively, “**Limited Gross-up Notes**”)*

The obligation under Condition 11 to pay additional amounts in the event of any withholding or deduction in respect of taxes on any payments under the terms of Limited Gross-up Notes applies only to payments of interest and not to payments of principal or premium (as applicable). As such, the relevant Issuer, or the Guarantor (as the case may be) would not be required to pay any additional amounts under the terms of any Limited Gross-up Notes to the extent any withholding or deduction applied to payments of principal or premium (as applicable). Accordingly, if any such withholding or deduction were to apply to any payments of principal or premium (as applicable) under any Limited Gross-up Notes, Noteholders may receive less than the full amount

of principal or premium (as applicable) due under such Notes upon redemption, and the market value of such Notes may be adversely affected.

*The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"*

Interest rates and indices which are deemed to be "benchmarks" (including EURIBOR, LIBOR and ROBOR) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a "benchmark". Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") was published in the Official Journal of the EU on 29 June 2016 and has applied since 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU.

The Benchmarks Regulation could have a material impact on any Notes linked to or referencing a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the following effects on certain "benchmarks" (including EURIBOR, LIBOR or ROBOR): (i) discourage market participants from continuing to administer or contribute to the "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark"; or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a "benchmark".

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a "benchmark".

*Future discontinuance of LIBOR or any other benchmark (such as EURIBOR or ROBOR) may adversely affect the value of Floating Rate Notes and/or Reset Notes which reference or are linked to LIBOR or such other benchmark*

On 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forwards. This may cause LIBOR to perform differently than it did in the past and may have other consequences which cannot be predicted.

Investors should be aware that, if LIBOR or any other benchmark (such as EURIBOR or ROBOR) were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes and Reset Notes which reference or are linked to LIBOR (or such other benchmark) will be determined for the relevant period by the fall-back provisions applicable to such Notes. The Conditions provide for certain fall-back arrangement in the

event that LIBOR (or another relevant benchmark) (including any page on which such benchmark may be published (or any successor service)) becomes unavailable.

If the circumstances described in the preceding paragraph occur and (i) in the case of Floating Rate Notes, Benchmark Replacement is specified in the applicable Final Terms, Pricing Supplement or Drawdown Prospectus (as the case may be) as being applicable and Screen Rate Determination is specified in the applicable Final Terms, Pricing Supplement or Drawdown Prospectus (as the case may be) as the manner in which the rate of interest is to be determined or (ii) in the case of Reset Notes, Benchmark Replacement is specified in the applicable Final Terms, Pricing Supplement or Drawdown Prospectus (as the case may be) as being applicable and the Reset Reference Rate is specified as Mid-Swap Rate in the applicable Final Terms, Pricing Supplement or Drawdown Prospectus (as the case may be), such fall-back arrangements will include the possibility that the relevant rate of interest (or, as applicable, component thereof) could be set or, as the case may be, determined by reference to a Successor Reference Rate or an Alternative Reference Rate (as applicable) determined by an Independent Adviser or, if the Issuer is unable to appoint an Independent Adviser or the Independent Adviser appointed by the Issuer fails to make such determination, the Issuer. An Adjustment Spread shall be determined by the relevant Independent Adviser or the Issuer (as applicable) and shall be applied to such Successor Reference Rate or Alternative Reference Rate, as the case may be.

In addition, the relevant Independent Adviser or the Issuer (as applicable) may also determine (acting in good faith and in a commercially reasonable manner) that other amendments to the Conditions of the relevant Notes are necessary in order to follow market practice in relation to the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) and to ensure the proper operation of the relevant Successor Reference Rate or Alternative Reference Rate (as applicable).

No consent of the Noteholders shall be required in connection with effecting any relevant Successor Reference Rate or Alternative Reference Rate (as applicable) or any other related adjustments and/or amendments described above.

In certain circumstances, the ultimate fallback of interest for a particular Interest Period or Reset Period (as applicable) may result in the rate of interest for the last preceding Interest Period or Reset Period (as applicable) being used. This may result in the effective application of a fixed rate for Floating Rate Notes or Reset Notes (as applicable) based on the rate which was last observed on the Relevant Screen Page for the purposes of determining the rate of interest in respect of an Interest Period or a Reset Period (as applicable). In addition, due to the uncertainty concerning the availability of Successor Reference Rates and Alternative Reference Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the Issuer to meet its obligations under the relevant Floating Rate Notes or Reset Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes or Reset Notes. Investors should note that the relevant Independent Adviser or the Issuer (as applicable) will have discretion to adjust the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) in the circumstances described above by the application of an Adjustment Spread. Any such adjustment could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Noteholder, any such adjustment will be favourable to each Noteholder.

In addition, potential investors should also note that:

- (i) no Successor Reference Rate or Alternative Reference Rate (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made if, and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the relevant Notes

as (a) in the case of Tier 2 Notes, Tier 2 Capital of Alpha Bank and/or the Group, and (b) in the case of Senior Non-Preferred Notes or Senior Preferred Notes, MREL Eligible Liabilities (for example, if such amendment could be considered as the introduction of an incentive to redeem the relevant Notes); and/or

- (ii) in the case of Senior Non-Preferred Notes and Senior Preferred Notes only, no Successor Reference Rate or Alternative Reference Rate (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made if, and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Relevant Regulator and/or the Relevant Resolution Authority treating the next Interest Payment Date or Reset Date, as the case may be, as the effective maturity of the Notes, rather than the relevant Maturity Date.

Investors should consider all of these matters when making their investment decision with respect to the relevant Floating Rate Notes or Reset Notes.

#### *Reset Notes*

Reset Notes will initially bear interest at the relevant Initial Rate of Interest until (but excluding) the relevant First Reset Date. On the relevant First Reset Date, the relevant Second Reset Date (if applicable) and each relevant Subsequent Reset Date (if any) thereafter, the Rate of Interest will be reset to the sum of the relevant Reset Reference Rate and the relevant margin as determined by the Calculation Agent on the relevant Reset Determination Date (each such interest rate, a “**Subsequent Rate of Interest**”). The Subsequent Reset Rate of Interest for any Reset Period could be less than the relevant Initial Rate of Interest or the relevant Subsequent Rate of Interest for the prior Reset Period, which could adversely affect the market value of an investment in the relevant Reset Notes.

*If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned*

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

*Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates*

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

#### **Risks applicable to certain types of Exempt Notes**

***THERE ARE PARTICULAR RISKS ASSOCIATED WITH AN INVESTMENT IN CERTAIN TYPES OF EXEMPT NOTES, SUCH AS INDEX LINKED NOTES. IN PARTICULAR, AN INVESTOR MIGHT***

**RECEIVE LESS INTEREST THAN EXPECTED OR NO INTEREST IN RESPECT OF SUCH NOTES AND MAY LOSE SOME OR ALL OF THE PRINCIPAL AMOUNT INVESTED BY IT.**

**THE CSSF HAS NEITHER APPROVED NOR REVIEWED INFORMATION CONTAINED IN THIS BASE PROSPECTUS IN CONNECTION WITH EXEMPT NOTES.**

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "Relevant Factor"). Potential investors should be aware that:

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

The historical experience of an index or other Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Notes linked to a Relevant Factor and the suitability of such Notes in light of its particular circumstances.

*Notes which are issued with variable interest rates or which are structured to include a multiplier or other leverage factor are likely to have more volatile market values than more standard securities*

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

*Inverse Floating Rate Notes will have more volatile market values than conventional Floating Rate Notes*

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

### **Risks relating to the Notes generally**

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

*The Conditions of the Notes contain provisions which may permit their modification without the consent of all investors*

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 Terms and Conditions of the Notes also provide that the relevant Issuer may, without the consent of Noteholders, substitute another company as principal debtor under any Notes in its place, in the circumstances and subject to the conditions described in Condition 17. No assurance can be given as to the impact of any substitution of the Issuer as described above and any such substitution could materially adversely impact the value of any Notes affected by it.

*Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued*

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade. This may have a detrimental impact on the value of the Notes in the secondary market.

*The value of the Notes could be adversely affected by a change in English law or Greek law or administrative practice*

The Conditions of the Notes are based on English law and Greek law in effect as at the date of this Base Prospectus (see Condition 21). No assurance can be given as to the impact of any possible judicial decision or change to English law or Greek law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

*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 relevant Issuer*

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, 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 or 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 or more Global Notes, the relevant Issuer and/or the Guarantor, if applicable, will discharge their payment obligations under the Notes by making payments to the common depository for Euroclear and Clearstream, Luxembourg for distribution to their accountholders. 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 relevant Notes. The relevant Issuer has no responsibility or liability for the records relating 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 relevant 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 relevant Notes.

#### *Taxation*

Potential investors of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing Notes and receiving payments of interest, principal and/or other amounts or delivery of securities under the Notes and the consequences of such actions under the tax laws of those countries. In particular, investors should note that the Greek income taxation framework was recently amended and reformed. A new Greek income tax code was brought into force in the beginning of 2014 (by virtue of Law 4172/2013, effective as at 1 January 2014, as amended from time to time). Please see "*Taxation*" for further details. Accordingly little precedent exists as to the application of this income tax code. Further, non-Greek tax residents may have to submit a declaration of non-residence or produce documentation evidencing non-residence in order to claim any exemption under applicable tax laws of Greece.

#### **Risks relating to the market generally**

*An active secondary trading market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell its Notes*

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 very liquid and 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 relevant Issuer be in financial distress, which may result in any sale of the Notes having to be at a substantial discount to their principal amount or for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of the Notes.

Furthermore, although application has been made for the Notes issued under the Programme (other than Exempt Notes) to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, and for Exempt Notes to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF Market, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

#### *Difference 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. Holders may lose all or some of their 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 (except where Investor Put is specified as being applicable in the applicable Final Terms or the Drawdown Prospectus (as the case may be)) holders of the Notes have no ability to require early repayment of their investment other than in an event of default (see Condition 12 of the Terms and Conditions of the Notes). Furthermore, although the Notes are transferable, the Notes may have no established trading market when issued, and one may never develop. See *“An active secondary trading market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell its Notes”*.

*If an investor holds Notes which are not denominated in the investor’s home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes*

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

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the relevant Issuer or the Guarantor (if applicable) to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

*The value of Fixed Rate Notes may be adversely affected by movements in market interest rates*

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

*Credit ratings assigned to the Notes may not reflect all the risks associated with an investment in those Notes*

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

In addition, rating agencies may assign unsolicited ratings to the Notes. In such circumstances, there can be no assurance that the unsolicited rating(s) will not be lower than the comparable solicited ratings assigned to the Notes, which could adversely affect the market value and liquidity of the Notes.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the

relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). If the status of the rating agency rating the Notes changes, European regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European regulated investors selling the Notes which may impact the value of the Notes and any secondary market. The list of registered and certified rating agencies published by the European Securities and Markets Authority (“**ESMA**”) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus and in the applicable Final Terms, Pricing Supplement or Drawdown Prospectus (as the case may be).

## OVERVIEW OF THE PROGRAMME

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) or Drawdown Prospectus (as the case may be). The relevant Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of Notes other than Exempt Notes and, if appropriate, a supplement to the Base Prospectus, a Drawdown Prospectus or a new Base Prospectus will be published.*

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No. 2019/980 (the “**Delegated Regulation**”).

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

<b>Issuers:</b>	<p>Alpha Credit Group PLC, incorporated under the laws of England and Wales on 1 April 1999 as a public limited company with number 3747110. The registered office of Alpha PLC is at Capital House, 85 King William Street, London, England, EC4N 7BL.</p> <p>Alpha Bank AE, acting through its Issuing Branch (as specified in the applicable Final Terms, Pricing Supplement or the Drawdown Prospectus (as the case may be)). Alpha Bank AE is incorporated and registered in the Hellenic Republic as a public company under Law 4548/2018, incorporated with limited liability (with GEMI number 223701000 (previously registered under number 6066/06/B/86/05)) for the period ending 2100.</p>
<b>Alpha PLC Legal Entity Identifier (LEI):</b>	213800WG74FXL1U9VL15
<b>Alpha Bank Legal Entity Identifier (LEI):</b>	5299009N55YRQC69CN08
<b>Guarantor of Notes issued by Alpha PLC:</b>	Alpha Bank AE, acting through its Guaranteeing Branch (as specified in the applicable Final Terms, Pricing Supplement or the Drawdown Prospectus (as the case may be)).
<b>Description:</b>	Euro Medium Term Note Programme (the “ <b>Programme</b> ”).
<b>Arranger:</b>	Citigroup Global Markets Limited
<b>Dealers:</b>	<p>Alpha Bank AE Citigroup Global Markets Europe AG Citigroup Global Markets Limited</p> <p>and any other Dealers appointed from time to time either generally in respect of the Programme or in relation to a particular Tranche of Notes, in each case, in accordance with</p>

	the Programme Agreement.
<b>Certain Restrictions:</b>	<p>Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “<i>Subscription and Sale</i>” herein).</p> <p><b><i>Notes issued by Alpha PLC having a maturity of less than one year</i></b></p> <p>Notes issued by Alpha PLC having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent (see “<i>Subscription and Sale</i>” herein).</p> <p>Under the Prospectus Regulation, prospectuses relating to money market instruments having a maturity at issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions stated therein.</p>
<b>Issuing and Principal Paying Agent:</b>	Citibank, N.A., London Branch
<b>Alpha Bank Noteholders Agent:</b>	<p>Prior to the completion of an issue of Alpha Bank Notes or upon a substitution of the Notes such that the Issuer is a body corporate incorporated in the Hellenic Republic, if (and for so long as the Issuer considers is) so required by the Greek Bond Laws (to the extent applicable), Alpha Bank shall appoint an Alpha Bank Noteholders Agent by way of an Alpha Bank Noteholders Agency Agreement and in accordance with the provisions of the Greek Bond Laws.</p>
<b>Paying Agent:</b>	Banque Internationale à Luxembourg S.A.
<b>Luxembourg Listing Agent:</b>	Banque Internationale à Luxembourg S.A.
<b>Programme Amount:</b>	Up to EUR 15,000,000,000 (or its equivalent in other currencies calculated as described herein) outstanding at any time. The Issuers may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
<b>Distribution:</b>	Subject to applicable selling restrictions, Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
<b>Currencies:</b>	Subject to any applicable legal or regulatory or central bank requirements, such currencies as may be agreed between the

relevant Issuer and the relevant Dealer (as indicated in the applicable Final Terms, Pricing Supplement or the Drawdown Prospectus (as the case may be)).

**Maturities:**

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

*Tier 2 Notes must have a maturity date falling at least five years after the Issue Date of such Tier 2 Notes (as defined below).*

**Issue Price:**

Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par, as specified in the applicable Final Terms, Pricing Supplement or the Drawdown Prospectus (as the case may be).

**Form of Notes:**

The Notes will be issued in bearer form, as described in “*Form of the Notes*” below.

Notes to be issued under the Programme will be either (i) senior preferred liquidity Notes (“**Senior Preferred Liquidity Notes**”), (ii) senior preferred Notes (“**Senior Preferred Notes**”), (iii) senior non-preferred Notes (“**Senior Non-Preferred Notes**”) or (iv) Tier 2 Notes (“**Tier 2 Notes**”) as indicated in the applicable Final Terms, Pricing Supplement or the Drawdown Prospectus (as the case may be).

Senior Preferred Notes and Senior Non-Preferred Notes may only be issued by Alpha Bank.

Each Tranche of Notes will (unless otherwise specified in the applicable Final Terms, Pricing Supplement or the Drawdown Prospectus (as the case may be)) initially be represented by a temporary global Note. Each global Note which is not intended to be issued in new global note form, as specified in the relevant Final Terms or Pricing Supplement, will be deposited on the relevant Issue Date with a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system as specified in the applicable Final Terms, Pricing Supplement or the Drawdown Prospectus (as the case may be) and each global Note which is intended to be issued in new global note form (a “**New Global Note**” or “**NGN**”), as specified in

the relevant Final Terms or Pricing Supplement, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Interests in each temporary global Note will be exchangeable, upon request as described therein, for either interests in a permanent global Note or definitive Notes (as indicated in the applicable Final Terms, Pricing Supplement or the Drawdown Prospectus (as the case may be) and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms, Pricing Supplement or the Drawdown Prospectus (as the case may be)), in either case not earlier than 40 days after the Issue Date upon certification of non-US beneficial ownership as required by US Treasury regulations. The applicable Final Terms, Pricing Supplement or the Drawdown Prospectus (as the case may be) will specify that a permanent global Note either (i) is exchangeable (in whole but not in part) for definitive Notes upon not less than 60 days' notice or (ii) is only exchangeable (in whole but not in part) for definitive Notes upon the occurrence of an Exchange Event, as described in "*Form of the Notes*" below. Any interest in a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or any other agreed clearing system, as appropriate.

**Fixed Rate Notes:**

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

**Reset Notes:**

Reset Notes will, in respect of an initial period, bear interest at the initial fixed rate of interest specified in the applicable Final Terms, Pricing Supplement or the Drawdown Prospectus (as the case may be). Thereafter, the fixed rate of interest will be reset on one or more date(s) specified in the applicable Final Terms, Pricing Supplement or the Drawdown Prospectus (as the case may be) by reference to a mid-market swap rate or a rate based on the yield for an identified government bond or certain government bonds (in each case relating to the relevant Specified Currency), and for a period equal to the Reset Period, as adjusted for any applicable margin, in each case as may be specified in the applicable Final Terms, Pricing Supplement or the Drawdown Prospectus (as the case may be). Such interest will be payable in arrear on the Interest Payment Date(s) specified in or as determined pursuant to the applicable Final Terms, Pricing Supplement or the Drawdown Prospectus (as

the case may be).

**Floating Rate Notes:**

Floating Rate Notes will bear interest at a rate determined:

- (a) on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series; or
- (b) on the basis of the reference rate set out in the applicable Final Terms, Pricing Supplement or Drawdown Prospectus (as the case may be).

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

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

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

**Benchmark Replacement:**

If, in respect of any Floating Rate Notes (where Screen Rate Determination is specified as being applicable in the applicable Final Terms, Pricing Supplement or the Drawdown Prospectus (as the case may be)) or Reset Notes (where the Reset Reference Rate is specified as being Mid-Swap Rate in the applicable Final Terms, Pricing Supplement or the Drawdown Prospectus (as the case may be)), “Benchmark Replacement” is specified as being applicable in the applicable Final Terms, Pricing Supplement or the Drawdown Prospectus (as the case may be), upon the occurrence of a Benchmark Event (as defined in the Conditions), the provisions of Condition 6(d) will apply to the determination of the Rate of Interest for such Notes.

**Zero Coupon Notes:**

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

**Exempt Notes:**

The Issuers may issue Exempt Notes which are Index



Linked Notes as well as Exempt Notes which are Floating Rate Notes, Fixed Rate Notes, Reset Notes and Zero Coupon Notes.

**Index Linked Redemption Notes and Index Linked Interest Notes:**

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

The relevant provisions will be included in the applicable Pricing Supplement.

**Change of Interest Basis Notes:**

Notes may be converted from one interest basis to another if so provided in the applicable Final Terms, Pricing Supplement or the Drawdown Prospectus (as the case may be).

**Redemption:**

The applicable Final Terms, Pricing Supplement or Drawdown Prospectus (as the case may be) relating to each Tranche of Notes will indicate either that the Notes of such Tranche cannot be redeemed prior to their stated maturity (other than, subject to certain conditions, at the option of the relevant Issuer for taxation reasons, following an MREL Disqualification Event (in the case of Senior Non-Preferred Notes or Senior Preferred Notes only and if specified as applicable in the relevant Final Terms, Pricing Supplement or Drawdown Prospectus) or following a Capital Disqualification Event (in the case of Tier 2 Notes only and if specified as applicable in the relevant Final Terms, Pricing Supplement or Drawdown Prospectus) or following an Event of Default or Restricted Event of Default (as applicable)) or that such Notes will be redeemable at the option of the Issuer (“**Issuer Call**”) and/or the Noteholders (“**Investor Put**”) upon giving not less than the minimum nor more than the maximum days’ irrevocable notice as is indicated in the applicable Final Terms, Pricing Supplement or Drawdown Prospectus (as the case may be) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms, Pricing Supplement or Drawdown Prospectus (as the case may be).

Prior to their stated maturity, Senior Preferred Notes, Senior Non-Preferred Notes and Tier 2 Notes may not be redeemed at the option of the Noteholders and may only be redeemed by the Issuer with the permission of the Relevant Regulator or Relevant Resolution Authority (as applicable and if required) and otherwise in accordance with applicable Capital Regulations or MREL Requirements (as the case

may be).

Unless otherwise permitted by the current laws and regulations, Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see “*Certain Restrictions: Notes issued by Alpha PLC having a maturity of less than one year*” above.

Unless previously redeemed, substituted or purchased and cancelled, each Note (other than (i) a Zero Coupon Note and (ii) an Exempt Note) is expected to be redeemed by the relevant Issuer at 100 per cent. of its nominal value on its scheduled Maturity Date.

**Substitution and Variation:**

If, in the case of any Series of Notes, “Substitution and Variation” is specified as being applicable in the relevant Final Terms, Pricing Supplement or Drawdown Prospectus (as applicable) and: (i) with respect to any Series of Senior Preferred Notes or Senior Non-Preferred Notes, an MREL Disqualification Event has occurred and is continuing, (ii) with respect to any Series of Tier 2 Notes, a Capital Disqualification Event has occurred and is continuing or (iii) with respect to any Notes, any of the events described in Condition 6(b) has occurred and is continuing or in order to ensure the effectiveness and enforceability of Condition 20 or Clause 11 of the Deed of Guarantee), then the relevant Issuer and the Guarantor (if applicable) may, subject as provided in Condition 7(l) or 7(m) (as applicable) of the Notes, substitute all (but not some only) of such Series of Notes for, or vary the terms of such Series of Notes or the Guarantee (if applicable) so that the Notes remain or become, Qualifying Senior Preferred Liquidity Notes, Qualifying Senior Preferred Notes, Qualifying Senior Non-Preferred Notes or Qualifying Tier 2 Notes, as applicable.

**Taxation:**

All payments in respect of the Notes and Coupons will be made without withholding or deduction for or on account of Taxes imposed by a Taxing Jurisdiction (as those terms are defined in Condition 11) unless required by law, as provided in Condition 11. In such event, the Issuer or, as the case may be, the Guarantor will, save in certain limited circumstances provided in Condition 11, be required to pay such additional amounts in respect of interest and, in respect of the Senior Preferred Liquidity Notes only, principal and premium, as will result in the receipt by the holders of the Notes or Coupons of such amounts as would have been receivable by them had no such withholding or deduction been required.

Under Greek law as at the date of this Base Prospectus, payments of interest under the Notes issued by Alpha Bank are subject to Greek income withholding tax and, under the Conditions, where Extended Gross-up is specified as being

applicable in the applicable Final Terms, Pricing Supplement or Drawdown Prospectus (as the case may be), subject to one limited exception (which would not apply while the Notes are represented by a global Note cleared through Euroclear and/or Clearstream, Luxembourg), Alpha Bank is required to gross up such payments in order that holders of the relevant Notes receive such amounts as would have been received by them if no such withholding had been required (see Condition 11). In this case, depending on the applicable income tax rules in the tax jurisdiction(s) to which they are subject, the income received by a holder for tax purposes may be the gross amount paid by Alpha Bank, rather than the net amount received by the holder.

The attention of holders is also drawn to the fact that, if the Greek law on income tax withholding changes in the future and payments of interest under the Notes issued by Alpha Bank to Non-Greek Legal Persons (as defined in Condition 11) cease to be subject to Greek income withholding tax, the obligation of Alpha Bank, as Issuer, to gross up interest payments will be limited. Please see Condition 11. In such circumstances, holders who are not Non-Greek Legal Persons may remain subject to income tax withholding, if any is applicable, and (if so) may cease to benefit from any grossing-up of interest payments by Alpha Bank.

The relevant Issuer's obligation to pay additional amounts in respect of any withholding or deduction in respect of taxes under the terms of the Senior Preferred Notes, Senior Non-Preferred Notes and Tier 2 Notes applies only to payments of interest due and paid under such Notes and not to payments of principal. As such, the relevant Issuer would not be required to pay any additional amounts under the terms of the Senior Preferred Notes, Senior Non-Preferred Notes and Tier 2 Notes to the extent any withholding or deduction applied to payments of principal.

**Prospective purchasers of the Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposal of the Notes.**

#### **Denomination of Notes:**

The Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer and as indicated in the applicable Final Terms, Pricing Supplement or Drawdown Prospectus (as the case may be) save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency (see "*Certain Restrictions: Notes issued by Alpha PLC having a maturity of less than one year*" above) and save that the minimum denomination of each Note admitted

to trading on a regulated market within the EEA or offered to the public in a Member State of the EEA in circumstances which would otherwise require the publication of a prospectus under the Prospectus Regulation will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

**Governing Law:**

The Deed of Guarantee, the Notes and the Coupons and all non-contractual obligations arising out of or in connection with each of them are governed by English law except that (i) Conditions 3(b), 4(b), 4(d), 18 and 20 and (ii) Clauses 5.8 and 5.9 of the Deed of Guarantee are governed by and shall be construed in accordance with Greek law.

**Rating:**

The Programme is expected to be rated B (Senior Unsecured Debt), CCC+ (Senior Subordinated Notes) and CCC (Subordinated Notes) by S&P Global Ratings Europe Limited, Italy Branch and (P)Caa1 (Senior Unsecured), (P)Caa2 (Subordinated) and (P)NP (Short-Term) by Moody's Investors Service Cyprus Limited. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms, Pricing Supplement or Drawdown Prospectus (as the case may be) and will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Listing, Admission to Trading and Approval:**

The Base Prospectus has been approved by the CSSF and each Series (other than Exempt Notes) may be admitted to listing on the official list of the Luxembourg Stock Exchange and to trading on the regulated market of the Luxembourg Stock Exchange.

Application has been made to the Luxembourg Stock Exchange to approve this Base Prospectus in connection with the issue by the Issuers of Exempt Notes to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF Market.

The Programme also provides that Notes may be admitted to listing, trading and/or quotation by such other or further listing authority, stock exchange and/or quotations systems. The relevant Issuer may issue Notes which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system.

The applicable Final Terms, Pricing Supplement or Drawdown Prospectus (as the case may be) will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges

and/or markets.

**Selling Restrictions:**

There are restrictions on the offer, sale and transfer of the Notes in the United States, United Kingdom, Japan, Singapore, the EEA (including France, Greece and the Republic of Italy) and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See “*Subscription and Sale*” below. Notes may be issued to qualified investors (as defined in the Prospectus Regulation) and non-qualified investors, in each case in accordance with such restrictions.

**United States Selling Restrictions:**

Regulation S; Category 2. TEFRA D/TEFRA C/TEFRA not applicable, as specified in the applicable Final Terms, Pricing Supplement or Drawdown Prospectus (as the case may be).

## DOCUMENTS INCORPORATED BY REFERENCE

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

1. Annual report of Alpha PLC for the year ended 31 December 2018 (available at <https://www.alpha.gr/-/media/alphagr/files/group/financial-statements-of-alpha-credit-group/financial-statements-of-acg-2018.pdf?la=en&hash=B14813FE73D795A80D174B538DBA2092C522FE43>) which includes the audited non-consolidated financial statements for the financial year ended 31 December 2018, including the information set out at the following pages in particular:
  - (i) Statement of Comprehensive Income page 7;
  - (ii) Statement of Financial Position page 8;
  - (iii) Statement of Changes in Equity page 9;
  - (iv) Statement of Cash Flows page 10;
  - (v) Notes to the Financial Statements page 11 to 22; and
  - (vi) Independent Auditors' Report to the Members of Alpha Credit Group PLC pages 5 to 6

Any other information incorporated by reference that is not included in the cross-reference list above is considered to be additional information to be disclosed to investors rather than information required by the relevant Annexes of the Delegated Regulation.

2. Annual report of Alpha PLC for the year ended 31 December 2017 (available at <https://www.alpha.gr/-/media/alphagr/files/group/financial-statements-of-alpha-credit-group/alphacreditgroupplc-oikonomikes-katastaseis-2017.pdf?la=en&hash=40D6F677AC54284FBEDE07D6CE33714F32741907>) which includes the audited non-consolidated financial statements for the financial year ended 31 December 2017, including the information set out at the following pages in particular:
  - (i) Statement of Comprehensive Income page 7;
  - (ii) Statement of Financial Position page 8;
  - (iii) Statement of Changes in Equity page 9;
  - (iv) Statement of Cash Flows page 10;
  - (v) Notes to the Financial Statements pages 11 to 20; and
  - (vi) Independent Auditors' Report to the Members of Alpha Credit Group PLC pages 5 to 6

Any other information incorporated by reference that is not included in the cross-reference list above is considered to be additional information to be disclosed to investors rather than information required by the relevant Annexes of the Delegated Regulation.

3. Annual report of Alpha Bank for the year ended 31 December 2018 (available at <https://www.alpha.gr/-/media/alphagr/files/group/apotelesmata/2018-fy/20190328-fy-oikonomiki-ekthesi-ifs-en.pdf>) which includes the audited consolidated and separate financial statements (produced in accordance with IFRS) for the financial year ended 31 December 2018 for Alpha Bank, including the information set out at the following pages in particular:

(i)	Consolidated Balance Sheet	page 66;
(ii)	Balance Sheet	page 300;
(iii)	Consolidated Income Statement	page 65;
(iv)	Income Statement	page 299;
(v)	Consolidated Statement of Comprehensive Income	page 67;
(vi)	Statement of Comprehensive Income	page 301;
(vii)	Consolidated Statement of Changes in Equity	pages 68 to 69;
(viii)	Statement of Changes in Equity	page 302;
(ix)	Consolidated Statement of Cash Flows	page 70;
(x)	Statement of Cash Flows	page 303;
(xi)	Notes to the Group Financial Statements	pages 71 to 296;
(xii)	Notes to the Financial Statements	pages 304 to 499;
(xiii)	Independent Auditors' Report	pages 55 to 61; and
(xiv)	Appendix relating to Alternative Performance Measures	pages 501 to 502

Any other information incorporated by reference that is not included in the cross-reference list above is considered to be additional information to be disclosed to investors rather than information required by the relevant Annexes of the Delegated Regulation.

4. Annual report of Alpha Bank for the year ended 31 December 2017 (available at [https://www.alpha.gr/-/media/alphagr/files/group/oikonomikes-katastaseis-trapezis-kai-omilou/book20174\\_eng.pdf](https://www.alpha.gr/-/media/alphagr/files/group/oikonomikes-katastaseis-trapezis-kai-omilou/book20174_eng.pdf)) which includes the audited consolidated and separate financial statements (produced in accordance with IFRS) for the financial year ended 31 December 2017 for Alpha Bank, including the information set out at the following pages in particular:

(i)	Consolidated Balance Sheet	page 54;
(ii)	Balance Sheet	page 244;
(iii)	Consolidated Income Statement	page 53;
(iv)	Income Statement	page 243;
(v)	Consolidated Statement of Comprehensive Income	page 55;
(vi)	Statement of Comprehensive Income	page 245;
(vii)	Consolidated Statement of Changes in Equity	pages 56 to 57;
(viii)	Statement of Changes in Equity	page 246;
(ix)	Consolidated Statement of Cash Flows	page 58;
(x)	Statement of Cash Flows	page 247;
(xi)	Notes to the Group Financial Statements	pages 59 to 239;
(xii)	Notes to the Financial Statements	pages 248 to 397;
(xiii)	Independent Auditors' Report	pages 43 to 49; and
(xiv)	Appendix relating to Alternative Performance Measures	page 399

Any other information incorporated by reference that is not included in the cross-reference list above is considered to be additional information to be disclosed to investors rather than information required by the relevant Annexes of the Delegated Regulation.

5. Unaudited interim consolidated and separate financial statements (produced in accordance with IFRS) for the six months ended 30 June 2019 (available at <https://www.alpha.gr/-/media/alphagr/files/group/apotelesmata/2019-h1/20190829-h1-oikonomikes-katastaseis-en.pdf>) for Alpha Bank, including the information set out at the following pages in particular:

(i)	Interim Consolidated Income Statement	page 27;
(ii)	Interim Income Statement	page 117;
(iii)	Interim Consolidated Balance Sheet	page 28;
(iv)	Interim Balance Sheet	page 118;
(v)	Interim Consolidated Statement of	page 29;



## Comprehensive Income

- (vi) Interim Statement of Comprehensive Income page 119;
- (vii) Interim Consolidated Statement of Changes in Equity pages 30 to 31;
- (viii) Interim Statement of Changes in Equity page 120;
- (ix) Interim Consolidated Statement of Cash Flows page 32;
- (x) Interim Statement of Cash Flows page 121;
- (xi) Notes to the Condensed Interim Consolidated Financial Statements pages 33 to 114;
- (xii) Notes to the Condensed Interim Financial Statements pages 122 to 184; and
- (xiii) Appendix relating to Alternative Performance Measures pages 185 to 186

Any other information incorporated by reference that is not included in the cross-reference list above is considered to be additional information to be disclosed to investors rather than information required by the relevant Annexes of the Delegated Regulation.

6. the terms and conditions contained in the base prospectus dated 30 May 2012 (available at [https://www.alpha.gr/-/media/alphagr/files/files-archive/investorrelations/3/final\\_base\\_prospectus.pdf?la=en&hash=4143BA0230236EAAE18C1E2CF0AA621A54F4E36E](https://www.alpha.gr/-/media/alphagr/files/files-archive/investorrelations/3/final_base_prospectus.pdf?la=en&hash=4143BA0230236EAAE18C1E2CF0AA621A54F4E36E)) on pages 54 to 97 inclusive.

Alpha PLC does not produce consolidated financial statements or interim financial statements.

For the purposes of item 6 above, any supplement(s) to the base prospectuses mentioned in these items are not incorporated by reference as they are deemed not relevant for an investor.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Following the publication of this Base Prospectus a supplement to the Base Prospectus may be prepared by the Issuer and approved by the CSSF in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The relevant Issuer and/or the Guarantor, if applicable, has undertaken, in connection with the admission to trading of Notes on the Luxembourg Stock Exchange, so long as any Note remains outstanding and admitted to trading on such exchange, in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Base Prospectus, to prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes to be admitted to trading on the Luxembourg Stock Exchange.

All documents incorporated by reference in this Base Prospectus will be made available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

## FINAL TERMS (OR PRICING SUPPLEMENT, IN THE CASE OF EXEMPT NOTES) AND DRAWDOWN PROSPECTUSES

In this section the expression “**necessary information**” means, in relation to any Tranche of Notes, the information which is material to an investor for making an informed assessment of: the assets and liabilities, profits and losses, financial position and prospects of the Issuers and the Guarantor; the rights attaching to the Notes; and the reasons for the issuance of the Notes and its impact on the relevant Issuer and (if applicable) the Guarantor. In relation to the different types of Notes which may be issued under the Programme, the Issuers and the Guarantor have endeavoured to include in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms (or, in the case of Exempt Notes, relevant Pricing Supplement) or in a Drawdown Prospectus. Such information will be contained in the relevant Final Terms (or, in the case of Exempt Notes, relevant Pricing Supplement) unless any of such information constitutes a significant new factor relating to the information contained in this Base Prospectus in which case such information, together with all of the other necessary information in relation to the relevant series of Notes, may be contained in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms (or, in the case of Exempt Notes, Pricing Supplement), those Final Terms or Pricing Supplements will, for the purposes of that Tranche only, supplement this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms (or, in the case of Exempt Notes, Pricing Supplement) are the Conditions as completed to the extent described in the relevant Final Terms (or, in the case of Exempt Notes, relevant Pricing Supplement).

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms (or, in the case of Exempt Notes, relevant Pricing Supplement) shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the Issuer and the relevant Notes or (2) by a registration document (the “**Registration Document**”) containing the necessary information relating to the Issuer, a securities note (the “**Securities Note**”) containing the necessary information relating to the relevant Notes and, if necessary, a summary note. In addition, if the Drawdown Prospectus is constituted by a Registration Document and a Securities Note, any significant new factor, material mistake or inaccuracy relating to the information included in the Registration Document which arises or is noted between the date of the Registration Document and the date of the Securities Note which is capable of affecting the assessment of the relevant Notes will be included in the Securities Note.

## FORM OF THE NOTES

*Any reference in this section to “applicable Final Terms” shall be deemed to include a reference to “applicable Pricing Supplement”.*

Each Tranche of Notes will be in bearer form and will (unless otherwise specified in the applicable Final Terms or Drawdown Prospectus (as the case may be)) be initially represented by a temporary global Note without interest coupons or talons. Each temporary global Note which is not intended to be issued in NGN form, as specified in the relevant Final Terms will be delivered on or prior to the original issue date of the relevant Tranche to a common depositary for Euroclear and Clearstream, Luxembourg and each temporary global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the original issue date of the relevant Tranche of Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Whilst any Note is represented by a temporary global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the temporary global Note if the temporary global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not US persons or persons who have purchased for resale to any US person, as required by US Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent. Any reference in this section “*Form of the Notes*” to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the relevant Issuer and the Agent.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms or Drawdown Prospectus (as the case may be) will also indicate whether or not such Global Notes are intended to be held in a manner that would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The common safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg, as indicated in the applicable Final Terms or Drawdown Prospectus (as the case may be).

On and after the date (the “**Exchange Date**”) which is the later of (i) 40 days after the date on which any temporary global Note is issued and (ii) 40 days after the completion of the distribution of the relevant Tranche (the “**Distribution Compliance Period**”), interests in such temporary global Note will be exchangeable (free of charge) upon request as described therein either for interests in a permanent global Note without interest coupons or talons, or for definitive Notes with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms or the Drawdown Prospectus (as the case may be) and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be)), in each case against certification of non-U.S. beneficial ownership as described above. The holder of a temporary global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the temporary global Note for an interest in a permanent global Note or for definitive Notes is improperly withheld or refused.

Pursuant to the Agency Agreement (as defined under “*Terms and Conditions of the Notes*” below) the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be temporarily assigned a common code and ISIN by Euroclear and Clearstream, Luxembourg, which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the Distribution Compliance Period applicable to Notes of such Tranche.

In the case of an issue of Notes by Alpha Bank to which Greek law 4548/2018 and article 14 of Greek law 3156/2003 apply (the “**Greek Bond Laws**”), and for the purposes of which the appointment of an Alpha Bank Noteholders Agent (as defined below) is required (if so), in accordance with the Greek Bond Laws (the “**Alpha Bank Notes**”), Alpha Bank shall appoint an agent of the holders of Alpha Bank Notes (the “**Alpha Bank Noteholders Agent**”) in accordance with Condition 18 of the Notes below.

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

The applicable Final Terms or the Drawdown Prospectus (as the case may be) will specify that a permanent global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and talons attached only upon the occurrence of an Exchange Event as described therein. “**Exchange Event**” means (i) in the case of Senior Preferred Liquidity Notes, an Event of Default has occurred and is continuing or in the case of Senior Preferred Notes, Senior Non-Preferred Notes or Tier 2 Notes, any Restricted Event of Default has occurred and is continuing, (ii) the relevant Issuer has been notified that either Euroclear or Clearstream, Luxembourg has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative clearing system is available or (iii) at the option of the relevant Issuer at any time; **provided that**, in the case of an issue of Notes with denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, only Exchange Events (i) or (ii) will apply. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 16 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event as described in (i) or (ii) above, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such permanent global Note) may give notice to the Agent requesting exchange and in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may give notice to the Agent requesting exchange. Any such exchange shall occur not later than 30 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all global permanent Notes, definitive Notes, interest coupons and talons:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

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

respect of any gain on any sale, disposition, redemption or payment of principal in respect of Notes or interest coupons.

In the event that a global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of the Notes or that the Maturity Date has occurred and, in either case, payment in full of the amount due has not been made in accordance with the provisions of the global Note then, unless within the period of seven days commencing on the relevant due date payment in full of the amount due in respect of the global Note is received by the bearer in accordance with the provisions of the global Note, the global Note will become void at 8.00 p.m. (London time) on such seventh day and the bearer will have no further rights under the global Note. At the same time, holders of interest in such global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the relevant Issuer on the basis of statements of account provided by Euroclear and Clearstream, Luxembourg, on and subject to the terms of an amended and restated deed of covenant (the “**Deed of Covenant**”) dated 15 November 2019 executed by the Issuers.

## FORM OF FINAL TERMS

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS]** –The Notes are not intended to be offered, sold or otherwise made available 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 (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, 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 / Professional investors and ECPs only target market]** – Solely for the purposes of [the/each] manufacturer[s/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 [Directive 2014/65/EU (as amended, “**MiFID II**”)] [MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [Consider any negative target market.] Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[s/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/s'] target market assessment) and determining appropriate distribution channels.]

**[Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified from time to time (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”) the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are [‘prescribed capital markets products’]/[‘capital markets products other than prescribed capital markets products’] (as defined in the CMP Regulations 2018) and [Excluded Investment Products]/[Specified Investment Products] (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

Final Terms dated [ ]

**[ALPHA CREDIT GROUP PLC (the “Issuer”) [(acting through its [ ] branch) (the “Issuing Branch”)]/**

**ALPHA BANK AE (the “Issuer”) [(acting through its [ ] branch) (the “Issuing Branch”)]]**

**Legal entity identifier (LEI): [213800WG74FXL1U9VL15/5299009N55YRQC69CN08]**

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

under the EUR 15,000,000,000 Euro Medium Term Note Programme

**[guaranteed by ALPHA BANK AE (the “Guarantor”) [(acting through its [ ] branch) (the “Guaranteeing Branch”)]]**

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 15 November 2019 [and the supplement[s] to it dated [date] [and [date]]] which [together]

*[The following alternate language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]*

*[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.]*

- |    |     |  |  |
|----|-----|--|--|
| 1. | (a) | Series Number:   | [    ]   |
|    | (b) | Tranche Number:  | [    ]   |
|    | (c) | Date on which the Notes will be consolidated and form a single Series: | The Notes will be consolidated and form a single Series with [ <i>Provide issue amount/ISIN/maturity date/issue date of earlier Tranches</i> ] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 28(a) below, which is expected to occur on or about [ <i>date</i> ]] [ <i>Not Applicable</i> ] |
| 2. |     | Specified Currency or Currencies:                                      | [    ]   |
| 3. |     | Aggregate Nominal Amount:  |  |
|    | (a) | Series:  | [    ]   |
|    | (b) | Tranche:   | [    ]   |
| 4. |     | Issue Price:   | [    ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [ <i>insert date</i> ] ( <i>if applicable</i> )]  |
| 5. | (a) | Specified Denominations:   | [    ]<br>( <i>N.B. Notes must have a minimum denomination of €100,000 (or equivalent)</i> )<br>( <i>Note – where multiple denominations above €100,000 or</i>   |



*equivalent are being used the following sample wording should be followed:*

*“[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].”*)

- (b) Calculation Amount: [   ]  
*(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
6. (a) Issue Date: [   ]
- (b) Interest Commencement Date: [specify/Issue Date/Not Applicable]  
*(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
7. Maturity Date: [Specify date or for Floating rate notes - Interest Payment Date falling in or nearest to [specify month and year]]  
*(N.B. in the case of Tier 2 Notes this must be at least five years after the Issue Date)*  
*(N.B. If the Maturity Date is less than one year from the Issue Date, any Notes issued by Alpha PLC must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to professional investors (or another applicable exception from section 19 of the Financial Services and Markets Act 2000 must be available).)*
8. Interest Basis: [[   ] per cent. Fixed Rate]  
[Reset Notes]  
[[   ] month [LIBOR/EURIBOR/ROBOR]  
+/- [   ] per cent. Floating Rate]  
[Zero Coupon]  
*(further particulars specified below)*
9. Redemption Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [   ] per cent. of their nominal amount
10. Change of Interest Basis: [Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 13 and 14 below and identify there][Not Applicable]

11. Put/Call Options: [Not Applicable]  
[Investor Put]  
[Issuer Call]  
[(further particulars specified below)]
12. (a) Status of the Notes: [Senior Preferred Liquidity Notes/Senior Preferred Notes/Senior Non-Preferred Notes/Tier 2 Notes]
- (b) Date [Board] approval for issuance of Notes [and Guarantee] obtained: [[ ] [and [ ], respectively]] [Not Applicable]  
(*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee*)

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

13. Fixed Rate Note Provisions: [Applicable/Not Applicable]  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Rate(s) of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear] on each Interest Payment Date
- (b) Interest Payment Date(s): [ ] in each year up to and including the Maturity Date
- (c) Fixed Coupon Amount(s): [ ] per Calculation Amount  
(*Applicable to Notes in definitive form*)
- (d) Broken Amount(s): [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]] [Not Applicable]  
(*Applicable to Notes in definitive form*)
- (e) Day Count Fraction: [Actual/Actual (ICMA)  
30/360 or 360/360 or Bond Basis  
30E/360 or Eurobond Basis  
30E/360 (ISDA)]
- (f) Determination Date(s): [[ ] in each year] [Not Applicable]  
(*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.*)
14. Reset Note Provisions: [Applicable/Not Applicable]
- (a) Initial Rate of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear on each Interest Payment Date]

- (b) First Margin:   per cent. per annum
- (c) Subsequent Margin:   per cent. per annum] [Not Applicable]
- (d) Interest Payment Date(s):   in each year up to and including the Maturity Date
- (e) Fixed Coupon Amount to (but excluding) the First Reset Date:  
(Applicable to Notes in definitive form)  per Calculation Amount
- (f) Broken Amount(s):   per Calculation Amount, payable on the Interest Payment Date falling [in/on]   [Not Applicable]  
(Applicable to Notes in definitive form)
- (g) First Reset Date:
- (h) Second Reset Date:  /[Not Applicable]
- (i) Subsequent Reset Date(s):   [and  ] [Not Applicable]
- (j) Relevant Screen Page:
- (k) Reset Reference Rate: [Mid-Swap Rate/CMT Rate/Reference Bond]
- (l) Mid-Swap Rate: [Single Mid-Swap Rate/Mean Mid-Swap Rate]
- (m) Mid-Swap Floating Leg Frequency:
- (n) First Reset Period Fallback Yield:  /[Not Applicable]  
(Only applicable where the Reset Reference Rate is CMT Rate or Reference Bond)
- (o) Fallback Relevant Time:  /[Not Applicable]  
(Only applicable where the Reset Reference Rate is CMT Rate)
- (p) Benchmark Frequency:
- (q) Day Count Fraction: [Actual/Actual (ICMA)  
30/360 or 360/360 or Bond Basis  
30E/360 or Eurobond Basis  
30E/360 (ISDA)]
- (r) Determination Date(s):   in each year][Not Applicable]  
(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular

*interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon).*

- (s) Business Centre(s): [ ]
- (t) Calculation Agent: [ ]
15. Floating Rate Note Provisions: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph.)*
- (a) Specified Period(s)/ Specified Interest Payment Dates: [ ] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][Not Applicable]
- (c) Additional Business Centre(s): [ ] [Not Applicable]
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ] [Not Applicable]
- (f) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: [ ] month [LIBOR/EURIBOR/ROBOR]
  - Interest Determination Date(s): [ ]  
*(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR, the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR and the second Bucharest business day prior to the start of each Interest Period if ROBOR.)*
  - Relevant Screen Page: [ ]  
*(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*

- (g) ISDA Determination: [Applicable/Not Applicable]
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (N.B. The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR, EURIBOR and/or ROBOR which, depending on market circumstances, may not be available at the relevant time)*
- (h) Linear Interpolation: [Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (i) Margin(s): [ +/- ] [ ] per cent. per annum
- (j) Minimum Rate of Interest: [Applicable/Not Applicable/[ ] per cent. per annum]
- (k) Maximum Rate of Interest: [Applicable/Not Applicable/[ ] per cent. per annum]
- (l) Day Count Fraction: [Actual/365 or Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/360  
30/360 or 360/360 or Bond Basis  
30E/360 or Eurobond Basis  
30E/360 (ISDA)]
16. Zero Coupon Note Provisions: [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Accrual Yield: [ ] per cent. per annum
- (b) Reference Price: [ ]
- (c) Day Count Fraction in relation to Early Redemption Amounts: [30/360]  
[Actual/360]  
[Actual/365]
17. Benchmark Replacement: [Applicable/Not Applicable]
18. Extended Gross-Up (Condition 11): [Applicable/Not Applicable]

## PROVISIONS RELATING TO REDEMPTION

19. Condition 7(b)(iii) (*Proceeds On-Loan*) [Applicable/Not Applicable]

*Tax Call*):

20. Condition 7(c) (*Capital Disqualification Event*): [Applicable/Not Applicable]
21. Condition 7(d) (*MREL Disqualification Event*): [Applicable/Not Applicable]
22. Notice period[s] for Condition 7(b) [and [Condition 7(c)/Condition 7(d)]]: [Minimum period: [30] days]  
[Maximum period: [60] days]  
[Not Applicable]
23. Issuer Call: [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount: [ ] per Calculation Amount
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [[ ] per Calculation Amount] [Not Applicable]
- (ii) Maximum Redemption Amount: [[ ] per Calculation Amount] [Not Applicable]
- (d) Notice periods: [Minimum period: [15] days]  
[Maximum period: [30] days]  
[Not Applicable]  
(*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent*)
24. Investor Put: [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount: [ ] per Calculation Amount  
  
(*NB: If the Optional Redemption Amount is other than a specified amount per Calculation Amount, the Notes will need to be Exempt Notes*)
- (c) Notice periods: [Minimum period: [15] days]  
[Maximum period: [30] days]

[Not Applicable]

*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*

25. Final Redemption Amount: [ ] per Calculation Amount

26. Early Redemption Amount payable on redemption for taxation reasons,[ on a Capital Disqualification Event][, on an MREL Disqualification Event] or on event of default: [ ] per Calculation Amount

27. Substitution and Variation: [Applicable/Not Applicable]

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

28. Form of Notes:

(a) Form: *(Delete as appropriate)*

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Notes upon an Exchange Event]

[Temporary Global Note exchangeable for definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for definitive Notes on 60 days' notice given at any time/only upon an Exchange Event]

*(N.B. The option for an issue of Notes to be represented on issue by a Temporary Global Note exchangeable for definitive Notes should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 5 includes language substantially to the following effect: "[100,000] and integral multiples of [1,000] in excess thereof up to and including [199,000]".)*

(b) [New Global Note: [Yes][No]]

29. Additional Financial Centre(s): [Not Applicable/give details]

*(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraph 15(c) relates)*

30. Talons for future Coupons to be attached to definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

**[THIRD PARTY INFORMATION]**

[[ ] has been extracted from [*specify source*]. [Each of the] [The] Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of [Alpha Credit Group] [Alpha Bank AE]: [Signed on behalf of [Alpha Bank AE]

By: ..... By: .....

Duly authorised Duly authorised]



## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange] *[specify other relevant regulated market and, if relevant, listing on an official list]* with effect from [ ].]

*(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*

- (ii) Estimate of total expenses [ ] related to admission to trading:

### 2. RATINGS

Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated:

*[insert details]* by *[insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms]*.

[Each of *[defined terms]* is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”).]

[The Notes to be issued have not been rated.]

*[Include a brief explanation of the ratings if this has previously been published by the rating provider.]*

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business - *Amend as appropriate if there are other interests.*]

*[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)]*

### 4. YIELD (*Fixed Rate Notes only*)

Indication of yield: ☐ [Not Applicable]

**5. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

(i) Reasons for the offer: [See [*“Use of Proceeds”*] in the Base Prospectus/*give details*]

(ii) Estimated net proceeds: ☐ ☐

**6. OPERATIONAL INFORMATION**

(i) ISIN: ☐ ☐

(ii) Common Code: ☐ ☐

(iii) CFI Code: [[ ☐ ], as updated as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(iv) FISN: [[ ☐ ], as updated as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(v) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A., the relevant identification number(s) and address(es): [Not Applicable/*give name(s), number(s) and address(es)*]

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

(vii) Names and addresses of additional Paying Agent(s) (if any): ☐ [Not Applicable]

(viii) Name of Alpha Bank Noteholders Agent (if any): ☐ [Not Applicable]

(ix) [Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that

Eurosystem eligibility criteria have been met.]/

[No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the 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 will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

- |       |   |   |
|-------|---|---|
| (x)   | U.S. Selling Restrictions:                    | [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]  |
| (xi)  | Stabilisation Manager(s) (if any):            | [Not Applicable/ <i>give name</i> ]   |
| (xii) | Prohibition of Sales to EEA Retail Investors: | [Applicable/Not Applicable]<br><br><i>(If the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)</i> |

## FORM OF PRICING SUPPLEMENT

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS]** –The Notes are not intended to be offered, sold or otherwise made available 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 (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, 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 / target market]** – *[appropriate target market legend to be included]*

**[Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”) the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are [‘prescribed capital markets products’]/[‘capital markets products other than prescribed capital markets products’] (as defined in the CMP Regulations 2018) and [Excluded Investment Products]/[Specified Investment Products] (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

## EXEMPT NOTES OF ANY DENOMINATION

*Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes, whatever the denomination of those Notes, issued under the Programme.*

Pricing Supplement dated [ ]

**[ALPHA CREDIT GROUP PLC (the “Issuer”) [(acting through its [ ] branch) (the “Issuing Branch”)]/**

**ALPHA BANK AE (the “Issuer”) [(acting through its [ ] branch) (the “Issuing Branch”)]**

**[Legal entity identifier (LEI): [213800WG74FXL1U9VL15/5299009N55YRQC69CN08]]**

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

under the EUR 15,000,000,000 Euro Medium Term Note Programme

**[guaranteed by ALPHA BANK AE (the “Guarantor”) [(acting through its [ ] branch) (the “Guaranteeing Branch”)]**

## PART A – CONTRACTUAL TERMS

[Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 8 of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.]

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Base Prospectus dated 15 November 2019 [as supplemented by the supplement[s] dated [date[s]]] (the “**Base Prospectus**”). Full information on the Issuer [, the Guarantor] and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus. Copies of the Base Prospectus may be obtained from [address].

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Base Prospectus [dated [30 May 2012] which are incorporated by reference in the Base Prospectus dated 15 November 2019].

*[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Pricing Supplement.]*

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

1.
  - (a) Series Number: [    ]
  - (b) Tranche Number: [    ]
  - (c) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with [Provide issue amount/ISIN/maturity date/issue date of earlier Tranches] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 29(a) below, which is expected to occur on or about [date]] [Not Applicable]
2. Specified Currency or Currencies: [    ]
3. Aggregate Nominal Amount:
  - (a) Series: [    ]
  - (b) Tranche: [    ]
4. Issue Price: [    ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
5.
  - (a) Specified Denominations: [    ]
  - (b) Calculation Amount: [    ]  
*(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
6.
  - (a) Issue Date: [    ]

- (b) Interest Commencement Date: [specify/Issue Date/Not Applicable]  
*(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
7. Maturity Date: [Specify date or for Floating rate notes - Interest Payment Date falling in or nearest to [specify month and year]]  
*(N.B. in the case of Tier 2 Notes this must be at least five years after the Issue Date)*  
*(N.B. If the Maturity Date is less than one year from the Issue Date, any Notes issued by Alpha PLC must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to professional investors (or another applicable exception from section 19 of the Financial Services and Markets Act 2000 must be available).)*
8. Interest Basis: [[ ] per cent. Fixed Rate]  
 [Reset Notes]  
 [[[ ] month [LIBOR/EURIBOR/ROBOR]] +/- [ ] per cent. Floating Rate]  
 [Zero Coupon]  
 [Index Linked Interest]  
 [specify other]  
 (further particulars specified below)
9. Redemption Basis: [Redemption at par]  
 [Index Linked Redemption]  
 [specify other]
10. Change of Interest Basis or Redemption/Payment Basis: [Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 13 and 14 below and identify there] [Not Applicable]
11. Put/Call Options: [Not Applicable]  
 [Investor Put]  
 [Issuer Call]  
 [(further particulars specified below)]
12. (a) Status of the Notes: [Senior Preferred Liquidity Notes/Senior Preferred Notes/Senior Non-Preferred Notes/Tier 2 Notes]
- (b) Date [Board] approval for issuance of Notes [and Guarantee] obtained: [[ ] [and [ ], respectively]] [Not Applicable]  
*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)*

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Note Provisions: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Rate(s) of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear] on each Interest Payment Date
- (b) Interest Payment Date(s): [ ] in each year up to and including the Maturity Date
- (c) Fixed Coupon Amount(s): [ ] per Calculation Amount  
*(Applicable to Notes in definitive form)*
- (d) Broken Amount(s): [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]  
*(Applicable to Notes in definitive form)*
- (e) Day Count Fraction: [Actual/Actual (ICMA)  
30/360 or 360/360 or Bond Basis  
30E/360 or Eurobond Basis  
30E/360 (ISDA)]
- (f) Determination Date(s): [[ ] in each year][Not Applicable]  
*(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon).*
- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes which are Exempt Notes: [None/Give details]
14. Floating Rate Note Provisions: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Specified Period(s)/Specified Interest Payment Dates: [ ], subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify

- other*][Not Applicable]
- (c) Additional Business Centre(s): [ ] [Not Applicable]
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/*specify other*]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ] [Not Applicable]
- (f) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: [ ] month [LIBOR/EURIBOR/ROBOR/*specify other Reference Rate*] (*Either LIBOR, EURIBOR, ROBOR or other, although additional information is required if other, including fallback provisions in the Agency Agreement.*)
  - Interest Determination Date(s): [ ]  
(*Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR, the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR and the second Bucharest business day prior to the start of each Interest Period if ROBOR.*)
  - Relevant Screen Page: [ ]  
(*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
- (g) ISDA Determination: [Applicable/Not Applicable]
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (N.B. The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR, EURIBOR and/or ROBOR which, depending on market circumstances, may not be available at the relevant time)*
- (h) Linear Interpolation: [Not Applicable/Applicable - the Rate of Interest for the



[long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)

- (i) Margin(s): [ +/- ] [ ] per cent. per annum
  - (j) Minimum Rate of Interest: [Applicable/Not Applicable/[ ] per cent. per annum]
  - (k) Maximum Rate of Interest: [Applicable/Not Applicable/[ ] per cent. per annum]
  - (l) Day Count Fraction: [Actual/365 or Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/360  
30/360 or 360/360 or Bond Basis  
30E/360 or Eurobond basis  
30E/360 (ISDA)]
  - (m) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes which are Exempt Notes, if different from those set out in the Conditions: [ ]
15. Reset Note Provisions: [Applicable/Not Applicable]
- (a) Initial Rate of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear on each Interest Payment Date]
  - (b) First Margin: [ +/- ] [ ] per cent. per annum
  - (c) Subsequent Margin: [ +/- ] [ ] per cent. per annum [Not Applicable]
  - (d) Interest Payment Date(s): [ ] [and [ ]] in each year up to and including the Maturity Date
  - (e) Fixed Coupon Amount to (but excluding) the First Reset Date:  
(*Applicable to Notes in definitive form*) [ ] per Calculation Amount
  - (f) Broken Amount(s): [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]  
(*Applicable to Notes in definitive form*)
  - (g) First Reset Date: [ ]
  - (h) Second Reset Date: [ ]/[Not Applicable]

- (i) Subsequent Reset Date(s): [ ] [and [ ]] [Not Applicable]
- (j) Relevant Screen Page: [ ]
- (k) Reset Reference Rate: [Mid-Swap Rate/CMT Rate/Reference Bond]
- (l) Mid-Swap Rate: [Single Mid-Swap Rate/Mean Mid-Swap Rate]
- (m) Mid-Swap Floating Leg Frequency: [ ]
- (n) First Reset Period Fallback Yield: [ ]/[Not Applicable]  
*(Only applicable where the Reset Reference Rate is CMT Rate or Reference Bond)*
- (o) Fallback Relevant Time [ ]/[Not Applicable]  
*(Only applicable where the Reset Reference Rate is CMT Rate)*
- (p) Benchmark Frequency: [ ]
- (q) Day Count Fraction: [Actual/Actual (ICMA)  
30/360 or 360/360 or Bond Basis  
30E/360 or Eurobond Basis  
30E/360 (ISDA)]
- (r) Determination Date(s): [[ ] in each year][Not Applicable]  
*(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon).*
- (s) Business Centre(s): [ ]
- (t) Calculation Agent: [ ]
- (u) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Reset Notes which are Exempt Notes, if different from those set out in the Conditions: [ ]
16. Zero Coupon Note Provisions: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (a) Accrual Yield: [ ] per cent. per annum
- (b) Reference Price: [ ]
- (c) Any other formula/basis of determining amount payable for Zero Coupon Notes which are Exempt Notes: [ ]
- (d) Day Count Fraction in relation to Early Redemption Amounts: [30/360]  
[Actual/360]  
[Actual/365]
- 17. Benchmark Replacement: [Applicable/Not Applicable]
- 18. Extended Gross-Up (Condition 11): [Applicable/Not Applicable]
- 19. Index Linked Interest Note: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
  - (a) Index/Formula: [give or annex details]
  - (b) Calculation Agent: [give name]
  - (c) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): [ ]
  - (d) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
  - (e) Specified Period(s)/Specified Interest Payment Dates: [ ]
  - (f) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/specify other]
  - (g) Additional Business Centre(s): [ ]
  - (h) Minimum Rate of Interest: [[ ] per cent. per annum/Not Applicable]
  - (i) Maximum Rate of Interest: [[ ] per cent. per annum/Not Applicable]
  - (j) Day Count Fraction: [ ]

## PROVISIONS RELATING TO REDEMPTION

20. Condition 7(b)(iii) (*Proceeds On-Loan Tax Call*): [Applicable/Not Applicable]
21. Condition 7(c) (*Capital Disqualification Event*): [Applicable/Not Applicable]
22. Condition 7(d) (*MREL Disqualification Event*): [Applicable/Not Applicable]
23. Notice periods for Condition 7(b) [and Condition 7(c)/Condition 7(d)]: [Minimum period: [30] days]  
[Maximum period: [60] days]  
[Not Applicable]
24. Issuer Call: [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount: [ ] per Calculation Amount
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [[ ] per Calculation Amount] [Not Applicable]
- (ii) Maximum Redemption Amount: [[ ] per Calculation Amount] [Not Applicable]
- (d) Notice periods: [Minimum period: [15] days]  
[Maximum period: [30] days]  
[Not Applicable]  
(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)
25. Investor Put: [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount and method, if any, of calculation [ ] per Calculation Amount

of such amount (s):

- (c) Notice periods: [Minimum period: [15] days]  
[Maximum period: [30] days]  
[Not Applicable]  
*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
26. Final Redemption Amount: [ ] per Calculation Amount/specify other
27. Early Redemption Amount payable on redemption for taxation reasons[, on a Capital Disqualification Event][, on an MREL Disqualification Event] or on event of default and/or the method of calculating the same (if required): [ ] per Calculation Amount/specify other  
*(N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)*
28. Substitution and Variation: [Applicable/Not Applicable]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

29. Form of Notes:
- (a) Form: *(Delete as appropriate)*
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Notes upon an Exchange Event]
- [Temporary Global Note exchangeable for definitive Notes on and after the Exchange Date]
- [Permanent Global Note exchangeable for definitive Notes upon an Exchange Event]
- (N.B. The option for an issue of Notes to be represented on issue by a Temporary Global Note exchangeable for definitive Notes should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 5 includes language substantially to the following effect: "[●] and integral multiples of [●] in excess thereof up to and including [●]".)*
- (b) [New Global Note: [Yes][No]]

30. Additional Financial Centre(s): [Not Applicable/give details]  
*(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraph 14(c) relates)*
31. Talons for future Coupons to be attached to definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

## RESPONSIBILITY

[Each of the] [The] Issuer [and the Guarantor] accept[s] responsibility for the information contained in this Pricing Supplement. [[*Relevant third party information*] has been extracted from [*specify source*]. [Each of the] [The] Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of [Alpha Credit Group] [Alpha Bank AE] [Signed on behalf of [Alpha Bank AE]  
 Bank AE]:

By: ..... By: .....

Duly authorised Duly authorised]

## PART B – OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING** [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the Luxembourg Stock Exchange's Euro MTF Market and listed on the official list of the Luxembourg Stock Exchange] *[other]* with effect from [ ].]

[Not Applicable]

2. **RATINGS**

Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated:

*[insert details] by [insert the legal name of the relevant credit rating agency entity(ies)].*

*[The above disclosure is only required if the ratings of the Notes are different from those stated in the Base Prospectus.]*

*[Include a brief explanation of the ratings if this has previously been published by the rating provider.]*

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

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business - *Amend as appropriate if there are other interests.*]

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

Indication of yield: [ ] [Not Applicable]

5. **PERFORMANCE OF INDEX/FORMULA AND OTHER INFORMATION CONCERNING THE UNDERLYING (*INDEX-LINKED NOTES ONLY*)**

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

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

The Issuer [intends to provide post-issuance information *[specify what information will be reported and*

where it can be obtained]] [does not intend to provide post-issuance information].

## 6. REASONS FOR THE OFFER

- (i) Reasons for the offer: [See [*“Use of Proceeds”*] in the Base Prospectus/*give details*]

## 7. OPERATIONAL INFORMATION

- (i) ISIN: [ ]
- (ii) Common Code: [ ]
- (iii) CFI Code: [[ ], as updated as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (iv) FISN: [[ ], as updated as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (v) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A., the relevant identification number(s) and address(es): [Not Applicable/*give name(s), number(s) and address(es)*]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): [ ]/[Not Applicable]
- (viii) Name of Alpha Bank Noteholders Agent (if any): [ ]/[Not Applicable]
- (ix) [Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/



[No. Whilst the designation is specified as “no” at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the 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 will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

## 8. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/*give names*]
- (iii) Stabilisation Manager(s) (if any): [Not Applicable/*give name*]
- (iv) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (v) U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
- (vi) Additional selling restrictions: [Not Applicable/*give details*]  
  
*(Additional selling restrictions are only likely to be relevant for certain structured Notes, such as commodity-linked Notes)*
- (vii) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]  
  
*(If the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Notes may constitute “packaged” products, “Applicable” should be specified.)*

## TERMS AND CONDITIONS OF THE NOTES

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

This Note is one of a Series of notes issued by the Issuer specified as such in the applicable Final Terms or the Drawdown Prospectus (as the case may be) (as defined below), being either Alpha Credit Group PLC (“**Alpha PLC**”) or Alpha Bank AE (“**Alpha Bank**”), acting through its Issuing Branch (as specified in the applicable Final Terms (as defined below)) (together the “**Issuers**”), the notes of such Series being hereinafter called the “**Notes**”, which expression shall mean (i) in relation to any Notes represented by a global Note, units of each Specified Denomination in the Specified Currency, (ii) definitive Notes issued in exchange for a global Note and (iii) any global Note, each as issued in accordance with an amended and restated Fiscal Agency Agreement (the “**Agency Agreement**”, which expression shall include any amendments or supplements thereto) dated 15 November 2019 and made between the Alpha PLC, Alpha Bank and Citibank, N.A., London Branch in its capacity as Issuing and Principal Paying Agent (the “**Agent**”, which expression shall include any successor to Citibank, N.A., London Branch in its capacity as such) and the other Paying Agents named therein (the “**Paying Agents**”, which expression shall include the Agent and any substitute or additional Paying Agents appointed in accordance with the Agency Agreement).

The Notes and the Coupons (each as defined below) have the benefit of an amended and restated deed of covenant (the “**Deed of Covenant**”, which expression shall include any amendments or supplements thereto) dated 15 November 2019 executed by the Issuers in relation to the Notes. The original Deed of Covenant is held by the common depositary for Euroclear and Clearstream, Luxembourg (each as defined below).

Notes issued by Alpha PLC are the subject of a deed of guarantee (the “**Guarantee**”) dated 15 November 2019 (as amended or supplemented from time to time, the “**Deed of Guarantee**”) entered into by Alpha Bank (in such capacity, the “**Guarantor**”).

Interest bearing definitive Notes will (unless otherwise indicated in the applicable Final Terms or the Drawdown Prospectus (as the case may be)) have interest coupons (“**Coupons**”) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (“**Talons**”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons.

The applicable Final Terms or the Drawdown Prospectus (as the case may be) for this Note (or the relevant provisions thereof) is attached hereto or endorsed hereon or, if this Note is a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under Regulation (EU) 2017/1129 (an “**Exempt Note**”), the final terms (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions (the “**Conditions**”), replace or modify the Conditions for the purposes of this Note. Supplements to these Conditions and the Drawdown Prospectus (if applicable) for this Note may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Note. References herein to “**applicable Final Terms or the Drawdown Prospectus (as the case may be)**” are to the Final Terms or the Drawdown Prospectus (as the case may be) attached hereto or endorsed hereon. Any reference in the Conditions to “**applicable Final Terms**” shall be deemed to include a reference to applicable Pricing Supplement where relevant.

The applicable Final Terms or the Drawdown Prospectus (as the case may be) for each Tranche of Notes will state in particular whether this Note is (i) a senior preferred liquidity Note (a “**Senior Preferred Liquidity Note**”), (ii) a senior preferred Note (a “**Senior Preferred Note**”), (iii) a senior non-preferred Note (a “**Senior Non-Preferred Note**”) or (iv) a tier 2 Note (a “**Tier 2 Note**”). Senior Preferred Notes and Senior Non-Preferred Notes may only be issued by Alpha Bank.

In the case of an issue of Notes by Alpha Bank to which articles 59 to 74 (inclusive) of Law 4548/2018 and article 14 of Law 3156/2003 shall apply (together, the “**Greek Bond Laws**”) and for the purposes of which the appointment of an Alpha Bank Noteholders Agent (as defined below) is required (if so), as per the Greek Bond Laws (the “**Alpha Bank Notes**”), Alpha Bank shall appoint an agent of the holders of Alpha Bank Notes (the “**Alpha Bank Noteholders Agent**”) in accordance with Condition 18 of the Notes below.

As used herein, “**Tranche**” means Notes which are identical in all respects (including as to listing) and “**Series**” means a Tranche of Notes together with any further Tranche or Tranches of Notes which (i) are expressed to be consolidated and form a single series and (ii) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Any reference to “**Noteholders**” or “**holders**” in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a global Note, be construed as provided below. Any reference to “**Alpha Bank Noteholders**” in relation to any Notes shall mean the holders of Alpha Bank Notes, and shall, in relation to any Notes represented by a global Note, be construed as provided below. Any reference herein to “**Couponholders**” shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Guarantee and are subject to their detailed provisions. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant, the Deed of Guarantee and the applicable Final Terms or the Drawdown Prospectus (as the case may be) which are applicable to them. Copies of the Agency Agreement, the Deed of Covenant and the Deed of Guarantee are available for inspection and copies of the applicable Final Terms or the Drawdown Prospectus (as the case may be) may be obtained during normal business hours at the specified office of each of the Agent and the other Paying Agents and, in the case of an issue of Alpha Bank Notes, of the Alpha Bank Noteholders Agent, save that, if this Note is an unlisted Note of a Series, the applicable Final Terms or the Drawdown Prospectus (as the case may be) may only be obtained by a Noteholder holding one or more unlisted Notes of any Series and such Noteholder must produce evidence satisfactory to the relevant Paying Agent as to its holding of Notes and as to identity. If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange,

the applicable Final Terms or the Drawdown Prospectus (as the case may be) will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

If this Note is an Exempt Note, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the relevant Issuer and the relevant Agent as to its holding of such Notes and identity.

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

In these Conditions, “euro” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, and “RON” means Romanian New Lei.

## 1. Form, Denomination and Title

The Notes are in bearer form in the currency (“**Specified Currency**”) and the denominations (the “**Specified Denomination(s)**”) as specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be) and, in the case of definitive Notes, serially numbered. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

Unless this Note is an Exempt Note, this Note may (i) bear interest calculated by reference to one or more fixed rates of interest (such Note, a “**Fixed Rate Note**”), (ii) bear interest calculated by reference to, in the case of an initial period, an initial fixed rate of interest and, thereafter, the applicable fixed rate of interest that has been determined pursuant to the reset provisions contained in these Conditions (such Note, a “**Reset Note**”), (iii) bear interest calculated by reference to one or more floating rates of interest (such Note, a “**Floating Rate Note**”), (iv) be issued on a non-interest bearing basis and be offered and sold at a discount to its nominal amount (such Note, a “**Zero Coupon Note**”) or (v) have an interest rate determined on the basis of a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms or the Drawdown Prospectus (as the case may be).

If this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Reset Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

If this Note is an Exempt Note, this Note may also be an Index Linked Redemption Note, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

This Note may be a Senior Preferred Liquidity Note, a Senior Preferred Note, a Senior Non-Preferred Note or a Tier 2 Note depending upon the Status of the Notes shown in the applicable Final Terms or the Drawdown Prospectus (as the case may be).

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

Subject as set out below, title to the Notes and Coupons will pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the Issuer and any Paying Agent shall (subject as provided below) be entitled to deem and treat (and no such person will be liable for so deeming and treating) the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and

notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a global Note held on behalf of Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the relevant Issuer and/or the Guarantor, if applicable, the Agent, any other Paying Agent and, in the case of an issue of Alpha Bank Notes, the Alpha Bank Noteholders Agent as the holder of such nominal amount of Notes for all purposes other than with respect to the payment of principal or interest on such Notes, for which purpose the bearer of the relevant global Note shall be treated by the relevant Issuer and/or the Guarantor, if applicable, the Agent, any other Paying Agent and, in the case of an issue of Alpha Bank Notes, the Alpha Bank Noteholders Agent as the holder of such nominal amount of Notes in accordance with and subject to the terms of the relevant global Note (and the expressions “**Noteholder**”, “**holder of Notes**”, “**Alpha Bank Noteholders**” and related expressions shall be construed accordingly). Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the relevant Issuer and/or the Guarantor, if applicable, and the Agent and specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be).

**2. Status of the Senior Preferred Liquidity Notes and Senior Preferred Notes and the Guarantee in respect of Senior Preferred Liquidity Notes issued by Alpha PLC; No Set-off (Senior Preferred Notes)**

- (a) This Condition 2 only applies to Notes which are specified as Senior Preferred Liquidity Notes or, in the case of Notes issued by Alpha Bank only, Senior Preferred Notes in the applicable Final Terms or the Drawdown Prospectus (as the case may be). Condition 2(c) applies to Senior Preferred Notes only. References in this Condition 2 to “**Notes**”, “**Coupons**” and “**holders**” shall be construed accordingly.
- (b) The Notes and any relative Coupons constitute direct, unconditional, unsubordinated and (subject, in the case of Senior Preferred Liquidity Notes only, to the provisions of Condition 5) unsecured obligations of the Issuer which will at all times rank: (A) *pari passu* without any preference among themselves; (B) at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for such obligations as may be preferred (with a higher ranking) by mandatory provisions of applicable law) in terms of ranking compared with the Notes; and (C) in priority to Issuer Junior Liabilities (to Senior Preferred).

“**Additional Tier 1 Capital**” has the meaning given to it by the Relevant Regulator from time to time.

“**Issuer Junior Liabilities (to Senior Preferred)**” means present and future claims in respect of any obligations of the Issuer which rank or are expressed to rank junior to the Notes including (without limitation) in respect of (A) any Senior Non-Preferred Liabilities (as defined below) (in the case of Notes issued by Alpha Bank only), (B) any Tier 2 Notes issued by the Issuer (and all other present and future unsecured obligations of the Issuer which rank or are expressed to rank *pari passu* with any Tier 2 Notes issued by the Issuer), (C) any Additional Tier 1 Capital issued by the Issuer (and all other

present and future unsecured obligations of the Issuer which rank or are expressed to rank *pari passu* with any Additional Tier 1 Capital issued by the Issuer) and (D) the share capital of the Issuer.

**“Senior Non-Preferred Liabilities”** means (in the case of Notes issued by Alpha Bank only) any present and future claims in respect of unsubordinated and unsecured obligations of Alpha Bank which meet the requirements of article 145A paragraph 1.a of Greek law 4261/2014 (introduced by virtue of article 104 of Law 4583/2018), as applicable, or which rank by law or are expressed to rank *pari passu* with such claims (including, but not limited to, the unsubordinated and unsecured obligations of Alpha Bank under debt instruments issued prior to 18 December 2018 (being the date of introduction of paragraph 1.a in article 145A (introduced by virtue of article 104 of Law 4583/2018) of Greek law 4261/2014)).

- (c) Subject to applicable law, no holder of any Senior Preferred Notes 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 Senior Preferred Notes or thereto, and each holder shall, by virtue of its subscription, purchase or holding of any Senior Preferred Note, be deemed to have waived irrevocably 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 holder arising under or in connection with the Senior Preferred Notes; and (z) any amount owed to the Issuer by such holder, such holder will immediately transfer such amount which is set off to the Issuer or, in the event of its special liquidation in the sense of article 145 of Greek law 4261/2014, winding up or dissolution, the special liquidator, administrator or other relevant insolvency official of the Issuer, to be held on trust for or on behalf and in the name of (as applicable) the Senior Creditors of the Issuer (to Senior Preferred) (as defined below).

**“Senior Creditors of the Issuer (to Senior Preferred)”** means creditors of the Issuer who are unsubordinated creditors of the Issuer whose claims rank or are expressed to rank in priority (including creditors in respect of obligations that may rank higher in priority by mandatory provisions of applicable law) to the claims of the holders of Senior Preferred Liquidity Notes and Senior Preferred Notes (whether only in the winding-up or special liquidation in the sense of article 145 of Greek law 4261/2014 of the Issuer or otherwise).

- (d) This Condition 2(d) only applies to Senior Preferred Liquidity Notes issued by Alpha PLC.

The obligations of the Guarantor under the Guarantee constitute direct, general, unconditional and preferred obligations of the Guarantor which will at all times rank: (i) *pari passu* with all present and future preferred obligations of the Guarantor under article 145A, paragraph 1(i) of law 4261/2014 and with lower priority to all present and future preferred obligations of the Guarantor under article 145A, paragraph 1 of law 4261/2014; (ii) in priority to Senior Non-Preferred Notes issued by it; and (iii) in priority to Guarantor Junior Liabilities (to Senior Preferred).

**“Guarantor Junior Liabilities (to Senior Preferred)”** means present and future claims in respect of any obligations of Alpha Bank which rank or are expressed to rank junior to its obligations under the Guarantee in respect of Senior Preferred Liquidity Notes issued by Alpha PLC including (without limitation) in respect of (A) any Senior Non-Preferred Liabilities, (B) any Tier 2 Notes issued by Alpha Bank (and all other present and future unsecured obligations of Alpha Bank which rank or are expressed to rank *pari passu* with any Tier 2 Notes issued by Alpha Bank), (C) any Additional Tier 1 Capital issued by Alpha Bank (and all other present and future unsecured obligations of Alpha Bank which rank or are expressed to rank *pari passu* with any Additional Tier 1 Capital issued by Alpha Bank) and (D) the share capital of Alpha Bank.

### 3. Status of Senior Non-Preferred Notes; No Set-off

- (a) This Condition 3 only applies to Notes issued by Alpha Bank which are specified as Senior Non-Preferred Notes in the applicable Final Terms or the Drawdown Prospectus (as the case may be). References in this Condition 3 to “Notes”, “Coupons” and “holders” shall be construed accordingly.
- (b) The Notes and any relative Coupons are intended to constitute Senior Non-Preferred Liabilities and constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer which will at all times rank:
  - (1) *pari passu* without any preference among themselves;
  - (2) *pari passu* with all other Senior Non-Preferred Liabilities;
  - (3) in priority to Junior Liabilities (to Senior Non-Preferred) (as defined below); and
  - (4) junior to present and future obligations of the Issuer in respect of Senior Creditors of the Issuer (to Senior Non-Preferred Notes).

“**Junior Liabilities (to Senior Non-Preferred)**” means any present and future claims in respect of obligations of the Issuer which rank or are expressed to rank junior to the Notes, including (without limitation) in respect of (A) any Tier 2 Notes issued by the Issuer (and all other present and future unsecured obligations of the Issuer which rank or are expressed to rank *pari passu* with any Tier 2 Notes issued by the Issuer), (B) any Additional Tier 1 Capital issued by the Issuer (and all other present and future unsecured obligations of the Issuer which rank or are expressed to rank *pari passu* with any Additional Tier 1 Capital issued by the Issuer) and (C) the share capital of the Issuer.

“**Senior Creditors of the Issuer (to Senior Non-Preferred Notes)**” means creditors of the Issuer whose claims rank or are expressed to rank in priority to the claims of the holders of any Senior Non-Preferred Notes, including (without limitation) any Senior Creditors of the Issuer (to Senior Preferred) and the holders of any Senior Preferred Liquidity Notes and Senior Preferred Notes.

- (c) Subject to applicable law, no holder 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 holder shall, by virtue of its subscription, purchase or holding of any Note, be deemed to have waived irrevocably 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 holder arising under or in connection with the Notes; and (z) any amount owed to the Issuer by such holder, such holder will immediately transfer such amount which is set off to the Issuer or, in the event of its special liquidation in the sense of article 145 of Greek law 4261/2014, winding up or dissolution, the special liquidator, administrator or other relevant insolvency official of the Issuer, to be held on trust for or on behalf and in the name of (as applicable) the Senior Creditors of the Issuer (to Senior Non-Preferred Notes).

### 4. Status of Tier 2 Notes and the Guarantee in respect of Tier 2 Notes; No Set-off

- (a) This Condition 4 only applies to Notes which are specified as Tier 2 Notes in the applicable Final Terms or the Drawdown Prospectus (as the case may be). References in this Condition 4 to “Notes”, “Coupons” and “holders” shall be construed accordingly.
- (b) The Notes and any relative Coupons constitute direct, unsecured and subordinated obligations of the Issuer which will at all times rank *pari passu* without any preference among themselves.

The claims of the Noteholders will be subordinated to the claims of Senior Creditors of the Issuer (to Tier 2 Notes) (as defined below) in that, in the event of the winding up or (in the case of Notes issued

by Alpha Bank) special liquidation in the sense of article 145 of Greek law 4261/2014 of the Issuer, payments of principal and interest in respect of the Notes 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 at such time 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 (to Tier 2 Notes), which are due and payable.

**“Senior Creditors of the Issuer (to Tier 2 Notes)”** means creditors of the Issuer (a) who are unsubordinated creditors of the Issuer, or (b) who are subordinated creditors of the Issuer whose claims rank or are expressed to rank in priority to the claims of the holders of Tier 2 Notes (whether in the winding up or (in the case of Notes issued by Alpha Bank) special liquidation in the sense of article 145 of Greek law 4261/2014 of the Issuer or otherwise).

In the case of dissolution, liquidation, (in the case of Notes issued by Alpha Bank) special liquidation in the sense of article 145 of Greek law 4261/2014 and/or bankruptcy (as the case may be and to the extent applicable) of the Issuer, the holders will only be paid by the Issuer after all Senior Creditors of the Issuer (to Tier 2 Notes) have been paid in full and the holders irrevocably waive their right to be treated equally with all other unsecured, unsubordinated creditors of the Issuer in such circumstances. Where the Issuer is Alpha Bank, 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 Tier 2 Notes, creates rights for Senior Creditors of the Issuer (to Tier 2 Notes).

- (c) Subject to applicable law, no holder of any Notes 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 holder shall, by virtue of its subscription, purchase or holding of any Note, be deemed to have waived irrevocably 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 holder arising under or in connection with the Notes; and (z) any amount owed to the Issuer by such holder, such holder will immediately transfer such amount which is set off to the Issuer or, in the event of its winding up, dissolution or (in the case of Notes issued by Alpha Bank) special liquidation in the sense of article 145 of Greek law 4261/2014, the liquidator, (in the case of Notes issued by Alpha Bank) special liquidator, administrator or other relevant insolvency official of the Issuer, to be held on trust for or on behalf and in the name of (as applicable) the Senior Creditors of the Issuer (to Tier 2 Notes).
- (d) This Condition 4(d) only applies to Tier 2 Notes issued by Alpha PLC. References in this Condition 4(d) to **“Notes”** and **“holders”** shall be construed accordingly.

The obligations of the Guarantor under the Guarantee constitute direct, general and unsecured obligations of the Guarantor subordinated as provided below.

All claims under the Guarantee will be subordinated to the claims of Senior Creditors of the Guarantor (to Tier 2 Notes) (as defined below) in that, in the event of the winding up or special liquidation in the sense of article 145 of Greek law 4261/2014 of the Guarantor, payments under the Guarantee will be conditional upon the Guarantor being solvent at the time of payment by the Guarantor and in that no amount shall be payable under the Guarantee at such time except to the extent that the Guarantor could make such payment and still be solvent immediately thereafter. For this purpose, the Guarantor shall be considered to be solvent if it can pay principal and interest in respect of the Notes and still be able to pay its outstanding debts to Senior Creditors of the Guarantor (to Tier 2 Notes), which are due and payable.



**“Senior Creditors of the Guarantor (to Tier 2 Notes)”** means creditors of the Guarantor (a) who are unsubordinated creditors of the Guarantor, or (b) who are subordinated creditors of the Guarantor whose claims are expressed to rank in priority to the claims of the holders of the Tier 2 Notes under the Guarantee (whether in the winding up or special liquidation in the sense of article 145 of Greek law 4261/2014 of the Guarantor or otherwise).

In the case of dissolution, liquidation, special liquidation in the sense of article 145 of Greek law 4261/2014 and/or bankruptcy (as the case may be and to the extent applicable) of the Guarantor, the holders will only be paid by the Guarantor after all Senior Creditors of the Guarantor (to Tier 2 Notes) have been paid in full and the holders irrevocably waive their right to be treated equally with all other unsecured, unsubordinated creditors of the Guarantor in such circumstances. 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 Tier 2 Notes, creates rights for Senior Creditors of the Guarantor (to Tier 2 Notes).

Subject to applicable law, no holder of any Notes may exercise or claim any right of set-off in respect of any amount owed to it by the Guarantor arising under or in connection with the Guarantee, and each holder shall, by virtue of its subscription, purchase or holding of any Note, be deemed to have waived irrevocably 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 Guarantor to a holder arising under or in connection with the Guarantee; and (z) any amount owed to the Guarantor by such holder, such holder will immediately transfer such amount which is set off to the Guarantor or, in the event of its special liquidation in the sense of article 145 of Greek law 4261/2014, winding up or dissolution, the special liquidator, administrator or other relevant insolvency official of the Guarantor, to be held on trust for or on behalf and in the name of (as applicable) the Senior Creditors of the Guarantor (to Tier 2 Notes).

## **5. Negative Pledge**

This Condition 5 shall apply only to Senior Preferred Liquidity Notes and references to **“Notes”** and **“Noteholders”** shall be construed accordingly.

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

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

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

## 6. Interest

### (a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be) at the rate(s) per annum equal to the Rate(s) of Interest so specified payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date so specified if that does not fall on an Interest Payment Date.

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

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

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

- (i) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (ii) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

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

In this Condition 6(a):

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

- (A) if **“Actual/Actual (ICMA)”** is so specified, this means:
  - (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the

product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(b) where the Calculation Period is longer than one Regular Period, the sum of:

(X) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(Y) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(B) if “**30/360**” or “**360/360**” or “**Bond Basis**” is so specified, means the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

(C) if “**30E/360**” or “**Eurobond Basis**” is so specified, means:

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

In these Conditions:

“**Calculation Amount**” will be as specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be);

“**Regular Period**” means:

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

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

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

(b) ***Interest on Reset Notes***

(i) ***Rates of Interest and Interest Payment Dates***

Each Reset Note bears interest:

- (A) from (and including) the Interest Commencement Date specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be) to (but excluding) the First Reset Date at the rate per annum equal to the Initial Rate of Interest;
- (B) from (and including) the First Reset Date to (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be), the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and
- (C) if applicable, from (and including) the Second Reset Date to (but excluding) the first Subsequent Reset Date (if any), and each successive period from (and including) any Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date (if any) or the Maturity Date, as the case may be (each a “**Subsequent Reset Period**”) at the rate per annum equal to the relevant Subsequent Reset Rate of Interest,

(in each case rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) payable, in each case, in arrear on the Interest Payment Date(s) in each year and on the Maturity Date so specified if that does not fall on an Interest Payment Date.

The Rate of Interest and the amount of interest (the “**Interest Amount**”) payable shall be determined by the Calculation Agent, (A) in the case of the Rate of Interest, at or as soon as practicable after each time at which the Rate of Interest is to be determined, and (B) in the case of the Interest Amount in accordance with the provisions for calculating amounts of interest in Condition 6(a) and, for such purposes, references in the fourth paragraph of Condition 6(a) to “Fixed Rate Notes” shall be deemed to be to “Reset Notes” and Condition 6(a) shall be construed accordingly.

In these Conditions:

“**Fallback Relevant Time**” has the meaning specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be);

“**First Margin**” means the margin specified as such in the applicable Final Terms or the Drawdown Prospectus (as the case may be);

**“First Reset Date”** means the date specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be);

**“First Reset Period”** means the period from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be), the Maturity Date;

**“First Reset Period Fallback Yield”** means the yield specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be);

**“First Reset Rate of Interest”** means, in respect of the First Reset Period and subject to Condition 6(b)(ii) (if applicable), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum, converted from a basis equivalent to the Benchmark Frequency specified in the applicable Final Terms to a basis equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (such calculation to be determined by the Issuer in conjunction with a leading financial institution selected by it), of (A) the relevant Reset Reference Rate and (B) the First Margin;

**“H.15(519)”** means the weekly statistical release designated as H.15(519), or any successor publication, published by the board of governors of the Federal Reserve System at <https://www.federalreserve.gov/releases/H15> or such other page, section, successor site or publication as may replace it;

**“Initial Rate of Interest”** has the meaning specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be);

**“Mid-Market Swap Rate”** means, for any Reset Period, the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the Benchmark Frequency specified in the applicable Final Terms or Drawdown Prospectus (as the case may be) (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Floating Leg Frequency (as specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be)) (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Calculation Agent);

**“Mid-Market Swap Rate Quotation”** means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

**“Mid-Swap Floating Leg Benchmark Rate”** means EURIBOR if the Specified Currency is euro, ROBOR if the Specified Currency is RON or LIBOR for the Specified Currency if the Specified Currency is not euro;

**“Rate of Interest”** means the Initial Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as applicable;

**“Reference Bank Rate”** means, in relation to a Reset Period and the Reset Determination Date in relation to such Reset Period, the rate (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards))

determined on the basis of the Reference Bond Quotations provided by the Reference Banks to the Calculation Agent at:

- (i) if CMT Rate is specified as the Reset Reference Rate in the applicable Final Terms or the Drawdown Prospectus (as the case may be), the Fallback Relevant Time; or
- (ii) if Reference Bond is specified as the Reset Reference Rate in the applicable Final Terms or the Drawdown Prospectus (as the case may be), approximately 11.00 a.m. in the principal financial centre of the Specified Currency,

in each case on such Reset Determination Date. If at least three such Reference Bond Quotations are provided, the Reference Bank Rate will be the arithmetic mean (rounded as aforesaid) of the Reference Bond Quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two Reference Bond Quotations are provided, the Reference Bank Rate will be the arithmetic mean (rounded as aforesaid) of the Reference Bond Quotations provided. If fewer than two Reference Bond Quotations are provided, the Reference Bank Rate for the relevant Reset Period will be (a) in the case of each Reset Period other than the First Reset Period, the Reference Bank Rate in respect of the immediately preceding Reset Period or (b) in the case of the First Reset Period, the First Reset Period Fallback Yield;

**“Reference Banks”** means:

- (i) if Mid-Swap Rate is specified as the Reset Reference Rate in the applicable Final Terms or the Drawdown Prospectus (as the case may be), the principal office in the principal financial centre of the Specified Currency of four major banks in the swap, money, securities or other market most closely connected with the relevant Reset Reference Rate as selected by the Issuer on the advice of an investment bank of international repute;
- (ii) if CMT Rate is specified as the Reset Reference Rate in the applicable Final Terms or the Drawdown Prospectus (as the case may be), the principal office in New York City of five major banks which are primary U.S. Treasury Securities dealers or market makers in pricing corporate bond issues denominated in U.S. dollars as selected by the Issuer on the advice of an investment bank of international repute; or
- (iii) if Reference Bond is specified as the Reset Reference Rate in the applicable Final Terms or the Drawdown Prospectus (as the case may be), the principal office in the principal financial centre of the Specified Currency of four major banks which are primary government securities dealers or market makers in pricing corporate bond issues denominated in the Specified Currency as selected by the Issuer on the advice of an investment bank of international repute;

**“Reference Bond”** means, in relation to any Reset Period, a government security or securities issued by the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be Germany), as selected by the Issuer on the advice of an investment bank of international repute, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to such Reset Period;

**“Reference Bond Quotation”** means, in relation to a Reference Bank and a Reset Determination Date:

- (i) if CMT Rate is specified as the Reset Reference Rate in the applicable Final Terms or the Drawdown Prospectus (as the case may be), the rate, as determined by the Calculation Agent, as being a yield-to-maturity based on the arithmetic mean of the secondary market bid prices of such Reference Bank for the relevant Reset U.S. Treasury Securities at approximately the Fallback Relevant Time on such Reset Determination Date; or
- (ii) if Reference Bond is specified as the Reset Reference Rate in the applicable Final Terms or the Drawdown Prospectus (as the case may be), the arithmetic mean, as determined by the Calculation Agent, of the bid and offered yields for the relevant Reference Bond provided to the Calculation Agent by such Reference Bank at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date;

**“Reset Business Day”** means 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 any Business Centre specified in the applicable Final Terms of Drawdown Prospectus (as the case may be);

**“Reset Date”** means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable);

**“Reset Determination Date”** means, in respect of the First Reset Period, the second Reset Business Day prior to the First Reset Date, in respect of the first Subsequent Reset Period, the second Reset Business Day prior to the Second Reset Date and, in respect of each Subsequent Reset Period thereafter, the second Business Day prior to the first day of each such Subsequent Reset Period;

**“Reset Period”** means the First Reset Period or a Subsequent Reset Period, as the case may be;

**“Reset Reference Rate”** means, in relation to a Reset Determination Date and subject to Condition 6(b)(ii) (if applicable), either:

- (i) if Mid-Swap Rate is specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be):
  - (A) if Single Mid-Swap Rate is specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be), the rate for swaps in the Specified Currency:
    - (1) with a term equal to the relevant Reset Period; and
    - (2) commencing on the relevant Reset Date,
 which appears on the Relevant Screen Page or such replacement page on that service which displays the information; or
  - (B) if Mean Mid-Swap Rate is specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be), the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency;



- (1) with a term equal to the relevant Reset Period; and
- (2) commencing on the relevant Reset Date,

which appear on the Relevant Screen Page or such replacement page on that service which displays the information,

in either case, as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent;

- (ii) if CMT Rate is specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be) and if the Specified Currency is U.S. dollars, the rate which is equal to:
  - (A) the yield for U.S. Treasury Securities at “constant maturity” for a designated maturity which is equal or comparable to the duration of the relevant Reset Period, as published in the H.15(519) under the caption “treasury constant maturities (nominal)”, as that yield is displayed on such Reset Determination Date, on the Relevant Screen Page; or
  - (B) if the yield referred to in paragraph (A) above is not published by approximately 4.00 p.m. New York City time on the Relevant Screen Page on such Reset Determination Date, the yield for the U.S. Treasury Securities at “constant maturity” for a designated maturity which is equal or comparable to the duration of the relevant Reset Period as published in H.15(519) under the caption “treasury constant maturities (nominal)” on such Reset Determination Date; or
  - (C) if the yield referred to in paragraph (B) above is not published by the Fallback Relevant Time on such Reset Determination Date, the Reference Bank Rate on such Reset Determination Date; or
- (iii) if Reference Bond is specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be) the Reference Bank Rate on such Reset Determination Date;

“**Reset U.S. Treasury Securities**” means, in relation to a Reset Determination Date, U.S. Treasury Securities:

- (i) with a designated maturity which is equal or comparable to the duration of the relevant Reset Period and a remaining term to maturity of no less than one year less than the duration of the relevant Reset Period; and
- (ii) in a principal amount equal to an amount that is representative for a single transaction in such U.S. Treasury Securities in the New York City market.

If two U.S. Treasury Securities have remaining terms to maturity comparably close to the duration of the relevant Reset Period, the U.S. Treasury Security with the shorter remaining term to maturity will be used for the purposes of the relevant determination;

“**Second Reset Date**” means the date specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be);

“**Subsequent Margin**” means the margin specified as such in the applicable Final Terms or the Drawdown Prospectus (as the case may be);

“**Subsequent Reset Date**” means the date or dates specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be);

“**Subsequent Reset Rate of Interest**” means, in respect of any Subsequent Reset Period and subject to Condition 6(b)(ii) (if applicable), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum, converted from a basis equivalent to the Benchmark Frequency specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be) to a basis equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (such calculation to be determined by the Issuer in conjunction with a leading financial institution selected by it), of (A) the relevant Reset Reference Rate and (B) the relevant Subsequent Margin; and

“**U.S. Treasury Securities**” means securities that are direct obligations of the United States Treasury, issued other than on a discount basis.

(ii) *Fallbacks*

This Condition 6(b)(ii) only applies if the Reset Reference Rate is specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be) as Mid-Swap Rate.

Subject as provided in Condition 6(d), if on any Reset Determination Date the Relevant Screen Page is not available or the Reset Reference Rate does not appear on the Relevant Screen Page, the Calculation Agent shall request each of the Reference Banks (as defined above) to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date in question.

If two or more of the Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum (converted as set out in the definition of such term above) of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date only one of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be the sum (converted as set out in the definition of such term above) (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotation and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be the last observable mid-swap rate with an equivalent term and currency to the relevant Reset Reference Rate which appeared on the Relevant Screen Page, as determined by the Calculation Agent.

(iii) *Notification of First Reset Rate of Interest, Subsequent Reset Rate of Interest and Interest Amount*

The Calculation Agent will cause the First Reset Rate of Interest, any Subsequent Reset Rate of Interest and, in respect of a Reset Period, the Interest Amount payable on each Interest Payment Date falling in such Reset Period to be notified to the Issuer, the Agent and to any stock exchange on which the relevant Reset Notes are for the time being listed and notice thereof to be published in accordance with Condition 16 as soon as possible after their determination but in no event later than the fourth London Business Day (as defined in Condition 6(c)(viii)) thereafter.

(iv) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6(b) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders or the Couponholders shall attach the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) ***Interest on Floating Rate Notes***

(i) *Interest Payment Dates*

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

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

Such interest will be payable in respect of each Interest Period. In these Conditions, “**Interest Period**” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

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

- (1) in any case where Specified Periods are specified in accordance with Condition 6(c)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions:

“**Business Day**” means (unless otherwise stated in the applicable Final Terms or the Drawdown Prospectus (as the case may be)) a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be); and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) payment system which utilises a single shared platform and which was launched on 19 November 2007 (the “**TARGET2 System**”) is open.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be).

(iii) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be) as the manner in which the Rate of Interest is to be

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

- (A) the Floating Rate Option is as specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be);
- (B) the Designated Maturity is a period specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be); and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be).

For purposes of this sub-paragraph (iii), (a) “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the ISDA Definitions and (b) the definition of “**Banking Day**” in the ISDA Definitions shall be amended to insert after the words “are open for” in the second line the word “general”.

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

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

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

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

(expressed as a percentage rate per annum), for the Reference Rate (being either LIBOR, EURIBOR or ROBOR, as specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be)) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, Brussels time, in the case of EURIBOR or Bucharest time, in the case of ROBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms or the Drawdown Prospectus (as the case may be)) the Margin (if any), all as determined by the Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than

one such lowest quotation, only one of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

Subject as provided in Condition 6(d), the Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above no such quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

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

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

Unless otherwise stated in the applicable Final Terms or the Drawdown Prospectus (as the case may be) the Minimum Rate of Interest shall be deemed to be zero.

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

The Agent will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. The Agent will calculate the amount of interest (the “**Interest Amount**”) payable on each Floating Rate Note in respect of each Calculation Amount for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest cent (or its approximate equivalent sub-unit of the relevant Specified Currency, half of any sub-unit being rounded upwards or otherwise in accordance with applicable market convention). The amount of interest in respect of each Calculation Amount will be aggregated for each Note of each Specified Denomination.

In this Condition 6(c):

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

- (A) if “**Actual/365**” or “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period in respect of which payment is being made divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

- (B) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period in respect of which payment is being made divided by 365;
- (C) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period in respect of which payment is being made divided by 360;
- (D) if “**30/360**” or “**360/360**” or “**Bond Basis**” is so specified, means the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

- (E) if “**30E/360**” or “**Eurobond Basis**” is so specified, means

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

(vii) *Linear Interpolation*

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms or the Drawdown Prospectus (as the case may be), the Rate of Interest for such Interest Period shall be calculated by the Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms or the Drawdown Prospectus (as the case may be)) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms or the Drawdown Prospectus (as the case may be)), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent shall determine such rate and at such time and by reference to such sources as it determines appropriate.

“**Designated Maturity**” means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

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



The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified *inter alia* to the Issuer and to any stock exchange on which the relevant Floating Rate Notes are for the time being listed, and notice thereof to be published in accordance with Condition 16 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter (or, where the relevant Floating Rate Notes are listed on the Luxembourg Stock Exchange, by no later than the first day of the relevant Interest Period). Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 16. For the purposes of this paragraph, the expression “**London Business Day**” means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for general business in London.

(ix) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6(c) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(d) **Benchmark Replacement**

If:

- (1) the Reset Note provisions are specified as being applicable in the applicable Final Terms or the Drawdown Prospectus (as the case may be) and the Reset Reference Rate is specified as Mid-Swap Rate in the applicable Final Terms or the Drawdown Prospectus (as the case may be); or
- (2) the Floating Rate Note provisions are specified as being applicable in the applicable Final Terms or the Drawdown Prospectus (as the case may be) and Screen Rate Determination is specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be) as the manner in which the Rate of Interest is to be determined,

and, in each case, if Benchmark Replacement is also specified as being applicable in the applicable Final Terms or the Drawdown Prospectus (as the case may be), then the provisions of this Condition 6(d) shall apply.

If, notwithstanding the provisions of Condition 6(b) or Condition 6(c), as applicable, the Issuer determines that a Benchmark Event has occurred when any Rate of Interest (or component thereof) remains to be determined by reference to an Original Reference Rate, then the following provisions shall apply to the relevant Series of Notes:

- (A) the Issuer shall use reasonable endeavours, as soon as reasonably practicable, to appoint an Independent Adviser to determine:
  - I. a Successor Reference Rate; or

- II. if such Independent Adviser fails so to determine a Successor Reference Rate, an Alternative Reference Rate,

and, in each case, an Adjustment Spread (in any such case, acting in good faith and in a commercially reasonable manner) no later than the relevant IA Determination Cut-off Date for the purposes of determining the Rate of Interest (or the relevant component part thereof) for all relevant future payments of interest on the Notes for which the Rate of Interest (or the relevant component part thereof) was otherwise to be determined by references to such Original Reference Rate (subject to the subsequent operation of, and adjustment as provided in, this Condition 6(d));

- (B) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by the Issuer fails to determine a Successor Reference Rate or an Alternative Reference Rate (as applicable) prior to the relevant IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine:

- I. a Successor Reference Rate; or

- II. if the Issuer fails so to determine a Successor Reference Rate, an Alternative Reference Rate,

and, in each case, an Adjustment Spread no later than the Issuer Determination Cut-off Date, for the purposes of determining the Rate of Interest (or the relevant component part thereof) for all relevant future payments of interest on the Notes for which the Rate of Interest (or the relevant component part thereof) was otherwise to be determined by reference to such Original Reference Rate (subject to the subsequent operation of, and adjustment as provided in, this Condition 6(d)). Without prejudice to the definitions thereof, for the purposes of determining any Alternative Reference Rate and the relevant Adjustment Spread, the Issuer will take into account any relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets;

- (C) if a Successor Reference Rate or, failing which, an Alternative Reference Rate (as applicable) and, in either case, an Adjustment Spread is determined by the relevant Independent Adviser or the Issuer (as applicable) in accordance with this Condition 6(d):

- I. such Successor Reference Rate or Alternative Reference Rate (as applicable) shall subsequently be used in place of the relevant Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all relevant future payments of interest on the Notes for which the Rate of Interest (or the relevant component part thereof) was otherwise to be determined by reference to the relevant Original Reference Rate (subject to the subsequent operation of, and adjustment as provided in, this Condition 6(d));

- II. such Adjustment Spread shall be applied to such Successor Reference Rate or Alternative Reference Rate (as the case may be) for all such relevant future payments of interest on the Notes (subject to the subsequent operation of, and adjustment as provided in, this Condition 6(d)); and

- III. the relevant Independent Adviser or the Issuer (as applicable) (acting in good faith and in a commercially reasonable manner) may in its discretion specify:

- (i) changes to these Conditions in order to follow market practice in relation to such Successor Reference Rate or Alternative Reference Rate (as applicable), including, but not limited to, (1) the Additional Business Centre(s), the Benchmark Frequency, the Business Centre(s), the definition of “Business Day”, the Business Day Convention, the Day Count Fraction, the Determination Date(s), the Interest Determination Date(s), the Mid-Swap Floating Leg Frequency, the definition of “Reference Banks”, the Relevant Screen Page, the Reset Determination Date, the Reset Reference Rate and/or the Specified Period(s)/Specified Interest Payment Dates applicable to the Notes and (2) the method for determining the fallback to the Rate of Interest in relation to the Notes if such Successor Reference Rate or Alternative Reference Rate (as applicable) is not available; and
- (ii) any other changes which the relevant Independent Adviser or the Issuer (as applicable) determines are reasonably necessary to ensure the proper operation and comparability to the relevant Original Reference Rate of such Successor Reference Rate or Alternative Reference Rate (as applicable),

which changes shall apply to the Notes for all relevant future payments of interest on the Notes for which the Rate of Interest (or the relevant component part thereof) was otherwise to be determined by reference to the relevant Original Reference Rate (subject to the subsequent operation of, and adjustment as provided in, this Condition 6(d)); and

- (D) promptly following the determination of any Successor Reference Rate or Alternative Reference Rate (as applicable) and the relevant Adjustment Spread, the Issuer shall give notice thereof and of any changes (and the effective date thereof) pursuant to Condition 6(d)(C)(III) to the Agent, the Calculation Agent and the Noteholders in accordance with Condition 16.

The Agent and any other agents party to the Agency Agreement shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to the application of this Condition 6(d). No consent of the Noteholders shall be required in connection with effecting the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) and, in either case, the relevant Adjustment Spread as described in this Condition 6(d) or such other relevant changes pursuant to Condition 6(d)(C)(III), including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Agency Agreement.

If a Successor Reference Rate or an Alternative Reference Rate and/or, in either case, an Adjustment Spread is not determined pursuant to the operation of this Condition 6(d) prior to the relevant Issuer Determination Cut-off Date, then the Rate of Interest for the next relevant Interest Period (in the case of Floating Rate Notes) or Reset Period (in the case of Reset Notes) shall be determined by reference to the fallback provisions of Condition 6(b) or 6(c), as the case may be. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period (in the case of Floating Rate Notes) or Reset Period (in the case of Reset Notes) only and any subsequent Interest Periods or Reset Periods (as applicable) are subject to the subsequent operation of, and to adjustment as provided in, this Condition 6(d).

Notwithstanding any other provision of this Condition 6(d), the Agent shall not be obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 6(d) which, in the sole opinion of the Agent, would have the effect of (i) exposing

the Agent to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Agent in the Agency Agreement and/or these Conditions.

Notwithstanding any other provision of this Condition 6(d), if in the Agent's opinion there is any uncertainty in making any determination or calculation under this Condition 6(d), the Agent shall promptly notify the Issuer and/or the Independent Adviser thereof and the Issuer shall direct the Agent in writing as to which course of action to adopt. If the Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer and/or the Independent Adviser (as the case may be) thereof and the Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

For the avoidance of doubt, neither the Agent nor the Calculation Agent shall be obliged to monitor or enquire as to whether a Benchmark Event has occurred or have any liability in respect thereto.

Notwithstanding any other provision of this Condition 6(d) no Successor Reference Rate or Alternative Reference Rate (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 6(d), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to:

- (x) prejudice the qualification of the Notes as (a) in the case of Tier 2 Notes, Tier 2 Capital of Alpha Bank and/or the Group and (b) in the case of Senior Non-Preferred Notes or Senior Preferred Notes, MREL Eligible Liabilities; and/or
- (y) in the case of Senior Non-Preferred Notes and Senior Preferred Notes only, result in the Relevant Regulator and/or the Relevant Resolution Authority treating the next Interest Payment Date or Reset Date, as the case may be, as the effective maturity of the Notes, rather than the relevant Maturity Date.

**"MREL Eligible Liabilities"** means "eligible liabilities" (or any equivalent or successor term) which are available to meet any MREL Requirements.

In respect of any Notes issued by Alpha PLC, references in this Condition 6(d) and in Condition 6(g) to the "Issuer" shall be deemed to be, wherever the context so admits, references to the Issuer and/or the Guarantor.

(e) ***Exempt Notes***

In the case of Exempt Notes which are also Floating Rate Notes where the applicable Pricing Supplement identifies that Screen Rate Determination applies to the calculation of interest, if the Reference Rate from time to time is specified in the applicable Pricing Supplement as being other than LIBOR, EURIBOR or ROBOR, the Rate of Interest in respect of such Exempt Notes will be determined as provided in the applicable Pricing Supplement.

The rate or amount of interest payable in respect of Exempt Notes which are not also Fixed Rate Notes, Reset Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement, provided that where such Notes are Index Linked Interest Notes the provisions of Condition 6(c) shall, save to the extent amended in the applicable Pricing Supplement, apply as if the references therein to Floating Rate Notes and to the Agent were references to Index Linked Interest Notes and the Calculation Agent, respectively, and provided further that the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

(f) ***Accrual of Interest***

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the due date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue thereon (as well after as before any demand or judgment) at the rate then applicable to the principal amount of the Notes or such other rate as may be specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be) until whichever is the earlier of (1) the date on which all amounts due in respect of such Note have been paid, and (2) the date on which the Agent having received the funds required to make such payment, notice is given to the Noteholders in accordance with Condition 16 of that circumstance (except to the extent that there is failure in the subsequent payment thereof to the relevant Noteholder).

(g) ***Definitions***

“**Adjustment Spread**” means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in either case which is to be applied to the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (A) in the case of a Successor Reference Rate, is formally recommended in relation to the replacement of the relevant Original Reference Rate with the relevant Successor Reference Rate by any Relevant Nominating Body; or
- (B) in the case of an Alternative Reference Rate or (where (A) above does not apply) in the case of a Successor Reference Rate, the relevant Independent Adviser or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the relevant Original Reference Rate, where such rate has been replaced by such Successor Reference Rate or such Alternative Reference Rate (as applicable); or
- (C) in the case of an Alternative Reference Rate (where (B) above does not apply) or in the case of a Successor Reference Rate (where neither (A) nor (B) above applies), the relevant Independent Adviser or the Issuer (as applicable) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by such Alternative Reference Rate or such Successor Reference Rate (as applicable).

If the relevant Independent Adviser or the Issuer (as applicable) determines that none of (A), (B) and (C) above applies, the Adjustment Spread shall be deemed to be zero.

“**Alternative Reference Rate**” means the rate that the relevant Independent Adviser or the Issuer (as applicable) determines has replaced the relevant Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in respect of debt securities denominated in the Specified Currency and of a comparable duration:

- (A) in the case of Floating Rate Notes, to the relevant Interest Periods; or
- (B) in the case of Reset Notes, to the relevant Reset Periods,

or in any case, if such Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as such Independent Adviser or the Issuer (as applicable) determines in its discretion is most comparable to the relevant Original Reference Rate.

**“Benchmark Event”** means, with respect to an Original Reference Rate:

- (A) such Original Reference Rate ceasing to be published for at least five Business Days or ceasing to exist or be administered; or
- (B) the later of (1) the making of a public statement by the administrator of such Original Reference Rate that it will, on or before a specified date, cease publishing such Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Original Reference Rate) and (2) the date falling six months prior to the specified date referred to in (B)(1); or
- (C) the making of a public statement by the supervisor of the administrator of such Original Reference Rate that such Original Reference Rate has been permanently or indefinitely discontinued; or
- (D) the later of (1) the making of a public statement by the supervisor of the administrator of such Original Reference Rate that such Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (2) the date falling six months prior to the specified date referred to in (D)(1); or
- (E) the later of (1) the making of a public statement by the supervisor of the administrator of such Original Reference Rate that means such Original Reference Rate will be prohibited from being used on or before a specified date and (2) the date falling six months prior to the specified date referred to in (E)(1); or
- (F) it has or will prior to the next Interest Determination Date or Reset Determination Date (as applicable) become unlawful for the Issuer, the Agent, the Calculation Agent or any other party specified in the applicable Final Terms as being responsible for calculating the Rate of Interest to calculate any payments due to be made to any Noteholders using such Original Reference Rate; or
- (G) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used.

**“IA Determination Cut-off Date”** means:

- (A) in the case of Floating Rate Notes, in any Interest Period, the date that falls on the fifth Business Day prior to the Interest Determination Date relating to the next succeeding Interest Period; or
- (B) in the case of Reset Notes, in any Reset Period, the date that falls on the fifth Business Day prior to the Reset Determination Date relating to the next succeeding Reset Period.

**“Independent Adviser”** means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense.

**“Issuer Determination Cut-off Date”** means:

- (A) in the case of Floating Rate Notes, in any Interest Period, the date that falls on the third Business Day prior to the Interest Determination Date relating to the next succeeding Interest Period; or
- (B) in the case of Reset Notes, in any Reset Period, the date that falls on the third Business Day prior to the Reset Determination Date relating to the next succeeding Reset Period.

“**Original Reference Rate**” means the originally-specified reference rate of the Notes used to determine the relevant Rate of Interest (or any component part thereof) in respect of any Interest Period(s) or Reset Period(s) (provided that if, following one or more Benchmark Events, such originally specified reference rate of the Notes (or any Successor Reference Rate or Alternative Reference Rate which has replaced it) has been replaced by a (or a further) Successor Reference Rate or Alternative Reference Rate and a Benchmark Event subsequently occurs in respect of such Successor Reference Rate or Alternative Reference Rate, the term “Original Reference Rate” shall include any such Successor Reference Rate or Alternative Reference Rate).

“**Relevant Nominating Body**” means, in respect of an Original Reference Rate:

- (A) the central bank for the currency to which such Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of such Original Reference Rate; or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (1) the central bank for the currency to which such Original Reference Rate relates, (2) any central bank or other supervisory authority which is responsible for supervising the administrator of such Original Reference Rate, (3) a group of the aforementioned central banks or other supervisory authorities, or (4) the Financial Stability Board or any part thereof.

## 7. **Redemption and Purchase; Substitution and Variation**

### (a) ***Redemption at Maturity***

Unless previously redeemed or purchased and cancelled as specified below or (pursuant to Condition 7(n)) substituted, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be) in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be).

### (b) ***Redemption for Tax Reasons***

If, as a result of any amendment to or change in the laws or regulations of:

- (x) in respect of subparagraphs (i) or (ii) below, the jurisdiction of incorporation of the Issuer or, if applicable, the Guarantor or, in the case of Alpha Bank issuing or guaranteeing Notes through a branch situated in a jurisdiction other than the Hellenic Republic, such other jurisdiction; or
- (y) in respect of subparagraph (iii) below, the Hellenic Republic, or in the case of Alpha Bank acting as Proceeds Recipient (as defined below) through a branch situated in a jurisdiction other than the Hellenic Republic, such other jurisdiction;

or in each case of any political subdivision thereof or any authority or agency therein or thereof having power to tax or any change in the application or official interpretation or administration of any such

laws or regulations, which amendment or change becomes effective on or after the date on which agreement is reached to issue the most recent Tranche of Notes of the relevant Series:

- (i) the Issuer would be required to pay additional amounts as provided in Condition 11, or the Guarantor (if applicable) would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay additional amounts as provided in Condition 11;
- (ii) (in the case of Tier 2 Notes only) interest payments under or with respect to the Tier 2 Notes are no longer (partly or fully) deductible for tax purposes in the jurisdiction of the incorporation of the Issuer or, in the case of Alpha Bank issuing Notes through a branch situated in a jurisdiction other than the Hellenic Republic, such other jurisdiction; or
- (iii) (in the case of Notes issued by Alpha PLC only) if a Proceeds On-Loan Tax Call is specified as being applicable in the applicable Final Terms or the Drawdown Prospectus (as the case may be) and the Proceeds Recipient is required to make any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, collected, withheld, assessed or levied by or on behalf of the Hellenic Republic, or in the case of Alpha Bank acting as Proceeds Recipient through a branch situated in a jurisdiction other than the Hellenic Republic, such other jurisdiction, or in each case any political subdivision thereof or any authority or agency therein or thereof having power to tax, in respect of any amounts of principal, premium and interest in respect of any Proceeds On-Loan (as defined below) payable by or on behalf of the Proceeds Recipient and Alpha PLC and the Proceeds Recipient could not avoid the foregoing by taking measures reasonably available to it,

the Issuer may (subject (i) in the case of Senior Preferred Notes and Senior Non-Preferred Notes, to Condition 7(l) and (ii) in the case of Tier 2 Notes, to Condition 7(m)), at its option and having given no less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms or Drawdown Prospectus (as the case may be) (ending, in the case of Notes which bear interest at a floating rate, on any Interest Payment Date) to the Agent and, in the case of an issue of Alpha Bank Notes, to the Alpha Bank Noteholders Agent and, in accordance with Condition 16, the Noteholders (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes at their Early Redemption Amount as may be specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be) together (if appropriate) with interest accrued to (but excluding) the date of redemption **provided that** in the case of redemption pursuant to subparagraph (i) above, no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor (if applicable) would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Upon the expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly.

In the case of Tier 2 Notes only, any redemption of the Notes in accordance with this Condition 7(b) is subject, in each case, to the Issuer demonstrating to the satisfaction of the Relevant Regulator that such change in tax treatment of such Notes is material and was not reasonably foreseeable at the time of their issuance.

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the holder thereof of its option to require the redemption of such Note under Condition 7(f).



In these Conditions, “**Proceeds On-Loan**” means any loan made by Alpha PLC to Alpha Bank (or any branch of Alpha Bank) (the “**Proceeds Recipient**”) with all (or substantially all) of the net proceeds of the Notes.

(c) ***Redemption following the occurrence of a Capital Disqualification Event***

This Condition 7(c) is applicable only in relation to Notes specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be) as being Tier 2 Notes and references to “**Notes**” and “**Noteholders**” shall be construed accordingly.

Where this Condition 7(c) is specified as being applicable in the applicable Final Terms or the Drawdown Prospectus (as the case may be), if immediately prior to the giving of the notice referred to below, a Capital Disqualification Event has occurred and is continuing, the Issuer may (subject to Condition 7(m)), at its option and having given no less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms or Drawdown Prospectus (as the case may be) (ending, in the case of Notes which bear interest at a floating rate, on any Interest Payment Date) to the Agent and, in the case of an issue of Alpha Bank Notes, to the Alpha Bank Noteholders Agent and, in accordance with Condition 16, the Noteholders (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes at their Early Redemption Amount as may be specified in, the applicable Final Terms or the Drawdown Prospectus (as the case may be) together (if appropriate) with interest accrued to (but excluding) the date of redemption. Upon the expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly.

In these Conditions:

“**BRRD**” means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended by Directive (EU) 2019/879 as regards the loss-absorbing and recapitalisation capacity of credit and investment firms and Directive 98/26/EC, and as may be further amended or replaced from time to time;

A “**Capital Disqualification Event**” will occur if at any time, on or after the Issue Date of the most recent tranche of the relevant Series of Notes, there is a change in the regulatory classification of such Notes that results or would be likely to result in (i) the exclusion of such Notes in whole or, to the extent not prohibited by the Capital Regulations, in part from the Tier 2 Capital of Alpha Bank 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 Alpha Bank 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 such Notes is sufficiently certain and (y) Alpha Bank demonstrates to the satisfaction of the Relevant Regulator that such change in the regulatory reclassification of such Notes was not reasonably foreseeable at the time of their issuance;

“**Capital Regulations**” means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency applicable to Alpha Bank including, without limitation to the generality of the foregoing, the BRRD, CRD IV and those regulations, requirements, guidelines and policies of the Relevant Regulator relating to capital adequacy, resolution and/or solvency 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 Alpha Bank 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 by Directive (EU) 2019/878 of 20 May 2019 and as may be further 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 Alpha Bank (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 Alpha Bank (on a stand-alone or consolidated basis); and

“**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 by Regulation (EU) 2019/876 of 20 May 2019 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and as may be further amended or replaced from time to time;

“**Group**” means Alpha Bank and its subsidiaries and subsidiary undertakings from time to time;

“**Relevant Regulator**” means the European Central Bank or such other body or authority having primary supervisory authority or resolution authority with respect to Alpha Bank and/or the Group; and

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

(d) ***Redemption following the occurrence of MREL Disqualification Event***

This Condition 7(d) is applicable only in relation to Notes issued by Alpha Bank which are specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be) as being Senior Non-Preferred Notes or Senior Preferred Notes and references to “**Notes**” and “**Noteholders**” shall be construed accordingly.

Where this Condition 7(d) is specified as being applicable in the applicable Final Terms or the Drawdown Prospectus (as the case may be), if immediately prior to the giving of the notice referred to below, Alpha Bank determines that an MREL Disqualification Event has occurred and is continuing, the Issuer may (subject to Condition 7(l)) at its option and having given no less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms or Drawdown Prospectus (as the case may be) (ending, in the case of Notes which bear interest at a floating rate, on any Interest Payment Date) to the Agent and, in the case of an issue of Alpha Bank Notes, to the Alpha Bank Noteholders Agent and, in accordance with Condition 16, the Noteholders (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes at their Early Redemption Amount as may be specified in, the applicable Final Terms or the Drawdown Prospectus (as the case may be) together (if appropriate) with interest accrued to (but excluding) the date of redemption. Upon the expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly.

An “**MREL Disqualification Event**” shall be deemed to occur if, at any time, all or part of the aggregate outstanding principal amount of such Series of Notes are, or (in the opinion of the Issuer, the Relevant Regulator and/or the Relevant Resolution Authority (as defined in Condition 20 below)) are likely to be, excluded fully or partially from the eligible liabilities available to meet the MREL

Requirements of Alpha Bank and/or the Group; provided that an MREL Disqualification Event shall not occur where (a) the exclusion of such Series of Senior Preferred Notes or Senior Non-Preferred Notes from availability to meet the MREL Requirements is due to (i) the remaining maturity of such Notes being less than any period prescribed thereunder, or (ii) the relevant Notes being bought back by or on behalf of the Issuer or any of its Subsidiaries or (b) the exclusion of all or some of a Series of Senior Preferred Notes from availability to meet the MREL Requirements is solely due to (i) such Senior Preferred Notes failing to meet a requirement in relation to their ranking on insolvency of the Issuer or (ii) there being insufficient headroom for such Senior Preferred Notes within a prescribed exception to the otherwise applicable general requirements for eligible liabilities, if any.

“**MREL Requirements**” means, at any time, the laws, regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss-absorbing capacity instruments applicable to Alpha Bank and/or the Group at such time, including, without limitation to the generality of the foregoing, any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and any regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments adopted by the Hellenic Republic, the Relevant Regulator or the Relevant Resolution Authority from time to time (whether or not such requirements, guidelines or policies are applied generally or specifically to Alpha Bank and/or the Group), as any of the preceding laws, regulations, requirements, guidelines, rules, standards, policies or interpretations may be amended, supplemented, superseded or replaced from time to time.

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

If an Issuer Call is specified as being applicable in the applicable Final Terms or the Drawdown Prospectus (as the case may be), the Issuer may, (subject (i) in the case of Senior Preferred Notes and Senior Non-Preferred Notes, to Condition 7(l) and (ii) in the case of Tier 2 Notes, to Condition 7(m)), having (unless otherwise specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be)) given not more than the maximum period nor less than minimum period of notice specified in the applicable Final Terms or Drawdown Prospectus (as the case may be) to the Agent and, in the case of an issue of Alpha Bank Notes, to the Alpha Bank Noteholders Agent and, in accordance with Condition 16, the Noteholders (which notice shall be irrevocable), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be) together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date. Upon the expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly.

In the event of a redemption of some only of the Notes, such redemption must be of a nominal amount being not less than the Minimum Redemption Amount or not more than a Maximum Redemption Amount, both as indicated in the applicable Final Terms or the Drawdown Prospectus (as the case may be). In the case of a partial redemption of definitive Notes, the Notes to be redeemed will be selected individually by not more than 30 days prior to the date fixed for redemption and a list of the Notes called for redemption will be published in accordance with Condition 16 not less than 15 days prior to such date. In the case of a partial redemption of Notes which are represented by a global Note, the relevant Notes will be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount at their discretion).

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

This Condition 7(f) is applicable only in relation to Notes specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be) as being Senior Preferred Liquidity Notes and references to “Notes” and “Noteholders” shall be construed accordingly.

If Investor Put is specified as being applicable in the applicable Final Terms or the Drawdown Prospectus (as the case may be), upon any Noteholder giving to the Issuer in accordance with Condition 16 not more than the maximum period of notice nor less than the minimum period of notice specified in the applicable Final Terms or Drawdown Prospectus (as the case may be) (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem subject to, and in accordance with, the terms specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be) such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be) together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date.

If this Note is in definitive form, to exercise any right to require redemption of this Note the holder of this Note must deliver such Note at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a “Put Notice”) and in which the holder must specify a bank account to which payment is to be made under this Condition 7(f).

Any Put Notice given by a holder of any Note pursuant to this Condition 7(f) shall be irrevocable except where prior to the due date of repayment an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7(f). In addition, the holder of a Note may not exercise such option in respect of any Notes which are the subject of an exercise by the Issuer of its option to redeem such Notes under either Condition 7(b) or Condition 7(e).

(g) **Early Redemption Amounts**

For the purposes of Conditions 7(b), 7(c), 7(d) and 12, each Note will be redeemed at an amount (the “Early Redemption Amount”) determined or calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price of the first Tranche of the Series, at the Final Redemption Amount thereof; or
- (ii) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price of the first Tranche of the Series, at the amount set out in the applicable Final Terms or the Drawdown Prospectus (as the case may be) or, if no such amount or manner is set out in that Final Terms or the Drawdown Prospectus (as the case may be), at their nominal amount; or
- (iii) in the case of a Zero Coupon Note, at an amount (the “Amortised Face Amount”) calculated in accordance with the following formula:

$$\text{EarlyRedemptionAmount} = \text{RP} \times (1 + \text{AY})^Y$$

where:

“RP” means the Reference Price;

“AY” means the Accrual Yield expressed as a decimal; and

“y” is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

(h) ***Specific redemption provisions applicable to certain types of Exempt Notes***

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of Index Linked Redemption Notes may be specified in, or determined in the manner specified in, the applicable Pricing Supplement. For the purposes of Conditions 7(b), 7(c) and 7(d), Index Linked Interest Notes may be redeemed only on an Interest Payment Date.

(i) ***Purchases***

The Issuer, the Guarantor (if applicable) or any Subsidiary (as defined in the Agency Agreement) of the Issuer or the Guarantor (if applicable) may (subject (i) in the case of Senior Preferred Notes and Senior Non-Preferred Notes, to Condition 7(l) and (ii) in the case of Tier 2 Notes, to Condition 7(m)), at any time purchase Notes (together, in the case of definitive Notes, with all Coupons and Talons appertaining thereto) in any manner and at any price. Such Notes may be held, reissued, resold or, at the option of the Issuer or the Guarantor, as the case may be, surrendered to any Paying Agent for cancellation.

(j) ***Cancellation***

All Notes which are redeemed in full or substituted will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes which are purchased and cancelled pursuant to Condition 7(i) (above) (together with all unmatured Coupons and Talons attached thereto or delivered therewith) shall be forwarded to the Agent and cannot be reissued or resold.

(k) ***Late Payment on Zero Coupon Notes***

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Conditions 7(a), (b), (c), (d), (e) or (f) above or upon its becoming due and repayable as provided in Condition 12 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7(g)(iii) above as though the references therein to the date fixed for redemption or the date upon which the Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

- (1) the date on which all amounts due in respect of the Zero Coupon Note have been paid; and
- (2) the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 16.

(l) ***Conditions to Substitution, Variation, Redemption and Purchase of Senior Preferred Notes and Senior Non-Preferred Notes***

This Condition 7(l) only applies to Senior Preferred Notes and Senior Non-Preferred Notes and references in this Condition 7(l) to “**Notes**” and “**Noteholders**” shall be construed accordingly.

Any redemption or purchase of Notes in accordance with Condition 7(b), (d), (e) or (i) above is subject to:

- (1) the Issuer giving notice to the Relevant Resolution Authority and the Relevant Resolution Authority granting prior permission to redeem or purchase the relevant Notes (in each case to the extent, and in the manner, then required by the MREL Requirements); and
- (2) compliance by the Issuer with any alternative or additional pre-conditions to redemption or purchase, as applicable, set out in the MREL Requirements (including any requirements applicable to such redemption or purchase due to the qualification of such Notes at such time as eligible liabilities to meet the MREL Requirements).

To the extent required by the MREL Requirements (including any requirements applicable to the modification, substitution or variation of the Notes due to the qualification of such Notes at such time as eligible liabilities available to meet the MREL Requirements), any substitution or variation in accordance with Condition 7(n) or any modification (other than any modification which is made to correct a manifest error) 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 Notes, the Deed of Covenant or the Agency Agreement, in each case pursuant to Condition 13 and/or Condition 17 (as the case may be), will only be permitted if the Issuer has first given notice to the Relevant Resolution Authority of such substitution, variation or modification (as the case may be), and the Relevant Resolution Authority has not objected to such substitution, variation or modification (as the case may be).

(m) ***Conditions to Substitution, Variation, Redemption and Purchase of Tier 2 Notes***

This Condition 7(m) only applies to Tier 2 Notes and references in this Condition 7(m) to “**Notes**” and “**Noteholders**” shall be construed accordingly.

Any redemption or purchase of Notes in accordance with Condition 7(b), (c), (e) or (i) above is subject to:

- (1) Alpha Bank giving notice to the Relevant Regulator and the Relevant Regulator granting prior permission to redeem or purchase the relevant Notes (in each case to the extent, and in the manner, then required by the Capital Regulations); and
- (2) compliance by the Issuer with any alternative or additional pre-conditions to redemption or purchase, as applicable, set out in the Capital Regulations.

To the extent required by the Capital Regulations, any substitution or variation in accordance with Condition 7(n) or any modification (other than any modification which is made to correct a manifest error) of these Conditions, the Deed of Covenant, the Guarantee (if applicable) or the Notes (as the case may be), or substitution of the Issuer or the Guarantor as principal debtor or guarantor, as the case may be, under the Notes, the Deed of Covenant, the Guarantee or the Agency Agreement (as the case may be), in each case pursuant to Condition 13 and/or Condition 17 (as the case may be), will only be permitted if Alpha Bank has first given notice to the Relevant Regulator of such substitution, variation or modification (as the case may be), and the Relevant Regulator has not objected to such substitution, variation or modification (as the case may be).

For the avoidance of doubt, the Capital Regulations currently include the requirements outlined in Articles 77 and 78(4) of the CRR.

(n) ***Substitution and Variation***

If “Substitution and Variation” is specified as being applicable in the relevant Final Terms or Drawdown Prospectus (as the case may be), then with respect to:

- (1) any Series of Senior Preferred Notes or Senior Non-Preferred Notes, if at any time an MREL Disqualification Event has occurred and is continuing; or
- (2) any Series of Tier 2 Notes, if at any time a Capital Disqualification Event has occurred and is continuing; or
- (3) any Series of Senior Preferred Liquidity Notes, Senior Preferred Notes, Senior Non-Preferred Notes or Tier 2 Notes, if at any time any of the events described in Condition 6(b) has occurred and is continuing or in order to ensure the effectiveness and enforceability of Condition 20 or Clause 11 of the Deed of Guarantee (where applicable),

the Issuer and (if applicable) the Guarantor may, subject to, in the case of Senior Preferred Notes or Senior Non-Preferred Notes, compliance with Condition 7(l) and, in the case of Tier 2 Notes, compliance with Condition 7(m) (without any requirement for the consent or approval of the holders of the relevant Notes of that Series) and having given not less than thirty nor more than sixty days' notice to the holders of the Notes of that Series, at any time either substitute all (but not some only) of such Notes, or vary the terms of such Notes or the Guarantee (if applicable) so that the Notes remain or, as appropriate, become, Qualifying Senior Preferred Liquidity Notes, Qualifying Senior Preferred Notes, Qualifying Senior Non-Preferred Notes or Qualifying Tier 2 Notes, as applicable, provided that such variation or substitution does not itself give rise to any right of the Issuer to redeem the varied or substituted Notes.

In connection with any substitution or variation in accordance with this Condition 7(n), the Issuer shall comply with the rules of any stock exchange on which such Notes are for the time being listed or admitted to trading.

In these Conditions:

“**Qualifying Senior Non-Preferred Notes**” means securities issued by the Issuer that:

- (i) other than in respect of the effectiveness and enforceability of Condition 20, have terms not materially less favourable to holders of the relevant Series of Senior Non-Preferred Notes as a class (as reasonably determined by the Issuer) than the terms of the Senior Non-Preferred Notes and they shall also: (A) contain terms which will result in such securities being eligible to count towards fulfilment of Alpha Bank's and/or the Group's (as applicable) minimum requirements for own funds and eligible liabilities under applicable MREL Requirements; (B) have a ranking at least equal to that of the Senior Non-Preferred Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Senior Non-Preferred Notes; (D) have the same redemption rights and obligations as the Senior Non-Preferred Notes; (E) preserve any existing rights under the Senior Non-Preferred Notes to accrued interest; (F) do not contain terms which provide for interest cancellation or deferral; (G) do not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares (but without prejudice to any acknowledgement of statutory resolution powers substantially similar to Condition 20); and (H) in the event the Notes carry a

rating from one or more Rating Agencies immediately prior to such variation or substitution, are assigned (or maintain) the same credit ratings as were assigned to the Senior Non-Preferred Notes by each such Rating Agency immediately prior to such variation or substitution; and

- (ii) are listed on a recognised stock exchange if the Senior Non-Preferred Notes were listed on a recognised stock exchange immediately prior to such variation or substitution;

**“Qualifying Senior Preferred Liquidity Notes”** means securities issued by the Issuer (or, if different, Alpha Bank or any wholly owned direct or indirect subsidiary of Alpha Bank with a guarantee of such obligations by Alpha Bank) that:

- (i) other than in respect of the effectiveness and enforceability of Condition 20 or Clause 11 of the Deed of Guarantee, have terms not materially less favourable to holders of the relevant Series of Senior Preferred Liquidity Notes as a class (as reasonably determined by the Issuer and, in the case of Senior Preferred Liquidity Notes issued by Alpha PLC, the Guarantor) than the terms of the Senior Preferred Liquidity Notes including, with respect to securities issued by Alpha PLC, in relation to the Guarantee and they shall also (A) have a ranking at least equal to that of the Senior Preferred Liquidity Notes and (if applicable) the Guarantee in respect of such Senior Preferred Liquidity Notes; (B) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Senior Preferred Liquidity Notes; (C) have the same redemption rights and obligations as the Senior Preferred Liquidity Notes; (D) preserve any existing rights under the Senior Preferred Liquidity Notes to accrued interest; (E) do not contain terms which provide for interest cancellation or deferral; (F) do not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares (but without prejudice to any acknowledgement of statutory resolution powers substantially similar to Condition 20 or Clause 11 of the Deed of Guarantee); and (G) in the event the Notes carry a rating from one or more Rating Agencies immediately prior to such variation or substitution, are assigned (or maintain) the same credit ratings as were assigned by each such Rating Agency to the Senior Preferred Liquidity Notes immediately prior to such variation or substitution; and
- (ii) are listed on a recognised stock exchange (where the Issuer is Alpha PLC, within the meaning of section 1005 of the Income Tax Act 2007) if the Senior Preferred Liquidity Notes were listed on a recognised stock exchange immediately prior to such variation or substitution;

**“Qualifying Senior Preferred Notes”** means securities issued by the Issuer that:

- (i) other than in respect of the effectiveness and enforceability of Condition 20, have terms not materially less favourable to holders of the relevant Series of Senior Preferred Notes as a class (as reasonably determined by the Issuer) than the terms of the Senior Preferred Notes and they shall also (A) contain terms which will result in such securities being eligible to count towards fulfilment of Alpha Bank's and/or the Group's (as applicable) minimum requirements for own funds and eligible liabilities under applicable MREL Requirements; (B) have a ranking at least equal to that of the Senior Preferred Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Senior Preferred Notes; (D) have the same redemption rights and obligations as the Senior Preferred Notes; (E) preserve any existing rights under the Senior Preferred Notes to accrued interest; (F) do not contain terms which provide for interest cancellation or deferral; (G) do not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares (but without prejudice to any acknowledgement of statutory resolution powers substantially similar to Condition 20); and (H) in the event the Notes carry a rating from one or more



Rating Agencies immediately prior to such variation or substitution, are assigned (or maintain) the same credit ratings by each such Rating Agency as were assigned to the Senior Preferred Notes immediately prior to such variation or substitution; and

- (ii) are listed on a recognised stock exchange if the Senior Preferred Notes were listed on a recognised stock exchange immediately prior to such variation or substitution;

**“Qualifying Tier 2 Notes”** means securities issued by the Issuer (or, if different, Alpha Bank or any wholly owned direct or indirect subsidiary of Alpha Bank with a subordinated guarantee of such obligations by Alpha Bank) that:

- (i) other than in respect of the effectiveness and enforceability of Condition 20 or Clause 11 of the Deed of Guarantee, have terms not materially less favourable to holders of the relevant Series of Tier 2 Notes as a class (as reasonably determined by the Issuer and, in the case of Tier 2 Notes issued by Alpha PLC, the Guarantor) than the terms of the Tier 2 Notes including, with respect to securities issued by Alpha PLC, in relation to the Guarantee, and they shall also (A) comply with the then-current requirements of the Capital Regulations in relation to Tier 2 Capital, (B) have a ranking at least equal to that of the Tier 2 Notes and (if applicable) the Guarantee in respect of such Tier 2 Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Tier 2 Notes; (D) have the same redemption rights and obligations as the Tier 2 Notes; (E) preserve any existing rights under the Tier 2 Notes to accrued interest; (F) do not contain terms which provide for interest cancellation or deferral other than as provided in Condition 4(b); (G) do not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares (but without prejudice to any acknowledgement of statutory resolution powers substantially similar to Condition 20 or Clause 11 of the Deed of Guarantee); and (H) in the event the Notes carry a rating from one or more Rating Agencies immediately prior to such variation or substitution, are assigned (or maintain) the same credit ratings as were assigned by each such Rating Agency to the Tier 2 Notes immediately prior to such variation or substitution; and
- (ii) are listed on a recognised stock exchange (where the Issuer is Alpha PLC, within the meaning of section 1005 of the Income Tax Act 2007) if the Tier 2 Notes were listed on a recognised stock exchange immediately prior to such variation or substitution; and

**“Rating Agency”** means each of S&P Global Ratings Europe Limited, Italy Branch or Moody’s Investors Service Cyprus Limited and each of their respective affiliates or successors.

## **8. Payments**

### **(a) Method of Payment**

Subject as provided below:

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

(b) ***Payments subject to Fiscal and other laws***

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction, but without prejudice to the provisions of Condition 11, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

(c) ***Presentation of Notes and Coupons***

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 8(a) above only against presentation and surrender (or, in the case of part payment only, endorsement) of definitive Notes and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid against presentation and surrender (or, in the case of part payment only, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (as referred to below).

Fixed Rate Notes in definitive form save as provided in Condition 6(e) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons) failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 11) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 15) or, if later, five years from the date on which such Coupon would otherwise have become due but in no event thereafter. Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

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

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

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

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

Payments of principal and/or interest in respect of the Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer or the Guarantor (if applicable).

(d) ***Specific provisions in relation to payments in respect of certain types of Exempt Notes***

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

(e) ***Payment Day***

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, unless otherwise specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be), “**Payment Day**” means any day which (subject to Condition 15) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (a) in the case of Notes in definitive form only, the relevant place of presentation;
  - (b) any Additional Financial Centre specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be); and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments

and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(f) ***Interpretation of Principal and Interest***

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

- (i) any additional amounts which may be payable with respect to principal under Condition 11;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7(g)); and
- (vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 11.

**9. Agent and Paying Agents**

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in relation with any series, the names of such Paying Agents will be specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be).

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

- (i) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority);
- (ii) there will at all times be a Paying Agent with a specified office in a city in continental Europe other than a city in the Hellenic Republic; and
- (iii) there will at all times be an Agent.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 8(c). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Alpha Bank Noteholders

Agent (in the case of issue of Alpha Bank Notes) and the Noteholders promptly by the Issuer in accordance with Condition 16.

#### **10. Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Notes to which it appertains) a further Talon, subject to the provisions of Condition 15. Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

#### **11. Taxation**

All payments in respect of the Notes and Coupons payable by or on behalf of the Issuer or the Guarantor (if applicable) shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”) imposed, collected, withheld, assessed or levied by or on behalf of, in the case of Alpha PLC, the United Kingdom or, in the case of Alpha Bank, the Hellenic Republic and, in the case of Alpha Bank issuing or guaranteeing Notes through a branch situated in a jurisdiction other than the Hellenic Republic, the jurisdiction where such branch is situated and, in the case of Alpha Bank guaranteeing Notes issued by Alpha PLC, the United Kingdom or, in each case, any political subdivision thereof or any authority or agency therein or thereof having power to tax (in each case, a “**Taxing Jurisdiction**”), unless such withholding or deduction of such Taxes is required by law. In such event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts in respect of interest and, in respect of the Senior Preferred Liquidity Notes only, principal and premium, as may be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amount of interest (and, in respect of Senior Preferred Liquidity Notes only, principal and premium) which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable in respect of any Note or Coupon:

- (i) presented for payment in the United Kingdom or the Hellenic Republic; or
- (ii) presented for payment by or on behalf of, a Noteholder or Couponholder who 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 jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of such Note or Coupon; or
- (iii) presented for payment more than 30 days after the Relevant Date (as defined below), except to the extent that the relevant Noteholder or Couponholder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of 30 days; or
- (iv) presented for payment by or on behalf of a Noteholder who would not be liable or subject to such withholding or deduction if it were to comply with a statutory requirement or to make a declaration of non-residence or other similar claim for exemption and fails to do so.

If Extended Gross-Up is specified as being applicable in the applicable Final Terms or the Drawdown Prospectus (as the case may be), exceptions (i), (ii) and (iv) above shall not apply to any Noteholder or Couponholder regarding interest payments under Notes the Issuer of which is Alpha Bank if such payments to Non-Greek Legal Persons, at the time the relevant interest payment, are subject to income tax withholding under the laws of the Hellenic Republic.

For the purposes of these Conditions, “**Non-Greek Legal Person**” means a legal person which under Greek law is not resident in the Hellenic Republic for tax purposes and does not have a permanent establishment in Greece for tax purposes, does not hold the Notes through a custodian established in Greece and does not receive payment of interest under the Notes in the Hellenic Republic.

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 Agent on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 16.

*Taxing Jurisdiction:* If the Issuer becomes subject at any time to any taxing jurisdiction other than, in the case of Alpha PLC, the United Kingdom or, in the case of Alpha Bank, the Hellenic Republic, references in these Conditions to the United Kingdom or the Hellenic Republic, as the case may be, shall be construed as references to the United Kingdom or the Hellenic Republic, as the case may be, and/or in each case, such other jurisdiction.

## **12. Events of Default**

### **(1) *Non-restricted Events of Default***

This Condition 12(1) is applicable only in relation to Notes specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be) as being Senior Preferred Liquidity Notes and references to “**Notes**” and “**Noteholders**” shall be construed accordingly.

- (a) Unless otherwise specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be), the following events or circumstances (each an “**Event of Default**”) shall be acceleration events in relation to the Notes, namely:
- (i) default by the Issuer in the payment in the Specified Currency when due of the principal of or interest on any of the Notes or the delivery when due of any other amount in respect of any Note and the continuance of any such default for a period of 14 days after the due date; or
  - (ii) the Issuer or, if applicable, the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes or Coupons and such default remains unremedied for 30 days after written notice thereof has been delivered by a Noteholder to the Issuer or the Guarantor, as the case may be, requiring the same to be remedied; or
  - (iii) the repayment of any indebtedness owing by the Issuer or, if applicable, the Guarantor or any Material Subsidiary is accelerated by reason of default and such acceleration has not been rescinded or annulled, or the Issuer or, if applicable, the Guarantor or any Material Subsidiary defaults (after whichever is the longer of any originally applicable period of grace and 14 days after the due date) in any payment of any indebtedness or in the honouring of any guarantee or indemnity in respect of any indebtedness **provided that** no such event shall constitute an Event

of Default unless the indebtedness whether alone or when aggregated with other indebtedness relating to all (if any) other such events which shall have occurred and be continuing shall exceed EUR25,000,000 (or its equivalent in any other currency or currencies); or

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

For the purposes of this Condition 12(1)(a) “**Material Subsidiary**” means at any time any Subsidiary of Alpha Bank:

- (i) whose profits or (in the case of a Subsidiary which has subsidiaries) consolidated profits, before taxation and extraordinary items or before taxation and after extraordinary items as shown by its latest audited profit and loss account are at least 15 per cent. of the consolidated profits before taxation and extraordinary items of Alpha Bank and its Subsidiaries as shown by the latest published audited consolidated profit and loss account of Alpha Bank and its Subsidiaries; or
  - (ii) whose gross assets or (in the case of a Subsidiary which has subsidiaries) gross consolidated assets as shown by its latest audited balance sheet are at least 15 per cent. of the gross consolidated assets of Alpha Bank and its Subsidiaries as shown by the then latest published audited consolidated balance sheet of Alpha Bank and its Subsidiaries; or
  - (iii) to which is transferred the whole or substantially the whole of the assets and undertaking of a Subsidiary which immediately prior to such transfer is a Material Subsidiary **provided that**, in such a case, the Subsidiary so transferring its assets and undertaking shall thereupon cease to be a Material Subsidiary.
- (b) If any Event of Default shall occur and be continuing in relation to any Note, any Noteholder may, by written notice to the Issuer at the specified office of the Agent, declare that such Note shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its Early Redemption Amount as may be specified in or determined in accordance with the applicable Final Terms or the Drawdown Prospectus (as the case may be), together (if applicable) with interest accrued to (but excluding) the date of redemption.

(2) ***Restricted Events of Default***

This Condition 12(2) is applicable only in relation to Notes specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be) as being Senior Preferred Notes, Senior Non-Preferred Notes or Tier 2 Notes and any references to “**Notes**” or “**Noteholders**” shall be construed accordingly. The events specified below are both “**Restricted Events of Default**”:

- (a) If default is made in the payment of any amount due in respect of the Notes on the due date and such default continues for a period of 14 days, any Noteholder may institute proceedings for the winding up of the Issuer and/or (in the case of Tier 2 Notes issued by Alpha PLC) the Guarantor.
- (b) If, otherwise than for the purposes of a reconstruction or amalgamation on terms previously approved by Extraordinary Resolution of the Noteholders, an order is made or an effective resolution is passed for the winding up, liquidation and dissolution of the Issuer or (in the case of Tier 2 Notes issued by Alpha PLC) the Guarantor, any Noteholder may, by written notice to the Agent, declare such Note to be due and payable whereupon the same shall become immediately due and payable at its Early Redemption Amount as may be specified in or determined in accordance with the applicable Final Terms or the Drawdown Prospectus (as the case may be), together (if applicable) with interest accrued to (but excluding) the date of redemption unless such Restricted Event of Default shall have been remedied prior to receipt of such notice by the Agent.



### **13. Meetings of Noteholders, Modification and Waiver**

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

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

- (i) any modification (except such modifications in respect of which an increased quorum is required, as described in the Agency Agreement) of the Notes, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (ii) any modification of the Notes, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 16 as soon as practicable thereafter.

The agreement or approval of the Noteholders shall not be required in the case of any variation of these Conditions required to be made in the circumstances described in Conditions 6(d), 7(n) and 17 in connection with the variation of the terms of the Notes or the substitution of the relevant Issuer in accordance with such Conditions.

In the case of Senior Preferred Notes and Senior Non-Preferred Notes, any modification (other than a modification which is made to correct a manifest error) of such Notes, these Conditions or the Deed of Covenant will be subject to Condition 7(l).

In the case of Tier 2 Notes, any modification (other than a modification which is made to correct a manifest error) of such Notes, these Conditions, the Deed of Covenant and (if applicable) the Guarantee will be subject to Condition 7(m).

If, pursuant to Condition 18 below, an Alpha Bank Noteholders Agent has been appointed and such appointment is continuing then, notwithstanding the above and the provisions of the Agency Agreement, the Alpha Bank Noteholders Agency Agreement and all mandatory provisions of the Greek Bond Laws shall apply to the convening and conduct of meetings of Alpha Bank Noteholders and the Alpha Bank Noteholders Agent shall observe and comply with the same.

### **14. Replacement of Notes, Coupons and Talons**

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

## 15. Prescription

The Notes and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 11) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 15 or Condition 8(c) or any Talon which would be void pursuant to Condition 8(c).

## 16. Notices

All notices to Noteholders regarding the Notes shall be valid if published in the *Financial Times* or another leading English language daily newspaper with circulation in London. Until such time as any definitive Notes are issued, there may, so long as the global Note(s) representing the Notes is or are held in its or their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication as aforesaid the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg, as appropriate, for communication by them to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg, as appropriate.

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

The relevant Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. In the case of Notes which have been admitted to trading on the Luxembourg Stock Exchange or which have been admitted to the Official List of the Luxembourg Stock Exchange, the relevant Issuer shall ensure that notices are published on the website of the Luxembourg Stock Exchange, [www.bourse.lu](http://www.bourse.lu).

Any such notices will, if published more than once, be deemed to have been given on the date of the first publication, as provided above.

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

Any notice concerning the Alpha Bank Notes shall be given to the Alpha Bank Noteholders Agent. Any such notice shall be deemed to have been given to the Alpha Bank Noteholders on the seventh day after the day on which the said notice was given to the Alpha Bank Noteholders Agent.

## 17. Substitution of the Issuer

- (a) The Issuer may, without the consent of any Noteholder or Couponholder, substitute for itself any other body corporate incorporated in any country in the world as the debtor in respect of the Notes, any Coupons, the Deed of Covenant, the Alpha Bank Noteholders Agency Agreement (as defined in Condition 18 below), in the case of an issue of Alpha Bank Notes, and the Agency Agreement (the “**Substituted Debtor**”) upon notice by the Issuer and the Substituted Debtor to be given in accordance with Condition 16, **provided that:**

- (i) the Issuer is not in default in respect of any amount payable under the Notes;
- (ii) the Issuer and the Substituted Debtor have entered into such documents (the “**Documents**”) as are necessary to give effect to the substitution and in which the Substituted Debtor has undertaken in favour of each Noteholder to be bound by the Conditions and the provisions of the Agency Agreement as the debtor in respect of the Notes in place of the Issuer (or of any previous substitute under this Condition 17);
- (iii) if the Issuer is Alpha Bank, Alpha Bank shall unconditionally and irrevocably guarantee (the “**New Guarantee**”) in favour of each Noteholder the payment of all sums payable by the Substituted Debtor as such principal debtor, with Alpha Bank's obligations under the New Guarantee ranking *pari passu* with Alpha Bank's obligations under the Notes prior to the substitution becoming effective;
- (iv) the Substituted Debtor shall enter into a deed of covenant in favour of the holders of the Notes then represented by a global Note on terms no less favourable than the Deed of Covenant then in force in respect of the Notes;
- (v) if the Issuer is Alpha PLC and the Substituted Debtor is not Alpha Bank, the Guarantee extends to the obligations of the Substituted Debtor under or in respect of the Notes, any Coupons, the Deed of Covenant and the Agency Agreement and continues to be in full force and effect;
- (vi) if the Substituted Debtor is resident for tax purposes in a territory (the “**New Residence**”) other than that in which the Issuer prior to such substitution was resident for tax purposes (the “**Former Residence**”), the Documents contain an undertaking and/or such other provisions as may be necessary to ensure that, following substitution, each Noteholder would have the benefit of an undertaking in terms corresponding to the provisions of Condition 11, with (a) the substitution of references to the Issuer with references to the Substituted Debtor (to the extent that this is not achieved by Condition 17(a)(ii)) and (b) the substitution of references to the Former Residence with references to both the New Residence and the Former Residence;
- (vii) the Substituted Debtor and the Issuer have obtained all necessary governmental approvals and consents for such substitution and for the performance by the Substituted Debtor of its obligations under the Documents;
- (viii) legal opinions shall have been delivered to the Agent from lawyers of recognised standing in the jurisdiction of incorporation of the Substituted Debtor, in England and in Greece as to the fulfilment of the requirements of this Condition 17 and that the Notes and any related Coupons and/or Talons are legal, valid and binding obligations of the Substituted Debtor and (if applicable) that the New Guarantee is a legal, valid and binding obligation of Alpha Bank;
- (ix) each stock exchange on which the Notes are listed shall have confirmed that, following the proposed substitution of the Substituted Debtor, the Notes will continue to be listed on such stock exchange;
- (x) if applicable, the Substituted Debtor has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal

proceedings arising out of or in connection with the Notes and any related Coupons; and

- (xi) such substitution shall not result in any event or circumstance which at or around that time gives the Issuer a redemption right in respect of the Notes.
- (b) In the case of Senior Preferred Notes, Senior Non-Preferred Notes and Tier 2 Notes, any substitution pursuant to Condition 17(a) will be subject to Condition 7(l) (in the case of Senior Preferred Notes and Senior Non-Preferred Notes) or Condition 7(m) (in the case of Tier 2 Notes).
- (c) Upon such substitution the Substituted Debtor shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under the Notes, any Coupons, the Deed of Covenant and the Agency Agreement with the same effect as if the Substituted Debtor had been named as the Issuer herein, and the Issuer shall be released from its obligations under the Notes, any Coupons and/or Talons, the Deed of Covenant and under the Agency Agreement.
- (d) After a substitution pursuant to Condition 17(a) the Substituted Debtor may, without the consent of any Noteholder or Couponholder, effect a further substitution. All the provisions specified in Conditions 17(a), 17(b) and 17(c) shall apply *mutatis mutandis*, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substituted Debtor.
- (e) After a substitution pursuant to Condition 17(a) or 17(d) any Substituted Debtor may, without the consent of any Noteholder or Couponholder, reverse the substitution, *mutatis mutandis*.
- (f) The Documents shall be delivered to, and kept by, the Agent. Copies of the Documents will be available free of charge during normal business hours at the specified office of each of the Paying Agents.
- (g) For the purpose of this Condition 17, references to the “**Agency Agreement**” shall, where the Substituted Debtor is incorporated in the Hellenic Republic, be deemed to include the Alpha Bank Noteholders Agency Agreement to the extent applicable and where the context so admits.

#### **18. Alpha Bank Noteholders Agent**

Prior to the completion of an issue of Alpha Bank Notes or upon a substitution of the Notes such that the Issuer is a body corporate incorporated in the Hellenic Republic, if (and for so long as the Issuer considers is) so required by the Greek Bond Laws (to the extent applicable), Alpha Bank shall appoint an Alpha Bank Noteholders Agent by way of a written contract (the “**Alpha Bank Noteholders Agency Agreement**”) and in accordance with provisions of the Greek Bond Laws.

The Alpha Bank Noteholders Agent shall be an entity of the kind prescribed in the Greek Bond Laws and shall be authorised to render in Greece the service of safekeeping and administration of financial instruments for the account of clients, including custodianship and related services, such as cash or collateral management. The applicable Final Terms or the Drawdown Prospectus (as the case may be) will specify the name of the entity (if any) acting as the Alpha Bank Noteholders Agent.

Subject as provided in Condition 13, the Alpha Bank Noteholders Agent shall have such rights against the Issuer and such duties and obligations as are prescribed for an entity acting in such capacity under the Greek Bond Laws but such rights, duties and obligations shall be without prejudice to the rights of Alpha Bank Noteholders against the Issuer set out in these Conditions.

The meetings of the Alpha Bank Noteholders shall be entitled to vary or terminate the appointment of the Alpha Bank Noteholders Agent in accordance with the provisions of the Greek Bond Laws and the Conditions of the Alpha Bank Notes.

**19. Further Issues**

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

**20. Acknowledgement of Statutory Loss Absorption Powers**

Notwithstanding any other term of the Notes or any other agreement, arrangement or understanding between the Issuer, the Guarantor (if applicable) and the Noteholders, by its subscription and/or purchase and holding of the Notes, each Noteholder (which for the purposes of this Condition 20 includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents and agrees:

- (i) to be bound by the effect of the exercise of any Statutory Loss Absorption Power by the Relevant Resolution Authority, which may include and result in any of the following, or some combination thereof:
  - (A) the reduction of all, or a portion, of the Amounts Due on a permanent basis;
  - (B) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer, the Guarantor (if applicable) or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes, in which case the Noteholder agrees to accept in lieu of its rights under the Notes any such shares, other securities or other obligations of the Issuer, the Guarantor (if applicable) or another person;
  - (C) the cancellation of the Notes, the Guarantee (if applicable) or Amounts Due; or
  - (D) the amendment or alteration of the maturity of the Notes or amendment of the Interest Amount payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
- (ii) that the terms of the Notes are subject to, and may be varied, if necessary, to give effect to, the exercise of any Statutory Loss Absorption Power by the Relevant Resolution Authority.

Upon the Issuer or the Guarantor (as applicable), being informed and notified by the Relevant Resolution Authority of the actual exercise of any Statutory Loss Absorption Power with respect to the Notes, the Issuer or, as the case may be, the Guarantor, shall notify the Noteholders without delay in accordance with Condition 16. Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Statutory Loss Absorption Power nor the effects on the Notes described in this Condition 20.

The exercise of any Statutory Loss Absorption Power by the Relevant Resolution Authority with respect to the Notes or, if applicable, the Guarantee, shall not constitute an Event of Default, and the terms and conditions of the Notes or, if applicable, the Guarantee shall continue to apply in relation to

the residual principal amount of, or outstanding amount payable with respect to, the Notes or, if applicable, the Guarantee, subject to any modification of the amount of interest payable to reflect the reduction of the principal amount, and any further modification of the terms that the Relevant Resolution Authority may decide in accordance with applicable laws and regulations relating to the resolution of credit institutions, investment firms and/or members of the Group incorporated in the relevant Member State or, if appropriate, third country (not or no longer being a Member State).

Each Noteholder also acknowledges and agrees that this provision is exhaustive on the matters described herein to the exclusion of any other agreements, arrangements or understandings relating to the application of any Statutory Loss Absorption Power to the Notes or, if applicable, the Guarantee.

In these Conditions:

**“Amounts Due”** means the principal amount, together with any accrued but unpaid interest, and any additional amounts referred to in Condition 11, if any, due on the Notes or under the Guarantee (if applicable). 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 Absorption Power by the Relevant Resolution Authority.

**“Relevant Resolution Authority”** means the resolution authority of the Hellenic Republic, the Single Resolution Board established pursuant to the SRM Regulation and/or any other authority entitled to exercise or participate in the exercise of any Statutory Loss Absorption Power from time to time.

**“SRM Regulation”** means Regulation (EU) No 806/2014 of the European Parliament and Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010, as amended or replaced from time to time.

**“Statutory Loss Absorption Powers”** means any statutory write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements, whether relating to the resolution or independent of any resolution action of credit institutions, investment firms and/or members of the Group incorporated in the relevant Member State or, if appropriate, a third country (not or no longer being a Member State) in effect and applicable in the relevant Member State or, if appropriate, third country (not or no longer being a Member State) to the Issuer, Alpha Bank or other members of the Group, including (but not limited to) the bail-in powers provided for by articles 43 and 44 of Greek law 4335/2015 which has transposed the BRRD, the write-down powers provided for by articles 59 and 60 of Greek law 4335/2015 and any other such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of any European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and/or within the context of a relevant Member State resolution regime or otherwise, pursuant to which liabilities of a credit institution, investment firm and/or members of the Group can be reduced, cancelled and/or converted into shares or other obligations of the obligor or any other person.

## **21. Governing Law and Jurisdiction**

- (a) The Agency Agreement, the Deed of Covenant, the Deed of Guarantee, the Notes and the Coupons and all non-contractual obligations arising out of or in connection with each of them are governed by English law except that (i) Conditions 3(b), 4(b), 4(d), 18 and 20 and (ii) Clauses 5.8 and 5.9 of the Guarantee are governed by and shall be construed in accordance with Greek law.

- (b) Alpha Bank irrevocably agrees, for the exclusive benefit of the Noteholders, that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Agency Agreement, the Deed of Covenant and the Notes (including any suit, action, proceedings or dispute relating to any non-contractual obligation arising out of or in connection with the Agency Agreement, the Deed of Covenant and the Notes) (together “**Proceedings**”) and, for such purpose, irrevocably submits to the jurisdiction of such courts.
- (c) Alpha Bank irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of England and any claim that any Proceedings have been brought in an inconvenient forum and further irrevocably and unconditionally agrees that a judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction. To the extent permitted by law, nothing in this Condition 21 shall limit any right to take Proceedings against Alpha Bank in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.
- (d) Alpha Bank irrevocably and unconditionally agrees that service in respect of any Proceedings may be effected upon Alpha Bank London Limited at Capital House, 85 King William Street, London, England, EC4N 7BL and undertakes that in the event of Alpha Bank London Limited ceasing so to act Alpha Bank will forthwith appoint a further person as its agent for that purpose and notify the name and address of such person to the Agent and agrees that, failing such appointment within fifteen days, any Noteholder shall be entitled to appoint such a person by written notice addressed to Alpha Bank and delivered to Alpha Bank or to the specified office of the Agent. Nothing contained herein shall affect the right of any Noteholder to serve process in any other manner permitted by law.

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

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.

## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be used by the relevant Issuer for the general corporate and financing purposes of the Group.



## ALPHA CREDIT GROUP PLC

### Introduction

Alpha PLC was incorporated under the laws of England on 1 April 1999 as a public limited company in England with number 3747110. The registered office of Alpha PLC is at Capital House, 85 King William Street, London, England, EC4N 7BL. The website of Alpha PLC is <https://www.alpha.gr/en/group>.

### Position within the Group

Alpha PLC was acquired by Alpha Bank on 14 July 1999 and the share capital of Alpha PLC continues to be held directly by Alpha Bank. Alpha PLC has no subsidiaries.

### Directors

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

Name	Address	Principal activities in relation to Alpha PLC and Alpha Bank
W. Lindsay Mackay	Capital House, 85 King William Street, London, England, EC4N 7BL	— Chief Executive Officer, Alpha Bank London Limited  — General Manager, Alpha Bank A.E. (London Branch)  — Director, Alpha Group Jersey Limited  — Director, Emporiki Group Finance PLC
Monika Ahmed	Capital House, 85 King William Street, London, England, EC4N 7BL	— Chief Financial Officer, Alpha Bank London Limited  — Chief Financial Officer, Alpha Bank A. E. (London Branch)  — Director, Alpha Group Jersey Limited
Nicola Randell	Capital House, 85 King William Street, London, England, EC4N 7BL	— Finance & Projects Lead, Alpha Bank London Limited
Dan Barbalat	Capital House, 85 King William Street, London, England, EC4N 7BL	— Head of Finance, Alpha Bank London Limited

The Secretary of Alpha PLC is Yogita Bhagat.

Alpha PLC has no employees or non-executive Directors.

The Directors and Secretary of Alpha PLC have no directorships or principal business activities outside of the Group which are significant to Alpha Bank or Alpha PLC. There are no potential conflicts of interest between the duties to Alpha PLC of the persons listed above and their private interests and/or other duties. Alpha PLC has no audit committee. To the best of its knowledge and belief Alpha PLC complies with corporate governance rules applicable to it in the United Kingdom.

### **Principal Activities**

Alpha PLC is a financing subsidiary of Alpha Bank and the Group. In addition to being an Issuer of Notes under the Programme, Alpha PLC also issues euro-commercial paper under a EUR 5,000,000,000 programme, guaranteed by Alpha Bank, which was established in December 2007. Alpha PLC has not made any principal investments since its incorporation. The objects of Alpha PLC, as set out in Article 4 of the Articles of Association of Alpha PLC, are unrestricted in accordance with the Companies Act 2006.

### **General**

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

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

### **Share Capital**

The authorised and issued share capital of Alpha PLC comprises 100,000 ordinary shares of €1 each. All of the shares are of the same class and all of the issued share capital of Alpha PLC has been fully paid up.

### **Dividends**

There was no payment of dividends by Alpha PLC in 2017. On 7 November 2018, the Directors of Alpha PLC approved a dividend of €8 million, which was paid on 16 November 2018.

## THE GROUP

The Group is one of the leading banking and financial services groups in Greece, offering a wide range of services including retail banking, corporate banking, asset management and private banking, insurance distribution, investment banking and brokerage, treasury and real estate management. The Group is active in Greece, its principal market, and in most markets of South Eastern Europe (Cyprus, Romania and Albania). The Group also maintains a presence in the United Kingdom and Jersey. The Bank is the parent company of the Group and its principal bank.

According to estimates on the basis of data published by the Bank of Greece, the Group has a strong market share in each of its four domestic lines of business (retail banking, corporate banking, asset management and insurance, and investment banking and treasury). The Group's client base comprises retail clients, small and medium-sized enterprises, self-employed professionals, large corporations, high-net worth individuals, private and institutional investors and the Greek government.

The Group, through an extensive national and international branch and ATM network, in combination with advanced online and telephone channels, offers banking and financial services to its individual and corporate customers. These features extend the Group's presence in the domestic Greek market, as well as in the international markets in which it operates.

The Bank's management considers other competitive strengths of the Group as being its large customer base, its highly motivated and trained personnel, its advanced IT systems and its fairly recently reorganised and modernised branch network, which has extended its ability in product innovation and in offering a wide range of services and opportunities for cross-selling products of the Group through its traditional and alternative distribution channels.

For the six months ended 30 June 2019, the Group delivered a profitable performance. Net interest income amounted to €777.0 million compared to €902.8 million for the six months ended 30 June 2018, reflecting a decrease in interest income on loan portfolios, as well as the positive impact of a reduction in Eurosystem funding, a reduction in the borrowing cost of repos transactions and the decreased cost of deposits. Net fee and commission income was €151.4 million for the six months ended 30 June 2019, a decrease of 9.2 per cent. compared to the equivalent period in 2018 (€166.7 million), which was negatively affected by a decrease in net commission income on credit cards and a lower volume of letters of guarantee. Gains on financial transactions and impairments on Group companies amounted to €196.4 million as of 30 June 2019, mainly affected by gains from disposals of Greek government bonds.

For the six months ended 30 June 2019, the Group's total income was €1,148.9 million, compared to €1,351.9 million for the six months ended 30 June 2018.

Total expenses before impairment losses and provisions to cover credit risk amounted to €543.7 million for the six months ended 30 June 2019 compared to €548.3 million for the six months ended 30 June 2018, representing a decrease of 0.8 per cent. or €4.6 million. The main reason for the decrease was a decrease in staffing costs, mainly from headcount reduction. Moreover, the adoption of IFRS 16 did not materially affect the amount of total expenses, as the reduction in general administrative expenses was substituted by the depreciation of rights-of-use assets. As a result of all of the above, the Group's recurring cost to income ratio for the six months ended 30 June 2019 increased by 5.8 per cent. to 55.1 per cent. compared to the same period of the previous year (49.3 per cent.). Impairment losses and provisions to cover credit risk amounted to €474.9 million for the six months ended 30 June 2019 compared to €699.5 million for the six months ended 30 June 2018, representing a credit risk cost of 130 basis points (for the six months ended 30 June 2018: 233 basis points).

The Group's profit before income tax for the six months ended 30 June 2019 amounted to €119.1 million compared to €103.5 million for the six months ended 30 June 2018, while profit after income tax amounted to €

86.9 million for the six months ended 30 June 2019, an increase of €74.3 million compared to the six months ended 30 June 2018 (€12.6 million).

As at 30 June 2019, total assets of the Group had increased by €1.9 billion or 3.2 per cent. compared to the position as at 31 December 2018 (€61.0 billion) to €63.0 billion, including loans and advances to customers of €39.9 billion.

On the liabilities side, as at 30 June 2019, the Group's due to customers increased by €0.5 billion or 1.4 per cent. (compared to the position as at 31 December 2018) to €39.3 billion, resulting in a loans to deposits ratio of 102.0 per cent. This ratio has decreased compared to the position as at 31 December 2018 (104.0 per cent.). The Group's due to banks amounted to €11.0 billion as at 30 June 2019, an increase of €0.6 billion or 5.5 per cent. compared to the position as at 31 December 2018. Finally, as at 30 June 2019, the Group's equity amounted to €8.4 billion, an increase of €0.3 billion compared to the position as at 31 December 2018.

As of 30 June 2019, the share capital of the Bank amounted to €463.1 million divided into 1,543,699,381 shares, of which:

- 1,374,525,214 are common, nominal, paperless shares with voting rights, of a nominal value of €0.30 each, which are listed for trading on the Securities Market of the Athens Stock Exchange ("ATHEX"); and
- 169,174,167 are common, nominal, voting, dematerialised shares in accordance with the restrictions foreseen in the provision of article 7a of Law 3864/2010, owned by the HFSF – of a nominal value of €0.30 each. These shares, which are listed for trading on the Securities Market of ATHEX, have rights stipulated by law and are subject to the restrictions of the law.

As of 30 June 2019, the Bank's equity was held by approximately 115,000 shareholders. On the same date, the shareholder base comprised the HFSF, representing approximately 11 per cent., and private shareholders representing approximately 89 per cent. of the common shareholder base. The private shareholders are analysed as follows:

- institutional shareholders representing approximately 83 per cent. of the shareholder base (of which approximately 78 per cent. were foreign institutional investors and 5 per cent. were Greek institutional investors); and
- individuals representing approximately 6 per cent. of the shareholder base.

### **Financial crisis in the Hellenic Republic**

Greece experienced an unprecedented financial crisis from 2008 to 2016. During this period, the Hellenic Republic faced significant pressure on its public finances and committed to certain Stabilisation Programmes, agreed initially with the IMF, the EU and the ECB and in 2015 with the Institutions and the ESM.

Under the first two Stabilisation Programmes the Hellenic Republic received €141.8 billion in loans from the European Financial Stability Fund between 2012 and 2015 (the "EFSF"). Further, from 2010 to 2012 the Hellenic Republic received €59 billion in bilateral loans under the so-called Greek Loan Facility from EU Member States (Source: ESM Press Release 20 August 2018).

The first two Stabilisation Programmes, however, failed to stabilise the Greek economy, notwithstanding the reforms and measures implemented thereunder, although during 2014 the economic indicators had shown signs of improvement.

However, in 2015 uncertainty over the Greek economy and the implementation of the second Stabilisation Programme, resulting from the prolonged negotiations between the new government and the Institutions, reappeared. Late in June 2015, a bank holiday was declared in the Greek banking sector for three weeks and capital movement restrictions were imposed because of further deterioration of the financial situation in Greece and liquidity shortfall in the Greek banking system. These were caused by the expiration of the second Stabilisation Programme, a payment default by the Greek government under its IMF facility and the failure of the Greek government to reach an agreement with the IMF and the rest of the Eurozone members for a third Stabilisation Programme.

In August 2015 and following prolonged negotiations, the Greek government managed to reach an agreement with the EU and the ECB, with input from the IMF, for a Stabilisation Programme of approximately €86 billion granted by the ESM (the “**ESM Programme**”).

The impact of the implementation of the ESM Programme on the Greek economy contributed to the decrease of uncertainty and the stabilisation of private sector deposit withdrawals, resulting also in the gradual relaxation of the capital movement restrictions. Thus, after eight years of recession, the economic and business environment in Greece began to improve in 2017. Additionally, gross domestic product (“**GDP**”, in constant prices) increased further in 2017, despite the tighter-than-initially-expected fiscal conditions. Finally, on 28 August 2019 the capital movement restrictions were repealed by virtue of art. 86 of Greek law 4624/2019.

Moreover, on 23 January 2017, the respective boards of directors of the ESM and the EFSF formally adopted rules on short-term debt relief measures for Greece. These measures aimed to reduce interest rate risk for Greece, including by changing some debt rates from floating to fixed, and to make the burden of debt repayment easier. As part of these measures the ESM and the EFSF, in collaboration with the Hellenic Republic, launched an exchange programme for the four systemic Greek banks, under which the €42.7 billion EFSF notes that have been previously applied through the HFSF for the recapitalisation and resolution of Greek credit institutions, were exchanged for long term newly issued ESM notes and ultimately cash in 2017. During the period of 2017 and under this agreement, the Bank exchanged floating rate bonds of nominal value €2,522 million issued by EFSF, with equal in nominal value bonds, of fixed coupon, issued by the EFSF, with a maturity of 30 years. Out of them, the EFSF repurchased bonds at a nominal value of €2,349 million whilst a remaining bond with a nominal value of €173 million was classified as available for sale which was repurchased by EFSF in January 2018. As at 31 December 2018 the book value of such bonds stood at €0.

In August of 2018, the Hellenic Republic concluded the ESM Programme with a successful exit. This followed the disbursement of €61.9 billion by the ESM over three years in the context of the ESM Programme in support of macroeconomic adjustment and bank recapitalisation in 2015. The remaining €24.1 billion available under the maximum €86 billion programme volume was not needed (Source: ESM Press release 20 August 2018).

No fourth Stabilisation Programme was requested by the Hellenic Republic. Nevertheless, as part of the post-Stabilisation Programme period, the Hellenic Republic made specific policy commitments to complete key structural reforms initiated under the ESM Programme, against agreed deadlines and made a general commitment to continue the implementation of all key reforms adopted under the ESM Programme. These include commitments to achieve demanding fiscal targets such as primary budget surplus, 3.5 per cent. of GDP in 2018-2022 and 2.2 per cent. of GDP, on average, for longer term.

These commitments were made against Eurogroup’s agreement to implement certain medium- and long-term debt relief measures (which were in addition to the aforesaid short-term measures), namely:

- The abolition of the step-up interest rate margin related to the debt buy-back tranche of the second Stabilisation Programme as of 2018;

- The use of 2014 Securities Market Programme (“**SMP**”) profits from the ESM segregated account and the restoration of the transfer of the Agreement on Net Financial Assets (ANFA) and SMP income equivalent amounts to the Hellenic Republic; and
- A further deferral of EFSF interest and amortisation by 10 years and an extension of the maximum weighted average maturity by 10 years, respecting the programme authorised amount (Source: Eurogroup statement on Greece of 22 June 2018).

The implementation of these measures was approved by the EFSF Board of Directors on 22 November 2018.

On 11 July 2018 the European Commission activated the Enhanced Surveillance procedure for monitoring the implementation of the aforesaid commitments by the Hellenic Republic. Two Enhanced Surveillance reports have been published by the European Commission on the Hellenic Republic so far. On 3 April 2019, the European Commission adopted an update of the second Enhanced Surveillance report detailing progress in implementing policy commitments and concluding that Greece had taken the necessary actions to achieve all specific reform commitments expected for end-2018 (Source: European Commission press release 3 April 2019). On 5 June 2019 the Commission published its third Enhanced Surveillance Report.

With respect to liquidity, by the end of the ESM Programme, the Hellenic Republic had created a sizeable cash buffer, while increasing its liquidity through the issuance of government bonds (Source: ESM, Press Release, 6 August 2018). The Hellenic Republic continued fiscal over performance in 2018; it exceeded the agreed primary surplus target of 3.5 per cent. of GDP in 2018 (Source: European Commission third Enhanced Surveillance Report 5 June 2019) and issued €2.5 billion 5-year, €2.5 billion 7-year and €2.5 billion 10-year Greek Government bonds (“**GGB**”) (at yields of 3.6 per cent., 1.9 per cent. and 3.9 per cent., respectively) in the first nine months of 2019, that raised €7.5 billion cumulatively. Accordingly, by the end of 2018, the Hellenic Republic’s cash buffer stood at a high level. Including the cash reserves of general government entities already on the treasury single account, the Hellenic Republic’s reserves were sufficient to cover, if necessary, sovereign financing needs until 2022, assuming the achievement of its medium-term fiscal targets, even without additional issuance of GGBs. Reflecting many of the developments described above:

- On 10 August 2018, Fitch upgraded the Hellenic Republic’s sovereign rating from BB- to B with a stable outlook.
- On 1 March 2019, Moody’s upgraded the Hellenic Republic’s sovereign rating from B3 to B1.
- On 25 October 2019, S&P upgraded the Hellenic Republic’s sovereign rating from B+ to BB- with a positive outlook.

The Hellenic Republic’s sovereign ratings are still significantly below investment grade. Nevertheless, the recent ratings upgrades, the successful graduation from the third economic adjustment programme, the successful conclusion of three consecutive EPPS reviews, fiscal developments, a benevolent international environment and the new pro-reform government formed after the 7 July 2019 general elections have all contributed to an improvement in the yield spread of Greek government 10-year bonds relative to the equivalent German government bonds of approximately 189 basis points between the end of August 2018 and 12 September 2019.

### **The Acquisition of Emporiki**

On 1 February 2013 the Bank completed the acquisition of Emporiki from Crédit Agricole. As of the date of acquisition Emporiki was consolidated in the financial statements of the Group. On 28 June 2013, Emporiki was merged into the Bank.

As a result of the acquisition of Emporiki, in 2013 the Bank recognised negative goodwill of €3,283 million resulting from the difference between the fair value of the net assets acquired and the purchase price. The negative goodwill recognised is not subject to income tax. Emporiki offered a large variety of banking products and services to individuals, small and medium sized enterprises (“SMEs”) and large companies and enjoyed a strong market presence in Greece and Cyprus through an extensive network of branches in both countries. The transaction represented a major step in the restructuring of the Greek banking sector and strengthened the position of the Bank within the market, creating one of the largest financial groups in Greece and adding total assets of €19.1 billion to the Group's balance sheet as of 1 February 2013.

In addition, at the completion of the transaction, Crédit Agricole also subscribed for €150 million convertible bonds issued by the Bank. In February 2017, Crédit Agricole exercised its conversion option under the convertible bonds, which resulted in the allocation of 6,818,181 new ordinary shares in the Bank to Crédit Agricole. The transaction resulted in a net recapitalisation of the combined entity by an aggregate amount of approximately €2.9 billion and contributed towards the Bank's own recapitalisation plan.

### **2013 Capital Increase**

On 16 April 2013, the second iterative meeting of the Extraordinary General Meeting of the Bank's shareholders convened and approved the Bank's €4,571 million Capital Strengthening Plan (announced on 2 April 2013) and granted the power to the Board of Directors to implement, assessing the financial conditions, the General Meeting's resolutions (the “**Capital Strengthening Plan**”). On 3 June 2013, the Bank announced the successful completion of its €457.1 million rights issue (the “**Rights Issue**”), and the allotment of all of the shares offered in the €92.9 million private placement to institutional and other qualified private investors. As a consequence, the Bank was the first among the Greek banks to raise more than 10 per cent. of its total recapitalisation amount and thus to meet successfully the required private sector contribution test set by Greek law 3864/2010. The remaining part of the €4,571 million Capital Strengthening Plan was covered by the HFSF through direct subscription to shares. The Rights Issue was fully underwritten by a syndicate of international investment banks.

For each new share subscribed for in the capital increase by private sector investors, the HFSF issued on 10 June 2013 separately traded warrants which allow their holders to purchase shares subscribed by the HFSF at selected intervals over the four and a half years that follow the share capital increase, at the subscription price of €0.44 per share, increased by an annual margin.

### **2014 Capital Increase**

On 28 March 2014 the Extraordinary General Meeting of the shareholders of the Bank approved the raising of capital by the Bank, up to the amount of €1.2 billion through a private placement with qualified investors, with the issuance of 1,846,153,846 new, ordinary, registered shares offered at €0.65 each. The offering, which was fully underwritten by a syndicate of international banks, was priced on 25 March 2014, while the new shares commenced trading on ATHEX on 4 April 2014.

The proceeds from the capital increase were used to strengthen the Bank's capital base with high-quality common equity capital and allow for the redemption of Greek state preference shares in issuance of €940 million, whereas the remaining amount of the capital raised was directed to cover the €262 million capital needs assessed in the 2014 stress test (as described under “*ECB's Comprehensive Assessment*” below). The Greek state preference shares of €940 million were subsequently redeemed on 17 April 2014.

### **Acquisition of Citibank's Greek retail operations**

On 13 June 2014, the Bank announced that it had entered into a definitive agreement with Citibank for the acquisition of Citibank's Greek retail banking business, including Diners Club of Greece. Under the agreement, the acquired operations comprised Citibank's wealth management unit with customers' assets under management

of approximately €2.0 billion, out of which deposits amounted to approximately €0.9 billion and net loans, mainly credit card balances, amounted to €0.4 billion, as well as a retail branch network of 20 units serving around 480,000 clients. The acquisition was completed on 30 September 2014. As a result of the acquisition, the personnel working in the retail banking network of Citibank joined the Bank.

In June 2015 Diners Club Greece was merged into the Bank by way of absorption and, in September 2015, the migration of Citibank's retail banking operations and Diners Club Greece operations into the Bank's operating systems was completed.

### **ECB's Comprehensive Assessment**

On 26 October 2014 the ECB and the EBA announced the outcome of their Comprehensive Assessment (the “**ECB Comprehensive Assessment**”). The assumptions and methodological approach of the ECB Comprehensive Assessment were established to assess banks' capital adequacy against an 8 per cent. and a 5.5 per cent. CET1 capital benchmark under the baseline and adverse scenarios respectively. The stress test period covered a three-year time horizon (2014-2016). In the static scenario, the stress test was carried out using a static balance sheet assumption as at 31 December 2013 and did not take into account any business actions implemented after 31 December 2013, which would have impacted the capital position and/or the financial standing of the Bank.

The Bank completed the ECB Comprehensive Assessment successfully and was the only Greek systemic bank that registered no capital shortfall for the baseline and adverse scenarios under both the static and the dynamic assumptions, producing excess capital, without taking into account developments with direct capital impact realised post December 2013.

The Bank exceeded the hurdle rates of 5.5 per cent. and 8 per cent. for the adverse and baseline scenarios for both static and dynamic assumptions with a (safe) margin ranging between €1.3 billion and €3.2 billion. More specifically, the Bank concluded the adverse scenarios with a CET1 ratio of 8.07 per cent. and a capital surplus of €1.3 billion in the static assumption and a CET1 ratio of 8.45 per cent. with a capital surplus of €1.8 billion under the dynamic assumption.

The quality and level of the Bank's capital were further strengthened due to the capital issuance of €1,200 million, which took place in the first quarter of 2014, and the repayment of Greek state preference shares of €940 million (as described in “*2014 Capital Increase*” above). This net capital impact, amounting to €260 million, which was not included in the “join-up” result, due to the methodology applied, led to a CET1 capital ratio of 8.6 per cent. (representing a surplus of 3.1 per cent.) in the static adverse scenario.

### **Asset Quality Review (AQR)**

During the third quarter of 2015 the negotiations of the Hellenic Republic for the coverage of the financing needs of the Greek economy were completed on the basis of the announcements at the Euro Summit on 12 July 2015, resulting in an agreement for new financial support by the ESM. The agreement with the ESM that was signed on 19 August 2015 provided for the assessment of the four Greek systemic credit institutions (including the Bank) by the SSM in order to determine the impact from the deterioration of the Greek economy on their financial positions as well as any capital needs (the “**2015 Comprehensive Assessment**”).

The 2015 Comprehensive Assessment comprised the AQR and a forward-looking stress test, including a baseline and an adverse scenario, in order to assess the specific recapitalisation needs of the individual banks under the third economic adjustment programme for Greece.

On 31 October 2015 the ECB announced that the 2015 Comprehensive Assessment revealed a total capital shortfall of €262.6 million and €2,743 million for the Bank under the baseline and the adverse scenarios respectively, including an AQR adjustment (€1.7 billion), after comparing the projected solvency ratios against



the thresholds defined for the exercise. On 13 November 2015 in connection with its approval of the Bank's capital raising plans, the ECB recognised internal capital measures of €180 million, thus reducing the remaining adverse scenario capital shortfall that had to be addressed by the Bank to €2,563 million.

### **2015 Capital Increase**

By virtue of the resolution of the Extraordinary General Meeting of the shareholders of the Bank that took place on 14 November 2015 the following items (among other things) were resolved: (i) the increase of the nominal value of each share by way of a reverse split from €0.30 to €15.00 along with a decrease of the total number of the existing shares (including the capitalisation of an amount of €42.60 in order to create an integral number of shares) from 12,769,059,858 to 255,381,200 ordinary, dematerialised, registered shares, with voting rights (each an “**Ordinary Share**”), by a ratio of one new share to 50 old shares and the subsequent decrease of the nominal value of each Ordinary Share from €15.00 to €0.30 and credit of the amount arising from the decrease to the special reserve in accordance with article 4 par. 4a of Greek law 2190/1920; and (ii) the share capital increase by payment in cash (including the equivalent to cash capitalisation of money claims), along with the abolition of pre-emption rights of the shareholders of the Bank, by the issuance of new, ordinary, registered, dematerialised shares, with voting rights to be specified by the Board of Directors of the Bank.

The Bank's Board of Directors at its meeting on 19 November 2015 specified the above resolution of the General Meeting regarding the share capital increase by the issuance of 1,281,500,000 new ordinary, registered, dematerialised shares of the Bank, of a nominal value of €0.30 per share at a €2.00 price per share (post reverse split) through: (i) payment in cash of an amount of €1,552,169,172.00 via a private placement through a book-building process, which commenced and was completed outside Greece, pursuant to the exception of article 3 par. 2 indent (α), to qualified investors, in accordance with article 2 par. 1 indent (στ) of Greek Law 3401/2005 and pursuant to article 3 par. 2 indent (γ) of Greek Law 3401/2005; and (ii) capitalisation of monetary claims of an amount of €1,010,830,828.00, in the context of the voluntary exchange of outstanding securities by their holders that participated in a liability management exercise. The proceeds from the capital increase were intended to strengthen the Bank's capital adequacy ratios.

The Bank was the first systemic bank in the Greek banking system in 2015 to be recapitalised by private funds, with its private placement having been subscribed by 1.72 times with no further HFSF participation, as the latter held approximately 11 per cent. in the share capital of the Bank with restricted voting rights.

### **Disposal of subsidiaries / branches**

On 12 December 2014 the Bank announced the agreement to sell all of the shares held in its insurance subsidiary in Cyprus, Alpha Insurance Limited, in a transaction valued at €14.5 million. The transaction was completed on 16 January 2015.

On 23 January 2015 the Bank announced the sale of the entire share capital of Cardlink S.A., formerly held by the Bank and Eurobank Ergasias S.A. at 50 per cent. each, for a total transaction consideration of €15 million. Cardlink S.A. operates in the area of network service provision of point of sale terminals for electronic transactions with payment cards.

On 6 November 2015 the Bank concluded a definitive agreement regarding the acquisition of the Bank's branch in Bulgaria by Eurobank's subsidiary in Bulgaria, Postbank, subject to the receipt of regulatory and supervisory approvals. The sale was completed on 29 February 2016.

On 10 May 2016, the Bank announced the conclusion of the sale of 100 per cent. of Alpha Bank A.D. Skopje to Silk Road Capital, following receipt of all applicable regulatory approvals.

On 16 December 2016, the Bank concluded the sale and transfer to Home Holdings S.A., a joint venture formed by Tourism Enterprises of Messinia S.A. and D-Marine Investments Holding B.V., of its approximately 97.3 per

cent. stake in the share capital of the Athens Exchange-listed company Ionian Hotel Enterprises S.A. (hereinafter “**IHE**”). The total proceeds from the transaction amounted to €143.3 million, including the refinancing of the existing debt of IHE.

On 30 January 2017, it was announced that an agreement had been signed with the Serbian MK Group of companies on the sale of the Bank's 100 per cent. stake in the share capital of Alpha Bank Srbija A.D. The transaction was completed on 11 April 2017.

On 31 May 2019, the Group through its subsidiary Alpha Group Investments Limited, following an open tender process, sold 100 per cent. of the shares of AEP Chanion S.A. to Pangaea REIC and Pavalia Enterprises Limited, an entity owned by Dimand S.A. for a total consideration of €8.7 million. AEP Chanion S.A. was the sole owner of a prominent land plot in the city of Chania.

On 11 June 2019, the Bank completed the sale of all its shares in its subsidiary Alpha Investment Property I A.E. to Mavani Holdings Limited, an entity owned by Brook Lane Special Situations Fund for consideration of €91.2 million. Alpha Investment Property I A.E. held a portfolio of prime office real estate assets and its sale was part of the Bank's strategy to deleverage non-core assets.

### **Other material milestones and transactions**

On 12 June 2014, the Bank successfully issued a €500 million senior unsecured bond, with a 3-year maturity and 3.5 per cent. yield to maturity, with the book being oversubscribed by four times.

On 9 July 2014, the European Commission announced its approval of the Bank's restructuring plan, as submitted to the European Commission by the Greek Ministry of Finance on 12 June 2014.

On 4 December 2014, the Bank completed a shipping securitisation transaction in excess of USD 500 million, the first such Greek transaction since 2008.

On 12 November 2015, the Bank concluded a liability management exercise launched on 28 October 2015. The total accepted amount of the validly tendered securities amounted to €1,010,845,000 and contributed to the 2015 share capital increase. The offer was voluntary and offered the exchange of specific series of notes for shares, achieving a high participation rate of 93 per cent.

On 26 November 2015, the European Commission's Director-General for Competition (“**DGComp**”) approved the Bank's revised restructuring plan, which was found to be in line with EU state aid rules and aims to enable the Bank to return to viability.

On 21 June 2016, Visa Inc. completed the acquisition of Visa Europe. At the date of completion of the transaction, Visa Inc. purchased from Visa Europe's members shares they held in their capacity as members. In this context, the Group recognised in 2016 as financial results from shares the amount of €55.6 million and acquired preference shares of Visa Inc. which were classified as available for sale portfolio in accordance with International Accounting Standard 39 (IAS 39), that were applied until 31 December 2017, and were recognised at a fair value of €16.3 million. On 1 January 2018 Visa's preference shares were classified under IFRS 9 as falling under the fair value through comprehensive income (FVOCI) category at a fair value of €18.6 million.

Further to the Bank's announcement on 24 December 2014, "Cepal Hellas Financial Services S.A. - Servicing of Receivables From Loans and Credits" (former Aktua Hellas) a Law 4354/2015 company was established on 24 February 2016 which is owned by the joint venture between the Bank and Centerbridge Partners Europe, LLP. Such company was the first one, on 29 November 2016, to be granted a licence by the Bank of Greece to manage receivables from loans and credits, pursuant to Law 4354/2015, as in force.

On 17 May 2016, the Bank announced the execution of a framework agreement with Eurobank and KKR Credit for the establishment of a management platform for large exposures. On 10 May 2017, the platform was approved by the Bank of Greece and Pillarstone was granted a servicing licence.

On 14 September 2018, the Bank completed the disposal of a portfolio of non-performing and uncollateralised retail loans in Greece with a carrying amount of €64.6 million as of 31 December 2017 to a company of the Norwegian group B2Holding.

The EBA conducted further stress tests on the Greek systemic banks in 2018, the results of which were announced on 5 May 2018. Based on feedback received by the SSM, the stress test outcome, along with other factors, have been assessed by its Supervisory Board and points to no capital shortfall. On 17 December 2018 the EBA announced its intention to carry out a new EBA stress test on the EU credit institutions in 2020.

In May 2018, the Bank together with Alpha Bank Romania S.A. completed the disposal of a Romanian non-performing wholesale loans portfolio, to entities financed by a consortium of international investors including Deutsche Bank AG, funds advised by AnaCap Financial Partners LLP and funds advised by APS Investments S.à.r.l. This transaction completed the actions carried out by the Bank to sell a significant part of its Romanian NPEs, which included the sale of a non-performing retail loans portfolio to the Norwegian group B2Holding, in the third quarter of 2017.

On 31 July 2018, the four systemic banks in Greece (the Bank, National Bank of Greece, Eurobank and Piraeus Bank) entered into an innovative servicing agreement with a credit institution specialised on servicing of NPLs, doBank S.p.A (“**doBank**”), in line with their strategic framework to reduce their non-performing exposures by protecting the viability of small and medium enterprises and supporting the recovery of the Greek economy. doBank will support the four systemic banks in the exclusive management of common non-performing exposures of more than 300 Greek SMEs with an approximate nominal value of €1.8 billion.

On 28 November 2018, the Bank entered into a binding agreement with a consortium comprised of funds managed by affiliates of Apollo Global Management, LLC, and IFC (International Finance Corporation), a member of the World Bank Group, for the disposal of a mixed pool (i) of NPLs to Greek SMEs mainly secured by real estate assets (the “**NPL portfolio**”) and, together with the wholly-owned Group Company Alpha Leasing S.A., (ii) of repossessed real estate assets in Greece (the “**REO portfolio**”), with a total on-balance sheet gross book value of approximately €1.0 billion and €56 million respectively, as of 30 September 2018. The NPL portfolio transaction was partially completed in 27 December 2018, while the completion of the REO portfolio transaction is expected to take place by the end of 2019.

On 21 December 2018, the transfer of a non-performing and uncollateralised retail loans portfolio in Greece was completed. The transaction price as incurred, taking into consideration the transaction costs and other liabilities, amounted to €62.6 million, whilst the gain amount of €7.8 million was recognised as “Gains less losses from discontinued recognition of financial instruments at amortised cost”.

On 31 December 2018, the Bank successfully exited the restructuring plan approved by DGComp.

## BUSINESS OF THE GROUP

### Introduction

The Bank was established in 1879 as the banking branch of “J.F. Costopoulos & Company”.

The Bank was incorporated and registered in the Hellenic Republic as a public company with limited liability under Greek Codified Law 2190/1920 (which was replaced by Law 4548/2018 as from 1 January 2019) (General Commercial Registry number 223701000, former Registry of Corporations number 6066/06/B/86/05).

The telephone number of the Bank is 00 30 210 326 0000 and the website of the Bank is <https://www.alpha.gr/en/group/alpha-bank>.

The Bank is subject to supervision by the ECB/SSM, the Bank of Greece, the Hellenic Capital Market Commission (the “**HCMC**”), the Greek Ministry of Development and Investments and is subject, amongst other things, to banking, securities and accounting legislation in force.

The purpose of the Bank as set out in Article 4 of the Bank's Articles of Incorporation is "to engage, on its account or on behalf of third parties, in Greece and abroad, independently or collaboratively, including a joint venture with third parties, in any and all (main and secondary) operations, activities, transactions and services allowed to credit institutions, in conformity with whatever rules and regulations (domestic, Community, foreign) may be in force each time."

All the activities of each of its companies are divided into six business units, with enhanced management and administrative responsibilities. The management of its overall strategy and the coordination of activities between business units is undertaken by its executive committee. Furthermore, the Bank has strengthened the distinction between retail and wholesale banking and extended this organisational principle across the Group to apply to its operations in South Eastern Europe (Cyprus, Romania and Albania). It also maintains a presence in the United Kingdom and in Jersey.

At the income-generation level the Bank operates the following business units:

(a) ***Retail Banking***

This unit includes all individuals (retail banking customers), professionals, small and very small companies operating in Greece and abroad, excluding countries in South Eastern Europe.

The Group, through its extended branch network, offers all types of deposit products (deposits/ savings accounts, working capital/ current accounts, investment facilities/ term deposits, repos, swaps), loan facilities (mortgages, consumer, corporate loans, letters of guarantee), debit and credit cards of the above customers and banking and insurance products provided through affiliated companies.

(b) ***Corporate Banking***

This unit includes all medium-sized and large companies, corporations with international business activities, corporations managed by the Corporate Banking Division and shipping companies operating in Greece and abroad, except from South Eastern European countries. The Group offers working capital facilities, corporate loans, and letters of guarantee for the above mentioned corporations. This sector also includes leasing products which are provided by the subsidiary company Alpha Leasing A.E. as well as factoring services which are provided by the subsidiary company ABC Factors A.E.

(c) ***Asset Management and Insurance***

This unit consists of a wide range of asset management services offered through the Group's private banking units and its subsidiary, Alpha Asset Management A.E.D.A.K. In addition, it includes income received from the sale of a wide range of insurance products to individuals and companies through its subsidiary Alphalife A.A.E.Z.

(d) ***Investment Banking and Treasury***

This unit includes stock exchange, advisory and brokerage services related to capital markets, and also investment banking facilities, which are offered either by the Bank or specialised subsidiaries which provide the aforementioned services (Alpha Finance A.E.P.E.Y., Alpha Ventures S.A.). It also includes the activities of the Dealing Room in the interbank market (FX swaps, bonds, futures, IRS, interbank placements – loans, etc.).

(e) ***South Eastern Europe***

This unit consists of the Group's subsidiaries, which operate in South Eastern Europe.

(f) ***Other***

This segment includes the non-financial activities of the Bank, as well as unallocated/one-off income and expenses and intersegment transactions.

A more detailed description of each business unit follows:

***Retail Banking***

The Bank is a major participant in the retail banking sector in Greece and as at 30 June 2019 had a domestic network of 594 branches, seven private banking (customer service centres) and five commercial centres. Each Greek branch network is supported by a nationwide network of 1,259 ATMs. Its retail banking activities and products include deposits, investment products, distribution of bancassurance and standard insurance products (most commonly, policies attached to mortgage sales), banking activities on commission (mutual funds, credit cards, capital transfers, brokerage activities and payroll services), loans to individuals (consumer and housing loans) and loans to small-sized firms.

***Retail deposits***

The retail deposits of the Greek private sector increased by €6.6 billion at the end of June 2019 on a year-on-year basis. The Bank's market share of retail deposits reached 21.53 per cent at the end of June 2019, while the overall market share in Greek deposits at the end of June 2019 stood at 22.37 per cent.

***Retail loans***

The downturn in economic activity and the consequent reduction in households' disposable income over the last few years, in combination with the low level of consumer and business confidence, have brought about a clear fall in demand for new loans and a decline in credit expansion in Greece. The Bank has continued to support its customers and to assist in the effort to restore stability to the Greek economy.

Loans to customers measured at amortised cost (before provision for impairment losses) of retail lending (which includes loans to small businesses) on a consolidated basis amounted to €28.7 billion as of 30 June 2019, whereas for Greece they stood at €24.9 billion.

### *Lending to Individuals*

Despite the economic downturn in the last few years, the Bank has maintained its position as one of the leading banks in the retail credit market by offering a full range of products designed to cover all personal and housing needs.

The Bank offers housing loans with variable or fixed rates that finance the purchase of a house or land, as well as construction, renovation, extension or repair works.

Regarding consumer loans, the Bank offers a wide variety of consumer finance solutions through a consumer loans product mix that has been designed to respond to the needs of its retail banking customers. The Bank's consumer loans are offered either with variable or fixed rates and finance either specific needs (purpose loans for car acquisition, educational purposes or home refurbishments) or other personal needs.

During 2018, the Bank focused on boosting new sales. In this context, the new product "Alpha Renovation" was introduced. "Alpha Renovation" is a specialised housing loan with a fast disbursement procedure that allows quick completion of renovation works so that customers benefit immediately from a modern and efficient home.

At the same time, the Bank redesigned the consumer loans product portfolio aiming at simplifying the product offering and providing modern solutions to customers. "Alpha Metron Ariston with Cash Collateral" was introduced, allowing customers to finance their personal needs with preferential rates while maintaining their savings.

The Bank participated in the "Exoikonomisi Kat' Oikon II" programme, a co-financed programme of the Ministry of Environment and Energy, designed to provide motives to owners of residential properties to improve the energy efficiency of their homes. Disbursements since the start of the programme in 2018 have exceeded €11 million, with more expected in the forthcoming second phase of the programme in the third quarter of 2019.

At the same time, the Bank continues to support its existing customers by offering comprehensive solutions to allow them to service their loans promptly. The Bank continuously works towards the development and support of programmes that assist customers facing serious financial difficulties.

As of 30 June 2019, the carrying amount (before allowance for impairment losses) of the Group's mortgage loans measured at amortised cost stood at €18.1 billion.

The Group's carrying amount of consumer loans (before allowance for impairment losses) carried at amortised cost amounted to €4.4 billion as at 30 June 2019.

### *Payment cards*

The Bank has a leading position in the Greek market for both card issuance and acquiring. The Bank's debit and credit card portfolio exceeds 4 million cards. In credit cards, the Bank maintains significant market share in terms of billings and balances. The sales volume of credit and debit cards in 2018 was approximately €6.7 billion. As at 30 June 2019, outstanding balances exceeded €1.3 billion and the sales volume for the portfolio has increased by more than 10 per cent. compared with the same period in 2018. With respect to its acquiring business, the Bank is the only acquirer in Greece of all the major payment schemes: American Express, Visa, MasterCard and Diners and operates a network of approximately 150,000 associated merchants, holding a significant position in the Greek acquiring market.

### *Loans to small businesses*

The carrying amount (before allowance for impairment losses) of small businesses loans carried at amortised cost had an outstanding balance of €5.0 billion as at 30 June 2019.

## **Corporate Banking**

### *Corporate Banking*

The Bank provides a full range of corporate banking services to Greek companies, foreign corporations active in Greece and, to a lesser degree, public sector entities. Corporate clients serviced by the Bank's Corporate Banking division generally have an annual turnover of at least €75 million. The Bank's credit portfolio is mainly composed of companies in the manufacturing, trade, transportation, construction, real estate, energy, fuels and infrastructure sectors.

The Bank offers a number of services to corporate customers, including acceptance of deposits, short-medium and long-term lending both in euro and foreign currencies, cashing cheques, foreign exchange transactions, transactions in treasury and money market instruments, letters of guarantee, factoring and leasing. Its services offered also include other cash and risk management services. The Bank also provides certain other banking services to corporate customers, including arrangement and participation in syndicated loans to large-sized companies and participation in bilateral debt restructuring transactions, according to clients' financial needs.

### *Commercial Banking*

The Bank provides services to approximately 8,500 medium-sized companies on the Greek mainland and islands, with credit limits over €1 million and/or annual turnover between €2.5 million and €75 million.

The Bank provides its clientele with a centralised customer relationship management system offering a wide spectrum of tailor made solutions to meet its clients' needs. Despite the impact of the recent economic crisis, the Bank has maintained a high-quality portfolio of medium-size companies, mainly by focusing on balancing the collateral provided by each company with an assessment of the company's credit-worthiness.

### *Shipping Finance*

The Bank has been successfully involved in shipping finance since 1997, providing finance for new-build and second-hand vessels and other banking products / services (remittances, foreign exchange transactions, hedging solutions etc.) to Greek-owned ocean-going shipping companies (owning mainly tankers, dry bulk carriers and container vessels).

Despite the fluctuations in the freight markets and world economy, Greek shipowners continue to demonstrate their commitment and strong position in the shipping industry, while bank lending remains the main means of raising funds. The Bank, as one of the main lenders in Greek shipping, will continue to aim for the best possible response to its customers' needs.

### *Alpha Leasing AE*

Alpha Leasing AE, established in 1981, is a wholly owned subsidiary of the Bank, and provides a wide range of financial leasing services and products to its customers. Alpha Leasing AE is service-oriented, focusing on the selective implementation of its customers' investment plans (2,063 customers as at 30 June 2019), while securing low risk and acceptable return levels for its portfolio. As at 30 June 2019 total receivables from leasing (after allowance for impairment losses) amounted to €467 million (compared with €478 million at 31 December 2018). As at 30 June 2019, Alpha Leasing AE had 39 employees.

### *ABC Factors AE*

Through ABC Factors AE, the Bank provides a wide range of factoring services (domestic factoring with and without recourse, reverse factoring, invoice discounting, accounts receivables control, management and collection services, import and export factoring and forfaiting). Since its establishment in 1995, ABC Factors AE has held a leading position in the Greek factoring market based on the value of the assigned receivables and

profit before taxes, according to a comparative analysis of the competition (Source: Hellenic Factoring Association). For the period from 1 January to 30 June 2019, the turnover of ABC Factors AE (amount of trade receivables) amounted to €2.35 billion (compared to €2.12 billion for the relevant period of 2018). As at 30 June 2019, the company engaged 81 employees.

### **Asset Management & Insurance**

The Asset Management & Insurance segment includes private banking, asset management, and insurance services.

#### *Private Banking Unit*

Since 1993, the Bank has been providing a full range of portfolio management services as well as upgraded banking services to high net-worth clients. The services are provided under the trade name “Alpha Private Bank”, by a network of six exclusively designated 'Private Banking Centres', seven service points at selected branches in Greece's largest cities and one 'Private Banking Centre', at Alpha Bank London Limited, a 100 per cent owned subsidiary bank based in the UK, regulated by the Bank of England.

The unit, operating under the supervision of the Private and Investment Banking Executive General Manager and with support from a team of portfolio counsellors and analysts, provides the Bank's upper client segment with optimised portfolio management solutions under the Discretionary, Advisory, Transactional Advisory and Execution Only framework. The sales team consists of 50 specialised and certified private bankers in Greece and six bankers in London. Despite the capital controls regime imposed in Greece since 2015, the unit's total assets under management stood at €4.3 billion and 6,250 investment portfolios as of 30 June 2019, contributing €14 million in gross revenues.

Since 2018 and aiming at improving its Private Banking “Customer Journey” through the enhancement of investment services, the unit introduced the:

- “InvestoR” Electronic Platform which, through the automation and homogenisation of the advisory selling process, offers customers a holistic investment approach in full compliance with MiFID II.
- Use of mobile devices (tablets) in portfolio management, facilitating direct and personalised communication between the private banker and the customer.
- Consolidation of the Alpha Private Bank Customer Phone Service, which provides swift and secure specialised banking services to Private Banking customers during extended working hours, without visiting an Alpha Bank branch.

In recognition of the consistent high quality that defines the Bank's Private Banking services, Alpha Bank was named “Best Private Bank in Greece” for 2018 by the internationally acclaimed publications “Professional Wealth Management (PWM)” and “The Banker” of the Financial Times Group.

#### *Alpha Asset Management A.E.D.A.K.*

Alpha Asset Management A.E.D.A.K.'s objective is the development and management of mutual funds, offered to private and institutional clients of Alpha Bank. Additionally, it is actively engaged in the portfolio management of institutional investors such as pension/occupational funds, insurance companies and other entities. The company offers a wide range of investment solutions, consisting of 24 mutual funds covering almost all investment categories (equities, bonds, money market and alternative investments), providing access both to developed and emerging markets.

Alpha Asset Management A.E.D.A.K. is the second largest mutual funds management company in Greece and as of 28 June 2019, its market share stood at 19.6 per cent. of the entire mutual funds industry (Source: Hellenic



Fund & Asset Management Association). As of 28 June 2019 total assets under management of the company stood at €1.977 billion, of which €1.370 billion were invested in mutual funds and €607 million in segregated accounts of institutional clients.

#### *Alphalife A.A.E.Z.*

Alphalife A.A.E.Z., a wholly owned subsidiary of the Bank, is active exclusively in the bancassurance market of investment and pension life insurance products, solely through the branch network of the Bank.

Despite the fact that the commencement of its business in 2010 coincided with the economic recession in Greece, there has been an increase in premium production, in the portfolio of insurance contracts and in reserves and assets under the management of Alphalife A.A.E.Z. during the period between 2010 and 30 June 2019. Key figures for the six months ended 30 June 2019 are: insurance premiums received of €46.3 million, assets under management of €466.5 million and profits before income tax of €12.0 million.

### **Investment Banking and Treasury**

#### *Investment Banking*

The Investment Banking unit includes the activities of Corporate Finance, Structured Finance and Real Estate Investments, as these are described below.

#### *Corporate Finance*

Corporate Finance offers services relating to mergers and acquisitions, restructurings, privatisation projects, valuations, capital markets transactions, public tenders and concessions and holds a leading position among the local investment banking units. In 2019, the Corporate Finance, through its merger with the Investment Banking unit's Real Estate Investments Services, also became active in the management and operation of the Bank's real estate assets.

Corporate Finance services in 2019 primarily focused on the provision of advisory services to private sector companies relating to M&A, privatisation projects under the Hellenic Asset Development Fund (“**HRADF**”) as well as capital market transactions for the listing of corporate bonds on ATHEX. Specifically, it acted as Independent Valuer to HRADF in relation to the privatisation of HELPE SA.

Currently, Corporate Finance acts as financial advisor to the HRADF in the award of a concession to operate, maintain and commercially exploit Egnatia Motorway (Egnatia Odos), which is a major privatisation transaction.

Corporate Finance recently provided a fairness opinion to Eltech Anemos S.A. for the merger with Ellaktor S.A. and is currently acting in the same capacity in relation to an M&A transaction in the telecommunications sector.

From the capital market perspective, Corporate Finance provided underwriting advisory services to Aegean Airlines S.A. and Attika Holding S.A. for the listing of corporate bonds on ATHEX.

In addition, advisory services were offered to private companies trading on ATHEX, in connection with rights issuances and tender offers.

#### *Real Estate Investments Services*

Real Estate Investments Services undertakes the management, operation, formulation and execution of related strategic and business plans for real estate assets in Greece and South Eastern Europe acquired as a result of the enforcement of security under loan facility agreements. The aim of the Real Estate Investments Services unit's management is to safeguard and maximise recovery value of those assets, as well as to secure their efficient and

risk-fenced management through the establishment of special purpose vehicle companies (SPVs). The Real Estate Investments Services unit acts as one of the internal REO commercialisation channels in close collaboration with Alpha Real Estate Management and Investments SA, Alpha Astika Akinita S.A., the Bank's subsidiaries in South Eastern Europe and other external partners.

In 2019, the Real Estate Investments Services unit concluded sales of real estate assets under management in Greece, Bulgaria and Romania totalling €151 million. These included the sale of:

- AIP I S.A., owning a portfolio of five prime commercial real estate assets in Athens for a total consideration of €107 million;
- Four SPVs holding two prime office buildings and one residential building in Sofia for a total consideration of €17.3 million;
- Residential properties in five residential projects in Bucharest (almost fully deleveraging the Bank's residential portfolio in Romania) for a total consideration of €10 million;
- A land plot of around 11,000 square metres in Bucharest for a total consideration of €7.5 million; and
- An SPV holding a land plot of around 11,000 square metres in Crete for a total consideration of €8.7 million.

#### *Structured Finance*

The Bank holds a leading position in the Greek structured finance market, offering project financing on a non-recourse basis for large projects in infrastructure (motorways, airports, ports, etc.) and energy (renewables, cogeneration and thermal power plants), either on a bilateral or a syndicated basis, in Greece and abroad. The Bank is also active in commercial real estate finance through structured financing of projects in Greece and South Eastern Europe.

In 2018, the Structured Finance Division was actively involved in arranging new structured financings on a syndicated (along with other commercial banks but also with multinational institutions) or bilateral basis in the power sector, with a focus on renewable energy sources and wind farms, thus affirming the Bank's dominant position in this sector.

In the field of advisory services, the Division acts as advisor to the Hellenic Republic Asset Development Fund (TAIPED) for privatisations.

In the real estate sector, the Structured Finance Division successfully completed a number of selective transactions, mainly with Real Estate Investment Companies (REICs) in Greece but also arranged new financings in Romania.

The Division's loan book moderately increased to approximately €1.2 billion, due to parallel scheduled repayments in its loan portfolio.

On the basis of existing mandates regarding the arrangement of financing for various projects, the volume and the performance of the loan portfolio are expected to increase in the following years, with business growth driven primarily by projects in the renewable energy sector, PPPs and the development of income properties.

#### *Alpha Finance Investments Services S.A.*

Alpha Finance Investment Services S.A. is a leading Greek investment firm which provides research and brokerage services in both the equities and derivatives markets. It is a member of both ATHEX and the Cyprus Stock Exchange. Alpha Finance Investment Services S.A follows an open architecture strategy to broaden and

diversify the investment options of its clients, offering a wide range of products and services as well as providing access to the largest international stock exchange markets. In addition, Alpha Finance Investment Services S.A. acts as a market maker in the stock and derivatives markets of ATHEX.

For the six months ended 30 June 2019, Alpha Finance Investment Services S.A. reported losses after tax of €0.2 million and revenues of €3.6 million compared to losses after tax of €0.1 million and revenues of €3.9 million for the six months ended 30 June 2018. Shareholder's equity as of 30 June 2019 amounted to €25.2 million while as of 31 December 2018 shareholder's equity amounted to €25.3 million.

#### *Treasury*

The Bank participates in the interbank spot, money, bond and derivatives markets. Its use of sophisticated systems to measure risk, along with the Bank's conservative trading profile, have contributed to risk limitation, enhancement of flexibility in adapting to changing market conditions, and improved performance. The Treasury Division is particularly active in both the Greek primary and secondary bond markets as well as in the primary and secondary European and international debt capital markets.

#### **South Eastern and rest of Europe**

The Group is active in South Eastern Europe and has a presence in Cyprus, Romania, Albania as well as in the United Kingdom through Alpha PLC and the Bank's subsidiary Alpha Bank London Limited. The Group also has a presence in Jersey. As at 30 June, the Group had a total of 186 branches and 3,150 employees in South Eastern Europe and the rest of Europe (excluding Greece).

As at 30 June 2019 loans and advances to customers (before allowance for impairment losses) reported under the segment of South Eastern Europe amounted to €6.8 billion corresponding to 13.3 per cent. of total loans and advances to customers (before allowance for impairment losses) of the Group on a consolidated basis, while due to customers amounted to €5.2 billion corresponding to 13.3 per cent. of total due to customers of the Group on a consolidated basis.

#### **Other Activities**

##### *Alpha Astika Akinita A.E.*

Alpha Astika Akinita S.A. was founded in 1942 and since 1999 the company's shares have been listed on ATHEX. The company operates mainly in the Greek real estate market. It also extends its activities to the markets of Romania, Bulgaria and Cyprus through its subsidiaries, Alpha Real Estate Services S.R.L., Alpha Real Estate Bulgaria E.O.O.D., Chardash Trading E.O.O.D. and Alpha Real Estate Services L.L.C.

The main objective of Alpha Astika Akinita S.A. is to manage and value real estate properties and rights owned by the Group. Furthermore, it offers appraisal, technical consultation and comprehensive services for exploiting real estate owned by third parties. Regarding its property management services, brokerage, property valuation, investment appraisals, project management and evaluation of property development projects, Alpha Astika Akinita S.A. has been certified with ISO 9001.

Moreover, the company owns 18.42 per cent. of the share capital of Propindex S.A., a company which creates, calculates and produces indicators related to the real estate market.

##### *Custodial Services*

The Bank has a specialised organisational unit that performs custodial functions servicing local and foreign institutional investors and retail clients. As at 30 June 2019, total assets under the Bank's custody were approximately €6 billion as follows:

- The value of the institutional clientele's portfolio amounted to approximately €3 billion, while the fee and commission income from 1 July 2018 to 30 June 2019 amounted to approximately €2 million. The main categories of institutional clients under custody are insurance companies, institutions for occupational retirement provision (IORPs), banks and asset management companies.
- The value of the retail clientele's portfolio amounted to approximately €3 billion while the portfolio maintenance commissions earned between 1 July 2018 and 30 June 2019 amounted to approximately €1.5 million.

#### *NPL Management*

In a challenging economic environment, the Bank set as a paramount objective the effective management of NPEs, as this will lead not only to the improvement of the Bank's financial strength but also to the release of funds towards households and productive business sectors contributing to the development of the Greek economy in general.

Following its submission to the SSM on 30 September 2018 of a business plan regarding NPEs, on 29 March of 2019, the Bank submitted a revised NPE business plan, including targets per asset class for the period 2018 to 2021. The updated NPE business plan illustrates a mix of organic and inorganic solutions to achieve the plan. The Bank's objective for the management of troubled assets is to reach NPE balances of approximately €7.4 billion by the end of 2021, a reduction of approximately €14.3 billion or 66 per cent., compared to the ending balance as of 31 December 2018. As of 30 June 2019, the Group's stock of NPEs stood at €24.7 billion and, according to the latest NPE business plan, is not expected to exceed €19.1 billion as at 31 December 2019.

The achievement of objectives is driven by the implementation of initiatives concerning:

- Governance, policies and operating model through increased oversight and active involvement of the Management and the Board of Directors with clear roles and accountabilities through the relevant Committees
- The launch in July 2018 of the "Retail NPE Transformation Plan" establishing a new end-to-end platform for the management of retail troubled assets
- Portfolio segmentation and analysis based on detailed execution roadmaps within a strict and defined segmentation framework under continuous review, update and improvement
- Establishment of new flexible restructuring products with additional functionalities, which are based on debtors' repayment ability and outlook aiming at long-term viable restructurings
- Effective human resources management focusing on know-how and training, which is further improved through attracting specialised executives
- Strategic joint venture initiatives:
  - With Cepal for Retail exposures; ahead of the planned residential NPE transaction (Orion), the Bank has already assigned the portfolio to Cepal to allow proactive management of the securitisation portfolio
  - With doBank Hellas – in cooperation with the other Greek systemic banks – an assignment agreement had been signed for the management of non-performing SME exposures of approximately €400 million over total SME exposures of the Greek systemic banks of approximately €1.5 billion. The aim of this common initiative of the four Greek systemic

banks is to tackle SME NPEs in cases where the banks have common exposure, in coordination and with a uniform credit policy as well as to provide common solutions

It should be stressed that the successful implementation of the Bank's NPE strategy is conditional on a number of external/ systemic factors that include – among others – the following:

- Realisation of a continuously improving economic environment;
- Intensification of the electronic auctions to support liquidations and serve as a credible enforcement threat to non-cooperative borrowers; notwithstanding the positive expected impact of the E-Auctions platform, there are certain impediments of a legal (e.g. ability of borrower's petition in L.3869 shortly before auction) or systemic (e.g. limited functionality of existing platform) nature that are adversely affecting the flow of E-Auctions;
- Acceleration of Household Insolvency Law (Greek law 3869/2010) court decisions – further legislative changes that facilitate interbank cooperation in managing cases within the Greek law 3869/2010 framework; some progress has been recorded with respect to enhancing the case-processing capacity of courts through new staff appointments and training of judges on financial topics;
- New debtor protection scheme on primary residences of vulnerable households; upon the state electronic platform's launch, the perimeter applying for the new law and any potential impact will be reassessed; the Bank is currently preparing all required operational and IT functions;
- Improvements in management and transfer of NPLs framework (Greek law 4354/2015), which will support the realisation of significant transactions and the improvement of conditions; for a series of portfolios to be transferred within the upcoming period; abovementioned deals will be further supported by the fact that the domestic servicing industry is finally gaining traction with the establishment and licensing of several servicers;
- Enhancement of legal framework of Corporate Bankruptcy (Greek law 3588/2007) is expected to speed up recoveries and efficiency of corporate cases resolution, while preserving assets' value;
- Realisation of four systemic Greek banks' (NPL Forum) deliberations for the resolution of common large corporate cases and the cooperation of the banks aiming at a joint management of SME's respectively; and
- Out-of-court workout (Greek law 4469/2017) enhancements are expected to resolve operational issues with the process.

The Bank's full commitment towards the active management and reduction of NPEs over the business plan period not only remains intact, but is reinforced through the constant review and calibration of the Bank's strategies, products, and processes to the evolving macroeconomic environment.

On 10 October 2019, the European Commission published a press release stating that it had found Greek plans aimed at supporting the reduction of NPLs of the Greek banks to be free of any state aid.

Under the relevant asset protection scheme (known by the name of “**Hercules**”), the Greek state will offer its guarantee for senior notes issued on securitised NPLs.

The European Commission's assessment showed that the Greek state guarantees would be remunerated at market terms according to the risk taken, i.e. in a manner that would be acceptable for a private operator under market conditions. Thus, such guarantee would be free of any state aid.

This is, in particular, ensured by the following elements:

- First, **the risk for the state will be limited** since the state guarantee only applies to the senior tranche of the notes sold by the securitisation vehicle. An independent rating agency approved by the ECB will determine the rating of the senior tranche.
- Secondly, the state guarantee on the senior tranche will only become effective if more than half of the non-guaranteed and risk-bearing riskier tranches have been successfully sold to private market participants. This will ensure that the risk distribution of the tranches is **tested and confirmed by the market before the state assumes any risk**.
- Thirdly, the state's **remuneration for the risk taken will conform to the market**.

The guarantee fee will be based on a market benchmark and correspond to the level and duration of the risk the state takes in granting the guarantee. This means that the guarantee fee paid will increase over time in line with the duration of the state's exposure. This fee structure, in addition to the appointment of an external servicer, aims to increase the efficiency of the workout and likely recovery on the NPLs.

On this basis, the European Commission was able to conclude that the measure is free of state aid within the meaning of EU state aid rules.

The above assessment of the European Commission was in line, amongst other things, with a blueprint previously developed by the European Commission that provides practical, non-binding guidance to Member States for the design and set-up of impaired asset measures both with and without state aid.

Immediately after the above-mentioned press release, the Greek government announced that it would proceed, on an accelerated basis, with the enactment of all necessary legislation for making the Hercules scheme available to the Greek banks.

## **Distribution Network**

### *Branch Networks*

The Bank's presence in Greece and other countries in which it operates is supported by a network comprising 606 branches as at 30 June 2019, which includes approximately 408 retail branches in Greece, five commercial centres in Greece, seven Private Banking customer service centres in Greece and 186 retail branches outside Greece.

### **myAlpha**

The Bank's pillar "myAlpha" includes all electronic services and electronic products, such as "myAlpha Web", "myAlpha Mobile" and "myAlpha Phone", as well as the digital wallet "myAlpha wallet".

### **e-Banking**

At the end of June 2019, active e-Banking customers (web and mobile) for individuals and businesses increased by 21 per cent. compared with the equivalent period in 2018, with more than 89 per cent. of all transactions being alternative network transactions.

In 2019, more than 700 payment services were offered. At the same time, the efforts to optimise the provision of product information as well as to improve transaction service levels continued, resulting in further improvement of customer experience.

In addition, a series of functional upgrades were carried out to provide customers with uninterrupted quality services and efficient support.

### **myAlpha web**

Active subscribers to “myAlpha Web for Individuals and Businesses” increased by 6.7 per cent., while transactions made using the service also increased by 2.4 per cent. compared to the first six months of 2018.

Specifically, “myAlpha Web for Individuals” continued its upward trend in 2019, with a 5.5 per cent. increase in active users over the first six months of 2019. Through “myAlpha Web for Individuals”, users can:

- carry out instant or post-dated payments on accounts, cards and loans;
- make payments to public sector entities;
- make quick transfers to any bank in Greece or abroad;
- set up and manage alerts via email or text message;
- view their accounts, card details and loan e-statements; and
- apply online for products such as debit cards, deposit accounts and term deposits.

As part of the efforts to constantly improve the services provided and adopt new technologies in electronic banking, “Alpha Web for Businesses” continues to develop new features that ensure greater flexibility and security in customer transactions and continued its upward trend in 2019, expanding its customer base with a 13 per cent. increase in active users over the first half of 2019.

### **myAlpha mobile**

“myAlpha Mobile” has evolved dynamically in recent years, attracting increasingly more users. Active users have increased by 53.1 per cent. since 30 June 2018, while there was a 77.8 per cent. increase in users served exclusively through “myAlpha Mobile” on their mobile phones. In 2019, one out of two subscribers to the Bank’s alternative networks uses the mobile app on a monthly basis and one out of four e-Banking subscribers uses only the mobile service to obtain updates and carry out transactions.

### **myAlpha phone**

myAlpha phone provides information to customers and helps them carry out transactions via an automated system or with the assistance of a call centre agent. This is particularly useful for customers with reduced mobility or visual impairments.

### **Electronic payment services**

#### **myAlpha wallet**

In 2019, the Bank continued its efforts to further develop electronic banking with innovative solutions and proceeded with introducing new features and services to “my Alpha wallet”, the Bank’s digital wallet for payments and purchases all over the world.

Significant additions to the service were the ability to access the service using the e-Banking or the bleep app access codes (for new or existing users). In addition, the registration process was simplified to further improve each customer’s onboarding journey, while the ability to include add-on cards in the “my Alpha wallet” profile was also added.

## **Mobile app**

In addition to the above new features, “myAlpha wallet” has been further improved. A “Tap 'n Pay” option was enabled for all business and add-on cards while a widget option was added to the “Tap 'n Pay” app, allowing customers to carry out even faster contactless transactions.

“MyAlpha wallet” continued its upward trend, marking a 45 per cent. increase in users between 30 June 2018 and 30 June 2019. The service now has over 150,000 registered users, who have made over 270,000 account payments in total. At the same time, the service app has been downloaded over 200,000 times from the App Store and Google Play. “Tap ‘n Pay” users increased by 80 per cent., carrying out approximately 335,000 transactions with a total value of €7.5 million.

## **Electronic Services for Businesses**

### **Alpha e-Commerce**

In 2019, the features of “Alpha e-Commerce” were upgraded, improving the existing innovative services provided to cooperating businesses.

The increase in new businesses joining the “Alpha e-Commerce” service and in transactions carried out via this service continued in 2019. Specifically, between 30 June 2018 and 30 June 2019:

- the number of active subscribers grew by 33 per cent.; and
- the number of transactions grew by 55 per cent.

In the first six months of 2019, there was also an increase in “MyBank” service transactions as follows (compared to the first six months of 2018):

- the number of transactions grew by 27 per cent.; and
- turnover grew by 33 per cent.

### **“Alpha Mass Payments”**

“Alpha Mass Payments” is dedicated to collecting dues via standing orders and/or alternative networks, as well as carrying out mass payments (e.g. payroll, payment of suppliers etc.). The service’s user-friendly interface offers features that allow users to create, send and monitor the progress of mass payment orders (e.g. payroll or payment of suppliers) and effectively serves small and medium-sized enterprises.

## **Automated Banking Services**

To enhance customer service and increase the efficiency of the Bank’s ATM network while rationalising their operating costs, approximately 267 feasibility studies, primarily concerning the configuration of the network of off-site ATMs (withdrawals, relocations, new installations, replacements, adjustment of rentals etc.), were carried out in 2018 and cost-benefit reports were compiled on the operation of all off-site ATMs.

The Bank also installed 143 new ATMs (61 off-site and 82 in branches) and withdrew 38 ATMs (9 off-site and 29 due to changes in the branch network). Moreover, as part of the ATM replacement plan with state-of-the-art machines, launched in 2018, 78 per cent. of branches now offer online cash deposits. For the first six months of 2019, transactions increased by 5.8 per cent. compared to the first six months of 2018.

Out of a total of 1,259 ATMs, 292 (20 per cent.) allow use by persons with visual impairments, due to their special settings.



To serve customers even better and to reduce the workload of branch tellers involving deposits and cash payments, 71 new automated cash transaction centres (ACTCs) were installed, covering 81 per cent. of the branch network, resulting in a 47.6 per cent. increase in ACT transactions compared to the first six months of 2018 and an 84.3 per cent. increase in ACT transaction value compared to the first six months of 2018.

#### **Alpha alerts and Alpha e-statements**

“Alpha e-Statements” continued its successful course, significantly contributing to the efforts to reduce paper and ink use and save resources, as a considerable number of Bank customers opt for electronic statements instead of paper bank statements.

#### **Donations for Social Purposes**

e-Banking supports donations to approximately 72 different social purpose organisations.

## RISK MANAGEMENT

### Risk Management Framework

The Group has established a comprehensive risk-management framework, which has evolved over time, and takes into account common European legislation, banking system rules, regulatory principles and supervisory guidance and best international practices. This risk management framework is implemented in the course of day-to-day business, enabling corporate governance to remain effective.

The Group's focus is to maintain the highest operating standards, ensure compliance with regulatory risk rules and retain confidence in the conduct of its business activities through the sound provision of financial services.

As of November 2014, the Group falls under the SSM, which is the system of financial supervision and prudential regulation comprising the ECB and the Bank of Greece. In addition, as a significant credit institution, the Group is directly supervised by the ECB.

The SSM works in cooperation with the EBA, the European Parliament, the Eurogroup, the European Commission, the competent national resolution authorities, the Single Resolution Mechanism, and the European Systemic Risk Board, within their respective competencies.

CRD IV (as defined in “*Terms and Conditions of the Notes*”) gradually introduces the new capital adequacy framework (“**Basel III**”) of credit institutions. Certain amendments to the CRR prescribed by Regulation (EU) 2019/876 will not apply until 28 June 2021. Similarly, the deadline to implement Directive (EU) 2019/878 into national law is 28 December 2020.

In implementing the regulatory and supervisory risk management framework prescribed under CRD IV, the Group has strengthened its internal governance and strategy of risk management and it has redefined its business model in order to achieve full compliance with the increased regulatory requirements and the guidelines relating to the governance of data risks, data collection, and data incorporation in the required reports towards the management and supervisory authorities.

The approach of the Group sets up a foundation for the continuous redefinition of its risk management strategy through (a) the determination of the extent to which the Bank is willing to undertake risks (risk appetite), (b) the assessment of the potential impacts of business development strategies in the definition of risk management limits in order to ensure that the relevant decisions combine the anticipated profitability with the potential losses and (c) the development of appropriate monitoring procedures of implementation of these strategies through a mechanism which allocates risk management responsibilities between the Bank’s units. Specifically, the Group develops, taking into consideration the nature, scale, and the complexity of its business as well as its risk profile, the risk management strategy around the following three lines of defence, which constitute a critical factor of its efficient operation:

- The retail, wholesale and wealth banking business units constitute the first line of defence and risk ‘ownership’, which identifies and manages the risks that arise when conducting banking business;
- Management and control risk and regulatory compliance units, which are independent from each other as well as from the first line of defence. They constitute the second line of defence. Their function is to: ensure objectivity in decision making; measure the effectiveness of such decisions (in terms of risk conditions and compliance with the existing legislative and regulatory framework, as well as internal regulations and ethical standards); and evaluate the total risk exposure of the Bank and the Group; and

- Internal audit units constitute the third line of defence. Internal Audit is an independent function, reporting to the Audit Committee of the Board of Directors. It audits the activities of the Group, including the Risk Management function.

The Board of Directors supervises the overall operations of the risk management sector. Regarding risk management, the Board of Directors is supported by the Risk Management Committee. The Risk Management Committee through monthly meetings addresses to the Board of Directors issues regarding the Group's risk-taking strategy and capital management. It is responsible for the implementation of and monitoring compliance with risk management policies. The Group re-assesses the effectiveness of its risk management framework on a regular basis in order to ensure compliance with international best practices.

For a more comprehensive and effective identification and monitoring of all types of risks, various management committees have been established: the ALCO (as defined below), the Operational Risk Committee, and the Credit Risk Committee.

The General Manager and Group Chief Risk Officer supervises the Risk Management Divisions and reports on a regular as well as ad hoc basis to the aforementioned management committees, the Risk Management Committee and the Board of Directors. With respect to credit risk, the reporting to the aforementioned committees covers the following areas:

- The risk profile of portfolios by rating grade
- The transition among rating grades (migration matrix)
- The estimation of the relevant risk parameters by rating grade, group of clients, etc.
- The trends of basic rating criteria
- The changes in the rating process, the criteria or in each specific parameter
- The concentration risk (by risk type, sector, country, collateral, portfolio, etc.)
- The evolution of gross loans, loans overdue by 90 days or more, NPEs and the monitoring KPIs per segment on a Group basis
- The cost of risk
- The transition of exposures from Stage 2 to 1 per asset class (IFRS 9)
- The maximum risk appetite per country, sector, currency, business unit, limit breaches and mitigation plans
- The monitoring of the business plan relating to NPE/NPL reduction targets and relevant KPIs

### **Organisational Structure of Risk Management Divisions**

Under the supervision of the General Manager and the Group Chief Risk Officer the following Risk Management Divisions operate within the Group and have been given the responsibility of implementing the risk management framework, according to the directions of the Risk Management Committee:

- Market and Operational Risk Division
- Credit Risk Data and Analysis Division
- Credit Risk Data Management Division

- Credit Risk Analysis Division
- Credit Control Division
- Credit Risk Policy and Control Division
- Credit Risk Methodologies Division
- Credit Risk Cost Assessment Division
- Risk Models Validation Division
- Wholesale Credit Division
- Wholesale Credit Workout
- Retail Credit Division

## **Committees**

### *Troubled Assets Committee*

The Troubled Assets Committee (“**TAC**”) was established in June 2014 and has been operational since January 2015. It has a key governance role in the Bank’s overall NPL management framework.

The TAC is chaired by the Executive General Manager – Wholesale Banking NPL or the Executive General Manager-Retail Banking NPL (depending on the topic presented) and reports to the Deputy CEO – Non Performing Loans and Treasury Management. The TAC convenes regularly every month or ad hoc upon any Member’s initiative.

The key responsibilities of the TAC are outlined below:

- Approval of Non-Performing Loans Policies and Procedures and the operational framework of the Wholesale Banking and Retail Banking Arrears Committees (limits, composition, frequency of file reviews, officers responsible for proposals, meetings, etc.) as well as apprising the Credit Risk Committee
- Assessment and monitoring of the targets set to the Non-Performing Loans Divisions within the context of the Bank’s budget by the Board of Directors
- Preliminary approval of operational viability of proposals from the Non-Performing Loans Divisions relating to engaging third parties to consult on or be involved with trouble exposures / debt management, subject to approval from the Expenditure and Investment Committee
- Preliminary approval of operational viability of proposals from the Non-Performing Loans Divisions to assign the management of certain troubled asset portfolios to companies licensed by the Bank of Greece (and monitoring the activities and results of any such assignees)
- Preliminary approval of write-offs proposed by the Retail Non-Performing Loans Monitoring Division and the Non-Performing Loans of Wholesale Banking Monitoring Unit in line with the Group’s policy on write-offs
- Preliminary approval of proposals to sell portfolios of troubled assets in accordance with the business plan and budget of the Non-Performing Loans Divisions

- Creation of specific forbearance, resolution and closure measures available to customers managed by the Non-Performing Loans Divisions, along with the periodic evaluation and monitoring of their effectiveness
- Setting the criteria on which the long-term viability of the proposed forbearance types and resolution and closure measures is examined
- Review of the internal reports related to the portfolio of the Non-Performing Loans Divisions
- Preparation, evaluation and approval of Wholesale Banking and Retail Banking Arrears Management Strategy which is further forwarded to the Credit Risk Committee for update and to Risk Management Committee for approval
- The preliminary approval of yearly budget, business plans and targets set to Non-Performing Loan Units (Wholesale and Retail) within the context of the Bank's operational planning, which are further forwarded to the Executive Committee and the Board of Directors to obtain final approval
- Approval of reports regarding NPE management, submitted to the ECB and the HFSF
- Oversight of the Troubled Assets Committees of Group subsidiaries.

#### *Wholesale Banking Announcement Review Committee*

The four-person Committee convenes semi-annually and is considered as quorate if the Executive General Manager – Wholesale Banking NPL and the Manager of the Wholesale Credit Division, as well as one more Member are present.

The Committee assesses the transfer of customers to the NPL Wholesale Banking Division that show indications of possible default, being under the responsibility of the Commercial Banking Division, the Corporate Banking Division, the Shipping Division and the Investment Banking Division.

Assessed customers include all those that have shown objective evidence of individual impairment of debt obligations, irrespective of the relevant proposal for impairment recognition, or evidence of financial difficulty and are considered to meet the criteria specified in the NPL Wholesale Banking regulation for the announcement to the NPL Wholesale Banking Division.

#### *Risk Management Committee*

The Committee consists of no less than three Members and no more than 40 per cent. of the total number of the Members of the Board of Directors of the Bank (rounded to the nearest whole number), excluding the representative of the HFSF. The exact number of the Members of the Committee is determined by the Board of Directors. All Committee Members are Non-Executive Members of the Board of Directors, the majority of whom are independent (excluding the HFSF representative). The representative of the HFSF is a Member of the Committee. The Committee generally includes one Member of the Audit Committee to ensure proper sharing of information in common areas of interest. The Chair of the Committee (the “**RMC Chair**”) is a Non-Executive Independent Member of the Board of Directors with significant experience in the banking sector. The RMC Chair cannot simultaneously act as Chair of the Board of Directors or of any other Board Committee. All the Members of the Committee should have prior experience in the financial services sector. At least one Member should have risk management experience and be familiar with the applicable regulatory framework. The adequacy of the experience and expertise of the Members of the Committee is regularly evaluated by the Corporate Governance and Nominations Committee.

The Risk Management Committee reviews and recommends to the Board of Directors for approval the risk and capital management strategy ensuring alignment with the business objectives of the Bank and the Group. It

reviews and recommends annually to the Board of Directors for approval the Group's risk appetite framework and statement, ensuring alignment with the Group's strategic objectives and capital allocation. Furthermore, it determines the principles which govern risk management across the Bank and the Group in terms of the identification, measurement, monitoring, control and mitigation of risks. In addition, it evaluates on an annual basis or more frequently, if necessary, the appropriateness of risk identification and measurement systems, methodologies and models, including the capacity of the Bank's IT infrastructure to record, report, aggregate and process risk-related information.

It ensures the development of an in-house risk management system and evaluates reports submitted by the Chief Risk Officer. It provides for the conduct of at least annual stress tests and is informed of the sections of the report prepared by the external auditors pertaining to risk management as provided by the supervisory authorities.

The Risk Management Committee ensures the adequacy and effectiveness of the risk management policy and procedures of the Bank and the Group, in terms of the:

- Undertaking, monitoring, and management of risks (market, credit, interest rate, liquidity, operational, or other material risks) per category of transactions and customers per risk level (e.g. country, profession and activity)
- Determination of the applicable maximum risk appetite on an aggregate basis for each type of risk and further allocation of each of these limits per country, sector, currency, Business Unit, etc.
- Effective and timely formulation, proposal for approval to the Board of Directors and execution of the NPLs/NPEs strategy, taking into account their paramount importance as one of the single largest asset sources where a multitude of risk factors is combined
- Establishment of stop-loss limits or of other corrective actions

The Risk Management Committee ensures communication among the internal auditor, the external auditors, the supervisory authorities and the Board of Directors on risk management issues, and convenes at least once a month.

#### *Assets Liabilities Management Committee*

The Assets Liabilities Management Committee ("ALCO") convenes regularly every quarter under the chairmanship of the Managing Director-CEO. The General Managers, the Executive General Managers and the Managers of the Asset Liability Management Division, the Market and Operational Risk Division, Analysis and Performance Management Division, Asset Gathering Management Division, the Accounting and Tax Division, the Economic Research Division, the Wholesale Banking Credit Risk Division, the Retail Banking Credit Risk Division, the Trading Division, the Capital Management and Banking Supervision Division and the Financial Markets Division participate as members. The Committee examines and decides on issues related to treasury and balance sheet management and monitors the course of the results, the budget, the funding plan, the capital adequacy and the overall financial volumes of the Bank and the Group approving the respective actions and policies. In addition, the Committee approves the interest rate policy, the structure of the investment portfolios and the total market, interest rate and liquidity risk limits.

#### *Operational Risk Committee*

The Operational Risk Committee convenes regularly every quarter under the chairmanship of the Managing Director – CEO and with the participation of the General Managers, the Information Technology and Operations Executive General Manager and the Manager of the Market and Operational Risk Division. The Operational Risk Committee ensures that the appropriate organisational structure, processes, methodologies and

infrastructure to manage operational risk are in place. In addition, it is regularly updated on the operational risk profile of the Group and the results of the operational risk assessment process; reviews recommendations for minimising operational risk; assesses forecasts regarding third party lawsuits against the Bank; approves the authorisation limits of the Committees responsible for the management of operational risk events of the Bank and the Group companies and reviews the operational risk events whose financial impact exceeds the limits of the other Committees.

#### *Credit Risk Committee*

The Credit Risk Committee convenes regularly at least every quarter under the chairmanship of the Managing Director – CEO and with the participation of the General Managers and the Managers of the Credit Risk Data and Analysis Division, the Credit Control Division and the Capital Management and Banking Supervision Division. The Credit Risk Committee assesses the adequacy and the efficacy of the credit risk management policy and procedures of the Bank and the Group with respect to the undertaking, monitoring and management of credit risk per Business Unit (Wholesale Banking, Retail Banking, Wealth Management/Private Banking), geographic area, product, activity, sector, etc., and resolves on the planning of the required corrective actions.

#### *Unlikelihood to Pay (“UTP”) Review Committee*

The UTP Review Committee convenes monthly or on an ad hoc basis upon any Member’s initiative with the participation of the Non-Performing Loans – Wholesale Banking Executive General Manager, the Executive General Manager of Wholesale Banking or of Private and Investment Banking and the Manager of Credit Control Division. The UTP Review Committee assesses obligors with UTP triggers and decides on their classification to the NPE perimeter upon the recommendation of the Credit Risk Policy and Control Division. In addition, the UTP Review Committee assesses, on top of the relevant NPL Committees, any exit from non-performing status and in particular the “absence of concern” criterion upon the recommendation of the Wholesale Credit Workout Division.

#### *Compliance Division*

The Compliance Division is responsible for managing the compliance risk of the Bank and the Group companies. The Compliance Division, as of March 2019, is established under the General Manager – Chief Legal and Governance Officer, reports to the Audit Committee of the Board of Directors and is subject to the audits conducted by the Internal Audit Division, as to the adequacy and effectiveness of its procedures, in accordance with the provisions of the Bank and Group companies’ ‘Compliance Audit Programme’.

The main responsibilities of the Division include:

- Managing compliance risk and monitoring the implementation of the regulatory framework
- Assessing Group compliance level
- Representing the Bank before regulatory and other authorities and communicating with them
- Preventing and combating money laundering and terrorism financing
- Preserving banking secrecy
- Handling public authorities and third party requests

The Compliance Division is administratively independent and has unrestricted access to all data and information necessary for its purpose. The Division develops the Annual Compliance Programme, in accordance with the regulatory framework in force, as well as the Compliance Policies and Procedures Framework of the Bank and

the Group companies. In the context of the Division's financial independence, it also prepares its own annual budget which is approved by the General Management.

The Division cooperates with the Audit Division, the Legal Services Division and the Market and Operational Risk Division, aiming to jointly address issues regarding the observance of the regulatory framework, as well as with the competent Divisions and Group companies on a case-by-case basis.

The Compliance Division monitors and coordinates the operation of the Group companies' Compliance Units. Compliance Units have been set up and operate under the supervision of a Compliance Officer, specialising in the local regulatory framework applicable to Group companies located in Greece and abroad.

#### *Internal Audit Division*

The Internal Audit Division is responsible for the internal audit of the Bank and the Group, and reports functionally through the Audit Committee to the Board of Directors and administratively to the Managing Director – CEO.

In addition to operational and process audits, the Internal Audit Division also performs audits on the safe and efficient operation of the Group's information systems, and special audits, when there is evidence that the interests of the Group are harmed. The Internal Audit Division maintains the Internal Audit Policy and Procedures Manual for the Group and recommends changes in the audit methodology. It reports in writing of its audit findings and makes proposals addressing any weaknesses identified.

The Internal Audit Division conducts audits on a continuous basis according to a risk-based audit plan. The audit plan is approved by the Audit Committee and is based on the prioritisation of the audited areas by identifying and assessing the risks and the special factors associated with them. In addition, regulatory requirements and extraordinary developments in the overall economic environment are taken into account. The Audit Committee convenes monthly and is updated every quarter on the implementation of the audit plan, the main conclusions of the audits and the implementation of the audit recommendations.

The Internal Audit Division assesses the adequacy and effectiveness of the Internal Control System in the Bank and the Group companies and submits an annual report, through the Audit Committee, to the Board of Directors. This report is also communicated to the Bank of Greece.

An evaluation of the adequacy of the Internal Control System of the Bank is also performed every three years by external auditors, other than the statutory auditors.

#### *Specific Risks*

##### **Credit Risk**

Credit risk arises from potential borrowers' or counterparties' weakness to repay their debts resulting from their loan obligations to the Group.

The primary objective of the Group's strategy for the management of credit risk is the continuous, timely and systematic monitoring of the loan portfolio and the maintenance of credit risk exposures within the framework of acceptable overall risk appetite limits. This objective aims to maximise the risk-adjusted return while ensuring the conduct of its daily business activities within a sound, well-defined credit granting process, which is supported by clear and strict credit criteria.

The framework of the Group's credit risk management is developed based on an explicit set of credit policy processes, systems and models for the measurement, monitoring and auditing of credit risk, which are subject to continuous review in order to ensure compliance with the new institutional and regulatory framework,



international best practices and their adaptation to the requirements of the respective financial circumstances as well as the nature and extent of the Group's business.

The development and improvement of the aforementioned framework is obtained through the actions below:

- Ongoing update of Wholesale and Retail Banking credit policies in Greece and abroad to adapt to the given macroeconomic and financial conditions and the Group's risk appetite as well as the total maximum acceptable risk appetite limit for each kind of risk
- Implementation of the Group Loan Collateral Policy that includes the framework of the basic principles, the rules and the criteria governing the process of initial valuation and revaluation of the value of all types of collateral of the Bank loan portfolio and the portfolio of Group companies
- Implementation of a unified Group Credit Control Framework for Wholesale and Retail Banking credit facilities, that defines the type, methodology and content of the credit controls conducted by the Risk Management Unit for Retail Banking, Wholesale Banking and Private and Investment Banking credit facilities for the Bank and Group companies in Greece and abroad. At the same time, second line of defence control mechanisms have been strengthened to ensure compliance with Credit Risks Policies at Bank and Group level
- On-going validation of the risk models in order to ensure their accuracy, reliability, stability and predictive power
- Alignment of the credit risk rating systems of Greece and all Group subsidiaries abroad based on the requirements of IFRS 9
- Implementation of an impairment calculation system based on the requirements of IFRS 9
- Development and maintenance of the necessary policies, procedures and models for the adoption of IFRS 9 at Group level
- Update of the Group Loan Impairment Policy, in compliance with the new evolving institutional and supervisory requirements for prudential supervision, according to IFRS 9 requirements
- Design and implement initiatives in order to enhance the level of automation, accuracy, comprehensiveness, quality, reconciliation and validation of data, as part of the Bank's strategic objective to a holistic approach for the development of an effective data aggregation and reporting framework, in line with BCBS 239 requirements
- Implementation of the mechanism for the submission of analytical credit data, credit risk data, the data of counterparties for legal entities financing, the governance structure, the operational model and the quality control framework in order to meet the requirements for the monthly submission of analytical credit risk data according to Regulation 2016/867 and the Bank of Greece Governor's Act 2677/19.5.2017 (AnaCredit)
- Implementation of an automated early warning mechanism, according the Group's Early Warning Policy. More specifically, these procedures and actions are defined to identify borrowers or parts of the loan portfolio in time, with probability of non-serving the Group's debts, so that targeted actions at the borrower level and / or portfolios by country where the Group operates
- Update of Environmental and Social Risk Policy. During the credit approval process, supplementary to the credit risk assessment, strict compliance with the principles of an environmentally and socially responsible credit facility is also considered

- Systematic estimation and evaluation of credit risk per counterparty and per sector of economic activity
- Periodic stress test exercises as a tool for assessing the impact of various macroeconomic scenarios on business strategy formulation, business decisions and the Group's capital position. Crisis simulation exercises are conducted in accordance with the requirements of the supervisory framework and constitute a key component of the Group's credit risk management strategy
- Ongoing update of Wholesale and Retail Banking Forbearance Policies, taking into consideration the Group's NPE Business Plan for the reduction of the NPL/NPE stock
- Centralised and automated approval process for retail banking applications in Greece and abroad

Additionally, the actions below are in progress in order to enhance and develop the internal system of credit risk management:

- Continuous update of databases in order to perform statistical tests in the Group's credit risk rating models
- Upgrade and automation of the above mentioned process in relation to Wholesale and Retail banking by using specialised statistical software
- Gradual implementation of an automatic interface of credit risk rating systems with central systems (core banking systems I-flex) for all Group companies abroad
- Reinforcing the completeness and quality control mechanism of crucial fields of Wholesale and Retail Credit for monitoring, measuring and controlling credit risk
- Update of the validation framework for credit risk models with discrete statistical measures by model type
- Development of the Credit Risk Model Management Policy, which defines the governance mechanisms and the primary roles and responsibilities encompassing the entire model lifecycle for the credit risk models, as well as establishing robust lines of defence for the appropriate identification, quantification, management and control of model risk that can potentially arise over the course of the model lifecycle process
- Update of the framework and policies for the management of overdue and non-performing loans, in addition to the existing obligations, which arise from the Commission Implementing Regulation 2015/227 of 9 January 2015 of the European Committee for amending Executive Committee Act (EU) No. 680/2014 of the Committee for establishing executive technical standards regarding the submission of supervisory reports by institutions. The framework of supervisory commitments for the management of overdue and non-performing loans from credit institutions is determined from the CRR and the Council and Executive Committee Act of Bank of Greece 42/30.5.2014 and the amendment of this with the Executive Committee Acts 47/9.2.2015, 102/30.8.2016, 134/5.3.2018 and 136/2.4.2018.

This framework is based on the following pillars:

- (a) the establishment of an independent operation management for the "troubled assets" (the TAC). This is achieved by the representation of the Administrative Bodies in the Evaluation and Monitoring of Denounced Customers Committee as well as in the Arrears Councils;
- (b) the establishment of a separate management strategy for these loans; and

- (c) the improvement of IT systems and processes in order to comply with required periodic reporting to management and supervisory mechanisms.

## **Market Risk**

Market risk is the risk of losses arising from unfavourable changes in the value or volatility of interest rates, foreign exchange rates, stock exchange indices and equities and commodities. Losses may occur either from the trading portfolio or from the management of assets and liabilities.

The market risk in the Bank's trading portfolio is measured by Value at Risk (“**VaR**”). The method applied for calculating VaR is an historical simulation with full revaluation using the 99th percentile and one tailed confidence interval. The Bank applies an historical observation holding period of one or 10 days, depending on the time required to liquidate the portfolio. For the calculation of VaR for one day of the Bank's transaction portfolio, a two-year volatility period of one year at minimum is used. Risk factors are calculated according to the absolute or relative approach and a 99 per cent. trust period is used. Additional holding periods may be applied for internal purposes, according to the time required for the liquidation of the portfolio. In line with regulatory requirements, back-testing is performed on a daily basis for the Bank's prudential trading book through the use of hypothetical and actual outcomes by monitoring the number of times that the trading outcomes exceed the corresponding risk measure.

The VaR methodology is complemented with scenario analysis and stress testing, in order to estimate the potential size of losses that could arise from the trading portfolio for hypothetical as well as historical extreme movements of market parameters.

Within the scope of policy-making for financial risk management by the ALCO, exposure limits, maximum loss (stop loss) and value at risk limited have been set across trading positions.

In particular the following limits have been set for the following risks:

- Foreign currency risk regarding spot and forward positions and foreign exchange options
- Interest rate risk regarding positions on bonds and interest rate swaps, interest futures and interest options
- Price risk regarding positions in equities, index futures and options, commodity futures and swaps
- Credit risk regarding interbank transactions and bonds

Positions held in these products are monitored on a daily basis and are examined for the corresponding limit percentage cover and for any limit excess.

## **Foreign Exchange Risk**

The Group is exposed to fluctuations in foreign exchange rates. The general management sets limits on the total foreign exchange position as well as on the exposure by currency.

The management of the foreign currency position of the Bank and the Group is centralised.

The policy of the Group is for the positions to be closed immediately using spot transactions or currency derivatives. In case that positions are still open, they are daily monitored by the competent department and they are subject to limits.

## **Interest Rate Risk of the Banking Book**

In the context of analysis of the banking portfolio, interest rate gap analysis is performed. The main measure of interest rate risk is the interest risk gap for each currency, which represents the re-pricing schedule showing assets, liabilities and off-balance sheet exposures by time band according to their maturity (for fixed rate instruments), or next re-price date (for adjustable/ floating rate instruments). Interest rate gap incorporates assumptions about the interest rate runoff for products without predefined maturities (sight deposits, savings, working capital, credit cards etc.) or other balance sheet items which exhibit strong behavioural characteristics. Statistical modelling is a widely accepted methodology used in determining a runoff profile for items of this type and is required when the future behaviour of an item cannot be directly predicted by reference to its contractual characteristics.

The earning at risk ('EaR') is calculated by using constant balance sheet while economic value is calculated by considering each account until maturity. Furthermore and in the context of IFRS 9 requirements, the economic value for (i) loans which failed Solely Payments Principal & Interest ('SPPI') and (ii) Purchased or Originated Credit Impaired ('POCI') loans are calculated.

In addition interest rate sensitivity analysis of the Bank/Group balance sheet through interest rate risk stress shocks are taking place on a monthly basis examining the impact of the unexpected economic losses caused by the change on interest rates.

According to BIS standards concerning interest rate limits on banking book, the Bank implements limits on a consolidated basis in terms of both economic value and earnings. Economic value measures compute a change in the net present value of the Bank's assets, liabilities and off-balance items subject to specific interest rate shock scenarios affect future levels of a bank's own equity capital, while earning based measures focus on changes to future profitability within a time horizon of 1 year. Additionally, economic value measures reflect changes in value over the remaining life of assets, liabilities and off-balance sheet items while earnings-based measures cover only the short to medium term.

## **Liquidity Risk**

Liquidity risk is defined as the risk to earnings arising from the Group's inability to meet its obligations as they become due, or fund new business, without incurring substantial losses, as well as the inability to manage unplanned contraction or changes in funding sources. Liquidity risk also arises from the Group's failure to recognise or address changes in market conditions that affect its ability to liquidate assets quickly and with minimal loss in value. Liquidity risk is also a balance sheet risk, since it may arise from banking book activities. A substantial portion of the Group's assets has historically been funded by customer deposits and bonds issued by the Group. Additionally, in order to extend the period and diversify the types of lending, the Bank is additionally financed by issuing securities to the international capital markets and borrowing from the system of central banks. Total funding can be divided into: (i) customer deposits; and (ii) wholesale funding.

Liquidity monitoring is conducted through the use of a range of liquidity metrics for the measurement and analysis of liquidity risk. These metrics show the Group's day-to-day liquidity positions and structural liquidity mismatches, as well as its resilience under stressed conditions. In respect of the metrics for monitoring medium-long term liquidity risk exposure, the Bank performs liquidity gap analysis for the Bank, the subsidiaries abroad and for the Group on a monthly basis. Cash flows from all assets and liabilities are classified into time buckets, according to their contractual terms. Exceptions to the above rule are loans (i.e. overdraft accounts working capital) and customer deposits (i.e. savings and current accounts) that do not have contractual maturity and are allocated according to their transactional behaviour (convention). Additionally, unencumbered securities are distributed according to their contractual maturity, taking into account relevant factors (haircuts).

## **Operational Risk**

Operational risk is the risk of loss arising from inadequate or ineffective internal procedures, systems and people or from external events, including legal risk.

The Operational Risk Committee is responsible for approval of the Group policy on operational risk management and has an oversight role in its implementation. The operational risk management policy is applicable to all units of the Group in Greece and abroad.

Consistent activities for assessment, monitoring and management of operational risk have been introduced in all Bank units. Based on the results of risk assessment, action plans are scheduled in order to mitigate critical operational risks. The Group has purchased several insurance policies such as Bankers Blanket Bond, Directors and Officers Liability, Cyber Crime bond and various property-related insurance policies in order to further minimise the Group's exposure to operational risks. In addition, the Group actively monitors its operational risk profile through dedicated units and appropriate governance structures. As regards the calculation of the regulatory capital requirements for operational risk, the Group applies the standardised approach specified in Basel III, EU law, and the relevant regulations of the Bank of Greece.

## **Counterparty Risk**

Counterparty risk for the Group stems from its over-the-counter ("OTC") transactions, money market placements and customer repurchase contracts/reverse customer repurchase agreements and arises from an obligor's failure to meet its contractual obligations before the final settlement of the transaction's cash flows. For the efficient management of counterparty risk, the Bank has established a framework of counterparty limits.

Counterparty limits are submitted for approval by the relevant Credit Committee. The credit evaluation takes into consideration the credit rating of the financial institutions and the product type. The credit ratings are provided by internationally recognised ratings agencies, in particular by Moody's and Standard & Poor's. According to the Bank's policy, if agencies diverge on the creditworthiness of a financial institution, the lowest one will be taken into consideration.

Counterparty limits apply to all financial instruments in which the Bank's Treasury department is active in the interbank market. The limits framework is revised according to the business needs of the Bank and the prevailing conditions in international and domestic financial markets. A similar limit structure for the management of counterparty risk is enforced across all of the Group's subsidiaries.

The Group seeks to reduce counterparty risk by standardising relationships with counterparties through ISDA and GMRA contracts, which encompass all necessary netting and margining clauses. Additionally, for almost all active counterparties that are financial institutions, CSAs have been put into effect, so that net current exposures are managed through margin accounts on a daily basis, through the exchange of cash or debt securities collateral.

The Group avoids taking positions on derivative contracts where the values of the underlying assets are highly correlated with the credit quality of the counterparty.

The estimation of counterparty exposure depends on the type of the financial product. Risk weights are defined for every applicable category of counterparty risk regarding each product across operations such that the weighted nominal amount corresponds to the actual counterparty exposure in terms of loan equivalent risk (i.e. the amount at risk if the counterparty does not uphold their contractual obligations). In the case of money market placements, the exposure is equal to the face amount of the deals. In OTC transactions, the exposure to counterparty risk is calculated on the basis of the relevant risk weights and the corresponding exposure period of the deals.

## DIRECTORS AND MANAGEMENT

The Bank is managed by a Board of Directors comprising of a minimum of nine (9) and a maximum of eighteen (18) Members. The Members are elected by the General Meeting of Shareholders for a term of four (4) years, following a secret ballot and may be re-elected by the Shareholders to serve multiple terms.

Failure on the part of a Member to attend six (6) consecutive meetings of the Board of Directors, without providing a valid reason, shall be construed as resignation from his/her position.

The Chair of the Board of Directors (the “**Chair**”) is elected from amongst the Non-Executive Members of the Board of Directors. The Board of Directors elects its Chair by absolute majority among the present and the duly represented Members following a secret ballot. The Board of Directors may elect a Vice Chair.

The Board of Directors resolves all matters concerning management and administration of the Bank except those which, under the Articles of Incorporation or under applicable law, are the sole prerogative of Shareholders acting at a General Meeting. The Board of Directors is convened by invitation of the Chair or following a request by at least two Members. The Members have no personal liability to Shareholders or third parties and are only liable to the legal entity of the Bank with regard to the administration of corporate affairs. The resolutions of the Board of Directors are passed by absolute majority of the Members present or duly represented at Board of Directors meetings, except in the case of share capital increases, for which, as per Greek Law 4548/2018, a two-thirds (2/3) majority is required. In the case of a tied vote, the vote of the Chair prevails.

A Member who is absent from a meeting may be represented by another Member whom he/she has appointed by notifying the Board of Directors. A Member may represent only one (1) other Member. To form a quorum, no less than one-half (1/2) plus one (1) of its Members must be present or duly represented. In any event, the number of Members present in person may not be less than six (6). By exception, when the Board of Members meets (in whole or partially) by teleconference, the participating Members should have the quorum required by the Articles of Incorporation, while the physical presence of the minimum number of Members is not required.

The Board of Directors designates its Executive and Non-Executive Members. Independent Members are appointed, according to Greek Law 3016/2002, by the General Meeting of Shareholders.

The Board of Directors was elected by the Ordinary General Meeting of Shareholders held on 29 June 2018.

On 28 June 2019, the Ordinary General Meeting of Shareholders was informed, among other items that:

- at the meeting of the Board of Directors held on 30 June 2018 Mr I.S. Dabdoub submitted his resignation from the position of Member of the Board of Directors and of its Committees;
- at the meeting of the Board of Directors held on 29 November 2018 Mr V.E. Psaltis was elected as Member of the Board of Directors of the Bank;
- at the meeting of the Board of Directors held on 29 November 2018 Mr D.P. Mantzounis submitted his resignation from the position of Managing Director – CEO with an effective date of 2 January 2019; and
- through a unanimous resolution of the Board of Directors, Mr V.E. Psaltis was appointed new CEO on 2 January 2019.

The Board’s tenure ends at the Ordinary General Meeting of Shareholders which will take place in 2022.

The Board of Directors currently consists of thirteen (13) Members.

In the context of the recapitalisation of Greek banks, the Board of Directors, at its meeting on 7 June 2012, elected a Member, in accordance with Greek Law 3864/2010, article 10, paragraph 2, as representative and upon instruction of the HFSF (currently Mr Johannes Herman Frederik G. Umbgrove – please see section “*HFSF Influence*” below).

The Board of Directors, while retaining responsibility for approving general policy and overall responsibility for significant decisions affecting the Bank, delegates day-to-day management to the CEO, the Deputy CEOs, the General Managers of the Bank and the Executive Committee.

The business address of the Board of Directors is 40 Stadiou Street, 102 52 Athens, Greece.

## Board of Directors

The following table sets forth the position of each Member and his/her status as an Executive, Non-Executive or Non-Executive Independent Member.

Position	Name	Principal outside activities
<i>Non-Executive Member:</i>		
Chair	Vasileios T. Rapanos	Vice-Chairman of the Board of Directors of the Hellenic Bank Association
<i>Executive Members:</i>		
CEO	Vassilios E. Psaltis	-
Deputy CEO	Spyros N. Filaretos	Member of the Board of Directors of the Hellenic Federation of Enterprises Vice-Chairman of the Board of Directors of AXA
Deputy CEO	Artemios Ch. Theodoridis	Member of the Board of Directors of Cepal Holdings S.A.
Deputy CEO	George C. Aronis	Member of the Board of Directors of AXA Chairman of the Executive Committee of the Hellenic Bank Association
<i>Non-Executive Members:</i>		
Member	Efthimios O. Vidalis	Non-Executive Member of the Board of Directors of Titan Cement Company S.A. Non-Executive Member of the Board of Directors of Future Pipe Industries Non-Executive Member of the Board of Directors of Fairfield-Maxwell Ltd
Member	Demetrios Mantzounis	P. -
<i>Non-Executive Independent Members:</i>		
Member	Jean L. Cheval	Member of the Board of Directors of HIME SAUR Member of the Board of Directors of EFG-Hermès
Member	Carolyn G. Dittmeier	President of the Statutory Audit

Member	Richard R. Gildea	Committee of Assicurazioni Generali SpA Member of the Board of Advisors at the Johns Hopkins University School of Advanced International Studies Member of Chatham House (the Royal Institute of International Affairs) Member of the International Institute of Strategic Studies
Member	Shahzad A. Shahbaz	Group CIO of Al Mirqab Holding Co Member of the Board of Directors of El Corte Ingles S.A. Member of the Board of Directors of Seafox
Member	Jan A. Vanhevel	Member of the Board of Directors of Soudal NV Member of the Board of Directors of Ravago SA Member of the Board of Directors of Opdorp Finance BVBA
<i>Non-Executive Member (pursuant to the provisions of Law 3864/2010)</i>		
Member	Johannes Herman Frederik G. Umbgrove	Chairman of Demir Halk Bank (Nederland) N.V.

## Biographical Information

Below are brief biographies of the Members of the Board of Directors and of the General Managers who are members of the Bank's Executive Committee.

### Members of the Board of Directors

#### *Chair*

#### *Vasileios T. Rapanos (Non-Executive Member)*

He was born in Kos in 1947. He is Professor Emeritus at the Faculty of Economics of the University of Athens and has been an Ordinary Member of the Academy of Athens since 2016. He studied Business Administration at the Athens School of Economics and Business (1975) and holds an MA in Economics from Lakehead University, Canada (1977) and a PhD from Queen's University, Canada. He was Deputy Governor and Governor of the Mortgage Bank (1995-1998), Chairman of the Board of Directors of the Hellenic Telecommunications Organisation (1998-2000), Chairman of the Council of Economic Advisors at the Ministry of Economy and Finance (2000-2004), and Chairman of the Board of Directors of the National Bank of Greece and the Hellenic Bank Association (2009-2012). He has been the Chair of the Board of Directors of the Bank since May 2014.



## ***Executive Members***

### ***CEO***

*Vassilios E. Psaltis*

He was born in Athens in 1968 and holds a PhD and an MBA from the University of St. Gallen in Switzerland. He has worked as Deputy (acting) Chief Financial Officer at Emporiki Bank and at ABN AMRO Bank's Financial Institutions Group in London. He joined the Bank in 2007. In 2010 he was appointed Group Chief Financial Officer (CFO) and in 2012 he was appointed General Manager. Through these posts, he spearheaded capital raisings of several billions from foreign institutional shareholders, diversifying the Bank's shareholder base, as well as significant mergers and acquisitions that contributed to the consolidation of the Greek banking market, reinforcing the position of the Bank. He was voted seventh best CFO among European banks (2014 and 2018) by institutional investors and analysts in the Extel international survey. He has been a Member of the Board of Directors of the Bank since November 2018 and Chief Executive Officer since January 2019.

### ***Deputy CEOs***

*Spyros N. Filaretos, Chief Operating Officer (COO)*

He was born in Athens in 1958. He studied Economics at the University of Manchester and at the University of Sussex. He joined the Bank in 1985. He was appointed Executive General Manager in 1997 and General Manager in 2005. In October 2009 he was appointed Chief Operating Officer (COO) and in March 2017 Deputy CEO – Chief Operating Officer. He has been a Member of the Board of Directors of the Bank since 2005.

*Artemios Ch. Theodoridis, Non-Performing Loans and Treasury Management*

He was born in Athens in 1959. He studied Economics at the Athens University of Economics and Business and holds an MBA from the University of Chicago. He joined the Bank as Executive General Manager in 2002. In 2005 he was appointed General Manager and in March 2017 Deputy CEO, Non-Performing Loans and Treasury Management. He has been a Member of the Board of Directors of the Bank since 2005.

*George C. Aronis, Retail and Wholesale Banking Business Units*

He was born in Athens in 1957. He studied Finance and holds an MBA from the Athens Laboratory of Business Administration. He worked in ABN AMRO BANK both in Greece and abroad and served for five years as General Manager Consumer Banking. In 1999 he joined the National Bank of Greece Group and served in managerial positions and in 2002 he was appointed General Manager Retail Banking. He joined the Bank in 2004 as Retail Banking Manager. In 2006 he was appointed Executive General Manager, in 2008 General Manager and in March 2017 Deputy CEO. He currently supervises the Retail and Wholesale Banking Business Units. He has been a Member of the Board of Directors of the Bank since 2011.

## ***Non-Executive Members***

*Efthimios O. Vidalis, Director*

He was born in 1954. He holds a BA in Government from Harvard University and an MBA from the Harvard Graduate School of Business Administration. He worked at Owens Corning (1981-1998), where he served as President of the Global Composites and Insulation Business Units. Moreover, he was Chief Operating Officer (1998-2001) and Chief Executive Officer (2001-2011) of the S&B Industrial Minerals Group, where he served on the Board of Directors for 15 years, and Chairman of the Board of Directors of the Greek Mining Enterprises Association (2005-2009). He was a member of the Board of Directors of the Hellenic Federation of Enterprises (SEV) from 2006 to 2016, where he served as Vice Chairman from 2010 to 2014 and as Secretary General from

2014 to 2016. Furthermore, he is the founder of the SEV Business Council for Sustainable Development and was the Chairman thereof from 2008 to 2016. He is a non-executive member of the Board of Directors of Titan Cement Company S.A., Future Pipe Industries and Fairfield-Maxwell Ltd. He has been a Member of the Board of Directors of the Bank since May 2014.

*Demetrios P. Mantzounis*

He was born in Athens in 1947. He studied Political Sciences at the University of Aix-Marseille. He joined the Bank in 1973. In 2002 he was appointed General Manager and from 2005 to 2018 he served as Managing Director. Based on the annual international survey conducted by Extel, he was voted among the 20 best CEOs of European banks at a Pan-European level in 2014, 2016 and 2018. Moreover, based on the same survey, he was voted Best CEO in Greece in 2014 and in 2016 and Second Best CEO in Greece in 2018. He has been a Member of the Board of Directors of the Bank since 1995.

### ***Non-Executive Independent Members***

*Jean L. Cheval*

He was born in Vannes, France in 1949. He studied Engineering at the École Centrale des Arts et Manufactures, while he holds a DES (*Diplôme d'Études Spécialisées*) in Economics (1974) from the University of Paris I. After starting his career at BIPE (*Bureau d'Information et de Prévisions Économiques*), he served in the French public sector (1978-1983) and then worked at Banque Indosuez-Crédit Agricole Indosuez (1983-2001), wherein he held various senior management positions. He served as CEO and then as Chairman of the Banque Audi France (2002-2005) and subsequently as Head of France at the Bank of Scotland (2005-2009). As of 2009 he has been working at Natixis in various senior management positions. He is currently a member of the Board of Directors of HIME-SAUR, France and of EFG-Hermès, Egypt. He has been a Member of the Board of Directors of the Bank since June 2018.

*Carolyn G. Dittmeier*

She was born in 1956. She holds a BSc in Economics from the Wharton School of the University of Pennsylvania. She is a statutory auditor, a certified public accountant, a certified internal auditor and a certified risk management assurance professional focusing on the audit and risk management sectors. She commenced her career at the auditing and consulting firm KPMG and subsequently assumed managerial responsibilities in the Montedison Group as Financial Controller and later as Head of Internal Audit. Subsequently, she took on the role of Chief Internal Audit Executive of the Poste Italiane Group. She has carried out various professional and academic activities focusing on risk and control governance and has written two books. She was Vice Chair and Director of the Institute of Internal Auditors (IIA), Chair of the European Confederation of Institutes of Internal Auditing (ECIIA) and Chair of the Italian Association of Internal Auditors. Furthermore, she served as Independent Director and Chair of the Risk and Control Committee of Autogrill SpA as well as of Italmobiliare SpA. She is currently President of the Statutory Audit Committee of Assicurazioni Generali SpA and a member of the Boards and/or the Audit Committees of some non-financial privately held companies. She has been a Member of the Board of Directors of the Bank since January 2017.

*Richard R. Gildea*

He was born in 1952. He holds a BA in History from the University of Massachusetts (1974) and an MA in International Economics, European Affairs from the Johns Hopkins University School of Advanced International Studies (1984). He served in JP Morgan Chase from 1986 to 2015, wherein he held various senior management positions throughout his career. He was Emerging Markets Regional Manager for the Central and Eastern Europe Corporate Finance Group, London (1993-1997) and Head of Europe, Middle East and Africa (EMEA) Restructuring, London (1997-2003), as well as Senior Credit Officer in EMEA Emerging Markets, London (2003-2007). From 2007 to 2015 he was Senior Credit Officer for JP Morgan's Investment Bank

Corporate Credit in EMEA Developed Markets, London and was appointed Senior Risk Representative to senior committees within the Investment Bank. He is currently a member of the Board of Advisors at the Johns Hopkins University School of Advanced International Studies, Washington D.C., where he chairs the Finance Committee as well as being a member of Chatham House (the Royal Institute of International Affairs), London and of the International Institute of Strategic Studies, London. He has been a Member of the Board of Directors of the Bank since July 2016.

*Shahzad A. Shahbaz*

He was born in 1960. He holds a BA in Economics from Oberlin College, Ohio, U.S.A. He has worked at various banks and investment firms, since 1981, including the Bank of America (1981-2006), from which he left as Regional Head (Corporate and Investment Banking, Continental Europe, Emerging Europe, Middle East and Africa). He served as Chief Executive Officer (CEO) of NBD Investment Bank/Emirates NBD Investment Bank (2006-2008) and of QInvest (2008-2012). He is currently the Group CIO of Al Mirqab Holding Co. He has been a Member of the Board of Directors of the Bank since May 2014.

*Jan A. Vanhevel*

He was born in 1948. He studied Law at the University of Leuven (1971), Financial Management at Vlekhoe (Flemish School of Higher Education in Economics), Brussels (1978) and Advanced Management at INSEAD (The Business School for the World), Fontainebleau. He joined Kredietbank in 1971, which became KBC Bank and Insurance Holding Company in 1998. He acquired a Senior Management position in 1991 and joined the Executive Committee in 1996. In 2003 he was in charge of the non-Central European branches and subsidiaries, while in 2005 he became responsible for the KBC subsidiaries in Central Europe and Russia. In 2009 he was appointed CEO and implemented the Restructuring Plan of the group until 2012, when he retired. From 2008 to 2011 he was President of the *Fédération belge du secteur financier* (Belgian Financial Sector Federation) and a member of the *Verbond van Belgische Ondernemingen* (Federation of Enterprises in Belgium), while he has been the Secretary General of the *Institut International d'Études Bancaires* (International Institute of Banking Studies) since May 2013. He was also a member of the Liikanen Group on reforming the structure of the EU banking sector. Currently, he is a Board member of two private industrial multinational companies and of a private equity company. He has been a Member of the Board of Directors of the Bank since April 2016.

***Non-Executive Member pursuant to the provisions of Greek Law 3864/2010***

*Johannes Herman Frederik G. Umbgrove*

He was born in Vught, the Netherlands in 1961. He holds an LL.M. in Trade Law (1985) from Leiden University and an MBA from INSEAD (The Business School for the World), Fontainebleau (1991). He worked at ABN AMRO Bank N.V. (1986-2008), wherein he held various senior management positions throughout his career. He served as Chief Credit Officer (Central and Eastern Europe, Middle East and Africa) of the Global Markets Division at The Royal Bank of Scotland Group (2008-2010) and as Chief Risk Officer and member of the Management Board at Amsterdam Trade Bank N.V. (2010-2013). From 2011 until 2013 he was Group Risk Officer at Alfa Bank Group Holding and as of 2014 he has been a Risk Advisor at Sparrenwoude B.V. He has been a member of the Supervisory Board of Demir Halk Bank (Nederland) N.V. since 2016 and in 2018 he became the Chairman thereof. He has been a Member of the Board of Directors of the Bank, representing the HFSF, since April 2018.

***General Managers, members of the Bank's Executive Committee***

*Spiros A. Andronikakis*

He was born in Athens in 1960. He holds a BA in Economics and Statistics from the Athens University of Economics and Business, and an MBA in Financial Management and Banking from the University of

Minnesota, U.S.A. He has worked in the Corporate Banking Units of Greek and multinational banks since 1985. He joined the Bank in 1998. He was Corporate Banking Manager from 2004 to 2007. In 2007 he was appointed Chief Credit Officer and in 2012 General Manager and Chief Risk Officer.

*Lazaros A. Papagaryfallou*

He was born in Athens in 1971. He studied Business Administration at the Athens University of Economics and Business and holds an MBA in Finance from the University of Wales, Cardiff Business School. He started his career in Citibank and ABN AMRO and he joined the Bank in 1998, having served as Manager of the Corporate Development, International Network and Strategic Planning Divisions. On 1 July 2013 he was appointed Executive General Manager of the Bank and has contributed to the implementation of the Group's Restructuring Plan, the capital strengthening of the Bank, the design and closing of mergers, acquisitions and portfolio transactions. On 2 January 2019 he was appointed as General Manager and CFO for the Group. During his career he served as Chairman and member in the Board of Directors of various group companies, in Greece and abroad, in banking, insurance, financial services, industry and real estate sectors.

*Sergiu-Bogdan A. Oprea*

Sergiu Oprea, 55, holds a MEng Graduate degree with concentration in Avionics from the Aeronautical Faculty, Politehnica University of Bucharest. He acquired a postgraduate degree in Banking from the University of Colorado and followed multiple executive programme studies at Harvard Business School, Stanford and London Business School. He joined Alpha Bank Romania in 1994 and held several senior positions before he was appointed Executive President in 2007. He served as Chairman of the Bucharest Stock Exchange from 2000 to 2006 and is currently President of the Board of Directors of the Romanian Association of Banks. On 11 February 2019 he was also appointed as General Manager of International Network of the Bank.

*Nikolaos V. Salakas*

Nikos Salakas, 46, studied Law at the National and Kapodistrian University of Athens and holds a postgraduate degree (LL.M. in International Business Law) from University College London. He joined the Bank after having worked for Koutalidis Law Firm, where he was leading the Banking and Finance Department as of 2010. He has more than 20 years of experience in domestic and international banking, financing, restructuring and securities transactions and he is ranked amongst the leading Greek lawyers by the IFLR, Legal 500 and Chambers and Partners. He has supported the Bank in regulatory, M&A, strategic and finance transactions since 1999. On 1 March 2019 he was appointed as General Manager - Chief Legal and Governance Officer of the Bank.

## **Board Practices**

### ***Corporate Governance***

#### *The Bank's Corporate Governance Code*

The Corporate Governance Code is sourced from international and Greek best practice and is compatible with applicable legislation and regulations concerning the Greek public interest entities. Furthermore, the Code takes into account and is compatible with the specific European regulatory framework on corporate governance applicable to significant banks supervised directly by the European Central Bank as well as with the specific requirements imposed by the HFSF.

The Bank constantly implements principles of corporate governance, enhancing transparency in communication with the Bank's shareholders and keeping investors promptly and continuously informed.

The Bank, in keeping abreast of the international developments in corporate governance issues, continuously updates its corporate governance framework and consistently applies the principles and rules dictated by the

Corporate Governance Code, focusing on the long-term protection of the interests of its depositors and customers, shareholders and investors, employees and other stakeholders.

The currently existing Corporate Governance Code was adopted by the Bank's Board of Directors in October 2018 and has been posted on the Bank's website: <https://www.alpha.gr/en/group/corporate-governance>.

## **Committees**

Committees secure the smooth and efficient operation of the Group, the formulation of a common strategy and policy, as well as the coordination of operations.

### **Board Committees**

#### ***Audit Committee***

The Audit Committee of the Board of Directors was established by a resolution of the Board of Directors on 23 November 1995. It consists of a Committee Chair, who is an Independent Non-Executive Member, two Independent Non-Executive Members and two Non-Executive Members. According to Greek Law 4449/2017, article 44, the Members of the Audit Committee are appointed by the General Meeting of Shareholders. The current Members of the Audit Committee are Carolyn G. Dittmeier (Chair), Jan A. Vanhevel, Efthimios O. Vidalis, Jean L. Cheval and Johannes Herman Frederik G. Umbgrove.

The Audit Committee:

- Monitors and assesses, on an annual basis, the adequacy, effectiveness and efficiency of the internal control system of the Bank and the Group.
- Monitors the financial reporting process of the Bank and the Group.
- Supervises and assesses the procedures for drawing up the annual and interim financial statements of the Bank and of the Group.
- Reviews the financial statements of the Bank and of the Group, together with the statutory auditors' report prior to their submission to the Board of Directors.
- Ensures the independent and unprejudiced conducting of internal and external audits in the Bank.
- Assesses the performance and effectiveness of the Internal Audit and the Compliance Divisions of the Bank and the Group.
- Meets with the statutory certified auditors of the Bank on a regular basis.
- Is responsible for the selection of the statutory certified auditors of the Bank and makes recommendations to the Board of Directors on the appointment or dismissal, rotation, tenure and remuneration of the statutory certified auditors, according to the relevant regulatory and legal provisions.
- Ensures the independence of the statutory certified auditors in accordance with the applicable laws, by monitoring, inter alia, the provision by them of non-audit services to the Bank and the Group. In relation to this, the Audit Committee pre-approves proposals regarding the provision by the statutory certified auditor of non-audit services to the Bank and the Group, based on the relevant Bank's policy that the Audit Committee oversees and recommends to the Board of Directors for approval.

The Audit Committee convenes at least once every month and may invite any Member of the Management or Executive of the Bank, as well as external auditors, to attend its meetings. The Heads of the Internal Audit and Compliance Divisions are regular attendees of the Committee meetings.

The Audit Committee keeps minutes of its meetings and regularly informs the Board of Directors of the work of the Committee.

The Chair of the Committee submits to the Board of Directors a formal report on the work of the Committee during the year.

### ***Risk Management Committee***

The Risk Management Committee of the Board of Directors was established by a resolution of the Board of Directors on 19 September 2006. It consists of a Committee Chair who is an Independent Non-Executive Member, two Independent Non-Executive Members and one Non-Executive Member all appointed by the Board of Directors. The current Members of the Risk Management Committee are Jan A. Vanhevel (Chair), Carolyn G. Dittmeier, Richard R. Gildea and Johannes Herman Frederik G. Umbgrove.

The main responsibilities of the Risk Management Committee include but are not limited to those presented below.

The Risk Management Committee:

- Reviews and recommends to the Board of Directors for approval the risk and capital management strategy.
- Reviews and recommends annually to the Board of Directors for approval the Group's risk appetite framework and statement.
- Determines the principles which govern risk management across the Bank and the Group in terms of the identification, measurement, monitoring, control, and mitigation of risks.
- Evaluates on an annual basis or more frequently, if necessary, the appropriateness of risk identification and measurement systems, methodologies and models, including the support of the Bank's IT infrastructure.
- Reviews regularly, at least annually, the Group's ICAAP/ILAAP and related target ratios and recommends their approval to the Board of Directors.
- Assesses the overall effectiveness of capital planning, allocation processes and systems, and the allocation of capital requirements to risk types.
- Reviews the risk management and the NPE/NPL policy and procedures of the Bank and the Group.

The Chief Risk Officer reports to the Board of Directors of the Bank through the Risk Management Committee.

The Risk Management Committee convenes at least once a month and may invite any Member of the Management or Executive of the Bank to attend its meetings. The Chief Risk Officer is a regular attendee of the Committee meetings.

The Risk Management Committee keeps minutes of its meetings and regularly informs the Board of Directors of the work of the Committee.

The Chair of the Committee submits to the Board of Directors a formal report on the work of the Committee during the year.

### ***Remuneration Committee***

The Remuneration Committee of the Board of Directors was established by a resolution of the Board of Directors on 23 November 1995. It consists of a Committee Chair who is an Independent Non-Executive Member, one Independent Non-Executive Member and two Non-Executive Members appointed by the Board of Directors. The current Members of the Remuneration Committee are Richard R. Gildea (Chair), Efthimios O. Vidalis, Jean L. Cheval and Johannes Herman Frederik G. Umbgrove.

The main responsibilities of the Remuneration Committee include but are not limited to those presented below.

The Remuneration Committee:

- Ensures that the Bank has a remuneration philosophy and practice that is market-based, equitable and focused on sound performance evaluation-based criteria.
- Formulates the Remuneration Policy for the Bank and the Group as well as for the Members of the Boards of Directors across the Group and makes recommendations to the Board of Directors of the Bank for approval thereof.
- On an annual basis, reviews and reports findings on remuneration data from the Bank and the Group to the Board of Directors, with a view to monitoring the consistent application of the Remuneration Policy, assessing alignment with corporate goals and ensuring the alignment of remuneration practices with the risk profile.
- Assesses the mechanisms and systems adopted to ensure that the remuneration system properly takes into account all types of risks, liquidity and capital levels and that the overall Remuneration Policy is consistent with and promotes sound and effective risk management and is in line with the business strategy, objectives, corporate culture, values and long-term interest of the Bank.
- Oversees the implementation and use of sound evaluation processes within the entire Bank.

The Remuneration Committee convenes at least twice per year and may invite any Member of the Management or Executive of the Bank to attend its meetings.

The Remuneration Committee keeps minutes of its meetings and regularly informs the Board of Directors of the work of the Committee.

The Chair of the Committee submits to the Board of Directors a formal report on the work of the Committee during the year.

In accordance with article 10 para 3 of Greek Law 3864/2010, and for as long as the Bank is under the provisions of the said Law, the annual compensation for each Member of the Board of Directors cannot exceed the total remuneration of the Governor of the Bank of Greece.

### ***Corporate Governance and Nominations Committee***

The Corporate Governance and Nominations Committee of the Board of Directors was established by a resolution of the Board of Directors on 27 June 2014. It consists of a Committee Chair who is an Independent Non-Executive Member, one Independent Non-Executive Member and two Non-Executive Members appointed by the Board of Directors. The current Members of the Corporate Governance and Nominations Committee are Shahzad A. Shahbaz (Chair), Efthimios O. Vidalis, Jean L. Cheval and Johannes Herman Frederik G. Umbgrove.

The main responsibilities of the Corporate Governance and Nominations Committee include but are not limited to those presented below.

The Corporate Governance and Nominations Committee:

- Ensures that the corporate governance principles of the Bank and the Group, as embedded in the Corporate Governance Code of the Bank, as well as the implementation of these principles reflect the legislation in force, regulatory expectations and international corporate governance best practices.
- Regularly reviews the Corporate Governance Code of the Bank and makes appropriate recommendations to the Board of Directors on its update.
- Facilitates the regular review of the Charters of Board Committees, in consultation with the relevant Committees, by providing input to each Committee in order to ensure that the Charters remain fit-for-purpose and align with the Bank's Corporate Governance Code as well as with corporate governance best practices.
- Develops and regularly reviews the selection criteria and appointment process for the Members of the Board of Directors.
- Identifies and proposes candidates suitable for appointment or re-appointment in vacant positions in the Board of Directors and its Committees.
- Assesses, at least annually, the structure, size, and composition of the Board of Directors, after considering relevant findings of the annual evaluation of the Board of Directors, in order to ensure that these are fit-for-purpose.
- Initiates and oversees the conduct of the annual evaluation of the Board of Directors in accordance with the Policy for the Annual Evaluation of the Alpha Bank Board of Directors and submits the relevant findings and recommendations to the Board of Directors.
- Oversees the design and implementation of the induction programme for the new Members of the Board of Directors as well as the ongoing knowledge and skills development for Members that support the effective discharge of their responsibilities.
- Formulates the Suitability and Nomination Policy for the Members of the Board of Directors and Key Function Holders, the Policy for the Succession Planning of Senior Executives and Key Function Holders and the Policy for the Evaluation of Senior Executives and Key Function Holders.
- Establishes the conditions required for securing smooth succession and continuity in the Board of Directors.

The Corporate Governance and Nominations Committee convenes at least twice per year and may invite any Member of the Management or Executive of the Bank to attend its meetings.

The Corporate Governance and Nominations Committee keeps minutes of its meetings and regularly informs the Board of Directors of the work of the Committee.

The Chair of the Corporate Governance and Nominations Committee submits to the Board of Directors a formal report on the work of the Committee during the year.



## **Management Committees**

### ***Executive Committee***

The Executive Committee is the senior executive body of the Bank and is comprised of the following members:

- Vassilios E. Psaltis, CEO, Chair of the Executive Committee
- Spyros N. Filaretos, Deputy CEO, Chief Operating Officer (COO)
- Artemios Ch. Theodoridis, Deputy CEO, Non-Performing Loans and Treasury Management
- George C. Aronis, Deputy CEO, Retail and Wholesale Banking
- Spiros A. Andronikakis, General Manager, Chief Risk Officer (CRO)
- Lazaros A. Papagaryfallou, General Manager, Chief Financial Officer (CFO)
- Sergiu-Bogdan A. Oprescu, General Manager of International Network
- Nikolaos V. Salakas, General Manager, Chief Legal and Governance Officer

The indicative main responsibilities include making decisions on the Bank and the Group's business planning, evaluating financial results and progress of operations, approving the Business Plan, making decisions on investing in new companies, defining human resources policy and marketing.

### ***ALCO***

ALCO examines and decides on issues related to treasury and balance sheet management and monitors the course of the results, the budget, the funding plan, the capital adequacy and the overall financial volumes of the Bank and the Group, approving the respective actions and policies. In addition, ALCO approves the interest rate policy, the structure of the investment portfolios and the total market, interest rate and liquidity risk limits.

### ***Treasury and Balance Sheet Management Committee***

The Treasury and Balance Sheet Management Committee convenes regularly on a fortnightly basis under the chairmanship of the Deputy CEO Arrears and Treasury. The Deputy CEO Retail and Wholesale Banking, the Chief Risk Officer, the Chief Financial Officer, the Deputy General Manager Treasury and the Managers of the Asset Liability Management Division, Market and Operational Risk Division participate as Members. The Committee, further to a delegation by the Bank's Board of Directors, decides on interest rate in the banking book ('IRRBB') issues and examines and submits recommendations to ALCO or to the Executive Committee of the Bank on issues generally related to treasury and balance sheet management, such as capital structure, total market, interest rate and liquidity risk limits, the funding policy of the Bank and the Group, liquidity management, stress test assumptions, hedging strategies, funds transfer pricing, the structure of the investment portfolios and capital and liquidity allocation to the business units.

### ***Credit Committees (Performing and Non-Performing Loans)***

The Credit Committees approve new credit or restructuring proposals for performing and non-performing loans.

### ***Troubled Assets Committee***

The Troubled Assets Committee designs, proposes and implements the strategy for managing troubled assets by business unit (Wholesale Banking, Retail Banking), geographical region, product, activity, sector, etc.

### ***Relationships and Other Activities***

There are no potential conflicts of interest between the duties of the persons listed above pertaining to the Bank and their private interests.

### ***State Influence***

For so long as the Bank participated in the Hellenic Republic Bank Support Plan as set out in Greek Law 3723/2008, the Bank was required to seat a government-appointed representative on its Board of Directors, who attended the General Meeting and had certain veto authorities.

As of 20 June 2017, the Bank is no longer subject to the provisions of Greek Law 3723/2008 and the Hellenic Republic is not seated on the Board of Directors. See also "*Risk Factors – Risks related to the Bank's business – Liquidity Risk*" and "*The Hellenic Financial Stability Fund (the "HFSF") as shareholder has certain rights in relation to the operation of the Bank*".

### ***HFSF Influence***

The HFSF, as at the date of this Base Prospectus, holds 11 per cent. of the Bank's aggregate common share capital, but is only able to exercise voting rights subject to certain statutory restrictions, presented below.

Pursuant to Greek Law 3864/2010, as in force, the HFSF will exercise its voting rights as follows:

As a result of meeting the required 10 per cent. private sector contribution test in the 2013 share capital increase, the HFSF's voting rights are restricted. The HFSF may only exercise its voting rights for decisions regarding amendments to the Bank's Articles of Incorporation, including: capital increase or reduction or providing authorisation to the Board of Directors to that effect; merger, division, conversion, revival, extension of duration or dissolution of the credit institution; asset transfer (including the sale of subsidiaries); or any other matter that requires an increased majority, as provided in Greek Codified Law 2190/1920 (Codified Law 2190/1920 was replaced by Greek Law 4548/2018 as from 1 January 2019). For calculating the quorum and majority of the General Meeting, shares held by the HFSF are not taken into account for voting on issues other than those mentioned above.

The HFSF fully exercises its voting rights without the above restrictions if it is concluded, following a decision of the members of the General Council of the HFSF, that the Bank is in breach of material obligations under the New RFA, described and defined below, including those included in, or facilitating the implementation of, the restructuring plan.

Furthermore, in the context of the recapitalisation of Greek banks, the Board of Directors, at its meeting on 7 June 2012, elected, in accordance with Greek Law 3864/2010, article 10, paragraph 2, as representative and upon instruction of the HFSF, Mr. Nikolaos G. Koutsos. The Board of Directors, at its meeting on 30 January 2014, elected as a non-executive member, in accordance with Greek Law 3864/2010, upon instruction of the HFSF, Mrs. Panagiota S. Iplixian, as non-executive member of the Board of Directors, in replacement of Mr. Nikolaos G. Koutsos who resigned. The Board of Directors, at its meeting on 23 February 2017, elected, in accordance with Greek Law 3864/2010, upon instruction of the HFSF, Mr. Spyridon-Stavros A. Mavrogalos-Fotis, as non-executive member of the Board of Directors, in replacement of Mrs. Panagiota S. Iplixian who resigned. The Board of Directors, at its meeting on 26 April 2018, elected, in accordance with Greek Law 3864/2010, upon instruction of the HFSF, Mr. Johannes Herman Frederik G. Umbgrove, as non-executive

Member of the Board of Directors, in replacement of Mr Spyridon-Stavros A. Mavrogalos-Fotis who resigned. As a representative of the HFSF on the Board of Directors, Mr. Johannes Herman Frederik G. Umbgrove has the following rights:

- (a) to request the convocation of the General Meeting;
- (b) to veto any decision of the Board of Directors:
  - (i) regarding the distribution of dividends and the remuneration policy concerning the Chair, the CEO and the other Members of the Board of Directors, as well as the General Managers and their deputies;
  - (ii) where the decision in question could seriously compromise the interests of depositors, or impair the Bank's liquidity or solvency or the overall sound and smooth operation of the Bank (including business strategy, and asset/liability management); or
  - (iii) concerning corporate actions as per Greek Law 3864/2010, article 7a, paragraph 3, where the decision in question could materially affect the participation of the HFSF in the share capital of the Bank;
- (c) to request an adjournment of any meeting of the Board of Directors for three business days in order to get instructions from its Executive Committee;
- (d) to request the convocation of the Board of Directors; and
- (e) to approve the appointment of the Chief Financial Officer of the Bank.

In exercising its rights, the representative of the HFSF is obliged by express provision of article 10 of Greek Law 3864/2010 to take into account the business autonomy of the Bank.

Further, the HFSF has free access to the books and records of the Bank together with advisers of its choice.

As per article 10 of Greek Law 3864/2010 the HFSF, with the assistance of an internationally renowned specialised independent adviser, is entitled to evaluate the corporate governance framework of the credit institutions, with which it has concluded a framework agreement (including the Bank). Such evaluation includes the size, structure and competence allocation within the board of directors and its committees according to the business needs of the credit institution. Based on the results of such evaluation, the HFSF makes specific recommendations for the improvement and possible changes in the corporate governance of the credit institutions. For the purposes of the evaluation by the HFSF, the Board of Directors and the committees cooperate with the HFSF and its advisers and provide any necessary information. The last corporate governance review of the Bank by the HFSF was assigned to Promontory Financial Group LLC and was performed in June 2017.

### **Relationship Framework Agreement**

The Bank and the HFSF have entered into a Relationship Framework Agreement, in accordance with the provisions of the Memorandum of Economic and Financial Policies (the “**RFA**”). The RFA originally entered into force on 12 June 2013 but was subsequently replaced by a new Relationship Framework Agreement (the “**New RFA**”) entered into on 23 November 2015. The New RFA will remain in force so long as the HFSF has any ownership in the Bank. The New RFA mainly governs: (a) matters of corporate governance of the Bank; (b) the exercise of the rights of the HFSF's representative on the Board of Directors and HFSF's right to appoint one member to the Board Committees of the Bank (including in the Audit, Risk Management, Remuneration, Corporate Governance and Nominations Committee, with rights to, among other things, include items in the agenda and convoke meetings); (c) the specific material matters that are subject to HFSF's consent (i.e., (i) the

Group's risk and capital strategy document(s), and particularly the risk appetite statements and risk governance and any amendment, extension, revision or deviation thereof; and (ii) the Bank's strategy, policy and governance regarding the management of its arrears and NPLs and any amendment, extension, revision or deviation thereof; (d) the monitoring by the HFSF of the implementation of the Bank's restructuring plan; (e) the monitoring by the HFSF of the implementation of the Bank's NPL management framework and of the Bank's performance on NPL resolution; and (f) the monitoring and evaluating of the performance by the HFSF of the Bank's Board of Directors and committees.

If the Bank breaches any of its material obligations under the New RFA including its minimum commitments to be set by the HFSF under the restructuring plan, the HFSF is entitled to exercise its full voting rights in accordance with article 7(a) of Greek Law 3864/2010.

As of 31 December 2018 the Bank had successfully concluded its Restructuring Plan, the respective restructuring period has ended and accordingly the mandate of the Monitoring Trustee is also concluded.

*Apart from its above representatives and the rights of the HFSF as a shareholder, the HFSF does not currently have other powers or control over the appointment of any other Member of the Board of Directors. See also "Risk Factors—Risks Relating to the Hellenic Republic Economic Crisis".*

## ALTERNATIVE PERFORMANCE MEASURES

The following metrics are considered by the Bank to be Alternative Performance Measures (“**APMs**”) as defined in the EBA Guidelines on Alternative Performance Measures.

### *APMs*

The figures (other than percentages) included in the table below are expressed in millions of euro.

APM	H1 2019	FY 2018
Core Pre-Provision Income	426.9	1,034.0
Cost of Risk	1.9%	3.1%
Fully-Loaded Common Equity Tier 1 ratio	14.8%	14.4%
Loan to Deposit ratio	101.7%	100.1%
Net Interest Margin	2.5%	2.4%
Non Performing Exposures	24,674.9	25,111.0
Non Performing Exposures Collateral Coverage	54.3%	53.1%
Non Performing Exposure Coverage	46.7%	48.1%
Non Performing Exposure ratio	48.1%	48.1%
Non Performing Exposure Total Coverage	101.0%	100.1%
Non Performing Loans Collateral Coverage	51.5%	51.1%
Non Performing Loan Coverage	68.7%	70.1%
Non Performing Loan ratio	32.7%	33.1%
Non Performing Loan Total Coverage	120.1%	120.1%
Non Performing Loans	16,775.3	17,111.0
Pre-Provision Income	594.0	1,434.0
Recurring Cost to Income ratio	55.1%	51.1%
Tangible Book Value per share	5.1	5.1

### *Components of APMs*

The figures included in the table below are expressed in millions of euro.

	Components of APMs	H1 2019	FY
1	Accumulated Provisions and FV adjustments	11,518.3	12,3
2	Gross Loans	51,329.7	52,4
3	"Income from financial operations" or "Trading Income"	197.5	46
4	Operating Income	1,137.7	2,5
5	Core Operating Income	949.9	2,1
6	Total Operating Expenses	543.7	1,1
7	Recurring Operating Expenses	523.0	1,0
8	Deposits	39,262.9	38,7
9	Net Loans	39,912.6	40,2
10	Impairment losses on loans	-488.5	-1,7
11	Other impairment losses	13.6	-7
12	Fully-Loaded CET1	6,902.7	6,5
13	Fully-Loaded RWAs	46,632.1	46,5
14	Net Interest Income	777.0	1,7
15	Total Assets	62,963.9	61,0
16	NPEs	24,674.9	25,6
17	NPE Collateral	13,397.4	13,7
18	NPLs	16,775.3	17,5
19	NPL Collateral	8,633.9	9,0
20	Total Equity	8,433.4	8,1
21	Goodwill and other intangible assets	470.1	43
22	Non-controlling interests	28.9	28
23	Hybrid securities	15.1	15

24	Outstanding number of shares	1,543.7	1,5
25	Management adjustments in Operating expenses	20.7	69
26	Management adjustments in Operating income	-9.7	13
27	Average Gross loans	51,896.3	54,5
28	Average Total Assets	61,985.3	60,9
29	Fair Value adjustments	121.8	17

### Definitions

Terms	Definitions	Relevance of the metric
Accumulated Provisions and FV adjustments	The item corresponds to (i) "the total amount of provision for credit risk that the Group has recognized and derive from contracts with customers", as disclosed in the Consolidated Financial Statements of the reported period and (ii) the Fair Value Adjustments (29).	Standard banking terminology
Impairment losses on loans	The figure equals "Impairment losses and provisions to cover credit risk on loans and advances to customers" as derived from the Consolidated Financial Statements of the reported period	Standard banking terminology
"Income from financial operations" or "Trading Income"	The figure is calculated as "Gains less losses on derecognition of financial assets measured at amortised cost" plus "Gains less losses on financial transactions and impairments on Group companies" as derived from the Consolidated Income Statement of the reported period.	Standard banking terminology
Core Operating Income	Operating Income (4) less Income from financial operations (3) less management adjustments on operating income (26) for the corresponding period amounting to Euro -9.7 million related to Goodwill impairment of an associated company as at 30 June 2019 and Euro 13.0 million related to Insurance company compensation as at 31 December 2018.	Profitability metric
Core Pre-Provision Income	Core Operating Income (5) for the period less Recurring Operating Expenses (7) for the period.	Profitability metric
Cost of Risk	Impairment losses on loans (10) for the period (annualised) divided by the average Gross Loans (27) of the relevant period. Average balances is defined as the arithmetic average of balance at the end of the period and at the end of the previous period.	Asset quality metric

Deposits	The figure equals "Due to customers" as derived from the Consolidated Balance Sheet of the reported period.	Standard banking terminology
Fair Value adjustments	The item corresponds to the accumulated Fair Value adjustments for non-performing exposures measured at Fair Value Through P&L (FVTPL).	Standard banking terminology
Fully-Loaded Common Equity Tier 1 ratio	Common Equity Tier 1 regulatory capital as defined by Regulation No 575/2013 (Full implementation of Basel 3) (12), divided by total Risk Weighted Assets (RWAs) (13)	Regulatory metric of capital strength
Gross Loans	The item corresponds to "Loans and advances to customers", as reported in the Consolidated Balance Sheet of the reported period, gross of the "Accumulated Provisions and FV adjustments" (1), excluding the accumulated provision for impairment losses on off balance sheet items, as disclosed in the Consolidated Financial Statements of the reported period.	Standard banking terminology
Loan to Deposit ratio	Net Loans (9) divided by Deposits (8) at the end of the reported period.	Liquidity metric
Net Interest Margin	Net Interest Income for the period (annualised) (14) and divided by the average Total Assets of the relevant period (28). Average balances is defined as the arithmetic average of balance at the end of the period and at the end of the previous period.	Profitability metric
Net Loans	The figure equals "Loans and advances to customers" as derived from the Consolidated Balance Sheet of the reported period.	Standard banking terminology
Non Performing Exposures Collateral Coverage	Value of the NPE collateral (17) divided by NPLs (16) at the end of the reported period.	Asset quality metric
Non Performing Exposure Coverage	Accumulated Provisions and FV adjustments (1) divided by NPEs (16) at the end of the reported period.	Asset quality metric
Non Performing Exposure ratio	NPEs (16) divided by Gross Loans (2) at the end of the reported period.	Asset quality metric
Non Performing Exposure Total Coverage	Accumulated Provisions and FV adjustments (1) plus the value of the NPE collateral (17) divided by NPEs (16) at the end of the reported period	Asset quality metric
Non Performing Exposures	Non-performing exposures are as defined according to "EBA ITS on forbearance and Non Performing Exposures" the exposures that satisfy either or both of the following criteria: a) material exposures which are more than 90 days past-due b)The debtor is assessed as unlikely to pay its credit obligations in full without realisation of collateral, regardless of the existence of any past-due amount or of the number of days past due.	Asset quality metric
Non Performing Loan Collateral Coverage	Value of collateral received for Non Performing Loans (19) divided by NPLs (18) at the end of the reported period.	Asset quality metric
Non Performing Loan Coverage	Accumulated Provisions and FV adjustments (1) divided by NPLs (18) at the end of the reported period.	Asset quality metric
Non Performing Loan ratio	NPLs (18) divided by Gross Loans (2) at the end of the reported period.	Asset quality metric
Non Performing Loan Total Coverage	Accumulated Provisions and FV adjustments (1) plus the value of the NPL collateral (19) divided by NPLs (18) at the end of the reported period	Asset quality metric



Non Performing Loans	Non Performing Loans are Gross loans (2) that are more than 90 days past-due.	Asset quality metric
Operating Income	The figure is calculated as "Total Income" plus "Share of profit/(loss) of associates and joint ventures" as derived from the Consolidated Income Statement of the reported period, taking into account the impact from any potential restatement. Amounts for 31.12.2018 and 30.6.2018 include the effect of the restatement described in Note 32 of the Condensed Interim Consolidated Financial Statements as at 30.6.2019 amounting to Euro 4,119.2 and Euro 2,450.5 respectively.	Standard banking terminology
Other impairment losses	The figure equals "Impairment losses on other financial instruments" as derived for the Consolidated Financial Statements of the reported period.	Standard banking terminology
Pre-Provision Income	Operating Income (4) for the period less Total Operating Expenses (6) for the period	Profitability metric
Recurring Cost to Income ratio	Recurring Operating Expenses (7) for the period divided by Core Operating Income (5) for the period	Efficiency metric
Recurring Operating Expenses	Total Operating Expenses (6) less management adjustments on operating expenses (25). Management adjustments on operating expenses include events that do not occur with a certain frequency, and events that are directly affected by the current market conditions and/or present significant variation between the reporting periods, and are described in the appendix of the respective financial statements.	Efficiency metric
Tangible Book Value per share	Tangible Book Value per share is the "Total Equity" (20) less "Goodwill and other intangible assets" (21), "Non-controlling interests" (22) and "hybrid securities" (23) divided by the outstanding number of shares as at period end (24)	Valuation metric
Total Operating Expenses	The figure equals "Total expenses before impairment losses and provisions to cover credit risk" as derived from the Consolidated Income Statement of the reported period taking into account the impact of any potential restatement. Amounts for 31.12.2018 and 30.6.2018 include the effect of the restatement described in Note 32 of the Condensed Interim Consolidated Financial Statements as at 30.6.2019 amount to Euro 4,119.2 and Euro 2,761.6 respectively.	Standard banking terminology

## OVERVIEW OF THE BANKING SERVICES SECTOR IN GREECE

The gradual recovery of Greek economic activity from 2017 onwards continued in the first half of 2019, with real GDP growing by 1.5 per cent. on an annual basis (1.1 per cent. year-on-year in Q1 and 1.9 per cent. year-on-year in Q2). Real GDP growth in the first six months of 2019 was supported by an increase in public consumption (1.9 per cent. year-on-year), on the back of pre-election handouts and inventories accumulation, while private consumption ((0.1)% year-on-year) and investment broadly stagnated. The contribution of net exports was negative as a result of growth slowdown in the euro area, which has been reflected in the deceleration of Greek export growth.

In Q1 2019, the four Greek systemic banks recorded profits after taxes and discontinued operations of €117 million, higher compared to the respective profits in Q1 2018 (€61 million). The capital adequacy ratio on a consolidated basis for the four systemic banks stood at 15.5 per cent. in March 2019, whereas the CET1 ratio reached 14.9 per cent. (*Bank of Greece, Monetary Policy, July 2019*).

Liquidity conditions continued to improve in the banking system, as private sector deposits amounted to €136.9 billion in June 2019, increasing by €7.7 billion (cumulative net cash flows) compared to June 2018, of which household deposits were €112.5 billion and business deposits were €24.4 billion. Total deposits in the banking system (private sector and general government deposits) amounted to €152.5 billion in June 2019, representing an annual increase of 6.2 per cent. The main driver leading to the increase of deposits in the banking system was the strengthening of confidence in the prospects of the Greek economy (*Bank of Greece, Bank Credit and Deposits, Monetary Policy, July 2019*).

The outstanding amount of credit to the domestic private sector amounted to €161.2 billion at the end of June 2019, with the annual rate of change<sup>1</sup> decreasing marginally ((0.2)%). More specifically, credit to non-financial corporations continued to show signs of gradual improvement. The annual rate change of credit to non-financial corporations remained in positive territory standing at 2.5 per cent. in June 2019. With regard to household credit, the annual rate of change of consumer and mortgage credit remained negative, showing, however, signs of stabilisation (*Bank of Greece, Bank credit and deposits*).

Total NPL stock (solo basis, on balance) for the domestic banking system in June 2019 stood at €75.4 billion, declining by €4.5 billion from March 2019 and by €31.8 billion from March 2016. As a result, the NPL ratio declined to 43.6% in June 2019, from 45.1% in the previous quarter. A decline in the NPL ratio was observed across all loan segments in June 2019, albeit more pronounced in consumer loans (NPL ratio for business loans: 42.6 per cent.; NPL ratio for residential loans: 43.1 per cent.; NPL ratio for consumer loans: 52.0 per cent.) (*Bank of Greece, Evolution of loans and non-performing loans*).

Since March 2019, banks' reliance on ELA has been eliminated while funding from the Eurosystem remained on a declining trend, dropping to €8.6 billion in June 2019 from €8.9 billion in February 2019 (*Bank of Greece Monthly Balance Sheet*).

Today 34 banks operate in Greece, of which eight are commercial banks, seven are cooperative banks, 19 are branches of foreign banks, and one is a special credit institution (*Bank of Greece, List of credit institutions operating in Greece, October 2019*). Banks represented in June 16.7 per cent. of the total market capitalisation (*Athens Exchange: Monthly Statistical Bulletin June 2019*) of ATHEX.

Greek banks have established their international presence, particularly in emerging European countries (Albania, Republic of North Macedonia, Ukraine, Romania and Serbia) in view of the European perspective of

---

<sup>1</sup> Calculated by taking into account reclassifications, loan write-offs and transfers as well as exchange rate variations

most of these countries. As of December 2018, according to the Hellenic Bank Association, the Greek banks were active in 10 countries, through 15 subsidiaries, of which 10 were in EU countries and five were in non-EU countries, and six sub-branches, employing 11,682 people in total. The Greek banks have developed a network of 789 branches of which 67.8 per cent. were in EU countries (UK, Bulgaria, Luxembourg, Malta, Romania and Cyprus) and 32.2 per cent. in non-EU countries (Republic of North Macedonia, Ukraine, Serbia and Albania) (*Hellenic Bank Association, Greek credit institutions' international activity*).

## REGULATION AND SUPERVISION OF BANKS IN GREECE

The Group is subject to various financial services laws, regulations, administrative actions and policies in each jurisdiction where its members operate. The Bank of Greece is the central bank in Greece. The ECB through the SSM and the support of the Bank of Greece is responsible for the licensing and supervision of credit institutions operating in Greece, such as the Bank.

In addition, through the trading of the Bank's ordinary shares on ATHEX, the Bank is also subject to applicable capital markets laws in Greece.

The ECB is the central bank for the euro and manages the Eurozone's monetary policy. The ECB also has direct supervisory responsibility over "banks of systemic importance" in the Eurozone. Banks of systemic importance include, among others, any Eurozone bank that has: (i) assets greater than €30 billion; (ii) assets constituting at least 20 per cent. of its home country's gross domestic product; (iii) requested or received direct public financial assistance from the EFSF or the ESM; or (iv) is one of the three most significant credit institutions in its home country. The Bank is a bank of systemic importance within this definition and so is directly supervised by the ECB to the extent described below.

The ECB is exclusively responsible for prudential supervision of "banks of systemic importance", which includes the power to:

- authorise and withdraw authorisations of those banks;
- for those banks that wish to establish a branch or provide cross-border services in a country outside the Eurozone, carry out the tasks which the competent authority of the home Member State shall have under the relevant EU law;
- assess the acquisition and disposal of qualifying holdings in those banks;
- ensure compliance by those banks with all prudential requirements on credit institutions and set, where necessary, higher prudential requirements for credit institutions, for example for macro-prudential reasons to protect financial stability under the conditions provided by EU law;
- ensure compliance by those banks with all requirements on credit institutions to have in place robust governance arrangements, including the fit and proper requirements for the persons responsible for the management of credit institutions, risk management processes, internal control mechanisms, remuneration policies and practices and effective internal capital adequacy assessment processes;
- carry out supervisory reviews, including where appropriate in coordination with the European Banking Authority, stress tests and, on the basis of that supervisory review, impose on those banks specific additional own funds requirements, specific publication requirements, specific liquidity requirements and other measures, where specifically made available to competent authorities by relevant EU law;
- carry out supervision on a consolidated basis over those banks' parent entities established within the Eurozone and to participate in supervision on a consolidated basis; and
- intervene at the early stages where a credit institution or group in relation to which the ECB is the consolidating supervisor does not meet or is likely to breach the applicable prudential requirements.

As regards the monitoring of credit institutions, the national supervisory authorities will continue to be responsible for supervisory matters not conferred on the ECB, such as consumer protection, money laundering, payment services, and branches of third country banks.

The ECB also has the right to impose pecuniary sanctions on credit institutions.

The ECB and the national central banks together constitute the Eurozone's central bank system.

### **The Regulatory Framework – Prudential Supervision**

Credit institutions operating in Greece are required, among other things, to:

- observe liquidity ratios prescribed by the applicable articles of Law 4261/2014, the CRR and the relevant Bank of Greece Governor's Acts, to the extent that such acts are not contrary to the provisions of the CRD IV, and until replaced by new regulatory acts issued under Greek Law 4261/2014;
- maintain efficient internal audit, compliance and risk management systems and procedures, in accordance with the Bank of Greece Governor's Act No. 2577/2006, as amended and supplemented by subsequent decisions of the Governor of the Bank of Greece and of the Banking and Credit Committee of the Bank of Greece;
- submit to the Bank of Greece periodic reports and statements required under Bank of Greece Governor's Act No. 2651/2012, as amended and in force;
- disclose data regarding the bank's financial position and its risk management policy;
- provide the Bank of Greece and, where relevant, the ECB with such further information as they may require;
- in connection with certain operations or activities, notify or request the prior approval of the ECB acting in co-operation with the Bank of Greece or the Bank of Greece, as the case may be, in each case in accordance with the applicable laws of Greece and the relevant acts, decisions and circulars of the Bank of Greece (each as in force from time to time); and
- permit the Bank of Greece and, where relevant, the ECB to conduct audits and inspect books and records of the bank, in accordance with Law 4261/2014 and certain Bank of Greece Governor's Acts.

If a credit institution breaches any law or regulation falling within the scope of the supervisory power attributed to the ECB or, as the case may be, the Bank of Greece, the ECB or the Bank of Greece, respectively, is empowered, among others, to:

- require the bank to take appropriate measures (which may include prohibitions or restrictions on dividends, requiring a share capital increase or requiring prior approval for future transactions) to remedy the breach;
- impose fines, in accordance with (i) article 55A of the Articles of Association of the Bank of Greece, as ratified by Laws 2832/2000 and 4099/2012, and amended by Bank of Greece Governor's Act No. 2602/2008, as well as (ii) the provisions of Law 4261/2014;
- appoint a commissioner; and
- where the breach cannot be remedied, revoke the licence of the credit institution and place it in a state of special liquidation.

Banks in Greece are subject to a range of reporting requirements, including the submission of reports relating to:

- capital structure, qualifying holdings, persons who have a special affiliation with the institution and loans or other types of credit exposures that have been provided to these persons by the institution;

- own funds and capital adequacy ratios;
- capital requirements for all kinds of risks;
- large exposures and concentration risk;
- liquidity risk;
- interbank market details;
- financial statements and other financial information;
- covered bonds;
- internal control systems;
- prevention and suppression of money laundering and terrorist financing; and
- information technology systems.

The Bank submits regulatory reports both at an individual and Group level to the Bank of Greece and/or the ECB on a daily, monthly, quarterly, semi-annual or annual basis, as applicable.

#### **Transposition of Directive 2001/24/EC of the European Parliament and of the Council of 4 April 2001 on the Reorganisation and Winding Up of Credit Institutions**

Greece has faithfully transposed Directive No. 2001/24/EC by virtue of Greek law 3458/2006 on the winding-up and reorganisation of credit institutions. Greek law 3458/2006, as amended and in force, is in line with the provisions of Directive No. 2001/24/EC introduces a series of conflicts of laws rules on the laws applicable to the winding-up and reorganisation of a credit institution, including among others:

##### ***Law Governing the Reorganisation Measures***

Article 4 sets the rule by providing that any reorganisation process shall be applied in accordance with the laws, regulations and procedures applicable in the Home State of the credit institution, subjected to such process. The process would be carried out in accordance with the provisions of Law 4261/2014 (the “**Banking Law**”).

##### ***Law Governing the Winding-Up Process***

Article 11 introduces a conflict of laws rule on the winding up process for credit institutions, pursuant to which any credit institution shall be wound up in accordance with the laws, regulations and procedures applicable in Greece insofar as Greek law 3458/2006 does not provide otherwise.

The regulatory framework has been affected by the recapitalisation framework and the creation of the HFSF.

#### **Capital Adequacy Framework**

In December 2010, the Basel Committee on Banking Supervision issued two prudential regulation framework documents which contained the Basel III capital and liquidity reform package. The Basel III framework has been implemented in the EU through the CRD IV Directive and the CRR (each as defined in the Terms and Conditions), which have been transposed into Greek law where applicable.

Full implementation of the Basel III framework began on 1 January 2014, with particular elements being phased in over the period to 2019, although some minor transitional provisions provide for phase-in until 2024.

The major points of the capital adequacy framework include:

#### *Quality and Quantity of Capital*

The definition of regulatory capital and its components has been revised at each level. A minimum CET1 capital ratio of 4.5 per cent., a minimum Tier 1 capital ratio of 6 per cent. and a minimum total capital ratio of 8 per cent. have been imposed, and there is a requirement for Additional Tier 1 instruments to have a mechanism that requires them to be written off or converted on the occurrence of a trigger event.

#### *Capital Buffer Requirements*

In addition to the minimum capital ratios described above, banks are required under CRD IV (as defined in the Terms and Conditions) to hold additional capital buffers as follows:

- a **capital conservation buffer** of 2.5 per cent. of RWA;
- a **systemic risk buffer** ranging between 1 and 5 per cent. of RWA designed to prevent and mitigate long-term non-cyclical systemic or macro-prudential risks not covered by the CRR. The buffer has not been applied in Greece to date;
- a **countercyclical buffer** ranging between 0 and 2.5 per cent. of RWA depending on macroeconomic factors. This buffer has been specified at 0 per cent. for Greek banks throughout 2016, 2017 and 2018 as well as for the first three quarters of 2019 pursuant to executive acts of the Bank of Greece. The countercyclical buffer should be built up when aggregate growth in credit and other asset classes with a significant impact on the risk profile of such credit institutions are judged to be associated with a build-up of system-wide risk, and drawn down during stressed periods;
- an **other systemically important institutions (“O-SII”) buffer** which, for the Bank, ranges between 1 per cent. and 3 per cent. of RWA. According to the EBA’s methodology, all Greek O-SIIs are classified in bucket 4, which corresponds to a level of 1 per cent. for the O-SII buffer (the O-SII buffer was set at 0 per cent. throughout 2016, 2017 and 2018). The buffer is being phased in to reach 1 per cent. over four years from 2019 to 2023, increasing by 0.25 per cent. per year; and
- a **global systemically important institutions (“G-SII”) buffer** ranging between 1 per cent. and 5 per cent. of RWA designed to prevent and mitigate long-term non-cyclical systemic or macro-prudential risks not covered by the CRR. The G-SII buffer has not been applied in Greece to date.

Depletion of these buffers will trigger limitations on dividends, distributions on capital instruments and compensation and it is designed to absorb losses in stress periods.

The above requirements mean that in 2019, the Bank’s CET1 ratio requirement is 7.25 per cent. and its total capital ratio requirement is 10.75 per cent.

As at 30 June 2019, the Group's:

- CET1 ratio was 17.8 per cent.\*;
- Tier 1 capital ratio was 17.8 per cent.\*;
- total capital ratio was 17.8 per cent.\*; and
- capital adequacy ratio was 17.8 per cent.\*

\* - 14.8 per cent. on a fully-loaded basis, including IFRS 9 impact.

As at 30 June 2019, the Bank's:

- CET1 ratio was 18.2 per cent.;
- Tier 1 capital ratio was 18.3 per cent.;
- total capital ratio was 18.3 per cent.; and
- capital adequacy ratio was 18.3 per cent.

On 8 February 2019, the ECB informed the Bank that, according to the SREP, from 1 March 2019 the Bank should maintain an overall capital requirement ("OCR"). The Bank's prescribed minimum OCR for 2019 is set at 13.75 per cent. of RWA, increased by 0.875 per cent. due to the fully phased-in capital conservation buffer and the gradual increase of the O-SII buffer. The OCR includes, in addition to the total SREP capital requirements ("TSCR"), the combined buffer requirements set out in point (6) of Article 128 of Directive 2013/36/EU. The TSCR is composed of the minimum total own funds requirement (8 per cent. of RWA) and the additional Pillar 2 requirement in accordance with Article 16(2)(a) of Regulation 1024/2013/EU.

Article 473a of the CRR allows banks to mitigate the impact of the introduction of IFRS 9 on regulatory capital and leverage ratios during a 5-year transitional period. According to Article 473a, of the CRR banks may add to the CET1 ratio the post-tax amount of the difference in provisions that resulted from the transition to the IFRS 9 in relation to the provisions that have been recognised at 31 December 2018 in accordance with IAS 39. The weighting factors were set per year at 0.95 in 2019, 0.85 in 2020, 0.7 in 2021, 0.5 in 2022 and 0.25 in 2023.

The Bank has decided to avail itself of Article 473a and applies the transitional provisions in calculating capital adequacy on both a standalone and consolidated basis.

#### *Deductions from CET1*

The definition of items that should be deducted from regulatory capital has been revised. In addition, most of the items that were required to be deducted from regulatory capital are now deducted in whole from the CET1 component.

#### *Central Counterparties*

To address the systemic risk arising from the interconnectedness of credit institutions and other financial institutions through the derivatives markets, a 2 per cent. risk-weight factor was introduced to certain trade exposures to qualifying central counterparties. The capitalisation of credit institution exposures to central counterparties is based in part on the compliance of the central counterparty with the International Organisation of Securities Commissions' standards (since non-compliant central counterparties are treated as bilateral exposures and do not receive the preferential capital treatment referred to above).

#### *Asset Value Correlation Multiplier for Large Financial Sector Entities*

A multiplier of 1.25 is to be applied to the correlation parameter of all exposures to large financial sector entities meeting particular criteria that are specified in the CRR.

#### *Counterparty Credit Risk*

The counterparty credit risk management standards have been raised in a number of areas, including for the treatment of so-called wrong-way risk, that is, cases where the exposure increases when the credit quality of the counterparty deteriorates. For example, the CRR introduced a capital charge for potential mark-to-market losses associated with deterioration in the creditworthiness of a counterparty and the calculation of expected positive exposure by taking into account stressed parameters.



### *Leverage Ratio*

The leverage ratio is calculated by dividing a bank's Tier 1 capital by its total exposure measure and is expressed as a percentage. A key distinction between the minimum capital ratio and the leverage ratio is that no risk-weighting is applied to the assets. The leverage ratio is currently calculated, reported to supervisors and, since January 2015, disclosed publicly, although no mandatory level has been set. See, however, “—Recent Developments—Leverage ratio” below.

### *Liquidity Requirements*

A liquidity coverage ratio, which is an amount of unencumbered, high quality liquid assets that must be held by a bank to offset estimated net cash outflows over a 30-day stress scenario has been introduced. The ratio requirement is 100 per cent. In addition, a net stable funding ratio (“**NSFR**”), which is the amount of longer-term, stable funding that must be held by a bank over a one-year timeframe based on liquidity risk factors assigned to assets and off-balance sheet liquidity exposures, is envisaged. The NSFR ratio requirement is the amount of longer-term, stable funding that must be held by a credit institution over a one-year timeframe based on liquidity risk factors assigned to assets and off-balance sheet liquidity exposures. It is still to be implemented.

In order to foster consistency and efficiency of supervisory practices across the EU, the EBA is continuing to develop the EBA Single Rulebook, a supervisory handbook applicable to EU Member States. However, the EBA Single Rulebook has not yet been finalised.

### *Recent developments*

In April 2019, the European Parliament endorsed a package of measures that impact both capital requirements and resolution powers. The legislative texts were published in the Official Journal of the EU in June 2019. The package contains a number of measures, including:

- a leverage ratio requirement for all institutions as well as a leverage ratio buffer for all global systemically important institutions;
- a new market risk framework for reporting purposes;
- revised rules on capital requirements for counterparty credit risk and for exposures to central counterparties;
- a revised Pillar 2 framework;
- an updated macro-prudential toolkit;
- targeted amendments to the credit risk framework to facilitate the disposal of NPLs;
- enhanced prudential rules in relation to anti-money laundering;
- a new total loss absorbing capacity (TLAC) requirement for global systemically important institutions;
- enhanced MREL subordination rules for G-SIIs and other large banks referred to as top-tier banks; and
- a new moratorium power for the resolution authority.

### Leverage ratio

The financial crisis highlighted that institutions were taking on greater exposures (for example, loans, derivatives and guarantees) but raising only relatively limited amounts of additional capital. The new package introduces a binding leverage ratio requirement (that is, a capital requirement independent from the riskiness of

the exposures, as a backstop to risk-weighted capital requirements) for all institutions subject to the CRR. The leverage ratio requirement complements the existing framework to calculate the leverage ratio, to report it to supervisors and, since January 2015, to disclose it publicly. The leverage ratio requirement is set at 3 per cent. of Tier 1 capital and institutions must meet it in addition to/in parallel with their risk-based capital requirements. An additional leverage buffer applies to global systemically important institutions but the Bank is not a G-SII.

#### MREL subordination rules

In order to ensure effective and credible application of the bail-in resolution tool to impose losses on banks' creditors in the case of a banking crisis, banks are subject to an MREL, with the relevant instruments earmarked for bail-in in a crisis. The EU resolution framework requires banks to comply with the MREL at all times by holding easily 'bail-inable' instruments, so as to ensure that losses are absorbed and banks are recapitalised once they get into a financial difficulty and are subsequently placed into resolution.

The package proposes to tighten the rules on the subordination of MREL instruments. Beyond, the existing G-SII category, a new category of large banks, called "top-tier banks" with a balance sheet size greater than €100 billion, has been established in relation to which more prudent subordination requirements are formulated. National resolution authorities may also select banks which are neither G-SIIs nor top tier banks and subject them to the top-tier bank treatment. An MREL minimum pillar 1 subordination policy for each of these two categories of bank has been agreed. For other banks, the subordination requirement remains a bank-specific assessment based on the principle of "no creditor worse off".

#### Moratorium power for resolution authorities

In order to avoid excessive outflows of liquidity in a bank resolution, the package proposes a moratorium power, which should be triggered after a bank is declared "failing or likely to fail". The power to impose the moratorium also includes covered deposits and can be imposed for a maximum duration of two days, in line with International Swaps and Derivatives Association agreements.

#### **Recovery and resolution of credit institutions**

The BRRD, as transposed into Greek legislation by Article 2 of the BRRD law, is the directive that establishes a framework for the recovery and resolution of credit institutions and investment firms. The BRRD was recently amended in relation to the ranking of unsecured debt instruments in special liquidation and this amendment has also been transposed into Greek legislation by Greek law 4583/2018.

In addition, the SRM Regulation establishes uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism (the "SRM") and a Single Resolution Fund (the "SRF"). Pursuant to the SRM Regulation, the authority to plan the resolution and resolve banks which are subject to direct supervision by the ECB, such as the Bank, has been conferred on the Single Resolution Board ("SRB").

#### *Single Resolution Mechanism*

If the Bank infringes or is likely in the near future to infringe capital or liquidity requirements, the ECB has the power to impose early intervention measures. These measures include the power to require changes to the legal or operational structure of the Bank, or its business strategy, and the power to require the managing board to convene a general meeting of shareholders at which the ECB may set the agenda and require certain decisions to be considered for adoption by the general meeting.

The SRB is responsible for preparing resolution plans for, and directly resolving, all banks directly supervised by the ECB and cross-border groups. In most cases, the ECB would notify the SRB, the European Commission

and the relevant national resolution authorities that a bank is failing. The SRB would then assess whether there is a systemic threat and any private sector solution.

In certain circumstances, including if a bank reaches a point of non-viability or where certain forms of extraordinary public financial support are required, the SRB in close co-operation with the relevant national resolution authority may take pre-resolution measures, including the write-down and cancellation of shares and the conversion of capital instruments and eligible liabilities into shares. If a bank meets the conditions for resolution, the SRB may apply the relevant resolution tools and exercise the relevant resolution powers in line with the resolution plan prepared for the bank in question by the SRB. See further “—*Recovery and resolution powers*” below.

The European Commission is responsible for assessing the discretionary aspects of the SRB’s decision and endorsing or objecting to the resolution scheme. The European Commission’s decision is subject to approval or objection by the European Council only when the amount of resources drawn from the SRF is modified or if there is no public interest in resolving the bank. If the European Council or the European Commission objects to the resolution scheme, the SRB must amend it. The resolution scheme, once approved, is implemented by the national resolution authorities. If resolution entails state aid, the European Commission must approve the aid before the SRB can adopt the resolution scheme.

The SRB also determines the MREL that banks are required to comply with at all times, see “—*Resolution tools*” below.

All the banks in the participating Member States contribute to the SRF. The SRF was established for the purpose of ensuring the efficient application of the resolution tools and exercise of the resolution powers by the resolution authorities. The SRF consists of contributions from credit institutions and certain investment firms in the participating Member States of the SRM. The SRF has a target funding level of €55 billion (expected to be reached by 31 December 2023) and, as of 17 July 2019, the current total amount in the SRF was just under €33 billion. The SRF is owned and administered by the SRB. See further “—*Deposit and Investment Guarantee Fund*” below.

#### *Recovery and resolution powers*

The resolution powers in respect of banks are divided into three categories:

- ***Preparation and prevention:*** Banks are required to prepare recovery plans while the relevant resolution authority (in the case of the Bank, the SRB) prepares a resolution plan for each bank. The resolution authorities have supervisory powers to address or remove impediments to resolvability. Financial groups may also enter into intra-group support agreements to limit the development of a crisis;
- ***Early intervention:*** The competent authority (which, in the case of the Bank and for this purpose is the ECB) may arrest a bank’s deteriorating situation at an early stage so as to avoid insolvency. Its powers in this respect include requiring a bank to implement its recovery plan, replacing existing management, drawing up a plan for the restructuring of debt with its creditors, changing its business strategy and changing its legal or operational structures. If these tools are insufficient, new senior management or a new management body may be appointed subject to the approval of the resolution authority which is also entitled to appoint one or more temporary administrators; and
- ***Resolution:*** This involves reorganising or winding down the bank in an orderly fashion outside special liquidation proceedings while preserving its critical functions and limiting to the maximum extent possible taxpayer losses.

#### *Conditions for resolution*

The conditions that have to be met before the resolution authority takes a resolution action in relation to a Greek bank are:

- the competent authority, after consulting with the resolution authority, determines that the bank is failing or likely to fail. A bank will be deemed to be failing or likely to fail in one or more of the following circumstances:
  - it infringes or is likely to infringe the requirements for continuing authorisation in a way that would justify the withdrawal of its authorisation, for example by incurring losses that will deplete all or a significant amount of its own funds;
  - its assets are, or there is objective evidence that its assets will in the near future be, less than its liabilities;
  - it is, or there is objective evidence that it will in the near future be, unable to pay its debts or other liabilities as they fall due; or
  - extraordinary public financial support is required, unless the support takes one of the forms specified in the BRRD;
- having regard to timing and other relevant circumstances, there is no reasonable prospect that any alternative private sector or supervisory action, including early intervention measures or the write down or conversion of relevant capital instruments and eligible liabilities, would prevent the failure of the bank within a reasonable timeframe; and
- a resolution action is in the public interest, that is, it is necessary for the achievement of, and is proportionate to, one or more of the resolution objectives set out in the BRRD law and the winding up of the bank under normal special liquidation proceedings would not meet those resolution objectives to the same extent.

#### *Resolution tools*

When the trigger conditions for resolution are satisfied, the relevant resolution authority may apply any or all of the following tools:

- the ***sale of business tool***, which enables the resolution authority to transfer ownership of, or all or any assets, rights or liabilities of, the bank to a purchaser (that is not a bridge institution) on commercial terms without requiring the consent of the shareholders or, save as required by the BRRD law, complying with the procedural requirements that would otherwise apply;
- the ***bridge institution tool***, which enables the resolution authority to transfer ownership of, or all or any assets, rights or liabilities of, the bank to a publically controlled entity known as a bridge institution without requiring the consent of the shareholders. The operations of the bridge institution are temporary, the aim being to sell the business to the private sector when market conditions are appropriate;
- the ***asset separation tool***, which enables the resolution authority to transfer some or all of the assets, rights and liabilities of the bank, without obtaining the consent of shareholders, to an asset management vehicle to allow them to be managed and worked out over time. This tool may only be used when: (i) the market situation for the assets concerned is such that their liquidation under normal special liquidation proceedings could have an adverse effect on one or more financial markets, or (ii) the transfer is necessary to ensure the proper functioning of the bank under resolution or the bridge institution, or (iii) the transfer is necessary to maximise liquidation proceeds. This tool may be used only in conjunction with other tools to prevent an undue competitive advantage for the failing bank; and

- the ***bail-in tool***, which gives the resolution authority the power to write down eligible liabilities of the bank and/or to convert such claims to equity. The resolution authority may use this tool only (i) to recapitalise the bank to the extent sufficient to restore its ability to comply with the conditions for its authorisation, to continue to carry out the activities for which it is authorised and to restore it to financial soundness and long-term viability or (ii) to convert to equity or reduce the principal amount of obligations or debt instruments that are transferred to a bridge institution (with a view to providing capital to the bridge institution) or that are transferred under the sale of business tool or the asset separation tool.

When using the bail-in tool, the relevant resolution authority must write down or convert obligations of a bank under resolution in the following order:

- (i) CET1;
- (ii) Additional Tier 1 instruments;
- (iii) Tier 2 instruments;
- (iv) other subordinated debt, in accordance with the ranking of claims in special liquidation proceedings; and
- (v) other eligible liabilities, in accordance with the ranking of claims in special liquidation proceedings.

A number of liabilities are excluded from the bail-in tool, including covered deposits and secured liabilities (including covered bonds). For the purposes of the bail-in tool, banks are required to maintain at all times a sufficient aggregate amount of own funds and eligible liabilities, the aim of which is to ensure that banks have sufficient loss-absorbing capacity.

The ranking of liabilities in the case of special liquidation proceedings against a credit institution are provided for by Article 145A of Greek law 4261/2014, as amended and in force.

The preferentially ranked claims are:

- a) claims deriving from the provision of employment services and legal fees to the extent that the claims arose during the two years prior to the declaration of bankruptcy, claims of the Greek state for value added tax and other taxes aggregated with any surcharges and interest accrued, and claims of social security organisations;
- b) Greek state claims arising in the case of a recapitalisation by the Greek state of institutions pursuant to the BRRD's extraordinary capital support provisions;
- c) claims deriving from guaranteed deposits or claims of the HDIGF in respect of depositors' rights and obligations which have been compensated by the HDIGF, and for the amount of such compensation;
- d) any type of Greek state claim aggregated with any surcharges and interest charged on these claims;
- e) the following claims on a pro rata basis:
  - claims of the SRF, to the extent it has provided financing to the institution; and
  - claims in respect of eligible deposits to the extent that they exceed the coverage threshold for deposits of natural persons and micro, small and medium-sized enterprises;

- f) claims deriving from investment services covered by the HDIGF or claims of the HDIGF in respect of the rights and obligations of investors which have been compensated by the HDIGF, and for the amount of such compensation;
- g) claims deriving from eligible deposits to the extent that they exceed the coverage limit and do not fall under (e) above;
- h) claims deriving from deposits exempted from compensation, excluding claims deriving from transactions of investors for which a final court decision has been issued for a penal violation of anti-money laundering rules; and
- i) all claims that do not fall within the above listed points and are not subordinated claims as per the relevant agreement governing them, including but not limited to, liabilities under loan agreements and other credit agreements, from debt instruments issued by the credit institution, from agreements for the supply of goods or for the provision of services or from derivatives.

This class of preferred liabilities does not include claims resulting from debt instruments that meet the following conditions; namely, (a) the original contractual maturity of the debt instruments is at least one year; (b) the debt instruments contain no embedded derivatives and are not derivatives themselves; and (c) the relevant contractual documentation and, where applicable, the prospectus related to the issuance explicitly refer to this lower ranking. Such claims are classified as common claims without preference and rank *pari passu*, pursuant to Article 145A of Greek law 4261/2014, as amended and currently applicable, with obligations of the Bank under unsecured and unsubordinated debt instruments issued by the Bank and guarantees related to such debt instruments issued by the Bank's subsidiaries that have been issued or provided for, respectively, prior to 18 December 2018 (i.e. the date of entry into force of article 104 of Greek Law 4583/2018 which has transposed into Greek law Directive 2017/2399).

A further tool, a moratorium tool, has recently been endorsed by the European Parliament, see “—*The Capital Adequacy Framework—Recent Developments—Moratorium power for resolution authorities*” above.

#### *Extraordinary Public Financial Support*

In an exceptional systemic crisis, extraordinary public financial support may be provided through the public financial stabilisation tools listed below as a last resort and only after having assessed and utilised, to the maximum extent, the other resolution tools, in order to avoid, through direct intervention, the winding-up of the relevant bank and to enable the resolution purposes to be accomplished. The use of extraordinary public financial support requires a decision of the Minister of Finance following a recommendation from the Systemic Stability Board (Greek Ministry of Finance) and consultation with the relevant resolution authorities.

The public financial stabilisation tools are:

- public capital support provided by the Ministry of Finance or by the HFSF following a decision by the Minister of Finance; and
- temporary public ownership of the bank by the Greek state or a company which is wholly owned and controlled by the Greek state.

All of the following conditions must be met for the public financial stabilisation tools to be implemented:

- the bank meets the conditions for resolution;
- the shareholders, owners of other instruments of ownership, holders of relevant capital instruments and the holders of eligible liabilities have contributed, through conversion, write down or by any other

means, to the absorption of losses and the recapitalisation by an amount equal to at least 8 per cent. of the total liabilities, including own funds, of the bank, calculated at the time of the resolution action; and

- prior and final approval by the European Commission regarding the EU state aid framework for the use of the chosen tool has been granted.

In addition to the above, for the provision of public financial support, one of the following conditions must also be met:

- the application of the resolution tools would not be sufficient to avoid a significant adverse effect on financial stability;
- the application of the resolution tools would not be sufficient to protect the public interest, where extraordinary liquidity assistance from the central bank has previously been given to the institution; and/or
- in respect of the temporary public ownership tool, the application of the resolution tools would not be sufficient to protect the public interest, where capital support through the public capital support tool has previously been given to the bank.

By way of exception, extraordinary public financial support may be granted to a bank in the form of an injection of own funds or the purchase of capital instruments without the implementation of resolution measures, if all of the following conditions, to the extent relevant, are satisfied:

- in order to remedy a serious disturbance in the economy of an EU Member State and preserve financial stability;
- to a solvent bank in order to address a capital shortfall identified in a stress test, assets quality review or equivalent exercise;
- at prices and on terms that do not confer an advantage upon the bank;
- on a precautionary and temporary basis;
- subject to final approval of the European Commission;
- not to be used to offset losses that the bank has incurred or is likely to incur in the near future;
- the bank has not infringed, and there is no objective evidence that the bank will in the near future infringe, its authorisation requirements in a way that would justify the withdrawal of its authorisation;
- the assets of the bank are not, and there is no objective evidence that the assets of the bank will in the near future be, less than its liabilities;
- the bank is not, and there is no objective evidence that the bank will be, unable to pay its debts or other liabilities when they fall due; and
- the circumstances for the exercise of the write down or conversion powers in respect of Additional Tier 1 and Tier 2 capital instruments of the bank do not apply.

#### *Resolution authority's powers*

The resolution authority has a broad range of powers when applying resolution measures and tools. When applying the resolution tools and exercising its resolution powers, the resolution authority must have regard to the following objectives:

- ensuring the continuity of critical functions;
- avoiding significant adverse effects on financial stability, including by preventing contagion, and maintaining market discipline;
- protecting public funds by minimising reliance on extraordinary public financial support;
- avoiding unnecessary deterioration of value and seeking to minimise the cost of resolution;
- protecting depositors and investors covered by deposit guarantee schemes and investor compensation schemes, respectively; and
- protecting client funds and client assets;

as well as the following principles:

- the shareholders of the bank under resolution bear losses first;
- the creditors of the bank under resolution bear losses after the shareholders in accordance with the order of priority of their claims under normal special liquidation proceedings;
- senior management or the management body of the bank under resolution are replaced unless it is deemed that retaining management is necessary for the resolution purposes;
- senior management or the management body of the bank under resolution shall provide all necessary assistance for the achievement of the resolution objectives;
- natural and legal persons remain liable, under applicable law, for the failure of the bank;
- except where specifically provided in the BRRD law, creditors of the same class are treated in an equitable manner;
- no creditor incurs greater losses than would be incurred if the bank would have been wound up under normal special liquidation proceedings;
- covered deposits are fully protected; and
- resolution action is taken in accordance with the applicable safeguards provided in the BRRD law.

### **The HFSF**

The HFSF is a private law entity with the purpose of maintaining the stability of the Greek banking system by supporting the capital adequacy of both Greek credit institutions and subsidiaries of foreign credit institutions lawfully operating in Greece and acting in compliance with the commitments of the Greek state under Greek law 4046/2012, in relation to the Second Economic Adjustment Programme, as updated from time to time, and under the Agreement for Fiscal Targets and Structural Reforms dated 19 August 2015, a draft of which was ratified by Greek law 4336/2015, as updated from time to time. The liquidity support provided under Greek law 3723/2008 or under the operating framework of the Eurosystem and the Bank of Greece does not fall under the scope of the HFSF. The HFSF pursues its purpose based on a strategy agreed between the Ministry of Finance, the Bank of Greece and itself.

The HFSF was established by virtue of Greek law 3864/2010 which was repeatedly amended, among others by virtue of Greek laws 4254/2014, 4340/2015, 4346/2015, 4431/2016, 4456/2017, 4537/2018 and most recently by Greek law 4549/2018. HFSF's initial duration, which was set to expire on 30 June 2017, was extended to 31



December 2022. The Greek Minister of Finance can decide to extend the HFSF's duration if this would be deemed necessary for fulfilling the purpose of the HFSF.

### *Capital*

The HFSF's capital consists of funds that were raised within the context of EU's and IMF's support mechanism for Greece by virtue of Greek law 3845/2010. It was gradually paid up by the Hellenic Republic and is evidenced by instruments which are not transferable until the expiry of the term of the HFSF. The HFSF's capital is provided from (a) funds drawn under the support mechanism for Greece set up by the EU and the IMF by virtue of Law 3845/2010 and the Master Financial Assistance Facility dated 15 March 2012 and (b) from funds drawn under the Financial Assistance Facility dated 19 August 2015, as in force from time to time, and are paid to the HFSF by the Hellenic Republic.

The Greek Minister of Finance may request the return of capital from the HFSF to the Hellenic Republic. Before the expiry of the HFSF's term or the initiation of a liquidation process, the Minister of Finance decides jointly with the European Financial Stability Facility (“**EFSF**”) and the European Stability Mechanism (“**ESM**”), the entity to and the manner by which the capital and assets and liabilities of HFSF will be transferred due to its expiration or liquidation. The above transfer will be to an entity independent of the Hellenic Republic and will take place in a manner that ensures that the financial and legal position of the EFSF and ESM will not be deteriorated for that reason. If, at the expiry of the HFSF's term, the HFSF has no obligation towards the EFSF and the ESM, and holds no assets over which the former have a security interest or other rights, the assets of the HFSF following completion of its liquidation process, will be transferred to the Hellenic Republic by operation of law. In case of liquidation of a credit institution, the HFSF, in its capacity as a shareholder of such credit institution, is satisfied preferentially towards any other shareholders together with the Hellenic Republic as holder of the Preference Shares of Greek law 3723/2008 (“**Hellenic Republic Bank Support Plan**”).

### *Organisation*

The HFSF is managed by a seven-member General Council and a three-member Executive Committee. The General Council consists of five (5) members (including the Chairman of the General Council), having international experience in banking issues, one (1) member being representative of the Ministry of Finance and one (1) member appointed by the Bank of Greece. The three-member Executive Committee consists of two (2) members, including the Managing Director, having international experience in banking or issues regarding the recovery of credit institutions and one (1) member nominated by the Bank of Greece. One (1) member of the Executive Committee is appointed as responsible for the support of the HFSF's role in facilitating the management of NPLs of the credit institution in which the HFSF has a holding. The members of the General Council and the Executive Committee are selected by a Selection Committee, established by a decision of the Greek Minister of Finance according to Article 4A of Law 3864/2010, as in force, following a public invitation for expression of interest and are appointed by a decision of the Greek Minister of Finance for a three-year period, with the possibility for renewal, but in any case not exceeding the HFSF's duration. The Selection Committee consists of six (6) independent renowned experts of integrity, from which three (3), including the Chairman, are appointed by the European Commission, the European Central Bank and the ESM respectively, two (2) by the Greek Minister of Finance and one (1) by the Bank of Greece. The above five institutions have an observer in the Selection Committee, the term of which is set at two (2) years with a possibility of renewal. Representatives of the European Commission as well as of the ECB and the ESM may also participate in the Executive Committee as observers. The Euro Working Group's prior consent is required for the appointment of the members of the General Council and the Executive Committee, as well as the renewal of their term of office and remuneration, excluding the appointment of the Ministry of Finance representative in the General Council and the member appointed by the Bank of Greece. The members of both the aforementioned bodies must be persons of impeccable reputation, not engaged in activities set out in article 4, paragraph 6 of Greek law 3864/2010, as in force, and not engaged in activities incompatible with their participation in the said bodies, set out in article 4, paragraph 7 of Greek law 3864/2010, while their appointment may be terminated prior to its

expiry by a decision of the Minister of Finance if (a) they are rendered non-eligible due to the occurrence of events provided in paragraphs 6 and 7 of Article 4 of Law 3864/2010, as in force, or (b) following a reasoned decision of the Selection Committee for the reasons and by the process described in Article 4A of Greek law 3864/2010, as in force.

The General Council convenes at least ten (10) times per year and the Executive Committee at least once a week. In the meetings of the General Council and the Executive Committee, one (1) representative of the European Commission, one (1) of the ESM and one (1) of the ECB or their substitutes can also participate as observers without voting rights. A quorum is established in the General Council when at least five (5) members are present and in the Executive Committee when at least two (2) members are present. Each member of the General Council is entitled to one (1) vote. In case of a tied vote, the vote of the chairman is decisive. The General Council decides by majority of the present members, unless otherwise provided for by Greek law 3864/2010, as in force. Accordingly, each member of the Executive Committee is entitled to one (1) vote and, unless otherwise provided for by Greek law 3864/2010, as in force, the Executive Committee decides by a majority of two (2) of the present members.

The members of the General Council and the Executive Committee, except for the representative of the Ministry of Finance, operate independently in the exercise of their powers and do not seek or receive mandates from the Greek government or any other governmental entity or financial institution supervised by the Bank of Greece and they are not subject to any influence whatsoever. The General Council provides information, at least twice a year and in any other case deemed necessary, to the Minister of Finance, the Greek Parliament, the European Commission, the ESM and the ECB regarding the progress of its mission. The General Council informs, via prospectuses issued every two months, the Minister of Finance who may request to be further informed by the Chairman or the Managing Director. The HFSF publishes an annual report on its operational strategy and a semi-annual report of progress on the above strategy. Persons having any of the following positions during the last three years may not be appointed as members of the Selection Panel: members of the Greek Parliament or Government, officers, employees or counsels of any Greek Ministry or of other governmental authority or of the Bank of Greece, executive members, officers, employees or counsels of any credit institution operating in Greece or of the European Commission or of the ECB or of the ESM or holders of shares of a credit institution operating in Greece with a total value exceeding €100,000 or persons having a financial interest, directly or indirectly linked to a credit institution operating in Greece, with a total value exceeding €100,000.

The meetings of the Executive Committee and of the General Council are confidential. The General Council may decide to publish its decision in relation to any item of the agenda.

### **Provision of Capital Support by the HFSF**

#### *Activation of Capital Support*

According to the provisions of Greek law 3864/2010, as amended and in force, a credit institution, with a capital shortfall, as such has been determined by the competent authority according to Greek law 4335/2015, as in force, (the ECB or Bank of Greece, as the case may be) may apply to the HFSF for capital support up to the amount of the capital shortfall determined by the competent authority.

This request by the credit institution must necessarily be accompanied by:

- A letter by the competent authority which determines the capital shortfall, the deadline by which the credit institution must have covered the above shortfall and the capital raising plan as it has been submitted to the competent authority.
- In respect of credit institutions with a restructuring plan that has been approved by the European Commission at the time of submission of the above request, the request is accompanied by a draft amendment of the already approved restructuring plan.

- In respect of credit institutions without a restructuring plan that has been approved by the European Commission at the time of submission of the above request, the request is accompanied by a draft restructuring plan.

The restructuring plan or the draft restructuring plan must describe on conservative assumptions, the means by which the credit institution's profitability will be satisfactorily restored within the following three (3) to five (5) years.

The HFSF may request from the credit institution amendments or additions to the draft restructuring plan or the draft of the restructuring plan under amendment. Following approval of the HFSF of the draft restructuring plan or the draft of the restructuring plan under amendment, the latter is forwarded to the Minister of Finance and is submitted to the European Commission for approval.

For the pursuit of its goals and the exercise of its rights the HFSF determines the outline of a framework agreement or an amended framework agreement with all credit institutions which receive or have received financial support by the EFSF or the ESM. The credit institutions enter into the aforementioned framework agreement. The credit institutions provide the HFSF with all the information reasonably requested by the EFSF or the ESM so that the HFSF may relay it to the EFSF or the ESM, unless the HFSF informs the credit institutions that they must send the requested information directly to the EFSF or the ESM.

The HFSF may grant, to credit institutions that have submitted a capital support request, a letter by which it undertakes to participate in the said credit institution's share capital increase provided that the procedure of Article 6a is applied and in accordance with the provisions of Article 7 of Greek law 3864/2010, as in force, on the provision of capital support, up to the amount of the capital shortfall determined by the competent authority and on the condition that the credit institution falls within the exception of sub-point (cc) of point (d) of paragraph 3 of Article 32 of Greek law 4335/2015 (precautionary recapitalisation), according to which the extraordinary public financial support being provided is required in order to remedy a serious disturbance in the national economy and to preserve financial stability. The HFSF provides the letter before the fulfilment of the conditions for the provision of the capital support set out in Article 6a of Law 3864/2010, as in force. The above-mentioned commitment of the HFSF ceases to be valid in case, for any reason whatsoever, the licence of the credit institution is revoked or one of the resolution measures provided in paragraph 1 of Article 37 of Law 4335/2015 has been taken.

Capital support is provided by the HFSF only following the approval by the European Commission of the restructuring plan or the amended restructuring plan always in compliance with the EU's legislation regarding state aid and the relevant practices followed by the European Commission. Following the finalisation of the terms and conditions of the share capital increase, the provision of the requested capital support is subject to compliance with the EU's legislation regarding state aid and the relevant practices followed by the European Commission and following the publication of the Cabinet Act (see below) provided for in Article 6a of Law 3864/2010, as in force. The HFSF monitors and evaluates the proper implementation of the restructuring plan and must further provide to the Ministry of Finance any necessary information and data, in order to meet its information requirements towards the European Commission.

#### *Conditions for the Provision of Capital Support for the purpose of Precautionary Recapitalisation*

If the voluntary measures that are provided in the restructuring plan or the amended restructuring plan cannot cover the total capital shortfall of the credit institution, as such has been determined by the competent authority, and in order to avoid a serious disturbance in the economy with negative consequences affecting citizens and in order for the state aid to be as minimal as possible, the mandatory application of the following measures may be decided by virtue of a Cabinet Act, following a proposal by the Bank of Greece, for the purpose of allocating the remainder of the capital shortfall to the holders of capital instruments and other liabilities, as deemed necessary.

The relevant measures include:

- (a) the absorption of any losses by the shareholders so that the credit institution's net asset value is zero, where necessary by the reduction of the nominal value of the shares, following a decision by the competent body of the credit institution;
- (b) The reduction of the nominal value of preference shares and other CET1 instruments, and following this, if necessary, of the nominal value of Additional Tier 1 instruments and following this, if necessary, of the nominal value of Tier 2 instruments and other subordinated liabilities and, following this, if necessary, of the nominal value of unsecured senior liabilities non preferred by mandatory provisions of law in order to restore the credit institution's net asset value to zero; or
- (c) where the credit institution's net asset value exceeds zero, the conversion of other CET1 instruments and following this, if necessary, of Additional Tier 1 instruments and following this, if necessary, of Tier 2 instruments and following this, if necessary, other subordinated liabilities and following this, if necessary, unsecured senior liabilities non preferred by mandatory provisions of law, into common shares in order to restore the necessary capital adequacy ratio, as required by the competent authority.

The allocation is completed by the publication of the relevant Cabinet Act at the Government Gazette. Without prejudice to the above, the allocation is made according to the following sequence, which applies according to the CRR and Article 145A(1) of the Banking Law, as in force:

- (a) common shares;
- (b) if necessary, preference shares and other CET1 instruments;
- (c) if necessary, Additional Tier 1 instruments;
- (d) if necessary, Tier 2 instruments;
- (e) if necessary, all other subordinated liabilities; and
- (f) if necessary, unsecured senior liabilities non-preferred by mandatory provisions of law.

In case of conversion of the preference shares issued according to Article 1 of Greek law 3723/2008, as amended and in force, into common shares, the latter have full voting rights. The ownership of such common shares passes to the HFSF as of their conversion without the need for any formalities.

Any liabilities undertaken by the credit institution through guarantees granted in relation to the issue of capital instruments or liabilities of third legal entities included in its consolidated financial statements, as well as any claims against the credit institution from loan agreements between the credit institution and the above legal entities may also be subjected to the above measures.

The above Cabinet Act, following a proposal by the Bank of Greece, determines the instruments or liabilities subject to the above measures, by class, type, percentage and amount of participation, on the basis, if necessary, of a valuation by an independent valuator appointed by the Bank of Greece. The above instruments or liabilities are converted mandatorily to capital instruments in the context of a share capital increase decided by the credit institution according to Article 7 of Greek law 3864/2010.

Exceptionally and provided there is a prior positive decision of the European Commission according to Articles 107 to 109 of the Treaty on the Functioning of the European Union, the above measures may not be used either in their entirety or in relation to specific instruments, if the Ministerial Cabinet decides, following a proposal of the Bank of Greece that:

- (a) such measures may jeopardise financial stability; or
- (b) the application of such measures may have disproportionate results, as in the case of capital support to be provided by the HFSF is small in comparison with the credit institution's risk weighted assets or when a significant part of the capital shortfall has been covered by private sector measures.

The final appraisal of the above exceptions belongs to the European Commission, which will decide on a case by case basis. On the basis of the above reasons under (a) and (b), deviations may apply to the above sequence of liabilities and the principle of equal treatment.

The above measures are deemed, for the purposes of the recapitalisation, as reorganisation measures as per the definition of Article 3 of Greek law 3458/2006, as amended and in force.

The application of the measures, voluntary or mandatory, may not in any case (a) constitute grounds for the activation of contractual clauses which apply in cases of winding-up or insolvency or the occurrence of any other event, which may be considered or treated as a credit event or may lead to the breach of contractual obligations by the credit institution, and (b) be considered as non-fulfilment or breach of contractual obligations of the credit institution that gives the counterparty a right of early termination or cancellation of the agreement for a material reason. The above applies also in the case of insolvency or an event of default *vis-à-vis* third parties by a group member when this is due to the application of the measures on its claims against another member of the same group.

Contractual clauses contrary to the above have no legal effect.

The holders of capital instruments or other claims, including unsecured senior liabilities non preferred by mandatory provisions of law of the credit institution that is subject to the above recapitalisation measures must not, following application of such measures, be in a worse financial position compared to the one they would be in if the credit institution had been wound up under normal insolvency proceedings (no creditor worse off principle). If the above principle is breached, the above holders of capital instruments and other claims, including unsecured common liabilities non-preferred by mandatory provisions of law have a right to compensation by the Hellenic Republic, provided they prove that their loss, directly due to the application of the mandatory measures, is greater than the loss they would have incurred if the credit institution were placed under special liquidation. In any case, the compensation may not exceed the difference between the value of their claims following the application of the relevant measures and the value of their claims in case of special liquidation, as such value is estimated by an independent entity appointed by the Bank of Greece in order to determine whether shareholders and holders of subordinated claims would be in a better financial position if the credit institution were placed under special liquidation immediately before the application of the relevant decision.

The Cabinet Act which decides the application of the above mandatory measures is published in the Government Gazette and a summary thereof is published in the Official Journal of the European Union in Greek, in two daily newspapers published nationwide in the members states where the credit institution has established a branch or where it directly provides banking and other mutually accepted financial services, in the official language of such state.

The summary will include the following:

- (a) The reason and legal basis for the issuance of the Cabinet Act;
- (b) The legal remedies available against the Cabinet Act and the deadlines for their exercise; and
- (c) The competent courts before which the above legal remedies against the Cabinet Act may be exercised.

Paragraph 11 of the above described Article 6a provides that the necessary details for the application of Article 6a of Law 3864/2010, as in force, regarding the application of the above mandatory measures, including the process for the appointment of the independent valuers, the content of the independent valuations and the proposal of the Bank of Greece, the valuation methods of the claims or the capital instruments being converted, the substitution option of the Bank of the instruments, the completion of the conversion as well as the details for any compensation of the instrument holders, are regulated by a Cabinet Act.

#### *Application of Public Financial Stability Measures*

If the Greek Minister of Finance decides, according to paragraph 4 of Article 56 of Law 4335/2015, the application of the measure of public financial support, the HFSF is appointed as the authority that will apply Article 57 of Greek law 4335/2015, as in force, following a decision by the Greek Minister of Finance. In this case, the HFSF participates in the recapitalisation of the credit institution and receives in exchange the instruments determined in paragraph 1 of Article 57 of Law 4335/2015, as in force.

#### *Type of Capital Support*

The HFSF provides capital support exclusively for the purpose of covering the credit institution's capital shortfall, as determined by the competent authority and up to the amount remaining after the application of the measures provided in the capital raising plan, any private sector participation, the approval of the restructuring plan by the European Commission and:

- (a) either the application of the mandatory measures of Article 6a of Greek law 3864/2010 described above, as amended and in force, when the European Commission as part of its approval of the restructuring plan has confirmed that the credit institution falls within the exception of sub-point (cc) of point (d) of paragraph 3 of Article 32 of Greek law 4335/2015; or
- (b) when the credit institution has been subjected to resolution and measures have been taken according to Article 2 of Greek law 4335/2015, as in force.

The relationship framework agreement between the HFSF and the credit institution must be duly signed before the capital support can be given. The capital support that may be granted by the HFSF shall be provided through the participation of the HFSF in the increase of the share capital of a credit institution by issuance of common voting shares or contingent convertible securities or other convertible financial instruments. According to Cabinet Act No. 36 of 2 November 2015, the allocation of the HFSF's participation between common shares and contingent convertible securities or other convertible financial instruments will take place as follows:

In cases where the HFSF provides the capital support of Article 7 of Greek law 3864/2010, as in force, in accordance with the precautionary recapitalisation procedure, then the capital support is allocated by 25 per cent. to common shares and by 75 per cent. to contingent convertible bonds.

In cases where the HFSF provides the capital support of Article 7 of Greek law 3864/2010 in accordance with Article 6B of Greek law 3864/2010, as in force, the capital support is allocated as follows:

- (a) to common shares up to the amount necessary to cover losses already incurred or likely to be incurred shortly in the future; and
- (b) for the remaining amount that would correspond to a precautionary recapitalisation, by 25 per cent. to common shares and by 75 per cent. to contingent convertible bonds.

The HFSF may exercise, dispose of or waive its pre-emptive rights in cases of share capital increase or of the issuance of contingent convertible securities or other convertible financial instruments of the credit institutions that request the provision of capital support.

The credit institution's decision for the aforementioned share capital increase including the decision for the issue of contingent convertible securities or other convertible financial instruments is made by its general meeting under simple quorum and majority and it cannot be revoked. It can also be made by a resolution of the board of directors authorised by the general meeting in accordance with Article 113 of Greek law 4548/2018. In any event, the general meeting's decision for the share capital increase or the issuance of contingent convertible securities or other convertible financial instruments or the authorisation of the board of directors for the above, must expressly mention that it is made in the context of Greek law 3864/2010, as in force. The said decision of the general meeting may, instead of the maximum number of shares, provide for the maximum amount of capital which shall be covered and provide the Board of Directors of the credit institution the power to decide, *inter alia*, the remaining amount following the implementation of the measures set out in article 6A, the exact number of shares and the allocation of shares. The deadline regarding the convocation of the general meeting which will decide the share capital increase for the issuance of the common shares, convertible securities or the other financial instruments is set out at ten (10) calendar days as provided under paragraph 2 of article 115 of Greek law 4335/2015. The deadline for the convocation of any repeat and any iterative meetings thereof which will decide upon issues related to the recapitalisation of the credit institutions in accordance with Greek law 3864/2010, as in force, as well as for the filing of documents with supervisory authorities and certain deadlines related to the holding of the general meeting of shareholders are shortened to one-third of the deadlines prescribed by Greek Law 4548/2018, as in force.

The share capital increases are subscribed for by the HFSF in cash or ESM notes and the subscription price is the trading price as determined following a book building process completed by each credit institution. The HFSF accepts such price provided it has appointed and received an opinion from an independent financial advisor, who opines that the book building process complies with international best practices under the specific circumstances. New shares cannot be offered to the private sector at a price lower than the price at which the HFSF subscribes for shares at the same offering. The offer price may be lower than the prices at which the HFSF subscribed at previous subscriptions or than the current trading price. The above manner of determining the subscription price does not apply to cases where the HFSF must cover the amount not subscribed by private participation in share capital increases of credit institutions falling within case (b) of paragraph 2 of article 6 or following the application of Article 6b of Law 3864/2010, as in force.

A Cabinet Act, following evaluation by the competent authority of the compatibility with Article 31 of the CRR and the giving of an opinion by the HFSF, determines the terms on which the contingent convertible securities or other convertible instruments may be issued by credit institutions and be subscribed by the HFSF, the conversion terms of the above contingent convertible securities or other convertible financial instruments, their nominal value and any other necessary details for the implementation of the relevant article. The Cabinet Act No. 36 of 2 November 2015 (Government Gazette 135/2.11.2015), was issued in accordance with the above. The transfer of the above shares and convertible financial instruments is subject to the approval of the competent authority.

#### *Warrants*

According to Greek law 3864/2010 as it was in force prior to its amendment by Greek law 4340/2015, if a credit institution being recapitalised according to such law, achieved a Private Sector participation in its share capital increase of at least 10 per cent. the HFSF would issue to the investors that participated, for no additional charge, one Warrant for each new share acquired pursuant to Greek law 3864/2010 and Cabinet Act 38/9.11.2012. The terms of issuance of the Warrants are governed by Greek law 3864/2010 and the Cabinet Act 38/2012, as in force. Each Warrant enables the holder thereof to purchase from the HFSF, at the exercise price and during the exercise period mentioned below, a predetermined number of ordinary shares of the credit institution held by the

HFSF. Pursuant to Cabinet Act 38/9.11.2012 the exercise price and the pre-determined number of ordinary shares of the credit institution, held by the HFSF and deliverable under the Warrants, may be adjusted on the occurrence of certain corporate events. The HFSF informed the Bank that there would not be any adjustment to the Warrants as a result of the issuance of the new shares (given the non-preemptive offering).

The Warrants are transferable securities within the meaning of article 56, of Greek law 4548/2018, are issued in registered form, are listed following a relevant request of the credit institution and freely traded on ATHEX simultaneously with the admission to trading of the new shares. There are no limitations regarding the transfer of the Warrants.

The holders of the Warrants do not have voting rights.

### *Contingent Convertible Bonds*

#### General Terms

The contingent convertible bonds issued in accordance with Article 7 of Greek law 3864/2010, as in force, are governed by Greek law and may be issued in dematerialised form and be included, following an application of the HFSF, in the electronic files of non-listed securities maintained by ATHEX.

The contingent convertible bonds are issued following a decision by the General Meeting of Shareholders before or after the completion of a share capital increase according to Article 7 of Law 3864/2010, as in force. The bonds are transferred only with the consent of the credit institution, not to be unreasonably withheld and the consent of the supervisory authorities, according to Article 7 paragraph 5(c) of Greek law 3864/2010, as in force.

The bonds have a nominal value of €100,000 each, are issued at par and are of indefinite duration without a fixed repayment date. They are direct, unsecured and subordinated investments in the credit institution and rank at all times *pari passu* with themselves. The bonds' terms do not expressly contain events of default and as a consequence all bondholders will be able to enforce the terms of the bonds only during the liquidation procedure.

In case a credit institution is placed under special liquidation they rank:

- (a) after all other claims (including those of subordinated creditors), including (indicatively) claims against the credit institution from liabilities recognised as Additional Tier 1 or Tier 2 Capital, but with the exception of Same Ranking Liabilities (the “**Higher Ranking Liabilities**”); and
- (b) *pari passu* with the credit institution's common shares and any other claim, which is agreed to rank *pari passu* with the bonds (“**Same Ranking Liabilities**”).

During the special liquidation of the credit institution, the bondholders, prior to any conversion date, have a right over any remaining assets of the credit institution (available for distribution after repayment in full of all Higher Ranking Liabilities) for the nominal amount of their bonds plus any accrued and unpaid interest.

Subject to any mandatory provisions of law, the bondholders do not have any set-off right, security or guarantee that may upgrade the ranking of their claim during special liquidation.

#### Conversion

If, at any time, the credit institution's CET1 capital ratio, calculated on a consolidated or individual basis, is below 7 per cent. (“**Activation Event**”), the credit institution must:



- (a) convert the bonds by issuing to each bondholder Conversion Shares (as defined below), the number of which is determined by dividing 116 per cent. of the outstanding bonds' nominal value by the conversion price and further dividing by the percentage by which the bondholder participates in the total amount of the bond loan;
- (b) procure the publication of a conversion notification towards the bondholders, informing them, among other things, of the relevant conversion date, which may not be later than one month (or earlier if required by the supervising authorities), after which date the bonds will be converted; and
- (c) inform immediately the ECB, acting in the context of the SSM, of the occurrence of an Activation Event.

The above Act defines as Conversion Shares the common shares of the credit institution issued upon conversion of the bonds by dividing 116 per cent. of the specific nominal value by the price per common share of the credit institution, as set at the share capital increase taking place in accordance with Article 7 of Greek law 3864/2010, as in force.

Following their conversion as per the above, the bonds will be cancelled and may not be reissued nor may their nominal value be restored for any reason. The terms and conditions of the bonds provide for readjustments to the conversion price on standard terms in case of specific corporate actions.

The bonds are converted automatically to common shares of the credit institution if for any reason the credit institution does not pay, in full or in part, the interest due on two, not necessarily consecutive, interest payment dates.

#### Interest

The bonds have an interest rate equal to (a) an annual rate of 8 per cent. (the “**Initial Interest Rate**”) from the issue date and up to the seventh anniversary of the issue date and (b) following this, if not repaid, the current Adjusted Interest Rate. The “**Adjusted Interest Rate**” is defined as the sum of: (a) the 7-year mid-swap rate for the relevant interest period plus (b) a margin equal to the difference between the Initial Interest Rate and the 7-year mid-swap rate applicable on the issue date.

Payment of interest (in full or in part) is exclusively at the discretion of the board of directors of the credit institution, but if paid, it is payable in cash. If the credit institution elects not to pay interest, such interest is cancelled and does not accumulate. The credit institution may not pay dividends on its common shares if it has decided not to pay interest on the preceding interest payment date.

The credit institution's board of directors may, in its absolute discretion, pay interest in the form of common shares of the credit institution. The number of common shares issued according to this option must be equal to the amount of interest divided by the price of common shares on the interest payment date (for as long as the common shares are listed in an organised market), otherwise to the value of CET1 capital corresponding to one common share as deriving from the financial statements of the credit institution most recently published prior to the payment date or the nominal value of the common share, whichever is higher. If so decided by the board of directors of the credit institution, the share capital increase takes place automatically and without any other procedural requirements or corporate decisions (including the shareholders' consent) and the corresponding common shares are issued automatically. Any interest payment is subject to the restrictions of the maximum distributable amount according to Article 141 of CRD IV (article 131 of Greek law 4261/2014).

The credit institution may, in its absolute discretion, elect to repay all or some of the bonds at any time, at their nominal value, plus any accrued and unpaid interest (excluding any cancelled interest), provided that it has received the consent required at the time according to CRD IV or the Banking Law and that other claims, the

repayment or repurchase of which must precede, as may be determined by CRD IV, have been repaid. Repayment by choice of the credit institution must be in cash.

Bondholders may not request the repayment of their bonds but only their conversion into common shares on the seventh anniversary.

If, due to a legislative change, either (a) the bonds cease to be included in the credit institution's CET1 capital or (b) a tax burden arises for the credit institution in relation to the bonds, as provided for in the above Act, the credit institution may substitute all the bonds or amend their terms, without the consent or approval of the bondholders, so that they may continue to be recognised in the credit institution's regulatory capital on terms that are not materially less beneficial to the bondholders.

#### *Disposal of Shares and Bonds*

The manner and process for the disposal of all or part of the shares of a credit institution held by the HFSF within 5 years from the entry into force of Greek law 4340/2015 are determined by a decision of the HFSF. The disposal may take place in one transaction or in instalments, in HFSF's discretion, provided that the disposal takes place within the above time limit and in compliance with state aid rules. Within the above deadline the shares may not be disposed of to an undertaking that belongs directly or indirectly to the state according to the legislation in force.

In order to take the above decision, the General Council of the HFSF receives a report from an internationally renowned independent financial advisor with experience in such matters. The report is accompanied by a detailed timetable for the disposal of shares and justifies sufficiently the conditions and manner of disposal as well as the necessary actions for the completion of the disposal and compliance with the timetable.

The disposal takes place in a manner that is consistent with the purposes of the HFSF. Without prejudice to the provisions of Greek law 3401/2005, the disposal may take place by a public offer or an offer to one or more specific investors: (i) through an open contest or interest solicitation from selected investors; (ii) through exchange trade orders; (iii) by public offer of shares for cash or in exchange of other securities; and (iv) by book building.

The HFSF may reduce its participation in credit institutions through a share capital increase of the credit institutions by waiving or disposing its pre-emption rights.

The disposal price and the minimum subscription price for new private investors at a share capital increase are determined by the General Council according to the procedure of paragraph 5 of Article 7 of Greek law 3864/2010, as in force, when a bookbuilding has taken place or, in all other instances, on the basis of two evaluation reports prepared by two renowned independent financial advisors of experience in relevant matters and especially in the evaluation of credit institutions and in accordance with the abovementioned report. The disposal or acquisition price as per the above may be lower than the most recent price at which the HFSF acquired the shares or than the current market price of the shares, provided they are in line with the objectives of the HFSF and the relevant independent advisor's report. In the case of a sale of blocks of shares by the HFSF, the Greek Minister of Finance receives the relevant reports and evaluations and has a veto right if the suggested price is outside the limits of such evaluations.

In the event the shares of the credit institution are acquired by a specific investor or investor group or the HFSF's participation is reduced by a share capital increase in favour of a specific investor or investor group, the HFSF may:

- (a) Invite the interested investors to submit offers, setting, at the relevant invitation, the procedure, deadlines, offer content and other terms for their submission, among which also the provision by investors, at any stage of the procedure deemed necessary, of a proof of funds and letters of guarantee;

- (b) Conclude a shareholders' agreement, if it deems necessary, which will govern the relationship between the HFSF and the specific investor or investor group as well as amend the framework agreement with the relevant credit institution. In that context it may be provided that the investors and/or the HFSF must maintain their holding for a specific time period; and
- (c) Provide a first offer and first refusal right to investors fulfilling certain criteria (such as those provided in point (d) of paragraph 5 of Article 8 of Greek law 3864/2010).

Certain evaluation criteria are taken into consideration for the selection of a specific investor or investor group, such as the investor's experience in the specific business and in the reorganisation of credit institutions, creditworthiness, ability to complete the transaction and the consideration offered. The evaluation criteria applicable to each procedure are notified to the candidate investors before the submission of a binding offer by the latter.

The methodology for the disposal of shares by a public offer for the exchange of warrants issued according to Cabinet Act 38/2012 and the adjustment of their terms and conditions in the case of a share capital increase with a reverse split on terms determined by the credit institution, as well as a share capital increase without abolition of the pre-emption rights of existing shareholders, are determined by a Cabinet Act. In case of a share capital increase without abolition of the pre-emption rights of existing shareholders the adjustment may affect only the exercise price of the options embodied in the warrants. The adjustment may be up to the amount corresponding to the income of the HFSF from the sale of the pre-emption rights and takes place following the sale.

*Cabinet Act No. 44/5.12.2015*

Cabinet Act No. 44/5.12.2015, issued under the new Article 6a paragraph 11 of Greek law 3864/2010, as amended by virtue of both Greek laws 4340/2015 and 4346/2015, replaced Cabinet Act No. 11/11.4.2014.

Cabinet Act No. 44/5.12.2015 determines the procedure for the appointment by the Bank of Greece of a valuator for the valuation of the assets and the liabilities of the credit institution in case of and prior to the implementation of the burden sharing measures of article 6A of Greek law 3864/2010, as well as the content and purpose of such valuation.

The aforementioned act further specifies the details for the implementation of the mandatory measures of Article 6A of Law 3864/2010, as in force and the details for the determination of any compensation claimed by the holders of the capital instruments and liabilities subject to the mandatory burden sharing measures of article 6A of Greek law 3864/2010, as in force.

*Powers of the HFSF Representative*

The HFSF is represented by one director to the board of directors of a bank having received capital from the HFSF according to Greek law 3864/2010, as in force, as its representative. The HFSF representative has the following powers:

- To request the convocation of the general meeting of the credit institution, in which case the notification periods for the convening such meeting shall be reduced to one-third (1/3) of the periods provided in Greek Company Law;
- To veto any decision of the credit institution's board of directors:
  - Regarding the distribution of dividends and the remuneration and bonus policy concerning the chairman, the managing director and the other members of the board of directors, as well as the general managers and their deputies; or

- Where the decision in question could seriously compromise the interests of depositors, or impair the credit institution's liquidity or solvency or its overall sound and smooth operation (including business strategy, and asset/liability management); or
- In relation to which the HFSF may exercise its voting rights in the general meeting of shareholders and which may negatively affect its participation in the credit institution's share capital;
- To request an adjournment of any meeting of the credit institution's board of directors for three business days in order to get instructions from the Executive Committee of the HFSF (such right may be exercised until the end of the board of directors meeting);
- To request the convocation of the credit institution's board of directors; and
- To approve the appointment of the credit institution's chief financial officer.

At the execution of its rights the representative of the HFSF takes into account the business autonomy of the credit institution.

The HFSF has free access to the books and records of the credit institution together with advisors of its choice.

The capacity of the HFSF representative is incompatible with the capacity of the representative of the Hellenic Republic provided in Greek law 3723/2008 (Hellenic Republic Bank Support Plan), as in force. The HFSF representative to the board of directors of the credit institution is also subject to the obligation to avoid conflicts of interest, as well as to the duty of loyalty provided for in Article 16B of Greek law 3864/2010, as amended and in force.

In addition to the provisions of Greek law 3864/2010, as in force, the relationship between the Bank and the HFSF is regulated by the Relationship Framework Agreement between the Bank and the HFSF that entered into force on June 12, 2013.

Following a request by the HFSF, the Bank is entering into a new Relationship Framework Agreement with the HFSF (the “**New RFA**”), replacing the existing RFA. The New RFA will remain in force for so long as the HFSF has any ownership in the Bank. For a detailed description of the New RFA, see “*Directors and Management – Relationship Framework Agreement*”.

#### *Evaluation of Corporate Governance*

The HFSF, with the assistance of an internationally renowned specialised independent advisor will evaluate the corporate governance framework of the credit institutions with which it has concluded a framework agreement. More specifically, the evaluation will include the size, structure and competence allocation within the board of directors and its committees according to the business needs of the credit institution.

The above evaluation will include all board committees as well as any other committee that the HFSF deems necessary in order to fulfil its purposes according to the law.

The HFSF with the assistance of an independent advisor will set evaluation criteria of the above elements and the members of the board of directors and such committees according to international best practices. Based on the evaluation the HFSF will make specific recommendations for the improvement and possible changes in the corporate governance of the credit institutions. The members of the board of directors and such committees will cooperate for the purposes of the evaluation with the HFSF and its advisors and will provide any necessary information.

In addition to the criteria set by the HFSF, the evaluation according to Greek law 3864/2010, as amended by Greek law 4340/2015, will include the criteria that, as regards the evaluation of the board of directors and its committees the following must be satisfied for each member: (i) each member must have a minimum of ten years of international experience in senior managerial positions in the sectors of banking, auditing, risk management or the management of non-performing assets, of which, as regards non-executive members, at least three years must be as a member of the board of directors of a credit institution or an undertaking of the financial sector or an international financial institution; (ii) the member must not have served, during the last four years prior to his appointment, in a senior public position, such as Head of State, President of the Government, senior political executive, senior governmental, judicial or military employee or in an important position such as senior executive of a public undertaking or a political party; and (iii) the member must notify the bank of all financial relationships before its appointment. The supervising authority must have confirmed that the member is fit and proper to be appointed as member. The HFSF, with the assistance of the independent advisor during the evaluation, will set additional criteria for specific abilities required for the board of directors. The criteria will be reviewed at least once every two years or more often if there is a material change in the Bank's financial situation.

The size and collective knowledge of the boards and their committees must reflect the business model and financial situation of the credit institution. The evaluation of the members must ensure the proper size and composition of the above bodies and must satisfy at least the following criteria: (i) at least three experts must participate in the board of directors as independent non-executive members with sufficient knowledge and international experience of at least 15 years in similar credit institutions, of which at least three years must be as members of an international banking group not operating in the Greek market. Such members must not have any relationship with credit institutions operating in Greece in the previous ten years; (ii) the above independent members will preside over all committees of the board of directors; and (iii) at least one member of the board of directors will have a relevant specialisation and international experience of at least five years in the sectors of risk management or NPLs management. Such member will focus and have as exclusive competence the management of NPLs on board level and shall preside over any special board committee that deals with NPLs. In case the review or evaluation of the board of directors does not meet such criteria, the HFSF will inform the board of directors and if the latter fails to take the necessary measures to implement the relevant recommendations, the HFSF shall convoke the general meeting of shareholders in order to inform it and suggest the necessary changes, while it will send the results of the evaluation to the competent supervisory authorities.

Where the member of the board of directors or its committee does not meet the relevant criteria or the board of directors as a body does not comply with the suggested structure as regards its size, competence allocation and specialisation and if the necessary changes are not implemented in another manner, then there will be a recommendation for the replacement of certain board or committee members. If the general meeting of shareholders does not agree with the replacement of the members of the board of directors that did not meet the evaluation criteria within three months, then the HFSF will publish on its website a relevant reference within four weeks, which will include the name of the credit institution, the recommendations and the number of the members of the board of directors that did not meet the relevant criteria as well as the criteria themselves.

#### *General*

During the participation of the HFSF in the share capital of credit institutions, such credit institutions cannot buy their own shares without the HFSF's approval.

The HFSF may additionally provide guarantees to countries, international organisations or others, and in general proceed with any necessary action for the implementation of decisions of the Eurozone bodies in connection with the support of the Greek economy. The HFSF may provide guarantees to the credit institutions of Article 2, paragraph 1 of Greek law 3864/2010 and grant security on its assets for the fulfilment of its obligations from such guarantee as well as a loan to the HDIGF, guaranteed by the credit institution that participates in the HDIGF *pro rata* to their contributions either to the Resolution Fund or the Deposits Coverage

Bench, as the case may be. The Minister of Finance by a decision may provide for any necessary detail for the implementation of the above.

### **PSI Programme**

Within the context of implementation of the PSI Programme, a number of legislative and regulatory acts were enacted. Initially, Greek law 4046/2012 which was enacted on 14 February 2012 aimed to enable the voluntary bond exchange between the Hellenic Republic and certain private sector investors, as described in the statement of the Euro Summit dated 27 October 2011.

Greek law 4050/2012 on the rules for the amendment of debt securities issued or guaranteed by the Hellenic Republic with the bondholder's agreement, which became effective on 23 February 2012, introduced the legal framework for the amendment of eligible securities, governed by Greek law and issued or guaranteed by the Hellenic Republic by the introduction of retroactive collective action clauses and their exchange with new securities. Pursuant to said law, the proposed amendments would be considered approved by the bondholders, if bondholders of at least 50 per cent. in aggregate principal amount of the eligible securities participate in the modification process set out in the relevant invitation and at least two-thirds (2/3) of the participating principal of the participating bondholders consent to the proposed modification. Finally, by virtue of said law the Ministerial Council was authorised to decide the specific terms for the implementation of the above transactions and sub-delegate the PDMA to issue invitations to the bondholders to amend and exchange the eligible debt securities with new securities.

The implementation of Ministerial Council Act No. 5 dated 24 February 2012 provided for the redemption of the eligible securities governed by Greek law, in exchange for new securities issued by the Hellenic Republic and the EFSF and governed by English law, set the specific terms of the process, defined the eligible debt securities governed by Greek law and issued prior to 31 December 2011 and specified the basic terms governing the new securities to be issued and exchanged.

Furthermore, the PDMA issued an invitation to the bondholders of the eligible debt securities, governed by both Greek and non-Greek law, seeking their consent for the amendment of the terms governing the eligible debt securities proposed by the Hellenic Republic in exchange for new securities issued by the Hellenic Republic and the EFSF and governed by English law and specified the terms of the process. The invitations, according to Greek law 4050/2012, included, among others, terms relevant to: the eligible bonds and other terms such as subdivisions of the bonds, the proposed amendments, grace period, currency, terms and methods of payment, repayment and repurchase, termination reasons, negative obligations of the Bank (negative pledges), rights and obligations of the trustee acting for the bondholders, etc.

Finally, the Ministerial Council Act No. 10 dated 9 March 2012 approved and ratified the decision of the Bondholders of the eligible debt securities governed by Greek law to consent to the proposed amendments in accordance with the applicable legal framework, as such consent was confirmed by the Bank of Greece, in its capacity as process manager. Pursuant to Greek law 4050/2012, following publication of the above approving decision of the Ministerial Council, the proposed amendment became binding on all holders of eligible debt securities and supersedes all contrary provisions of Greek law, regulatory acts or contractual terms.

The PDMA also issued parallel invitations to holders of designated securities issued or guaranteed by the Hellenic Republic and governed by a law other than Greek law, to consent to the amendment of the terms of said designated securities and exchange them for new securities issued by the Hellenic Republic and the EFSF and governed by English law, in accordance with the terms of the invitation and the law and contractual terms governing said designated securities.

Subsequently, with Ministerial Decision No. 2/20964/0023A the details for the implementation of the amendment of the terms of the eligible securities and the issue of new securities were decided.

## **Debt Buy-Back**

The PDMA announced the terms of the buy-back on 3 December 2012.

The offer entailed the exchange of twenty (20) designated bonds which were issued by the Hellenic Republic within the framework of the PSI and were governed by English law (of a total outstanding nominal amount of €62 billion), for up to €10 billion aggregate principal amount of 6-month, zero-coupon, EFSF notes governed by English law, under a separate modified Dutch auction for each series of designated bonds. The purchase prices set in the modified Dutch auction ranged between 30.2 per cent. and 40.1 per cent. depending on the designated bonds' maturity.

More particularly, for each €1,000 principal amount of a designated bond, the bondholder would receive: (a) EFSF notes with a principal amount equal to one thousand (1,000) euros multiplied by the purchase price (expressed as a percentage to be applied to the principal amount of the relevant designated bond) selected by the Hellenic Republic for that series of designated bonds under the modified Dutch auction; and (b) EFSF notes with the principal amount equal to the amount of the accrued unpaid interests to but excluding the settlement date on that series of designated bonds (subject to rounding).

The exchange was settled on 11 December 2012 and the Hellenic Republic finally exchanged €11.3 billion value of EFSF notes for €31.8 billion value of designated bonds, resulting in a reduction of the debt to GDP ratio by 9.5 per cent., below the originally targeted 11 per cent.

## **Interest Rates**

Under Greek law, interest rates applicable to bank loans are not subject to a legal maximum, but they must comply with certain requirements intended to ensure clarity and transparency, including with regard to their readjustments. Specifically, the Act of the Governor of the Bank of Greece No. 2501/31.10.2002 regarding customer information requirements on the terms of their transactions with credit institutions provides that credit institutions operating in Greece should, among other things, determine their interest rates in the context of the open market and free competition rules, taking into consideration the risks undertaken on a case-by-case basis, potential changes in the financial conditions and data and information specifically provided by counterparties for this purpose.

Furthermore, Decision of the Banking and Credit Committee of the Bank of Greece No. 178/3/19.7.2004 clarifies Bank of Greece Governor's Acts Nos. 1087/1987, 1216/1987, 1955/1991, 2286/1994, 2326/1994 and 2501/2002 concerning the determination of interest rates and customer information by credit institutions. Specifically, this decision expressly provides that the determination of the maximum limit for banking interest rates by administrative authorities, or their correlation with the maximum limit for non-banking interest rates, is not compatible with the principles governing the monetary policy of the European central bank system. Banking interest rates are freely determined taking into consideration the estimated risks on a case-by-case basis, the conditions on financial markets from time to time and the general obligations of the banks from the provisions governing their operation.

Limitations apply to the compounding of interest. In particular, the compounding of interest with respect to bank loans and credits only applies if the relevant agreement so provides and is subject to limitations that apply under Article 30 of Greek law 2789/2000, as in force and Article 39 of Greek law 3259/2004, as in force. It is also noted that with respect to interest of loans and other credits, Greek credit institutions must also apply Article 150 of the Banking Law, which, notwithstanding the accounting treatment under the applicable accounting standards, precludes credit institutions to account for interest income from loans which are overdue for more than a 3-month period, or six months in the case of loans to natural persons secured by real estate.

Moreover, according to Article 150 par. 2 of the Banking Law it is prohibited to grant new loans for the repayment of overdue interest or to enter into debt settlement having a similar result, unless such actions are

taken in the context of an agreement for the settlement of the entirety of the debts of the borrower, which shall be based on a detailed examination of the borrower's capacity to fulfil the undertaken obligations under specific timeframes. Furthermore, compounding of interest is prohibited unless provided so in the initial relevant agreement of a medium-long term financing or in the relevant debt settlement agreement.

### **Secured Lending**

According to Article 11 of the Banking Law, among the activities that Greek credit institutions are permitted to engage is lending including, *inter alia*: consumer credit, credit agreements relating to immovable property, factoring, with or without recourse, and financing of commercial transactions (including forfeiting).

The provisions of legislative decree 17.7/13.08.1923 regulate issues regarding the granting of loans secured by in rem rights and Greek law 3301/2004, as amended and in force, regulates issues regarding financial collateral arrangements.

Mortgage lending is extended mostly on the basis of mortgage pre-notations, which are less expensive and easier to record than mortgages and may be converted into full mortgages upon final non-appealable court judgment.

European Directive 2014/17 on credit agreements for consumers relating to residential immovable property lays down a common framework for certain aspects of the laws, regulations and administrative provisions of the Member States concerning agreements covering credit for consumers secured by a mortgage or otherwise relating to residential immovable property, including an obligation to carry out a creditworthiness assessment before granting a credit, as a basis for the development of effective underwriting standards in relation to residential immovable property in the Member States, and for certain prudential and supervisory requirements, including for the establishment and supervision of credit intermediaries, appointed representatives and non-credit institutions. Greece transposed Directive 2014/17 into national legislation by means of Greek law 4438/2016 (Government Gazette issue A' 220/28.11.2016).

### **Restrictions on the Use of Capital**

The compulsory commitments framework of the Bank of Greece is in line with Eurosystem regulations. Reserve ratios are determined by category of liabilities at 1 per cent. for all categories of liabilities comprising the reserve base, with the exception of the following categories to which a zero ratio applies:

- Deposits with agreed maturity over two years;
- Deposits redeemable at notice over two years;
- Repos; and
- Debt securities with agreed maturity over two years.

This requirement applies to all credit institutions.

### **Restrictions on Enforcement**

According to Greek law 4224/2013 and the Cabinet Act No. 6 of 17 February 2014, as amended by Cabinet Act No 20 of 14 August 2015 and replaced by Greek law 4389/2016 (art. 72 to 98), as amended and in force, an intergovernmental Council for the Management of Private Debt was established (the “**Council**”). The Council is composed of the Ministers of Finance, Development and Tourism, Justice, Transparency and Human Rights, Labour, Social Security and Welfare, and Finance and introduces and monitors the necessary actions for the creation of a permanent mechanism having as purpose the resolution of the non-serviced/performing private debt of individuals, legal entities and undertakings.



Moreover, according to the provisions of Greek law 4224/2013, as amended and in force, the Council provided a definition of "cooperating borrower" specifying when a borrower is classified as cooperating towards his/her lenders and assessed a methodology for determining "reasonable living expenses". A "debtor" is considered cooperating if: (i) it provides its creditor with its own or its representative's full and up-to-date contact details; (ii) it is available to communicate with its creditor and reverts with honesty and clarity on its creditor's calls and letters within 15 business days; (iii) it notifies its creditor fully and honestly of its current economic condition within 15 business days from any change thereto or from the relevant creditor's request; (iv) it communicates fully and honestly to its creditor any information that may significantly impact its economic condition within 15 business days from the date it obtained such information; and (v) it consents to explore any alternative options for the restructuring of its debt.

Greek law 4224/2013, as in force, in conjunction with ministerial decision no. 5921/2015, provides that the consumer ombudsman will act extra judicially as mediator solely for the amicable settlement of the dispute between lenders and borrowers for the purpose of settling non-accruing loans within the framework of the Banks' Code of Conduct for the management of non-accruing loans.

Bank of Greece has published a new regulatory framework concerning the management of loans in arrears and non-accruing loans and specifically:

- Executive Committee Act No. 42/30.5.2014, as amended by Executive Committee Acts No. 47/9.2.2015 and No. 102/30.08.2016 determined the framework of obligations of the credit institutions in relation to the administration of loans in arrears and NPLs, providing for an independent unit of each credit institution for the administration of such loans, the establishment of a separate procedure for the administration thereof supported by appropriate IT systems and periodic filing of reports to the management of the credit institutions and the Bank of Greece; and
- The Executive Committee Act No. 42/30.5.2014 was supplemented by Credit and Insurance Committee Decision No. 116/1/25.8.2014 of Bank of Greece "Introduction of a Code of Conduct" under Greek law 4224/2013, further amended by Credit and Insurance Committee Decision No. 148/10/05.10.2015 and as revised by Credit and Insurance Committee Decision No. 195/1/29.07.2016, as in force regarding the Revision of the Code of Conduct under Greek law 4224/2013 (the "**Code of Conduct**").

Executive Committee Act No. 42/30.5.2014, as in force, lays down a special framework of requirements for credit institutions' management of past due and non-accruing loans, in the framework of the provisions of Greek law 4261/2014, EU Regulation 575/2013 and the relevant Bank of Greece decisions. This framework imposes, among others, the following obligations on credit institutions:

- (a) to establish an independent arrears and NPLs management ("**ANPLM**") function;
- (b) to develop a separate, documented ANPLM strategy, the implementation of which will be supported by appropriate management information systems and procedures; and
- (c) to establish regular reporting to the management of the credit institution and the Bank of Greece.

The Code of Conduct lays down general principles of conduct and introduces best practices, aimed to strengthen the climate of confidence, ensure engagement and information exchange between borrowers and lending institutions, so that each party can weigh the benefits or consequences of alternative forbearance or resolution and closure solutions for loans in arrears for which the loan agreement has not been terminated, with the ultimate goal of working out the most appropriate solution for the case in question. The Code of Conduct is applied by credit institutions supervised by the Bank of Greece, as well as by all financial institutions of article 4 of the CRR and by Receivables Management Companies and Receivables Acquisition Companies of Greek law

4354/2015, as in force. Furthermore, the debtors subject to the Code of Conduct may be natural persons, professionals or enterprises, regardless of their legal form.

Each institution falling within the framework of the Code of Conduct of law 4224/2013, as in force, has to implement, inter alia, an Arrears Resolution Procedure (hereinafter “**ARP**”), a detailed record with categorisation of loans and borrowers, to which the examination procedure of the objections is recorded with details, and to establish an Objections Committee composed of at least three of its senior executives.

In dealing with cases of borrowers in arrears or pre arrears, every institution shall apply an ARP involving the following steps:

- Step 1: Communication with the borrower
- Step 2: Collection of financial and other information
- Step 3: Assessment of financial data
- Step 4: Proposal of appropriate solutions to the borrower
- Step 5: Objections review procedure

It should be noted that the Bank of Greece will not deal with individual cases of disputes between creditors and borrowers that may arise from the implementation of the Code of Conduct. Furthermore, Articles 1 to 3 of Greek law 4354/2015, as replaced by Article 70 of Greek law 4389/2016 and as further amended by Greek laws 4393/2016, 4472/2017 and 4549/2018, as well as Executive Committee Act 118/19.5.2017, as amended and in force, establish the framework for the management and transfer of claims from loans that can include NPLs by setting the requirements for the operation of loan management companies and loan transfer companies.

On 20 March 2017, the ECB published final guidance on NPLs. The guidance outlined measures, processes and best practices which banks should incorporate when tackling NPLs. Moreover, on 15 March 2018, the ECB published an addendum to the ECB’s guidance to banks on NPLs. The addendum supplemented the qualitative NPL guidance and specified the ECB’s supervisory expectations for prudent levels of provisions for new NPLs.

Under Ministerial Decision 2/94253/0025 as published in Government Gazette 5960/08.01.2018, credit institutions and borrowers (natural persons and businesses) may settle their loans under article 103 of Greek law 4549/2018, as recently amended by Greek law 4597/2019, which are guaranteed by the Greek state, in accordance with the provisions of Greek laws 2322/1995 and 4549/2018 and their delegated ministerial decisions without the intervention of the Greek state.

Specific restrictions to enforcement against an individual debtor's primary residence may apply following a debtor's submission to recently introduced Greek law 4605/2019 (published in Government Gazette No. 52/01.04.2019) as adopted by the Greek Parliament on 29 March 2019. For a detailed description, see “– *Settlement of Amounts due by Over-indebted Individuals*”.

### **Management and/or transfer of loans**

Greek law 4354/2015 (Articles from 1 to 3), as amended and in force (the “**Receivables Law**”), in conjunction with the Bank of Greece Executive Committee’s Act no. 118/2017, provides the framework for the management and the transfer of receivables from both performing and non-performing loans and credits.

According to article 1 par. 1 of the Receivables Law, the management of receivables stemming from loan agreements and credits that have been granted by credit or financial institutions is only assigned to (a) *société anonymes* of a special and exclusive purpose established in Greece; and (b) entities domiciled in a Member State

of the European Economic Area, provided that they have a permanent establishment in Greece through a branch with the purpose of managing claims from loans and credits.

The above entities shall obtain a special licence from the Bank of Greece, subject to governance and organisational requirements imposed by the Receivables Law and shall be subject to the supervision of the Bank of Greece. These entities are further registered with special registries held with the General Commercial Registry and are governed by the provisions of the Receivables Law and the Greek law 4548/2018. Moreover, the application to the Bank of Greece for the granting of the special licence referred to above must be accompanied with certain information including, *inter alia* (a) the articles of association of the applicant company, as amended and in force, (b) the identity of the natural or legal persons holding directly (or indirectly, namely by exercising control through intermediary legal entities), a participation percentage or voting rights equal to or more than ten per cent. of the applicant company's share capital, (c) the identity of the natural or legal persons who, although not falling under (b) above, exercise control over the company through a written agreement or otherwise or by acting jointly, (d) the identity of the members of the board of directors or management, (e) certain questionnaires filled in by the shareholders and the directors of the applicant company in order to assess their capacity and suitability for this position ('fit-and-proper' test), (f) the organisational chart and internal documented procedures of the applicant, (g) the applicant's business plan and (h) a detailed report recording thoroughly the main methods and principles ensuring the successful reorganisation of the loans.

Irrespective of the above, the Bank of Greece may request any additional information that it considers important for the assessment of the application. The shares of the applicant company shall be registered shares.

Under the Receivables Law, the transfer of claims from loan agreements and credits that have been granted by credit or financial institutions can only take place by way of sale by virtue of a relevant written agreement and only to the following entities which:

- (a) are *société anonymes* that according to their articles of association may acquire claims from loans and credits, have their registered seat in Greece and are registered with the General Commercial Registry;
- (b) are domiciled within the EEA, which according to their articles of association may proceed to the acquisition of claims from loans and credits, subject to the EU legislation. Such entities must apply for a special licence and are supervised by the Bank of Greece, even if they qualify as financial institutions in the sense of Article 4(26) of the CRR; or
- (c) are domiciled in third countries, which according to their articles of association may proceed to the acquisition of claims from loans and credits, subject to the EU legislation and have the discretion to be established in Greece through a branch, provided that: (i) their registered seat is not located in a state having a privileged tax regime, as such term is determined in the regulatory acts issued from time to time pursuant to Greek law 4172/2013, as in force ("**Greek Tax Income Code**") and (ii) their registered seat is not located in a non-cooperative state, as such term is determined in the regulatory acts issued from time to time pursuant to the Greek Tax Income Code.

The purchase of the aforementioned receivables is valid only to the extent that a relevant management agreement has been entered into between an entity falling within one of the categories under (a), (b), or (c) above and an entity for the management of claims that has been licensed and is supervised by the Bank of Greece pursuant to the Receivables Law. The entering into a management agreement is always required for every subsequent transfer of the said receivables.

The Act of the Executive Committee of the Bank of Greece No. 118/19.05.2017, as amended and in force, sets out in detail the rules on the establishment and operation of companies acquiring and/or managing receivables from loans and credits under the Receivables Law.

The aforesaid Act lays down in detail the procedure for the granting of a licence to these companies, the prudential supervision requirements, as well as the main principles for the organisation and corporate governance of the aforementioned entities, including the data and report to be submitted to the Bank of Greece on a periodical basis, the fees to be paid to the Bank of Greece, as well as the liabilities of credit institutions which assign the management or transfer receivables under the Receivables Law.

## **Solvency II**

Directive No. 2009/138/EC on the taking-up and pursuit of the business of Insurance and Reinsurance ("**Solvency II**") of 25 November 2009, is a fundamental review of the capital adequacy regime for the European insurance sector business. The Solvency II Directive was amended by Directive 2014/51/EU of the European Parliament and of the Council of 16 April 2014 (the "**Omnibus II Directive**") (jointly referred to as the "**Solvency II framework**"), and supplemented by the Delegated Regulation (Delegated Regulation (EU) 2015/35) containing implementing rules for Solvency II, as well as the Delegated Regulation 2016/467, amending Commission Delegated Regulation (EU) 2015/35, concerning the calculation of regulatory capital requirements for several categories of assets held by insurance and reinsurance undertakings. Greece transposed the Solvency II framework by virtue of Laws 4364/2016 (Government Gazette issue 13/05.02.2016) and 4374/2016 (Government Gazette issue 50/01.04.2016), which sets out the regulatory requirements for insurance and reinsurance undertakings operating in Greece, the relevant supervisory regime and the resolution and liquidation framework for insurance undertakings.

Solvency II repealed the previously applicable regime under Solvency I and is aimed at creating a new solvency framework under which the financial requirements that apply to an insurance company, reinsurance company and insurance group better reflect such company's specific risk profile. Solvency II introduces economic risk-based solvency requirements across all Member States for the first time. While Solvency I included a relatively simple solvency formula based on technical provisions and insurance premiums, Solvency II introduces a new "total balance sheet" type regime where insurers' material risks and their interactions are considered. In addition to these quantitative requirements ("**Pillar I**"), Solvency II also sets requirements for governance, risk management and effective supervision ("**Pillar II**"), and disclosure and transparency requirements ("**Pillar III**").

Pursuant to Pillar I, specific risk-based solvency capital requirements are introduced and the insurers are required to hold capital against market, credit and operational risk. Law 4364/2016 sets out specific rules for the calculation of own funds, the valuation of assets and liabilities and the valuation of technical provisions. In particular, with respect to own funds calculation, the resources held by insurance or reinsurance companies must be sufficient in order to cover both a Minimum Capital Requirement ("**MCR**") and a Solvency Capital Requirement ("**SCR**"). The SCR shall be calculated on the basis of the company's assets and liabilities, either by using a standard model or by developing an internal model adjusted to the needs of each company following approval by the supervisory authority (i.e. the Bank of Greece).

Pursuant to Pillar II, strict requirements with regard to identification, measurement and proactive management of risks have been established through the introduction of "Own Risk and Solvency Assessment" ("**ORSA**"). ORSA shall be used for the valuation and assessment of risks that may be incurred by an insurance or reinsurance company depending on its risk profile and their impact on the company's solvency. An internal risk management control system shall also be introduced in the daily functions of insurance and reinsurance companies and the companies shall be required to report the way in which they undertake the risk management exercise and demonstrate how this affects their business activity and decision making procedures. Outsourcing of insurance or reinsurance activities to individuals or legal persons is permitted (subject to certain exceptions), but it does not discharge the company from its civil, penal, administrative and other obligations that are set out in Law 4364/2016.

Pursuant to Pillar III, an extensive and detailed reporting of financial and risk information is required to facilitate the supervisory review process through which the supervisor shall evaluate insurers' and reinsurers' compliance with the laws, regulations and administrative provisions adopted under the Solvency II framework and any implementing measures. In this context, the insurance and reinsurance undertakings are required to publish, on an annual basis, a report regarding their solvency and financial condition. Moreover, in the case of crucial developments that have affected their MCR or SCR, insurance or reinsurance companies may be required to disclose the amount of such variation and announce any corrective measures that they purport to apply.

The Bank of Greece, in its capacity as supervisory authority, is responsible for the proper operation of the insurance and reinsurance market and the implementation of the new regulatory framework on a preventive, corrective and suppressive basis. The Bank of Greece exercises financial supervision on insurance and reinsurance companies operating in Greece, in order to confirm their solvency in accordance with the provisions of Greek law 4364/2016. Moreover, it evaluates, on a regular basis, the corporate governance principles applied by the supervised entities, their capital adequacy, including the quality and adequacy of own funds, their technical provisions, their risk assessment process and the companies' ability to identify risks and adjust the decision making process accordingly. The Bank of Greece may request to be provided with any information that is considered necessary to exercise its powers and it may impose on the insurance and reinsurance companies additional capital requirements under exceptional circumstances, as set out under article 26 of Greek law 4364/2016.

#### **Derivatives Transactions—European Market Infrastructure Regulation (“EMIR”)**

In order to address the roots of the financial crisis, the G20 countries committed to address risks related to the derivative markets. In order to make that commitment effective, the European Parliament and the Council have adopted a regulation that requires OTC derivative contracts to be cleared, derivative contracts to be reported and sets a framework to enhance the safety of central clearing counterparties (“CCP”) and for Trade Repositories (“TR”). Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012, on OTC derivatives, CCPs and TRs entered into force on 16 August 2012 and is directly applicable in all the Member States. EMIR has been supplemented by several Commission Delegated Regulations (EU), including Regulations No. 148/2013 to 153/2013 of 19 December 2012, No. 1002/2013 and No. 1003/2013 of 12 July 2013, No. 285/2014 of 13 February 2014 and No. 667/2014 of 13 March 2014, No. 2016/2251 of 4 October 2016, No. 2017/104 of 19 October 2016, and No. 2017/323 of 20 January 2017. EMIR was amended by Regulation (EU) 2019/834, which applies as of 17 June 2019, with some exemptions.

#### **Settlement of Amounts due by Over-indebted Individuals**

On 3 August 2010, Greek law 3869/2010 was put in force with respect to the settlement of amounts due by over-indebted individuals. The law allowed the settlement of amounts, due to credit institutions by individuals evidencing permanent and general inability (without intention) to repay their due debts, by submitting an application for a three-year settlement of their debts and writing off the remainder of their debts, in accordance with the terms of the settlement agreed. All individuals, both consumers and professionals, were subject to the provisions of Greek law 3869/2010, as amended and in force, with the exception of individuals who could be declared bankrupt under the Bankruptcy Code.

This regulatory regime, as consecutively amended, allowed the settlement of all amounts due to credit institutions (consumer, mortgage and commercial loans either promptly serviced or overdue), as well as those due to third parties with the exception of debts ascertained during the year before the submission of the application, from intentional torts, administrative fines, monetary sanctions as well as obligations for spousal or child support. Following the amendment of the law by Greek law 4336/2015, the scope of its provisions was widened to include ascertained debt towards the State, the Tax Authorities, Municipalities and Prefectures and

Social Security Funds, provided that the above institutions are not the only creditors of the applicant and that the above debt is being subjected to restructuring along with its debt towards private creditors.

On 29 March 2019, the Greek Parliament replaced the former legal regime by adopting the new Greek law 4605/2019. The new provisions, which entered into force on 1 April 2019, introduced, inter alia, important amendments to the eligibility criteria for admission of debtors to the protection framework.

Specifically, in order for a debtor's primary residence to be excluded from foreclosure, the following conditions as regards the debtor must be, inter alia, cumulatively satisfied:

- (a) The applying debtor (individual) must have any right in rem on the property which must be used as his primary residence;
- (b) No final decision has been issued on the application of article 4 of Greek law 3869/2010, which has denied the debtor's application because it was proven that the latter fraudulently came to repayment inability or because the debtor's assets are sufficient for the repayment of his debts;
- (c) The objective value of the property must not exceed at the date of application, the amount of €175,000, if business loans are involved and the amount of €250,000 in any other case;
- (d) The family income of the applicant within the last year before the date of application must not exceed the amount of €12,500, increased by €8,500 for the spouse and €5,000 for every dependent family member and up to three members;
- (e) If the total sum of debts exceeds €20,000, the applicant's immovable property, his spouse and dependent members other than the principal residence of the applicant as well as the vehicles of the applicant and his spouse shall have a total value not exceeding €80,000 at the date of the application;
- (f) Any deposits, financial products and precious metals of the applicant and his spouse and his dependent family members have a total value not exceeding €15,000 at the date of application; and
- (g) The total outstanding debt including accrued interest and, where applicable, execution costs of the debts shall not exceed at the date of the application €130,000 per creditor or €100,000 per creditor if these debts include business loans. If the debt has been settled in a currency other than euro, then for the calculation of the maximum amount of €130,000 or €100,000 respectively, the exchange rate of the foreign currency and the euro shall be taken into account.

Any natural person who fulfils the abovementioned eligibility criteria may submit an application until 31 December 2019, in order for his primary residence to be excluded from foreclosure. The application will be submitted electronically to a digital management platform.

According to article 75 of Greek law 4605/2019, the applicant, in order to protect his main residence, has to pay 120 per cent. of the commercial value of the residence, as determined on 31 December of the last year prior to submission of the application. The repayment shall be made in monthly equal instalments, plus a three-month EURIBOR interest rate increased by 2 per cent. If the 120 per cent. of the primary residence's value exceeds the total of the debts referred to in the application, then all debts shall be repaid accordingly in interest-rate instalments. The abovementioned amount shall be paid within a period of twenty-five (25) years, but shall not exceed the applicant's 80th year of age. If there is more than one creditor, the monthly instalments referred to above shall be allocated among the creditors, according to their percentage in the proceeds, if the primary residence would be auctioned without any costs of execution and without classification of other creditors who are not mentioned in the application.

The new law has also introduced a provision according to which the Greek state automatically may contribute to the payment of monthly instalments of any debtor who has submitted the abovementioned application until 31 December 2019 providing that the latter has settled all his debts and the agreed settlement plan is in accordance with article 75 of Greek law 4605/2019.

On 8 April 2019, Joint Ministerial Decision 39100/08.04.2019 was adopted and published in Government Gazette No. 1167/08.04.2019 and specified further details as regards the state contribution. According to the Joint Ministerial Decision, the state contribution will be allocated on a monthly basis and varies between 20 to 50 per cent. of the monthly mortgage payment. A different level of subsidisation is provided for the type of eligible loans, i.e. such as business loans with property used as guarantees. The level of the state contribution depends on the annual income declared by the applicant, with EUR 17,500 being the highest point, and different levels for a married couple, and increasing with each dependant, up to three maximum. In addition, an eligible borrower, his or her spouse, and all dependants – as listed on the application – must file individual tax statements annually, declare changes in their particulars on a specific online platform and also consent to possible visits by inspectors at their residence for an on-site verification of the composition of the dependent family unit. Fines are also envisioned for fake or misleading information. The contribution of the Greek state is provided as long as the settlement plan is in force. The conditions and the amount of the state contribution are examined by the Greek state each year. The beneficiary, after a period of one (1) year from the initial contribution or the last adjustment of the contribution, may request a readjustment of the contribution rate if, due to any change to his income, reasonable living costs or reference rate, he becomes unable to pay his own contribution. As long as the request for readjustment of the Greek state contribution is pending, the debtor shall pay his own contribution, as most recently decided. The readjustment of the contribution does not affect the monthly instalments received by creditors. If the beneficiary delays to pay his own contribution, the Greek state shall not provide the agreed state contribution.

Furthermore, Greek law 4336/2015 introduced a procedure for the fast settlement of small debts. It applies to debts less than or equal to 20,000 Euros and debtors whose overall assets do not exceed 1,000 Euros. The debtor may be fully discharged of its debts following an initial supervision period of 18 months on condition that it submits information to the secretariat of the competent court, on a quarterly basis at the latest, on any change in the property or income condition of the debtor and the debtor's family.

### **Deposit and Investment Guarantee Fund**

Pursuant to Greek law 3746/2009, the HDIGF was established as a private law entity and a general successor of the Deposit Guarantee Fund provided for by Article 2 of Greek law 2832/2000. The provisions currently applicable to the HDIGF are set out in Greek law 4370/2016, as in force, transposing into Greek law Directive 2014/49/EU. Greek law 4370/2016 came into force on 7 March 2016 and repealed the previously applicable law 3746/2009, setting out the rules for the operation of guarantee schemes.

Pursuant to Greek law 4370/2016, as in force, all credit institutions licensed, in accordance with the Banking Law, to operate in Greece, with certain exemptions, and the local branches of credit institutions which have been established in non-EU Member States and are not covered by a guarantee scheme equivalent to that of the HDIGF mandatorily participate in the HDIGF. Greek branches of foreign credit institutions established in EU Member States may also become members of the investments cover scheme of the HDIGF at their discretion.

The HDIGF has its registered seat in Athens, is supervised by the Minister of Finance, is not a state organisation or public legal entity and does not belong to the Greek public sector or the broader Greek public sector, as the latter is defined from time to time. The HDIGF is managed by a seven-member board of directors the Chairman of which is one of the Deputy Governors of the Bank of Greece. Of the remaining six members, one comes from the Ministry of Finance, three from the Bank of Greece and two from the Hellenic Bank Association. When reviewing and taking decisions in respect of requests for a credit institution's resolution under the BRRD law, the Board of Directors is constituted only by five directors, i.e. without the participation of the two

directors appointed by the Hellenic Bank Association. Members of the above board of directors are appointed by a decision of the Minister of Finance and have a five-year tenure. 60 per cent. of the HDIGF's constitutive capital was covered by the Bank of Greece and 40 per cent. by the members of the Hellenic Bank Association.

The objective of the HDIGF is (1) to indemnify depositors of credit institutions participating in the HDIGF obligatorily or at their own initiative that are unable to fulfil their obligations towards their depositors and finance resolution measures of credit institutions through the deposits cover scheme (the “**Deposits Cover Scheme**”) in accordance with article 104 of Greek law 4335/2015; (2) to indemnify investor-customers of credit institutions participating in the HDIGF obligatorily or at their own initiative, in relation to the provision of investment services from these credit institutions in case the latter are unable to fulfil their obligations from the provision of "covered investment services" (the “**Investments Cover Scheme**”); and (3) to provide financing, either in the case of (i) the transfer of a credit institution's assets to another credit institution or another entity or (ii) a bridge bank established by the Bank of Greece under the reorganisation measures of articles 38 and 40 of Greek law 4335/2015 (the “**Resolution Scheme**”).

Under the Deposits Cover Scheme, the maximum coverage limit for each depositor with deposits not falling within the “exempted deposits” category is €100,000, taking into account the total amount of its deposits with a credit institution minus any due and payable obligations towards the latter, subject to set-off in accordance with Greek law. This amount is paid in euro to each depositor as an indemnity irrespective of the number of accounts, the currency or the country of operation of the branch in which it holds the deposit. In the case of joint bank accounts, as defined by Law 5638/1932 (Government Gazette 307/A), each depositor's share shall be taken into account for the purposes of the calculation of the maximum indemnification amount as a separate deposit and is entitled to cover up to the aforementioned limit with his or her other deposits, as analysed above. The deposit of a group of persons without legal personality shall be aggregated and treated as if made by a single depositor for the purpose of calculating the abovementioned limits. By way of exemption, the Deposits Cover Scheme covers deposits at an additional limit of up to a maximum amount of €300,000 deriving from specific activities (such as sale of a private property by an individual, payment of social security/insurance benefits, etc.) expressly specified in para 2 of article 9 of Greek law 4370/2016 credited to the relevant accounts, subject to the time limits and other conditions specified in Greek law 4370/2016, as in force.

The HDIGF also indemnifies the investor-clients of credit institutions participating in the Investment Cover Scheme with respect to claims from investment services up to the amount of €30,000 for the total of claims of such investor, irrespective of covered investment services, number of accounts, currency and place of provision of the relevant investment service. In the case where the investors of HDIGF member credit institutions are co-beneficiaries of the same claim to guaranteed investment services, each investor's share in the claim shall be taken into account for the purposes of the calculation of the maximum indemnification amount as a separate claim and is entitled to cover up to the aforementioned limit in aggregate with his or her other investment claims, as analysed above. If the part of the claim corresponding to each co-beneficiary is not specified in the agreement signed by the co-beneficiaries and the HDIGF member credit institution, for the purposes of compensation each co-beneficiary is considered as having an equal share in the investment. For the purposes of compensation, the claim of a group of persons without legal personality shall be treated as if made by a single investor.

The HDIGF is funded by the following sources: its founding capital, the initial and annual contributions of credit institutions obligatorily participating in the HDIGF and supplementary contributions, as well as special resources coming from donations, liquidation of the HDIGF's claims, the management of the assets of the HDIGF's Deposit and Investment Cover Schemes and loans.

In accordance with article 16 of Greek law 3864/2010, as amended by Greek laws 4340/2015 and 4346/2015, the HDIGF may be granted a resolution loan, as set out in the Financial Facility Agreement dated 19 August 2015, by the HFSF for the purpose of covering expenses relating to the financing of banks' resolution pursuant to the provisions of the aforementioned Financial Facility Agreement without prejudice to the state aid rules of



the European Union. The repayment of such loan will be guaranteed by the credit institutions participating in the HDIGF proportionately to their contributions to the Resolution Scheme or the Deposits Cover Scheme, as the case may be. Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes has been transposed into Greek law by virtue of Greek law 4370/2016.

### **Single Resolution Fund**

On 30 November 2015, by virtue of Greek law 4350/2015, the Greek Parliament ratified the Intergovernmental Agreement "on the transfer and mutualisation of contributions to the Single Resolution Fund ("**SRF**")", an essential part of the Single Resolution Mechanism" (the "**IGA**"), concluded between 26 EU Member States (the "**Contracting Parties**"), including Greece, on 21 May 2014, as amended on 22 April 2015.

Pursuant to the IGA, the contracting EU Member States, the credit institutions of which participate in the SRM and SSM, undertook to:

- (a) irrevocably transfer contributions collected at national level through the resolution financing arrangements for the purpose of their resolution schemes (in Greece the Resolution Fund, namely the Resolution Scheme of the HDIGF) from the credit institutions authorised within their territory, pursuant to Regulation (EU) No. 806/2014 and Directive No. 2014/59/EU, to the SRF established by the aforementioned Regulation; and
- (b) allocate such contributions to separate parts corresponding to each Contracting Party, for a transitional period commencing on the date the IGA enters into force and ending on the date the SRF achieves the target level of financing provided for in article 69 of Regulation (EU) No. 806/2014, but no later than 8 years from the entry into force of the IGA. The use of the different national parts shall be gradually rendered mutual, in order for the separation to cease to exist by the end of the transitional period.

The above-mentioned contributions include: (i) the ex-ante annual contributions from the credit institutions authorised within each Member State's territory at the latest until the 30 June of such year, the first transfer taking place at the latest until the 30 June 2016; (ii) contributions collected by the Contracting Parties pursuant to articles 103 and 104 of the BRRD prior to the entry into force of the IGA, minus the amount the national resolution arrangements may have used prior to the entry into force of the IGA for resolution actions within their territories; and (iii) extraordinary ex-post contributions promptly upon their collection, where the available financial means of the SRF are not sufficient to cover the losses, costs or other expenses incurred by the use of the SRF in resolution actions.

The IGA further provides for the way the separate national parts of contributions of the SRF are formed based on the amount of contributions paid by the institutions authorised within each Member State as well as the way each national part shall be used in case of recourse to the SRF for resolution purposes of an institution within a Member State's territory prior to the mutualisation of the SRF's contributions. Also, the IGA provides for the "temporary transfer of contributions" between the separate national parts, namely the cases under which the contracting Member States may require using the contributions of parts of the SRF corresponding to other Member States and not yet mutualised during the transitional period.

### **Prohibition of Money Laundering and Terrorist Financing**

Greece, as a member of the Financial Action Task Force ("**FATF**") and as a Member State of the EU, fully complies with FATF recommendations and the relevant EU legal framework.

Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 and repealing Directive 2005/60/EC and Directive 2005/60/EC, as well as Regulation 2015/847 (which came into force on 26 June 2017) on information accompanying transfers of funds, repealing Regulation (EC) No 1781/2006, were intended to

strengthen EU rules against money laundering and ensure consistency with the approach followed at international level. Directive (EU) 2015/849 was transposed into Greek legislation through the recently enacted Greek law 4557/2018. The main provisions of the Greek legislation, as in force, provide, inter alia, the following:

- a declaration that money laundering and terrorist financing are criminal offences;
- a list of basic offences which includes, among others, bribery of political persons, bribery of employees, computer fraud, human trafficking, tax evasion, smuggling and non-payment of debts to the State;
- designation of persons falling within the ambit of Greek law 4557/2018, including, among others, banks, financial institutions, electronic money institutions, credit servicing or credit acquiring firms and certain insurance undertakings (the “**obliged persons**”);
- description of the circumstances, under which the “obliged persons” must display due diligence;
- definition of the beneficial ownership status and establishment of a national central beneficial owner registry providing accurate and up-to-date information on the ‘ultimate beneficial owner status’ of any natural person(s) who ultimately owns or controls an entity and/or on whose behalf a transaction or activity is being conducted;
- an obligation that banks (and certain other persons) are required to identify customers, build KYC procedures, retain documents and report suspicious/unusual transactions to the relevant authorities;
- focusing on risk assessments and adoption of risk-based approach;
- obliged entities to take into consideration lower/higher risk indicators;
- widening the definition of Politically Exposed Persons (“**PEP**”);
- not applying restrictions relating to banking confidentiality in case of money laundering activities;
- an obligation to maintain evidence and records of transactions;
- the mandate of the competent anti-money laundering national Authority which is responsible, among others, for examining reports filed by banks and other individuals or legal persons with respect to suspicious transactions and for ordering sanctions against individuals who are suspected of terrorism; and
- criminal, administrative and other penalties that are imposed in case of breach.

Within the scope of combating tax evasion, Directive (EU) 2016/2258 provides for the access of tax authorities to the mechanisms, procedures, documents and information applied and held by the obliged persons (including banks) for AML/CFT purposes. The Directive was transposed into Greek law by Greek law 4569/2018.

It is noted that the competent Banking and Credit Committee of the Bank of Greece has not yet issued a decision incorporating the provisions of Greek law 4557/2018 and therefore the relevant previous decisions are still in force as long as they do not contradict those of Greek law 4557/2018.

The Banking and Credit Committee of the Bank of Greece has issued Decision 281/5/17.03.2009 on the "Prevention of the Use of the Credit and Financial Institutions, which are Supervised by the Bank of Greece, for the Purpose of Money Laundering and Terrorist Financing", Decision 285/6/09.07.2009 which sets out an indicative typology of unusual or suspicious transactions within the meaning of Greek law 3691/2008 and

Decision 290/12/11.11.2009 on the "Framework regarding administrative sanctions imposed on the institutions that are supervised by the Bank of Greece pursuant to article 52 of Greek law 3691/2008". The aforementioned Decisions 281/5/17.03.2009 and 285/6/09.07.2009 were amended by the Act of the Governor of the Bank of Greece No. 2652/29.02.2012 providing for, inter alia, an indicative typology of unusual or suspicious transactions pertaining to tax evasion. Moreover, Decisions 281/5/17.03.2009 and 290/12/11.11.2009 were further supplemented by Decision 300/30/28.07.2010 of the Banking and Credit Committee of the Bank of Greece setting out further obligations of the credit institutions under the anti-money laundering legislation.

Decision 281/5/17.03.2009 takes into account the principle of proportionality, and includes the obligations of all credit and financial institutions and FATF recommendations. This decision also reflects the common understanding of the obligations imposed by Regulation No. 1781/2006 of the European Parliament and of the Council of the European Union on the "Information on the Payer Accompanying Transfers of Funds". It is noted that the aforementioned Regulation was repealed by Regulation No 2015/847 of the European Parliament and of the Council of the European Union of 20 May 2015 on the "Information accompanying transfers of funds and repealing Regulation (EC) No 1781/2006".

The HCMC has adopted the following decisions:

- Decision No. 34/586/26.5.2011 for the application of due diligence measures when outsourcing functions or within an agency relationship under the anti-money laundering legislation, which sets out the obligations of financial institutions to confirm the identity of their clients and beneficiaries; and
- Decision No. 35/586/26.5.2011, which modifies the HCMC's main decision (No. 01/506/08.04.2009) to prevent using the financial system for the purpose of money laundering and terrorist financing. The above decision has reinforced the enhanced due diligence measures applicable to high-risk customers, as well as the obligation of companies, subject to it, to freeze the assets of persons who are in the list of sanctions.
- Decision No. 20/735/22.10.2015, which modifies the HCMC's main decision (No. 01/506/08.04.2009) to prevent using the financial system for the purpose of money laundering and terrorist financing. The above decision has also reinforced the enhanced due diligence measures and mainly those which are applicable to high-risk customers.
- Decision No. 5/820/30.05.2018, which modifies the HCMC's main decision (No. 01/506/08.04.2009) to prevent using the financial system for the purpose of money laundering and terrorist financing, which has also reinforced the enhanced due diligence measures.

In July 2002, the Greek Parliament passed Greek law 3034/2002, which transposed into Greek law the International Convention for the Suppression of the Financing of Terrorism, with which the Group fully complies. In addition, the Group has complied with the United States legislation regarding the suppression of terrorism (known as the USA PATRIOT Act 2001), which entered into force in October 2001 and incorporates provisions relating to banks and financial institutions with respect to worldwide money laundering.

In 2013, the Bank of Greece issued two Decisions (no. 94/23/2013 and no. 95/10/22.11.2013) which further strengthen the regulatory framework within which the supervised entities in Greece operate. Decision no. 95/10/22.11.2013 on "*information to be periodically disclosed by supervised institutions to the Bank of Greece*" was further amended by Decision no. 108/1/04.04.2014, enhancing the frequency of reporting. The amendments mainly harmonise the applicable provisions to the revised FATF recommendations with respect to PEPs by categorising local PEPs as high risk customers and by imposing on the supervised banks additional reporting obligations pertaining to suspicious cross border transfer of funds, as well as to high risk banking products and customers.

Moreover, the European Commission issued Regulation (EU) 2016/1675 supplementing Directive (EU) 2015/849 by identifying high-risk third countries with strategic deficiencies in their national anti-money laundering and terrorism-financing frameworks.

Furthermore, it should be noted that on 5 December 2017 the EU Council adopted its list of non-cooperative tax jurisdictions and published two Annexes containing: (i) the EU list of non-cooperative tax jurisdictions; and (ii) the different jurisdictions cooperating with the EU with respect to commitments taken to implement tax good governance principles. The EU Council's list is intended to promote good governance in taxation worldwide, maximising efforts to prevent tax avoidance, tax fraud and tax evasion. Furthermore it is also noted that the current list, as in force, is to be revised at least once a year and the competent EU authorities may recommend an update at any time. A revised list was adopted in March 2019.

Lastly, the European Commission published a new Directive (EU) 2018/843 (5th AMLD) amending Directive (EU) 2015/849 and Directives 2009/138/EC and 2013/36/EU (required to be transposed into national law by 10 January 2020) introducing amendments to the existing European regulatory anti-money laundering and/or terrorist financing regime including inter alia:

- Improving transparency on the real owners of companies;
- Improving transparency on the real owners of trusts;
- Interconnection of the beneficial ownership registers at EU level;
- Lifting the anonymity on electronic money products (prepaid cards) in particular when used online;
- Extending Anti-Money Laundering and Counter Terrorism financing rules to virtual currencies, tax related services, and traders in works of art;
- Broadening the criteria for assessing high risk third countries and improving checks on transactions involving such countries;
- Setting up centralised bank account registers or retrieval systems;
- Enhancing the powers of EU Financial Intelligence Units and facilitating their cooperation; and
- Enhancing cooperation between financial supervisory authorities.

### **Payment Services in the Internal Market**

Directive 2007/64/EC of the European Parliament and of the Council on payment services in the internal market (the “**Payment Services Directive**” or “**PSD**”) provides for common rules on electronic payments (e.g. payments through the use of debit card or money transfers) in 31 European countries (i.e. countries of the EU, Iceland, Norway and Lichtenstein). The PSD regulates in detail the information that must be provided to the users of the payment services and renders the payments faster and more secure. It also permits new entities called “payment institutions” to provide payment services in parallel to banks as “payment services providers”. The PSD covers any kind of payment through electronic means, from transfer of credit and direct charge orders to payments through the use of a card (including credit cards), wire transfers and payments through the use of a mobile phone and internet, excluding payments with cash and cheques. Payments in every European currency, not only euro, are covered, on the condition that the payment service providers of both the payer and the payee are located in one of the 31 European countries.

The PSD, together with Directives 2007/44/EC and 2010/16/EU, have been transposed into Greek law by virtue of Greek law 3862/2010, as in force, in accordance with which every payment service provider, including the Bank, is obliged to ensure in an accessible form a minimum level of information and transparency regarding the

provided payment services, under specific terms and conditions. The new legislative regime also provides further protection regarding the rights of the users of the payment services.

Customers have the right to reclaim the amount of money transferred in cases where:

- Unauthorised credit of the customer's account was used for the purchasing of products or services;
- Authorised credit of the customer's account was used for the purchase of products or services (a) that did not mention the exact amount of the payment transaction and (b) where the amount of the payment transaction exceeded the amount reasonably expected by the customer, taking into account previous spending patterns, the framework contract's terms and the circumstances of the specific case; or
- There was a non-execution or defective execution of the payment transaction by the Bank.

On 24 July 2013, the European Commission published a proposal for a directive of the European Parliament and of the Council “on payment services in the internal market and amending Directives 2002/65/EC, 2013/36/EU and 2009/110/EC and repealing Directive 2007/64/EC”, which intended to incorporate and repeal the PSD. On 23 December 2015, Directive 2015/2366/EU (the “**PSD2**”) was published in the Official Journal of the European Union. The PSD2 is expected to improve the functioning of the internal market for payment services and more broadly for all goods and services given the need for innovative, efficient and secure means of payments. The PSD2 entered into force on 12 January 2016 and EU Member States are required to transpose the same into national law by 13 January 2018. The PSD was repealed with effect from 13 January 2018. The PSD2 was transposed into Greek law by virtue of Greek law 4537/2018, as in force (published in Government Gazette 84/A/15.5.2018). This Directive has introduced numerous changes to the previous regime, the most significant of which are the following:

- (a) it expands the reach of the original PSD, including also payments to and from third countries, where at least one (and not anymore both) payment service provider is located within the EU. Moreover, the extension in scope will also have as an effect that the same rules will apply to payments that are made in a currency that is not denominated in Euro or another EU Member State's currency;
- (b) it encourages new players to enter the payment market (“**TPPs**”) that offer specific payment solutions or services to customers. The TPPs will have to follow the same rules as the traditional payment service providers: registration, licensing and supervision by the competent authorities. Furthermore, it opened the EU payment market for TPPs to offer payment services based on the access to the information from the payment account – so-called “payment initiation services providers” and “account information services providers”. These TPPs are categorised as: account information service providers (“**AISPs**”) that allow consumers and businesses to have a global view on their financial situation, and the payment initiation service providers (“**PISPs**”) that help consumers to make online credit transfers and inform the merchant immediately of the payment initiation, allowing for the immediate dispatch of goods or immediate access to services purchased online. Moreover, the PSD2 allows payment service providers that do not manage the account of the payment service user to issue card-based payment instruments to that account and to execute card-based payments from that account. Such “third party” payment service provider – which could be a bank not servicing the account of the payer – will be able, after consent of the user, to receive from the financial institution where the account is held a confirmation (a yes/no answer) as to whether there are sufficient funds on the account for the payment to be made;
- (c) the original directive left it up to each country to decide upon surcharging of card payments, creating a scattered European landscape in which some countries banned this practice and some others allowed it. The PSD2 standardises the different approaches to surcharges on card-based transactions, which are not allowed for those consumer cards affected by the interchange fee cap; and

- (d) The PSD2 introduced new security requirements for electronic payments and account access, along with new security challenges relating to AISPs and PISPs.

The Hellenic General Secretariat of Trade and Consumer Protection is appointed as competent authority to handle complaints of payment services users and other interested parties (i.e. consumer associations).

On 24 July 2013, the European Commission also published a proposal for a Regulation on interchange fees for card-based payment transactions which led to the adoption on 29 April 2015 of Regulation EU 2015/751 of the European Parliament and of the Council on interchange fees for card-based payment transactions.

### **EU General Data Protection Regulation**

Regulation (EU) No. 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (also known as the EU General Data Protection Regulation or the “**GDPR**”) represents a new legal framework for data protection in the EU. It directly applies in all EU Member States as of 25 May 2018 and replaces the current EU and Greek data privacy laws. Although a number of basic principles remained the same, the GDPR introduces new obligations on data controllers and enhanced rights for data subjects.

The GDPR applies to organisations located within the EU but it also extends to organisations located outside of the EU if they offer goods and/or services to EU data subjects. Regulators have unprecedented power to impose administrative fines and penalties for a breach of obligations under the GDPR, including fines for serious breaches of up to 4 per cent of the total worldwide annual turnover of the preceding financial year or €20 million and fines of up to 2 per cent of the total worldwide annual turnover of the preceding financial year or €10 million for other specified infringements. The GDPR identifies a list of points to consider when imposing fines (including the nature, gravity and duration of the infringement).

In Greece, the recently approved law 4624/2019 implements and/or makes use of the derogations allowed by the GDPR and complements law 2472/1997, as amended and in force. However, there is very little guidance as to how the Hellenic Data Protection Authority will enforce the GDPR.

The Bank has taken measures to comply with the GDPR and Greek law requirements.

### **Consumer protection**

Credit institutions in Greece are subject to legislation aimed at protecting consumers from abusive terms and conditions. In particular, Greek law 2251/1994, as amended and in force, sets forth rules on the marketing and advertisement of consumer financial services, prohibits unfair and misleading commercial practices and includes penalties for violations of such rules and prohibitions.

In addition, consumer protection issues are regulated through administrative decisions, such as Ministerial Decision Z1-798/2008 (Government Gazette Issue B’ 1353/11.07.2008) on the prohibition of general terms which have been found to be abusive by final court decisions, as amended by Ministerial Decisions Z1-21/2011 (Government Gazette Issue B’ 21/18.01.2011) and Z1-74/2011 (Government Gazette Issue B’ 292/22.02.2011).

Further to the above, Directive 2008/48/EC of the European Parliament and of the Council of Europe on “*credit agreements for consumers and repeal of Council Directive 87/102/EEC*” provides for increased consumer protection in the context of consumer credit transactions and prescribes, among others, the inclusion of standard information in advertising and the provision of pre-contractual and contractual information to consumers.

The aforesaid Directive was transposed into Greek legislation by Ministerial Decision Z1-699/2010 (Government Gazette Issue B’ 917/23.06.2010) with effective date 23 June 2010. The said Ministerial Decision provides for increased consumer protection in the context of consumer credit transactions and prescribes, among

others, the inclusion of standard information in advertising and the provision of pre-contractual and contractual information to consumers. Ministerial Decision Z1-699/2010 was amended by Ministerial Decision Z1-111/2012 (Government Gazette Issue B' 627/2012) and Joint Ministerial Decision 108544/2018, that transposed into Greek law European Directive 2011/90/EU providing additional assumptions for the calculation of the annual percentage rate of charge.

The Decision Z1-699/2010, as amended and in force, contains specific provisions regarding the provision of standard information for the advertising of credit agreements, and the minimum information that should be provided to consumers so as to enable them to compare different offers. In order for the consumers to make informed decisions, they must receive adequate information in a clear and precise manner through standard information that should be available to them prior to execution of the agreement, including, among others, the total amount of credit, the terms governing money withdrawals, duration, interest rate, and relevant examples. The credit agreements should be executed in writing or by any other relevant means.

Before the conclusion of the credit agreement, the creditor assesses the consumer's creditworthiness and solvency on the basis of sufficient information, where appropriate obtained from the consumer during the pre-contractual stage, but also on the information provided by the consumer during a long-term transactional relationship, and after research on the proper data base, in accordance with the special provisions for the supervision of credit and financial institutions.

Consumers have the right to withdraw from their contracts within fourteen (14) days without providing any justification. In order to withdraw from their contracts, consumers must inform the creditor and pay the principal and any accrued interest calculated from the date of the granting of the credit up to the date of its repayment, without any undue delay and at the latest within thirty (30) days from the date of notification to the creditor. Consumers have the right to fulfil the entirety or part of their obligations before the date specified in the agreement. In case of early partial or full repayment, creditors are entitled to a reasonable and objectively justified compensation for any expenses directly related to the early repayment of the credit, provided that such early repayment is taking place within the time period for which a fixed interest has been agreed.

Finally, Act No. 2501/2002 of the Governor of the Bank of Greece, as amended by Act No. 178/2004 of the Governor of the Bank of Greece and in force, sets out fundamental disclosure obligations of credit institutions operating in Greece *vis à vis* any Contracting Party.

Ministerial Decision 56885/2014 set a code of conduct for the protection of consumers during sales, offer periods and promotional actions while Joint Ministerial Decision 70330/2015 transposed Directive 2013/11/EU on alternative dispute resolution for consumer disputes and introduced supplementary measures for the application of Regulation EU 524/2013 on online dispute resolution for consumer disputes.

Joint Ministerial Decision 5921/2015 (entered into force on 19 January 2015) set out the terms and the procedure for mediation of the consumer ombudsmen between credit institutions and debtors pursuant to the provisions of the Code of Conduct.

Presidential Decree No. 10/2017 introduced the "Code of Consumer Conduct" and set the principles to be applied to trade and the trading relations between suppliers and consumers and their associations. Finally, Ministerial Decision 31619/2017 introduced a Code of Consumer Conduct for e-commerce.

Most recently Greek law 4512/2018, which has been effective since 17 March 2018, as supplemented by the Ministerial Decision no. 5338/17.01.2018 and amended by Greek law 4585/2018 and Greek law 4602/2019, brought significant amendments to Greek law 2251/1994. The most important of such amendments for the credit institutions or financial institutions and servicers supervised by the Bank of Greece are the following:

- (a) change in the definition of "consumer" falling within the ambit of the protection of Greek law 2251/1994 to include only individuals (and no longer legal entities); and

- (b) in the field of unfair terms in consumer contracts, protection is also provided only to the very small businesses, either natural or legal persons, as if it was offered to an individual.

The above applies only to contracts entered into after 17 March 2018. Old contracts are not affected by the introduced amendments.

### **Equity Participation by Banks in Other Companies**

The Banking Law does not contain any provision regarding the equity participation of banks in other companies. Article 89 of the CRR provides that the competent authorities of Member States must publish their choice among the available options included in such article in relation to the conditions applicable to the acquisition by credit institutions of a qualified holding in other companies.

The Bank of Greece has not published its choice as per the above to date.

According to the Act of the Governor of Bank of Greece No. 2604/04.02.2008, issued by authorisation of the now abolished Law 3601/2007 for the acquisition by credit institutions of qualifying holdings in the share capital of undertakings in the financial sector, as amended by Decision 281/10/17.03.2009 of the Banking and Credit Committee of the Bank of Greece, credit institutions were required to obtain the Bank of Greece's prior approval to acquire or increase a qualifying holding in the share capital of credit institutions, financial institutions, insurance and reinsurance companies, investment firms, information technology management companies, real estate property management companies, asset and liability management companies, payment systems management companies, external credit assessment institutions and financial data collection and processing companies. The extent to which the above act remains applicable following the entry into force of the Banking Law is unclear.

Subject to EU regulations, new and significant holdings (concentrations) must be reported to the Greek Competition Commission according to Greek law 3959/2011 and must be notified to the European Commission, provided that they have community dimension within the meaning of Regulation No. 139/2004 on the control of concentrations between undertakings, following the procedure set in such Regulation (as supplemented by Regulation No. 802/2004).

The HCMC and ATHEX must also be notified once certain ownership thresholds are exceeded with respect to listed companies according to Greek law 3556/2007 as amended by Greek laws 4374/2016 and 4416/2016, and the relevant decisions of the HCMC and the ATHEX Regulation.

### **Equity Participations in Greek Credit Institutions**

Article 23 of the Banking Law provides for a specific procedure by which the Bank of Greece is notified of the intention of an individual or a legal entity to acquire a participation reaching or exceeding the thresholds set by such article (namely, 20 per cent., 1/3, 50 per cent. or the threshold required for the credit institution to become a subsidiary of the acquirer) of the percentage of the total share capital or voting rights of a credit institution authorised by the Bank of Greece, including the appraisal of the acquirer or the approval, as the case may be of the above acquisition. It is noted that the notification obligation exists also where an individual or a legal entity decides to cease holding directly or indirectly a participation in a credit institution seated in Greece or to reduce an existing participation below the above thresholds. As of 4 November 2014, the above supervisory authorities of the Bank of Greece are exercised by the ECB in collaboration with the Bank of Greece.

Executive Committee Act No. 22 of Bank of Greece, issued on 12 July 2013, was abolished and replaced by Executive Committee Act No. 142/11.6.2018 of Bank of Greece, as in force, codifies the provisions regarding the authorisation of credit institutions in Greece and the acquisition of a qualifying holding in a credit institution. Furthermore, this act specifies the necessary information for the prudential assessment of the proposed shareholders, the proposed members of the management body and the proposed key function holders



of a credit institution by the Bank of Greece under the EBA guidelines. Moreover, according to Executive Committee Act No. 48 of Bank of Greece, issued on 24 March 2015, as amended by Executive Committee Act No. 142/11.6.2018 of Bank of Greece, the aforementioned information should be accompanied by appropriate privacy statements included in this Act concerning personal data processing. Given that: (a) no other implementing act(s) of the relevant provisions of Greek law 4261/2014 has been issued as of the date of this Offering Circular and (b) the provisions of this Act do not appear to be at any point contradictory to the relevant provisions of Greek law 4261/2014, the provisions of the Executive Committee Act No. 142 of Bank of Greece shall be considered as applicable and in force, pursuant to article 166 para. 2 of Greek law 4261/2014.

As at 4 November 2014, the supervisory tasks described above were conferred to the ECB in cooperation with the Bank of Greece, according to the provisions of Regulation 468/2014.

### **The Hellenic Republic Bank Support Plan**

In November 2008, the Greek Parliament passed Greek law 3723/2008, as amended and in force, setting out the Hellenic Republic Bank Support Plan initially at the amount of €28 billion and following increases thereof, at the amount of €98 billion. The law was passed with the goal of strengthening Greek banks' capital and liquidity positions in an effort to safeguard the Greek economy from the adverse effects of the international financial crisis. The Hellenic Republic Bank Support Plan was revised and supplemented by further Greek laws and ministerial decisions.

The Hellenic Republic Bank Support Plan, as currently applicable, is comprised of the following three (3) pillars:

- *Pillar I: up to €5 billion in non-dilutive capital designed to increase Tier I ratios.* The capital took the form of non-transferable redeemable Preference Shares with a 10 per cent. fixed return. The deadline for the participation of credit institutions in Pillar I expired on 31 December 2013. Pursuant to article 1 of Greek law 4093/2012, the above 10 per cent. fixed return is payable in any case, notwithstanding the provisions of Greek Codified Law 2190/1920 as in force, save for Article 44A of Greek Codified Law 2190/1920, unless the payment of the relevant amount would result in the reduction of the Core Tier 1 capital of the credit institution below the prescribed minimum limit. The issuance price of the Preference Shares was the nominal value of the common shares of the last issuance of each bank.

The shares are redeemed at the subscription price either within five years from their issuance or, at the election of a participating bank, earlier with the approval of the Bank of Greece. In accordance with section/paragraph 1 of Ministerial Decision 54201/B2884/2008, as amended by Ministerial Decisions 21861/1259B/2009 (Government Gazette Issue B 825/4.5.2009) and 5209/13237/3.2.2012, the Preference Shares are redeemed in their original subscription price for Greek government bonds or cash of equal value. At the time the Preference Shares are redeemed for Greek government bonds, the nominal value of the bonds must be equal to the initial nominal value of the bonds used for the subscription of the Preference Shares. Moreover, the maturity of the bonds should be the redemption date or within a period of up to three months from this date. In addition, on the redemption date for the Preference Shares, the market price of the bonds should be equal to their nominal value. If this is not the case, then any difference between their market value and their nominal value shall be settled by payment in cash between the credit institution and the Greek government. On the date of redemption, the fixed dividend return (10 per cent.) will also be paid to the Hellenic Republic.

Preference Shares are not mandatorily redeemable. However, if the Preference Shares are not redeemed within five years from their issuance or if the participating credit institution's general meeting has not approved their redemption, the Greek Minister of Finance will impose, pursuant to a recommendation by the Bank of Greece, a gradual cumulative increase of 2 per cent. per year on the 10 per cent. fixed return provided for during the first five years from the issuance of the shares to the

Hellenic Republic. Pursuant to Article 1, paragraph 1, subparagraph 3 of Greek law 3723/2008 as supplemented by Decision No. 54201/B2884/2008 of the Minister of Finance on the share conversion terms, the banks may be required to convert the Preference Shares into common shares or another class of shares if the redemption of the Preference Shares as described above is impossible, due to non-compliance with the capital adequacy ratio requirements set by the Bank of Greece. The conversion ratio will only be determined at the time of conversion on the basis of the average value of such shares during the last year of their trading and the full dilutive effect of any such conversion will therefore only be known at that time. In the case of liquidation of the participating bank, the Hellenic Republic is preferentially ranked against all other shareholders.

Pursuant to article 3 of Cabinet Act no. 36 dated 2 November 2015, the preference shares issued under the Hellenic Republic Bank Support Plan are subject to the burden sharing measures provided for under article 6a of Greek law 3864/2010. Pursuant to articles 6a and 7a of Greek law 3864/2010, as amended and in force, in the case of conversion of the preference shares issued under the Hellenic Republic Bank Support Plan into Ordinary Shares of a credit institution under article 6a of Greek law 3864/2010, the ownership of such Ordinary Shares is transferred by operation of law to the HFSF and such Ordinary Shares will have full voting rights.

- *Pillar II: up to €85 billion in Hellenic Republic guarantees.* These guarantees will guarantee new borrowings (excluding interbank deposits) to be concluded until 31 December 2015 (whether in the form of debt instruments or otherwise) and with a maturity of three months to three years. These guarantees will be granted against commission and collateral sufficient at the discretion of the Bank of Greece to banks that meet the minimum capital adequacy requirements set by the Bank of Greece as well as criteria set forth in Decision No. 54201/B2884/2008 of the Minister of Finance, as in force, regarding liquidity, capital adequacy, market share size, amount and maturity of liabilities and share in the SME and mortgage lending market. The terms under which guarantees will be granted to financial institutions are included in Decision Nos. 2/5121/2009, 29850/B.1465/2010 and 5209/B.237/2012 of the Minister of Finance.
- *Pillar III: up to €8 billion in debt instruments.* The deadline for the participation of credit institutions in Pillar III expired on 30 June 2015. These debt instruments have maturities of less than three years and were issued by the PDMA to participating banks meeting the minimum capital adequacy requirements set by the Bank of Greece, against commission and collateral sufficient at the discretion of the Bank of Greece. These debt instruments bear no interest, were issued at their nominal value in denominations of €1,000,000 and are listed on ATHEX. They were issued by virtue of bilateral agreements executed between each participating bank and the PDMA. The debt instruments must be returned at the applicable termination date of the bilateral agreement (irrespective of the maturity date of the debt instruments) or at the date Greek law 3723/2008 ceases to apply to a bank. The debt instruments that are returned are eventually cancelled. The participating banks must use the debt instruments received only as collateral for refinancing, in connection with fixed facilities from the ECB and/or for purposes of interbank financing. The proceeds of liquidation of such instruments must be used to finance mortgage loans and loans to SMEs at competitive terms.

Participating banks that utilise either the capital or guarantee facility have a government-appointed member of the Board of Directors as state representative. Such representative is an additional member to the existing members of the Board of Directors and has veto power on strategic decisions or decisions resulting in a significant change in the legal or financial position of the participating bank and for which the shareholders' approval is required. The same veto power applies to corporate decisions relating to the dividend policy and the compensation of the Chairman, the Managing Director-CEO and the other members of the Board of Directors of the participating banks, as well as its General Directors and their deputies. However, the government-appointed representative may only utilise its veto power following a decision of the Minister of Finance or if he considers that the relevant corporate decisions may jeopardise the interests of depositors or materially affect the solvency

and effective operation of the participating bank. Moreover, the state appointed representative has full access to the participating bank's books and data, the reports for restructuring and viability, the plans for the medium-term financing needs of such bank as well as to reports on the level of financing of the Greek economy. In addition, participating banks are required to limit maximum executive compensation to that of the Governor of the Bank of Greece, and must not pay bonuses to senior management as long as they participate in the Hellenic Republic Bank Support Plan.

Also, during that period, dividend payouts for those banks are limited to up to 35 per cent. of distributable profits of the participating bank (at the parent company level). According to the provisions of Article 28 of Greek law 3756/2009, as amended by Article 39, paragraph 4 of Greek law 3844/2010 and by Article 4, paragraph 3(a) of Greek law 4079/2012 and in force, and in combination with the interpretative Circular No 20708/B/l. 175/23.4.2009 of the Minister of Economy and Finance, banks participating in the Hellenic Republic Bank Support Plan were allowed to distribute dividends to ordinary shareholders exclusively in the form of common shares for the financial years 2008 and 2009, which must not result from treasury shares, and may not purchase treasury shares. Pursuant to Article 19 of Greek law 3965/2011 and Article 4 paragraph 3(c) of Greek law 4063/2012, the distribution of dividends for the financial years ended 2010 and 2011 was also restricted to share distributions, while pursuant to Greek law 4144/2013 and Law 4261/2014, the same restriction applied with respect to the financial years 2012 and 2013 respectively.

Furthermore, according to Article 28 of Greek law 3756/2009, as amended by article 39 of Greek law 3844/2010 and by article 4, paragraph 3(a) of Greek law 4079/2012 and in force, during the period of the credit institutions' participation in the plan to enhance liquidity according to Greek law 3723/2008, the repurchase of the participating banks' treasury shares is forbidden. However, by virtue of Article 4, paragraph 3(a) of Greek law 4079/2012 and notwithstanding the relevant provisions of Greek Codified Law 2190/1920, the prohibition above does not apply for the repurchase of preference equity shares that have been issued as redeemable, if this acquisition is intended to strengthen the Core Tier I capital of participating banks, as determined by generally applicable decisions of the Bank of Greece, and if the Bank of Greece has granted its consent.

To monitor the implementation of the Hellenic Republic Bank Support Plan, Greek law 3723/2008 provided for the establishment of a supervisory council (the “**Council**”). The Council is chaired by the Minister of Finance. Members include the Governor of the Bank of Greece, the Deputy Minister of Finance, who is responsible for the Greek General Accounting Office, and the government-appointed representative at each of the participating banks. The Council convenes on a monthly basis with a mandate to supervise the correct and effective implementation of the Plan and ensure that the resulting liquidity is used for the benefit of the depositors, the borrowers and the Greek economy overall. Participating banks which fail to comply with the terms of the Plan will be subject to certain sanctions, while the liquidity provided to them may be revoked in whole or in part following a decision by the Minister of Finance after the recommendation by the Governor of the Bank of Greece.

### **Monitoring Trustee**

As part of the Greek Stabilisation Programmes, the Hellenic Republic undertook a series of commitments towards the European Commission regarding Greek banks under restructuring, including the appointment of a monitoring trustee, who acted on behalf of the European Commission and aimed to ensure the compliance of the Bank and its subsidiaries with the aforementioned commitments (the “**Monitoring Trustee**”) that are in force during the period of the restructuring plan agreed and approved by the DGComp. On 27 March 2019, DGComp by way of a letter to the Bank confirmed that the Bank completed its restructuring plan, and no further extension of the mandate of the Bank’s monitoring or of the relevant restructuring period is required.

## Deferred Tax Assets (DTAs)

Greek law 4302/2014 introduced Article 27A to Law 4172/2013, which was initially replaced by Greek law 4303/2014 and then by Greek law 4340/2015 and was most recently amended by Greek law 4549/2018 ("**DTA Framework**"), to allow, under certain conditions, from 2016 onwards, credit institutions to convert DTAs falling within the scope of such law and arising (a) from the participation in the PSI and the buy-back programme and (b) from the sum of (i) the unamortised part of the crystallised loan losses from write-offs and disposals, (ii) the accounting debt write-offs and (iii) the remaining accumulated provisions and other general losses, with respect to existing amounts up to 30 June 2015, into final and due receivables from the Hellenic Republic ("**Tax Credit**"). In the case of an accounting loss in a specific year, the Tax Credit will be calculated by multiplying the total amount as per the above of the deferred tax asset by the percentage represented by the accounting losses over net equity before year's losses as appearing in the annual financial statements of the credit institution, excluding such year's accounting losses.

This legislation allows Greek credit institutions to treat such eligible DTAs as not "relying on future profitability" according to CRD IV, and as a result such DTAs are not deducted from Common Equity Tier I capital but rather assigned a risk weight of 100 per cent., thereby improving an institution's capital position. As of 31 December 2018, the Bank's DTAs falling within the scope of the DTA Framework amounted to €3,240.6 million, comprising 61.3 per cent. of its total DTAs and 6.8 per cent. of RWAs.

The Tax Credit can be offset against income taxes payable. Any excess amount of the Tax Credit that cannot be offset against income taxes payable is immediately recognised as a receivable from the Hellenic Republic. Upon conversion of DTA to DTC, the credit institution will issue conversion rights on its ordinary shares which will belong to the Hellenic Republic and correspond to common shares of the credit institution of a total market value equal to 100 per cent. of the Tax Credit prior to the set-off, and create a special reserve of an equal amount. The conversion price of the conversion rights will be based on the average trading price per share of the last 30 business days prior to the date that the Tax Credit becomes payable, weighted by trading volume. The exercise of such rights will take place without the payment of consideration. Existing shareholders will have, proportionate to their participation in the share capital of the credit institution, a call option on the conversion rights. Following the end of a reasonable period during which such option was not exercised, the rights are freely transferable.

The conversion mechanism (DTA to DTC) is also triggered in the case of bankruptcy, liquidation or special liquidation of the institution concerned, as provided for in Greek or EU legislation, as the latter has been transposed into Greek legislation. In this case, any amount of DTCs which is not offset with the corresponding annual corporate income tax liability of the institution concerned gives rise to a direct payment claim against the Hellenic Republic.

The Extraordinary General Meeting of Shareholders of the Bank held on 7 November 2014 approved the Bank's submission in the scope of the DTA Framework, which is applicable from the tax year 2017 onwards for Tax Credits arising from the tax year 2016.

## FORM OF THE GUARANTEE

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

**THIS DEED OF GUARANTEE** is made on 15 November 2019, in London, England

### BY

- (1) **ALPHA BANK AE**, a company incorporated in the Hellenic Republic (the “**Guarantor**”).

### IN FAVOUR OF

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

### WHEREAS

- (A) Alpha Bank AE, in its capacity as an issuer and Alpha Credit Group PLC (“**Alpha PLC**” and together with Alpha Bank AE in its capacity as issuer, the “**Issuers**”) have established a Euro Medium Term Note Programme (the “**Programme**”) for the issuance of notes. The Guarantor has authorised the giving of its irrevocable guarantee in relation to the notes issued by Alpha PLC (the “**Notes**”).
- (B) The Issuers and the Guarantor have, in relation to the notes issued under the Programme, entered into an amended and restated fiscal agency agreement (as amended, supplemented and/or restated from time to time, the “**Agency Agreement**”) dated 15 November 2019 with Citibank, N.A., London Branch as fiscal agent (the “**Agent**”, which expression shall include any successor) and the other paying agents named therein.
- (C) The Issuers have, in relation to the notes issued under the Programme, executed in London, England an amended and restated deed of covenant (as amended, supplemented and/or restated from time to time, the “**Deed of Covenant**”) dated 15 November 2019.
- (D) The Guarantor has agreed irrevocably to guarantee the payment of all sums expressed to be payable from time to time by Alpha PLC in respect of the Notes and under the Deed of Covenant.

**THIS DEED OF GUARANTEE WITNESSES** as follows:

#### 1.1 **Benefit of Deed of Guarantee**

Any Notes issued under the Programme on or after the date of this Deed of Guarantee but before the date of any subsequent guarantee relating to the Programme shall have the benefit of this Deed of Guarantee but shall not have the benefit of any subsequent guarantee relating to the Programme (unless expressly so provided in any such subsequent guarantee). References herein to a Note shall be construed accordingly. Notes issued under the Programme prior to the date of this Deed of Guarantee shall continue to have the benefit of any guarantee given to them on issue.

#### 1.2 **Definitions, Interpretation and Application**

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

**“Amounts Due”** means the principal amount, together with any accrued but unpaid interest, and any additional amounts referred to in Condition 11, if any, due on the Guarantee. 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 Absorption Power by the Relevant Resolution Authority;

**“Clearing System”** means each of Euroclear and Clearstream, Luxembourg, and any other clearing system specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be);

**“Clearstream, Luxembourg”** means Clearstream Banking S.A.;

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

**“Direct Rights”** means the rights referred to in Clause 3 of the Deed of Covenant;

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

**“Euroclear”** means Euroclear Bank SA/NV;

**“Global Note”** has the meaning given to it in the Agency Agreement;

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

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

**“Relevant Date”** means, in relation to the payment of any sum expressed to be payable by Alpha PLC, the date on which such payment first becomes due and payable.

Terms defined in the Conditions have the same meanings in this Deed of Guarantee.

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

## **2. GUARANTEE AND INDEMNITY**

### **2.1 The Guarantor hereby irrevocably guarantees:**

- (a) to each Holder (i) the due and punctual payment of all sums from time to time payable by Alpha PLC or (ii) performance of any delivery obligation owed by Alpha PLC to such Holder, in each case in respect of the Notes as and when the same become due and payable and accordingly undertakes to pay to such Holder, forthwith upon the demand of such Holder and in the manner and currency prescribed by the Conditions for payments by Alpha PLC in

respect of the Notes, any and every sum or sums which Alpha PLC is at any time liable to pay in respect of the Notes and which Alpha PLC has failed to pay; and

- (b) to each Accountholder (i) the due and punctual payment of all sums from time to time payable by Alpha PLC to such Accountholder or (ii) performance of any delivery obligation owed by Alpha PLC to such Accountholder, in each case in respect of the Direct Rights as and when the same become due and payable and accordingly undertakes to pay to such Accountholder, forthwith upon the demand of such Accountholder and in the manner and currency prescribed by the Conditions for payments by Alpha PLC in respect of the Notes, any and every sum or sums which Alpha PLC is at any time liable to pay to such Accountholder in respect of the Notes and which Alpha PLC has failed to pay.

2.2 The Guarantor irrevocably undertakes to each Beneficiary that, if any sum referred to in Clause 2.1 is not recoverable from the Guarantor thereunder for any reason whatsoever (including, without limitation, by reason of any Note, the Deed of Covenant or any provision thereof being or becoming void, unenforceable or otherwise invalid under any applicable law), then (notwithstanding that the same may have been known to such Beneficiary) the Guarantor will, forthwith upon demand by such Beneficiary, pay such sum by way of a full indemnity in the manner and currency prescribed by the Conditions. This indemnity constitutes a separate and independent obligation from the other obligations under this Deed of Guarantee and shall give rise to a separate and independent cause of action if any sum is not recoverable under Clause 2.1.

2.3 Notwithstanding the foregoing provisions of Clauses 2.1 and 2.2 hereof, it is specifically agreed that the place of performance of any and all obligations under the Deed of Guarantee shall be London, England and consequently any and all payments of the Guarantor under this Guarantee shall be made out of or to the credit of bank accounts maintained with banks legally operating and situated in London, England.

### **3. NEGATIVE PLEDGE**

The Guarantor covenants in favour of each Holder that it will duly perform and comply with the obligations expressed to be undertaken by it in Condition 5.

### **4. TAXATION**

The Guarantor covenants in favour of each Holder that it will duly perform and comply with the obligations expressed to be undertaken by it in Condition 11. In particular, if in respect of any payment to be made under this Deed of Guarantee, any withholding tax is payable, the Guarantor shall pay the additional amounts referred to in Condition 11, all subject to and in accordance with the provisions of Condition 11.

### **5. PRESERVATION OF RIGHTS**

5.1 The obligations of the Guarantor hereunder shall be deemed to be undertaken as principal obligor and not merely as surety.

5.2 The obligations of the Guarantor hereunder shall be continuing obligations notwithstanding any settlement of account or other matter or thing whatsoever and, in particular but without limitation, shall not be considered satisfied by any intermediate payment or satisfaction of all or any of Alpha PLC's obligations under any Note or the Deed of Covenant and shall continue in full force and effect until all sums due from Alpha PLC in respect of the Notes and under the Deed of Covenant have been paid, and all other obligations of Alpha PLC thereunder have been satisfied, in full.

- 5.3 Neither the obligations expressed to be assumed by the Guarantor herein nor the rights, powers and remedies conferred upon the Beneficiaries by this Deed of Guarantee or by law shall be discharged, impaired or otherwise affected by:
- (a) the winding up, liquidation or dissolution of Alpha PLC or analogous proceeding in any jurisdiction or any change in its status, function, control or ownership;
  - (b) any of the obligations of Alpha PLC under or in respect of the Notes or the Deed of Covenant being or becoming illegal, invalid or unenforceable;
  - (c) time or other indulgence being granted or agreed to be granted to Alpha PLC in respect of any of its obligations under or in respect of the Notes or the Deed of Covenant;
  - (d) any amendment, novation, supplement, extension, (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature) or replacement, waiver or release of, any obligation of Alpha PLC under or in respect of any Note or the Deed of Covenant or any security or other guarantee or indemnity in respect thereof including without limitation any change in the purposes for which the proceeds of the issue of any Note are to be applied and any extension of or any increase of the obligations of Alpha PLC in respect of any Note or the addition of any new obligations for Alpha PLC under the Deed of Covenant; or
  - (e) any other act, event or omission which, but for this sub-clause, might operate to discharge, impair or otherwise affect the obligations expressed to be assumed by the Guarantor herein or any of the rights, powers or remedies conferred upon the Beneficiaries or any of them by this Deed of Guarantee or by law.
- 5.4 Any settlement or discharge between the Guarantor and the Beneficiaries or any of them shall be conditional upon no payment to the Beneficiaries or any of them by Alpha PLC or any other person on Alpha PLC's behalf being avoided or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency or liquidation for the time being in force and, in the event of any such payment being so avoided or reduced, the Beneficiaries shall be entitled to recover the amount by which such payment is so avoided or reduced from the Guarantor subsequently as if such settlement or discharge had not occurred.
- 5.5 No Beneficiary shall be obliged before exercising any of the rights, powers or remedies conferred upon it by this Deed of Guarantee or by law:
- (a) to make any demand of Alpha PLC, save for the presentation of the relevant Note;
  - (b) to take any action or obtain judgment in any court against Alpha PLC; or
  - (c) to make or file any claim or proof in a winding up or dissolution of Alpha PLC,
- and (save as aforesaid) the Guarantor hereby expressly waives presentment, demand, protest and notice of dishonour in respect of each Note.
- 5.6 The Guarantor agrees that, so long as any sums are or may be owed by Alpha PLC in respect of the Notes or under the Deed of Covenant or Alpha PLC is under any other actual or contingent obligation thereunder or in respect thereof, the Guarantor will not exercise any right which the Guarantor may at any time have by reason of the performance by the Guarantor of its obligations hereunder:
- (a) to be indemnified by Alpha PLC;



- (b) to claim any contribution from any other guarantor of Alpha PLC's obligations under or in respect of the Notes or the Deed of Covenant;
- (c) to take the benefit (in whole or in part) of any security enjoyed in connection with the Notes or the Deed of Covenant by any Beneficiary; or
- (d) to be subrogated to the rights of any Beneficiary against Alpha PLC in respect of amounts paid by the Guarantor under this Deed of Guarantee.

5.7 The Guarantor irrevocably undertakes that its obligations hereunder in respect of Notes specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be) as Senior Preferred Liquidity Notes will constitute direct, general, unconditional and preferred obligations of the Guarantor which will at all times rank (i) *pari passu* with all present and future preferred obligations of the Guarantor under article 145A, paragraph 1(i) of law 4261/2014 and with lower priority to all present and future preferred obligations of the Guarantor under article 145A, paragraph 1 of law 4261/2014, (ii) in priority to Senior Non-Preferred Notes issued by it and (iii) in priority to Guarantor Junior Liabilities (to Senior Preferred).

5.8 The Guarantor irrevocably undertakes that its obligations hereunder in respect of Notes specified in the applicable Final Terms or the Drawdown Prospectus (as the case may be) as Tier 2 Notes will constitute direct, general, subordinated and unsecured obligations of the Guarantor which will be subordinated to the claims of Senior Creditors of the Guarantor (to Tier 2 Notes) in that, in the event of the winding up or special liquidation in the sense of article 145 of Greek law 4261/2014 of the Guarantor, payments under the Guarantee will be conditional upon the Guarantor being solvent at the time of payment by the Guarantor and in that no amount shall be payable under the Guarantee at such time except to the extent that the Guarantor could make such payment and still be solvent immediately thereafter. For this purpose, the Guarantor shall be considered to be solvent if it can pay principal and interest in respect of the Notes and still be able to pay its outstanding debts to Senior Creditors of the Guarantor (to Tier 2 Notes), which are due and payable.

In the case of dissolution, liquidation, special liquidation in the sense of article 145 of Greek law 4261/2014 and/or bankruptcy (as the case may be and to the extent applicable) of the Guarantor, the Noteholders will only be paid by the Guarantor after all Senior Creditors of the Guarantor (to Tier 2 Notes) have been paid in full and the Noteholders irrevocably waive their right to be treated equally with all other unsecured, unsubordinated creditors of the Guarantor 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 Tier 2 Notes, creates rights for Senior Creditors of the Issuer (to Tier 2 Notes).

5.9 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 Guarantor arising under or in connection with this Deed of Guarantee, and each Noteholder shall, by virtue of its subscription, purchase or holding of any Note, be deemed to have waived irrevocably all such rights of set-off. To the extent that any set-off takes place, whether by operation of law or otherwise, between: (a) any amount owed by the Guarantor to a Noteholder arising under or in connection with this Deed of Guarantee; and (b) any amount owed to the Guarantor by such Noteholder, such Noteholder will immediately transfer such amount which is set off to the Guarantor or, in the event of its special liquidation in the sense of article 145 of Greek law 4261/2014, winding up or dissolution, the special liquidator, administrator or other relevant insolvency official of the Guarantor, to be held on trust for or on behalf and in the name of (as applicable) the Senior Creditors of the Guarantor (to Tier 2 Notes).

- 5.10 If “Substitution and Variation” is specified as being applicable in the relevant Final Terms or Drawdown Prospectus (as the case may be), and any variation to this Guarantee is required to be made as a result of a decision taken by the Issuer and the Guarantor pursuant to and in accordance with Condition 7(n), then the Guarantor shall make such amendments to this Deed of Guarantee as shall be required to effect such variation.

## **6. DEPOSIT OF DEED OF GUARANTEE**

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

## **7. STAMP DUTIES**

The Guarantor shall pay all stamp, registration and other similar taxes and duties (including any interest and penalties thereon or in connection therewith) which are payable upon or in connection with the execution and delivery of this Deed of Guarantee, and shall, to the extent permitted by law, indemnify each Beneficiary against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, reasonable legal fees and any applicable value added tax) which it incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.

## **8. BENEFIT OF DEED OF GUARANTEE**

- 8.1 This Deed of Guarantee shall take effect as a deed poll for the benefit of the Beneficiaries from time to time.
- 8.2 This Deed of Guarantee shall enure to the benefit of each Beneficiary and its (and any subsequent) successors and assigns, each of which shall be entitled severally to enforce this Deed of Guarantee against the Guarantor.
- 8.3 The Guarantor shall not be entitled to assign or transfer all or any of its rights, benefits and obligations hereunder. Each Beneficiary shall be entitled to assign all or any of its rights and benefits hereunder.

## **9. PARTIAL INVALIDITY**

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

## **10. NOTICES**

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

Alpha Bank AE

Address: 40 Stadiou Street  
GR-102 52 Athens Greece

Tel: +30 210 326 8263

Fax: +30 210 326 8291 / 8309

Attention: Group Funding Section

Email: GroupFunding@alpha.gr

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

10.2 Every notice, demand or other communication sent in accordance with Clause 10.1 shall be effective as follows:

- (a) if made by telephone, when made;
- (b) if sent by letter or fax, upon receipt by the Guarantor; and
- (c) if sent by e-mail, when sent (subject to no delivery failure notification being received by the sender within 24 hours of the time of sending),

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

## 11. ACKNOWLEDGEMENT OF STATUTORY LOSS ABSORPTION POWERS

So far as Condition 20 applies to this Deed of Guarantee, the provisions of Condition 20 shall apply, *mutatis mutandis*, to this Deed of Guarantee.

## 12. GOVERNING LAW AND JURISDICTION

12.1 This Deed of Guarantee (other than Clauses 5.8 and 5.9) and all non-contractual obligations arising out of or in connection with this Deed of Guarantee are governed by, and shall be construed in accordance with, English law. Clauses 5.8 and 5.9 are governed by, and shall be construed in accordance with, Greek law.

12.2 The Guarantor agrees, for the exclusive benefit of the Beneficiaries, that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this Deed of Guarantee (including any suit, action, proceeding or dispute relating to any non-contractual obligation arising out of or in connection with this Deed of Guarantee) (respectively, “**Proceedings**” and “**Disputes**”) and, for such purposes, irrevocably submits to the jurisdiction of such courts.

12.3 The Guarantor irrevocably waives any objection which it might now or hereafter have to the courts referred to in Clause 12.2 being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.

12.4 The Guarantor agrees that the process by which any Proceedings are begun may be served on it by being delivered to Alpha Bank London Limited at its principal place of business for the time being in England (currently Capital House, 85 King William Street, London, England, EC4N 7BL). In the event of Alpha Bank London Limited ceasing so to act, the Guarantor shall appoint a further person in England to accept service of process on its behalf. Nothing in this Clause 12.4 shall affect the right to serve process in any other manner permitted by law.

12.5 The submission to the jurisdiction of the courts referred to in Clause 12.2 shall not (and shall not be construed so as to) limit any right to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

### 13. MODIFICATION

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

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

**EXECUTED as a DEED**

by **ALPHA BANK AE**

acting by its duly  
authorised attorneys:

.....  
Name:

.....  
Name:

In the presence of:

.....  
Signature of witness:

.....  
Name of witness:

.....  
Address of witness:

.....  
Occupation of witness:

## TAXATION

**The comments below are of a general nature and are not intended to be exhaustive. Any Noteholders who are in doubt as to their own tax position should consult their professional advisers.**

### **Taxation in the Hellenic Republic**

The following is a summary of certain material Greek tax consequences of the purchase, ownership and disposal of the Notes. The discussion is not exhaustive and does not purport to deal with all the tax consequences applicable to all possible categories of purchasers, some of which may be subject to special rules and also does not touch upon procedural requirements, such as the issuance of a tax registration number or the filing of a tax declaration or of supporting documentation required. Further, it is not intended as tax advice to any particular purchaser and it does not purport to be a comprehensive description or analysis of all of the potential tax considerations that may be relevant to a purchaser in view of such purchaser's particular circumstances. Also, in so far as it relates to Notes issued by Alpha Bank the discussion below is limited to the payment of interest under Notes as per the terms of which the redemption amount of such Notes may not be less than the principal amount thereof upon their issue. A Pricing Supplement may include additional information on the Greek tax law treatment of Index Linked Notes, if and to the extent necessary depending on their final terms.

The summary is based on the Greek tax laws in force on the date of this Base Prospectus, published case law, ministerial decisions and other regulatory acts of the respective Greek authorities as in force at the date hereof and does not take into account any developments or amendments that may occur after the date hereof, whether or not such developments or amendments have retroactive effect. Nevertheless, since a new Greek income tax code was brought into force (by virtue of Law 4172/2013, effective as of 1 January 2014, as amended from time to time) limited (if any) precedent or authority exists and there are still certain matters which have not, as at the date hereof, been clarified by the Greek tax administration. Further, non-Greek tax residents may have to submit a declaration of non-residence or produce documentation evidencing non-residence in order to claim any exemption under applicable tax laws of Greece.

**Prospective purchasers of the 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.**

#### ***A. Greek withholding tax***

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

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

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

##### ***Payments of interest on the Notes***

Payments of interest on the Notes issued by Alpha PLC and held by:

- (a) Noteholders who neither reside nor maintain a permanent establishment in Greece for Greek tax law purposes (the “**Non-Resident Noteholders**”) will not be subject to Greek income tax, provided that such payments are made outside of Greece by a paying or other similar agent who neither resides nor maintains a permanent establishment in Greece for Greek tax law purposes; and

- (b) Noteholders who either reside or maintain a permanent establishment in Greece for Greek tax law purposes (the “**Resident Noteholders**”) will be subject to Greek withholding income tax at a flat rate of 15 per cent., if such payments are made directly to Resident Noteholders by a paying or other similar agent who either resides or maintains a permanent establishment in Greece for Greek tax law purposes; otherwise, the interest payments will be taxed via the annual income tax return of the Resident Noteholders. The 15 per cent. tax will, as a rule, exhaust the tax liability of Resident Noteholders who are natural persons (individuals), while it will not for other types of Resident Noteholders.

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

- (a) Non-Resident Noteholders will be subject to Greek withholding income tax at a flat rate of 15 per cent., which is made to Non-Resident Noteholders by Alpha Bank. Such withholding exhausts the tax liability of both individual and entity Non-Resident Noteholders. Further, such withholding is in each case subjected 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, subject to the submission of recent tax residence certificates or other evidence of non-residence; and
- (b) Resident Noteholders will be subject to Greek withholding income tax at a flat rate of 15 per cent., which is made to Resident Noteholders by Alpha Bank; otherwise, the interest payments will be taxed via the annual income tax return of the Resident Noteholders. This 15 per cent. withholding will, as a rule, exhaust the tax liability of Resident Noteholders who are natural persons (individuals), while it will not for other types of Resident Noteholders.

The Greek government has announced that, with effect as from 1 January 2020, the interest income arising under corporate bonds listed on a regulated market within the EU or EEA, such as the Notes, or listed on an organised stock market outside the EU which is supervised by a regulatory authority accredited by the International Organization of Securities Commissions (IOSCO), and paid to holders who are Non-Resident Noteholders, shall be exempt from the Greek income tax and the solidarity levy; the respective draft legislation is currently in public consultation and has not yet been adopted.

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

Payments of interest by Alpha Bank under the Guarantee made to Non-Resident Noteholders and Resident Noteholders are likely to have the same income tax treatment, as payments of interest on the Notes issued by Alpha Bank described above, subject to any different view that may be adopted by the competent Greek authorities and ultimately Greek courts.

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

Generally, taxable capital gain equals the positive difference between the consideration received from the disposal of Notes and the acquisition price of the same Notes. For these purposes, expenses directly linked to the acquisition or sale of the Notes are included in the acquisition or sale price.

Capital gains resulting from the transfer of Notes issued by Alpha PLC and earned by:

- (a) Non-Resident Noteholders will not be subject to Greek income tax;
- (b) Resident Noteholders who are natural persons (individuals) will be subject to Greek income tax at a flat rate of 15 per cent. via the annual income tax return;
- (c) Resident Noteholders who are natural persons (individuals), in the event that the transfer of the Notes is treated as deriving from business activity, income tax will be imposed according to the applicable tax

rate scale (which rises progressively to 45 per cent.), however: (i) a sale of Notes after a holding period which exceeds five (5) years, and/or a sale of Notes which have been acquired by reason of inheritance or gift from a first or second degree kin, is not considered as a business activity, (ii) the presumption of business activity at article 21 para. 3 of the Greek income tax code, according to which, in the case of making three (3) similar transactions within any six (6) month period, the relevant income qualifies as income deriving from business activity, does not apply for transactions comprising a transfer of Notes issued by Alpha PLC in so far as such Notes are traded on a market, whether regulated or not and (iii) with effect as from 1 January 2019 it will not be possible for the Greek tax authority to consider the income generated from a single isolated transaction in respect of the Notes as income deriving from business activity;

- (d) Resident Noteholders who are legal persons or other entities will be subject to Greek corporate tax, currently at the rate of 28 per cent. (via the annual corporate tax return); the rate reduces to 27 per cent. for income generated in 2020, 26 per cent. for income generated in 2021 and 25 per cent. for income generated in 2022 and thereafter, while the Greek government has announced its intention to reduce the rate further; credit institutions are taxed at 29 per cent;
- (e) Resident Noteholders who are natural persons (individuals), legal persons or other entities investing in Index Linked Notes may be subject to the tax treatment mentioned in (b) and (c) or, respectively, (d) above at the time of a transfer of the Index Linked Notes and at the time of a closure of the position before (interim closure) or upon transaction termination; and
- (f) Resident Noteholders may be exempt from Greek income tax on the capital gains generating upon a transfer of Notes, in so far as the Notes qualify, for Greek tax law purposes, as corporate bonds; such exemption is final in respect of Resident Noteholders who are natural persons (individuals) or legal persons or other entities retaining single entry books, while for Resident Noteholders retaining double entry books the exemption operates as a tax deferral.

Capital gains resulting from the transfer of Notes issued by Alpha Bank and earned by:

- (a) Non-Resident Noteholders who are natural persons (individuals) and tax residents in a jurisdiction with which Greece has entered into a DTT will not be subject to Greek income tax, provided they furnish appropriate documents evidencing that they are tax residents in such jurisdiction; in respect of Notes which are listed, such documentation is furnished to the custodian of such Notes;
- (b) Non-Resident Noteholders who are natural persons (individuals) but they are not tax residents in a jurisdiction with which Greece has entered into a DTT, will be subject to Greek income tax at a flat rate of 15 per cent.; in the event such transfer is treated as deriving from business activity, income tax will be imposed according to the applicable tax rate scale which rises progressively to 45 per cent.; according to the Greek Ministry of Finance, if said Noteholder is a resident of a “non-cooperative” jurisdiction or state, the tax which is chargeable on the gain is payable before the transfer of the Notes via the filing of a special tax return; the procedure and the details for such filing have not been determined yet;
- (c) Non-Resident Noteholders who are legal persons or other entities will not be subject to Greek income tax on the basis of the Greek domestic tax law provisions;
- (d) Resident Noteholders who are natural persons (namely individuals) will be subject to Greek income tax at a flat rate of 15 per cent.; in the event such transfer is treated as deriving from business activity, income tax will be imposed according to the applicable tax rate which rises progressively to 45 per cent.;

- (e) Resident Noteholders who are legal persons or other entities will be subject to Greek corporate tax, currently at the rate of 28 per cent.; the rate reduces to 27 per cent. for income generated in 2020, 26 per cent. for income generated in 2021 and 25 per cent. for income generated in 2022 and thereafter, while the Greek government has announced its intention to reduce the rate further; credit institutions are taxed at 29 per cent.; and
- (f) both Resident Noteholders and Non-Resident Noteholders who are natural persons (individuals): (i) will not be considered as generating income deriving from business activity in case of a sale of Notes after a holding period which exceeds five (5) years and/or in the case of a sale of Notes which have been acquired by reason of inheritance or gift from a first or second degree kin; (ii) will not be subject to the presumption of business activity at article 21 para. 3 of the Greek income tax code, according to which, in the case of making three (3) similar transactions within any six (6) month period, the relevant income qualifies as income deriving from business activity, which does not apply for transactions comprising a transfer of Notes issued by Alpha Bank; and (iii) with effect as from 1 January 2019, will not be considered, in the event of a single isolated transaction in respect of the Notes, as generating income deriving from business activity.

The Greek government has announced that the corporate tax rate shall be reduced (other than in respect of credit institutions) to 24 per cent. for income generated in 2019. Also, the Greek government has announced reductions to the tax rate scale of the income tax for natural persons (individuals), which shall apply as from 1 January 2020. The respective draft legislation is currently in public consultation and has not yet been adopted.

In addition, in the case of an issue of Notes by Alpha Bank to which Greek law 4548/2018 and article 14 of Greek law 3156/2003 apply, the gain resulting from the transfer of such Notes is exempt from income tax on the basis of the Greek domestic tax law provisions; such exemption is final in respect of Non-Resident Noteholders, as well as in respect of Resident Noteholders who are natural persons (individuals) or legal persons or other entities retaining single entry books; for Resident Noteholders retaining double entry books, said exemption operates as tax deferral.

### **C. *Solidarity Levy***

The overall net income of a natural person (individual) which is reported in an annual personal Greek income tax return and exceeds EUR 12,000 is subject to an annual levy called a solidarity levy (*εισφορά αλληλεγγύης*). The rate of the solidarity levy rises progressively from 2.2 per cent. to 10 per cent. and is calculated with reference to both taxable and tax exempt income.

According to Guidelines of the Independent Authority for Public Revenue E2009/2019 and Decision no. 2465/2018 of the Council of State, the solidarity levy is not imposed on income generated in Greece and acquired by a non-Greek tax resident or to income generated outside Greece and acquired by a Greek tax resident, when Greece is not entitled to impose tax on the basis of a DTT.

### **D. *EU Savings Directive and Amending Directive on Administrative Cooperation***

Directive 2003/48/EC (the “**EU Savings Directive**”) which since 2005 had allowed the European Union tax administrations to exchange tax information on natural persons (individuals), was repealed by the Council on 10 November 2015 by virtue of Council Directive (EU) 2015/2060. The EU Savings Directive required the automatic exchange of information between Member States on private savings income which enabled interest payments made in one Member State to residents of other Member States to be taxed in accordance with the laws of the state of residence. The repeal was decided as a consequence of the adoption by the EU Council of Directive 2014/107/EU which amended the provisions of the Directive 2011/16/EU on the mandatory automatic exchange of information between tax administrations (the “**Amending Directive on Administrative Cooperation**”).



The Amending Directive on Administrative Cooperation, which entered into force on 1 January 2016 and which is generally broader in scope than the EU Savings Directive, implements the July 2014 OECD Global Standard on automatic exchange of financial account information within the European Union. The scope of the Amending Directive on Administrative Cooperation covers not only interest income but also dividends and other types of capital income, and the annual balance of the accounts producing such items of income. It also provides for some transitional measures and derogations with respect to Austria.

In line with the above, articles 3 to 13 of Greek law 3312/2005, which implemented into Greek law the EU Savings Directive, were repealed with effect as from 1 January 2016 by virtue of article 5 of Greek law 4378/2016, subject to the abovementioned transitional measures with regards to Austria which were also transposed into Greek law. The same Greek law 4378/2016 amended extensively Greek law 4170/2013 (which has transposed in Greece Directive 2011/16/EU) and also transposed in Greece the Amending Directive on Administrative Cooperation which is effective, with respect to Greece, in connection with taxable periods commencing as from 1 January 2016.

### **Taxation in the United Kingdom**

The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. It is based on the Issuer's understanding of current United Kingdom law and the published practice of Her Majesty's Revenue and Customs ("**HMRC**") (which may not be binding on HMRC), which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of the Notes. The comments are made on the assumption that Alpha Bank is not resident in the United Kingdom for United Kingdom tax purposes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Prospective Noteholders should be aware that the particular terms of issue of any Series of Notes as specified in the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes) or the Drawdown Prospectus (as the case may be) may affect the tax treatment of that and other Series of Notes. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Noteholders who are in any doubt as to their tax position should consult their professional advisers.

Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

#### **A. *UK Withholding Tax on UK Source Interest***

Payments of interest on the Notes that does not have a United Kingdom source may be made without deduction or withholding on account of United Kingdom income tax. If interest paid on the Notes does have a United Kingdom source ("**UK Notes**"), then payments may be made without deduction or withholding on account of United Kingdom income tax in any of the following circumstances.

##### **A.1 *UK Notes which are listed on a Recognised Stock Exchange***

The UK Notes will constitute "quoted Eurobonds" within the meaning of section 987 of the Income Tax Act 2007 ("**ITA**") provided they carry a right to interest and are and continue to be listed on a recognised stock exchange within the meaning of section 1005 ITA. The Luxembourg Stock Exchange is a recognised stock exchange for these purposes. The Notes will be regarded as "listed on a

recognised stock exchange” for this purpose if they are officially listed in Luxembourg in accordance with provisions corresponding to those generally applicable in European Economic Area states and are admitted to trading on the Luxembourg Stock Exchange.

The Issuers’ understanding of current HMRC published practice is that securities which are officially listed and admitted to trading on either the main market or the Euro MTF market of that exchange may be regarded as “listed on a recognised stock exchange” for these purposes.

Whilst the UK Notes are and continue to be quoted Eurobonds, payments of interest on the UK Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

#### *A.2 UK Notes issued by a bank*

In addition to the exemptions set out in A.1 above, interest on the UK Notes may be paid without withholding or deduction for or on account of United Kingdom income tax provided that:

- (a) the Issuer is and continues to be a “bank” for the purposes of section 878 ITA; and
- (b) the interest on the Notes is and continues to be paid by that Issuer in the ordinary course of its business within the meaning of section 878 ITA.

Alpha Bank is currently a “**bank**” for these purposes but Alpha PLC is not.

#### *A.3 UK Notes with short maturity dates*

Interest on the UK Notes may be paid without withholding or deduction for or on account of United Kingdom income tax if the relevant interest is paid on Notes with a maturity of less than 365 days from the date of issue and which are not issued under arrangements of borrowing intended to be capable of remaining outstanding for more than 364 days.

#### *A.4 All other UK Notes*

In cases falling outside the exemptions described in A.1, A.2 and A.3 above, interest on the UK Notes that has a UK source may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to any other available exemptions and reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

### ***B. Other Rules Relating to United Kingdom Withholding Tax***

1. Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Notes will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned in A above.
2. Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax as outlined above.
3. Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

4. The references to “**interest**” in A and B above mean “**interest**” as understood in United Kingdom tax law. The statements in A and B above do not take any account of any different definitions of “**interest**” or “**principal**” which may prevail under any other law or which may be created by the Terms and Conditions of the Notes or any related documentation (e.g. see Condition 6 of the Notes). Noteholders should seek their own professional advice as regards the withholding tax treatment of any payment on the Notes which does not constitute “**interest**” or “**principal**” as those terms are understood in United Kingdom tax law.
5. The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an Issuer pursuant to Condition 17 of the Notes or otherwise and does not consider the tax consequences of any such substitution.

### **The proposed financial transactions tax**

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common financial transactions tax (“**FTT**”) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the Commission’s Proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

### **Luxembourg Taxation**

*The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.*

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

#### **Withholding Tax**

##### **(i) Non-resident holders of Notes**

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

**(ii) Resident holders of Notes**

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 as amended (the “**Relibi Law**”) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Accordingly, payments of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 20 per cent.

**Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “**foreign financial institution**” (as defined by FATCA) may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting or related requirements. The Issuers are foreign financial institutions for these purposes. A number of jurisdictions (including the UK and Greece) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. federal register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal income tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of an Issuer). However, if additional Notes (as described under Condition 18) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Noteholders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.

## SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement (as further amended, supplemented and/or restated from time to time, the “**Programme Agreement**”) dated 15 November 2019, agreed with Alpha Bank and Alpha PLC a basis upon which they or any of them may from time to time agree to subscribe for Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*” above. In the Programme Agreement, Alpha Bank and Alpha PLC have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme.

### United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act.

The Notes are subject to US tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by US Treasury regulations. Terms used in this paragraph have the meanings given to them by the US Internal Revenue Code of 1986 and regulations thereunder. The applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) or Drawdown Prospectus (as the case may be) will identify whether the TEFRA C rules (“**TEFRA C**”) or TEFRA D rules (“**TEFRA D**”) apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of all the Notes of the Tranche of which such Notes are a part within the United States or to, or for the account or benefit of, US persons except in accordance with Regulation S of the Securities Act and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, US persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Exempt Notes which are also Index Linked Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

### Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or Pricing Supplement, in the case of Exempt Notes) in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the EEA, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (a) *Qualified Investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) *Fewer than 150 offerees*: at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

**provided that** no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression an “**offer of Notes to the public**” in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129.

## Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**FIEA**”) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or

to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## **Singapore**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

## **France**

Each of the Dealers and the Issuers has represented and agreed, and each further Dealer under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes) or any other offering material relating to the Notes, and that such offers, sales and distributions have been and shall only be made in France to (a) providers of investment

services relating to portfolio management for the account of third parties and/or (b) qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French *Code monétaire et financier*.

### Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Base Prospectus or of any other document relating to any Notes be distributed in Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”) and Italian CONSOB regulation; or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation and Article 34-ter of Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy under paragraphs (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the “**Banking Act**”); and
- (b) in compliance with any other applicable laws and regulations or requirements imposed by the *Commissione Nazionale per le Società e la Borsa*, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

### Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented, warranted and agreed, and each further Dealer under the Programme will be required to represent and agree, that:

- (a) *No deposit-taking*: with respect to any Tranche of Notes issued by Alpha PLC which have a maturity of less than one year:
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
  - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
    - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
    - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000, as amended (“**FSMA**”) by Alpha PLC;



- (b) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not, or, in the case of Alpha Bank, would not, if it was not an authorised person, apply to the relevant Issuer or the Guarantor, if applicable; and
- (c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## **Greece**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has complied and will comply with: (i) the Prospectus Regulation; (ii) all applicable provisions of article 16 par. 3 of Greek law 4548/2018; and (iii) all applicable provisions of Greek law 4514/2018, which transposed into Greek law MiFID II, with respect to anything done in relation to any offering of any Notes in, from or otherwise involving the Hellenic Republic.

## **General**

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has and will (to the best of its knowledge and belief having made all due and proper enquiries) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of Alpha PLC, Alpha Bank and any other Dealer shall have any responsibility therefor.

None of Alpha PLC, Alpha Bank and any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

## GENERAL INFORMATION

### Authorisation

The establishment and update of the Programme and the issue of Notes by Alpha PLC have been duly authorised by resolutions of the Board of Directors of Alpha PLC dated 16 July 1999, 20 November 2001, 27 November 2002, 14 November 2003, 30 November 2004, 23 January 2006, 5 February 2007, 3 March 2008, 11 March 2009, 8 April 2010, 12 April 2011, 24 May 2012, 30 May 2013, 11 June 2014, 20 April 2016, 27 April 2017 and 5 November 2019. The establishment and update of the Programme, the issue of Notes by Alpha Bank and the giving of the Guarantee have been duly authorised by general meetings of the shareholders of Alpha Bank on 30 March 1999, 11 April 2000, 27 May 2003 and 30 March 2004 and resolutions of the Board of Directors of Alpha Bank dated 22 June 1999, 22 November 2001, 21 November 2002, 6 November 2003 and 23 November 2004. Following a change in Greek law and amendments to the Articles of Association of Alpha Bank by a general meeting of shareholders on 30 March 2004, the present update of the Programme, the issue of Notes by Alpha Bank and the giving of the Guarantee have been duly authorised by a resolution of the Board of Directors of Alpha Bank dated 26 February 2008, 24 February 2009, 23 February 2010, 22 March 2011, 20 April 2012, 28 May 2013, 29 May 2014, 3 March 2016, 12 June 2017 and 26 September 2019. The size of the Programme was reduced to EUR 15,000,000,000 by virtue of resolutions of the Board of Directors of Alpha PLC dated 5 November 2019 and a resolution of the Board of Directors of Alpha Bank dated 26 September 2019.

### Listing and Admission to Trading

Application has been made to the Luxembourg Stock Exchange:

- (i) for Notes issued under the Programme to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange in accordance with the Prospectus Regulation; and
- (ii) for Exempt Notes issued under the Programme to be admitted to trading on the Euro MTF Market and to be listed on the official list of the Luxembourg Stock Exchange.

### Documents Available

For so long as any Notes are listed on the Luxembourg Stock Exchange and, in any event, for the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection free of charge at the registered office of Alpha PLC and at <https://www.alpha.gr/en/group>:

- (i) the constitutional documents of Alpha Bank and Alpha PLC (in English);
- (ii) the annual report of Alpha Bank for the financial years ended 31 December 2018 and 31 December 2017 and the annual report of Alpha PLC for the financial years ended 31 December 2018 and 31 December 2017;
- (iii) the unaudited interim consolidated financial statements of Alpha Bank for the six months ended 30 June 2019;
- (iv) the Agency Agreement, the Deed of Covenant, the Guarantee, the forms of the temporary global Notes, the permanent global Notes, the Notes in definitive form, the Coupons and the Talons;

- (v) a copy of this Base Prospectus; and
- (vi) any future base prospectus, prospectuses, information memoranda and supplements including any Final Terms and Pricing Supplements (in the case of Exempt Notes) and/or any Drawdown Prospectus (save that the applicable Final Terms or the Drawdown Prospectus (as the case may be) relating to an unlisted Note and Pricing Supplements will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to Alpha PLC or the relevant Paying Agent, as the case may be, as to its holding and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference.

In addition, this Base Prospectus, any Final Terms, any Pricing Supplements (in the case of Exempt Notes) or any Drawdown Prospectus (each in relation to Notes to be listed on the Luxembourg Stock Exchange), the documents incorporated by reference to this Base Prospectus and any notices published in Luxembourg in accordance with Condition 16 may be available in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

### **Clearing Systems**

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) or the Drawdown Prospectus (as the case may be). If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) or the Drawdown Prospectus (as the case may be).

The issue price and the amount of the relevant Notes will be determined before filing of the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) or the Drawdown Prospectus (as the case may be) in respect of each Tranche, based on then prevailing market conditions.

The address of Euroclear is 1 Boulevard du Roi, Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) or the Drawdown Prospectus (as the case may be).

### **Yield**

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) or the Drawdown Prospectus (as the case may be). The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

### **Material Change and Significant Change**

Since 31 December 2018 there has been no material adverse change in the financial position or prospects of Alpha Bank or Alpha PLC nor any significant change in the financial performance or position of (i) Alpha PLC since 31 December 2018 or (ii) Alpha Bank and the Group as a whole since 30 June 2019.

### **Litigation**

None of Alpha PLC, Alpha Bank and any other member of the Group is or has been, in the last twelve months, involved in any governmental, legal or arbitration, proceedings (and, so far as they are aware, no such

proceedings are pending or threatened) which may have, or have had, a significant effect on their financial position or profitability.

#### **Auditors of Alpha PLC**

The current auditors of Alpha PLC are Deloitte LLP, Hill House, 1 Little New Street, London, EC4A 3TR. Deloitte LLP is registered to carry on audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales. Deloitte LLP has audited, without qualification, Alpha PLC's non-consolidated financial statements for the years ended 31 December 2017 and 31 December 2018. Deloitte LLP has no material interest in Alpha PLC.

The financial statements in respect of the years ended 31 December 2017 and 31 December 2018 were prepared in accordance with IFRS as adopted by the European Union.

#### **Auditors of Alpha Bank**

The current statutory auditors of Alpha Bank are Deloitte Certified Public Accountants S.A. ("**Deloitte, Athens**"), whose registered address is 3a Fragkoklissias & Granikou Str., GR-151 25 Maroussi, Athens, Greece. Deloitte, Athens is a member of the Body of Certified Public Accountants of Greece (SOEL) and is also registered with the Public Company Accounting Oversight Board (PCAOB) and Hellenic Accounting and Auditing Oversight Board (ELTE). Deloitte, Athens has no material interest in Alpha Bank. Deloitte, Athens's reports on the 31 December 2017 and 31 December 2018 consolidated and separate financial statements prepared in accordance with IFRS as adopted by the European Union were not qualified.

The annual financial reports of Alpha Bank for the financial years ended 31 December 2017 and 31 December 2018 were prepared in accordance with IFRS as adopted by the European Union.

**ISSUER**

Alpha Credit Group PLC  
 Capital House  
 85 King William Street,  
 London EC4N 7BL  
 Telephone: +44 207 332 6767

**ISSUER AND GUARANTOR**

Alpha Bank AE  
 40 Stadiou Street  
 GR-102 52 Athens  
 Greece  
 Telephone: +30 210 3268300/ 3268263

**ISSUING AND PRINCIPAL PAYING AGENT****Citibank, N.A., London Branch**

Citigroup Centre  
 Canada Square  
 London E14 5LB  
 United Kingdom

**PAYING AGENT****Banque Internationale à Luxembourg S.A.**

69, route d'Esch  
 L-2953 Luxembourg  
 Grand Duchy of Luxembourg

**INDEPENDENT AUDITORS OF ALPHA BANK****Deloitte Certified Public Accountants S.A.**

3a Fragkoklissias & Granikou Str.  
 GR-151 25 Maroussi  
 Athens  
 Greece

**INDEPENDENT AUDITORS OF ALPHA PLC****Deloitte LLP**

Hill House  
 1 Little New Street  
 London EC4A 3TR  
 United Kingdom

**LEGAL ADVISERS**

*To Alpha PLC and Alpha Bank  
 as to Greek law*

**Koutalidis Law Firm**

4, Valaoritou Street  
 GR-106 71 Athens  
 Greece

*To Alpha PLC and Alpha Bank  
 as to English law*

**Allen & Overy LLP**

One Bishops Square  
 London E1 6AD  
 United Kingdom

*To the Dealers as to Greek law*

**Sardelas Petsa Law Firm**

8 Papadiamantopoulou Street  
 GR-115 28, Athens  
 Greece

*To the Dealers as to English law*

**Linklaters LLP**

One Silk Street  
 London EC2Y 8HQ  
 United Kingdom

**ARRANGER****Citigroup Global Markets Limited**

Citigroup Centre  
 Canada Square  
 Canary Wharf  
 London E14 5LB  
 United Kingdom

**DEALERS**

**Alpha Bank AE**  
40 Stadiou Street  
GR-102 52 Athens  
Greece

**Citigroup Global Markets Europe AG**  
Renterweg 16  
60323 Frankfurt am Main  
Germany

**Citigroup Global Markets Limited**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**LUXEMBOURG LISTING AGENT**

**Banque Internationale à Luxembourg S.A.**

69, route d'Esch  
Office PLM-101 F  
L-2953 Luxembourg