



**EFG Hellas Funding Limited**

*(incorporated with limited liability in Jersey)*

**€300,000,000 Series D 8.25 per cent. Non-cumulative Guaranteed Non-voting Exchangeable Preferred Securities**

having the benefit of a subordinated guarantee of

**EFG Eurobank Ergasias S.A.**

*(incorporated with limited liability in the Hellenic Republic)*

**Issue price: €50,000 per Preferred Security**

Unless expressly indicated otherwise, capitalised terms and expressions used herein have the same meaning as given to them in "Description of the Preferred Securities".

The €300,000,000 Series D 8.25 per cent. Non-cumulative Guaranteed Non-voting Exchangeable Preferred Securities (the "Preferred Securities") each with a par value and a liquidation preference of €50,000 (the "Liquidation Preference") are proposed to be issued by EFG Hellas Funding Limited (the "Issuer") on 29 July 2009 (the "Closing Date"). All obligations of the Issuer to make payments in respect of the Preferred Securities and to deliver Bank Ordinary Shares (as defined below) upon redemption of the Preferred Securities in certain circumstances will be guaranteed on a subordinated basis by EFG Eurobank Ergasias S.A. (the "Bank") pursuant to a subordinated guarantee to be dated the Closing Date (the "Guarantee"), all as more fully described herein under "Subordinated Guarantee".

The Preferred Securities will entitle Holders to receive (subject as described herein under "Description of the Preferred Securities") non-cumulative preferential cash dividends, payable quarterly in arrear on 29 January, 29 April, 29 July and 29 October in each year (each a "Preferred Dividend Payment Date"), commencing on 29 October 2009, at a rate of 8.25 per cent. per annum, all as more fully described herein under "Description of the Preferred Securities".

The Preferred Securities are perpetual securities and have no fixed redemption date. However, the Preferred Securities may be redeemed, at the option of the Issuer, in whole but not in part, (1) on the Preferred Dividend Payment Date falling on 29 October 2014 (the "First Call Date") or on every fourth Preferred Dividend Payment Date thereafter (each such date after the First Call Date, a "Subsequent Call Date") or (2) at any time (a) in the event of certain changes in tax law resulting in the Issuer or the Bank being required to pay Additional Amounts or (b) in the event of certain changes in tax laws, if the Issuer or the Bank, in relation to the Preferred Securities, the Guarantee and/or any associated transactions is or would be required to pay Jersey Tax (other than in respect of Jersey source income) or Greek Tax or (c) in the event of a Capital Disqualification Event, in any such case upon not less than 30 or more than 60 days' notice. Any such redemption shall be at the Optional Redemption Price (as defined under "Description of the Preferred Securities").

In addition, provided that the Preferred Securities have not otherwise been redeemed or the Issuer has not elected to redeem the Preferred Securities on the First Call Date or on any Subsequent Call Date thereafter as described above and a Holders' Exchange Trigger Event (as defined under "Description of the Preferred Securities") has occurred at any time in the 12 month period prior to the date falling 21 days prior to the First Call Date or such Subsequent Call Date, as the case may be, then Holders will have the right to require the Issuer to redeem the Preferred Securities on the First Call Date or on such Subsequent Call Date, as the case may be, by delivery of ordinary shares of the Bank ("Bank Ordinary Shares") as described under "Description of the Preferred Securities – Exchange for Bank Ordinary Shares".

Provided that the Preferred Securities have not otherwise been redeemed or the Issuer has not elected to redeem the Preferred Securities on the First Call Date or on any Subsequent Call Date thereafter as described above and a Holders' Exchange Trigger Event has not occurred at any time in the 12 month period prior to the date on which notice of such redemption is given by the Issuer as provided herein, then, subject as provided under "Description of the Preferred Securities – Issuer's Exchange Option", the Issuer will have the right to redeem the Preferred Securities in whole but not in part on the First Call Date or on such Subsequent Call Date, as the case may be, by delivery of Bank Ordinary Shares as described under "Description of the Preferred Securities – Exchange for Bank Ordinary Shares".

Furthermore, if, at any time, a Change of Control Event or a Free Float Event (each as defined under "Description of the Preferred Securities") occurs, then the Preferred Securities will be redeemable, at the option of the Issuer, in whole but not in part, at any time at either (i) the Optional Redemption Price or (ii) in certain circumstances described under "Description of the Preferred Securities – Redemption for Free Float Event or Change of Control Event", by delivery of Bank Ordinary Shares as described under "Description of the Preferred Securities – Exchange for Bank Ordinary Shares".

In the event of a liquidation, dissolution or winding-up of the Issuer, Holders will be entitled to receive, for each Preferred Security, the Liquidation Preference plus accrued and unpaid Preferred Dividends for the then current applicable Preferred Dividend Period to the date of payment, as more fully described under "Description of the Preferred Securities".

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the "UK Listing Authority" and the "FSMA", respectively) for the Preferred Securities to be admitted to the Official List of the UK Listing Authority and to the London Stock Exchange plc (the "London Stock Exchange") for the Preferred Securities to be admitted to trading on the London Stock Exchange's regulated market. References in this Prospectus to the Preferred Securities being "listed" (and all related references) shall mean that such Preferred Securities have been admitted to the Official List and have been admitted to trading on the London Stock Exchange's regulated market. The London Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

**In making an investment decision, potential investors should have particular regard to the "Risk Factors" on pages 20 to 30 of this Prospectus.** In particular, Preferred Dividends are not required to be paid on the Preferred Securities in certain circumstances, as more fully described under "Description of the Preferred Securities – Limitations on Payments of Preferred Dividends on Preferred Securities", including when all of the dividend paid on the Bank's ordinary share capital is the minimum required by the mandatory operation of Greek law from time to time (see "Description of the Preferred Securities – Exceptions to Compulsory Payments").

*Joint Lead Managers*

**EFG Eurobank Ergasias S.A.**

**HSBC**

*Co-Lead Managers*

**Credit Suisse**

**UBS Investment Bank**

*Sole Structuring Adviser*

**HSBC**

Each Manager (as defined under “Subscription and Sale” below) is acting for the Issuer and no one else in connection with the offering and will not regard any other person (whether or not as a recipient of this document) as its client in relation to the offering and will not be responsible to anyone other than the Issuer for providing the protections afforded to clients of the Managers, or for providing advice in relation to the offering, the contents of this document or any transaction or arrangement or other matter referred to in this document.

This Prospectus comprises a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC (the “Prospectus Directive”).

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

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

No person has been authorised to give any information or to make any representation other than those contained or incorporated by reference in this Prospectus in connection with the offering of the Preferred Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Bank or the Managers. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer, the Bank or the Bank and its Subsidiaries (as defined herein) as a whole (the “Group”) since the date hereof. This Prospectus does not constitute an offer of, or an invitation by, or on behalf of, the Issuer, the Bank or the Managers to subscribe for, or purchase, any of the Preferred Securities. This Prospectus does not constitute an offer, and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful. This Prospectus may only be used for the purposes for which it has been published.

Save for the Issuer and the Bank, no other party has separately verified the information contained or incorporated by reference herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers as to the accuracy or completeness of the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer or the Bank in connection with the Preferred Securities or the Bank Ordinary Shares.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Bank or the Managers that any recipient of this Prospectus should purchase any of the Preferred Securities. Each investor contemplating purchasing Preferred Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Bank. No person is authorised to give information other than contained herein and in the documents referred to herein and which are made available for inspection by the public at the specified office of each Paying and Transfer Agent.

None of the Preferred Securities, the Guarantee and the Bank Ordinary Shares to be issued and delivered upon redemption of the Preferred Securities have been or will 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, the Preferred Securities, the Guarantee and the Bank Ordinary Shares to be issued and delivered upon redemption of the Preferred Securities may not be

offered, sold or delivered within the United States or to U.S. persons. For a further description of certain restrictions on the offering and sale of the Preferred Securities, the Guarantee and the Bank Ordinary Shares to be issued and delivered upon redemption of the Preferred Securities and on distribution of this Prospectus, see "Subscription and Sale" below.

A copy of this Prospectus has been delivered to the Registrar of Companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002 as amended and he has given, and has not withdrawn, his consent to its circulation. The Jersey Financial Services Commission has given, and has not withdrawn, its consent under Article 4 of the Control of Borrowing (Jersey) Order 1958, as amended to the issue of the Preferred Securities by the Issuer. It must be distinctly understood that, in giving these consents, neither the Registrar of Companies nor the Jersey Financial Services Commission takes any responsibility for the financial soundness of the Issuer or for the correctness of any statements made, or opinions, expressed with regard to it. The Jersey Financial Services Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against any liability arising from the discharge of its functions under that law.

An investment in the Preferred Securities is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result from such investment.

Prospective purchasers should be aware that the Preferred Securities may become redeemable by delivery of Bank Ordinary Shares as described under "Description of the Preferred Securities – Redemption of Preferred Securities" below and that such purchasers should accordingly be able to take delivery of Bank Ordinary Shares pursuant to any law or regulation applicable to such purchaser. None of the Issuer, the Bank and any of the Managers or any of their respective representatives is making any representation to any purchasers of the Preferred Securities regarding the legality of an investment in the Preferred Securities or the holding of Bank Ordinary Shares by such purchaser under the laws and regulations applicable to such purchaser. Each purchaser should consult with his or her own advisers as to the legal, tax, business, financial and related aspects of a purchase of the Preferred Securities.

None of the Issuer, the Bank and any of the Managers is providing any advice or recommendation in this Prospectus on the merits of the purchase, subscription for, or investment in, the Preferred Securities or the Bank Ordinary Shares or the exercise of any rights conferred by the Preferred Securities or the Bank Ordinary Shares.

Prospective purchasers who are in any doubt about the contents of this Prospectus should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser. It should be remembered that the price of securities and the income from them can go down as well as up.

Nothing in this Prospectus or anything communicated to Holders of, or investors in, the Preferred Securities (or any such potential Holders or investors) by the Issuer is intended to constitute or should be construed as advice on the merits of the purchase of or subscription for the Preferred Securities or the exercise of any rights attached thereto for the purposes of the Financial Services (Jersey) Law 1998, as amended.

Certain figures in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals, in certain tables may not be an arithmetic aggregation of the figures which precede them.

The Preferred Securities are expected to be rated "A3" by Moody's Investors Service ("Moody's"), "BB–" by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies Inc. ("S&P") and "BBB" by Fitch Ratings Limited ("Fitch"). A rating is not a recommendation to buy, sell

or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

The Preferred Securities will be represented on issue by a single global certificate in registered form (the “Global Certificate”). On or about the Closing Date, the Global Certificate will be deposited with a common depositary for, and registered in the name of a nominee of, Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”).

IN CONNECTION WITH THE ISSUE OF THE PREFERRED SECURITIES, EFG EUROBANK ERGASIAS S.A. AS STABILISING MANAGER (THE “STABILISING MANAGER”) (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) MAY OVER-ALLOT PREFERRED SECURITIES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE PREFERRED SECURITIES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE PREFERRED SECURITIES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE PREFERRED SECURITIES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE PREFERRED SECURITIES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

All references in this Prospectus to “Euro”, “EUR” “euro” and “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended.

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## OVERVIEW OF THE OFFERING

*The following overview is qualified in its entirety by the more detailed information included elsewhere in this Prospectus.*

*Capitalised terms used but not defined in this overview shall bear the respective meanings ascribed to them under “Description of the Preferred Securities” and references herein to a “paragraph” shall be to the corresponding paragraph in “Description of the Preferred Securities”. Prospective investors should also consider carefully, amongst other things, the factors set out under “Risk Factors” below.*

**Issuer:** EFG Hellas Funding Limited, a wholly-owned subsidiary of the Bank, incorporated in Jersey.

The Issuer is a general finance vehicle of the EFG Group.

**Guarantor:** EFG Eurobank Ergasias S.A. (the “Bank”), a public company limited by shares incorporated under the laws of the Hellenic Republic.

The Bank operates in the retail banking, small and medium-sized enterprises, investment banking, capital markets, private banking and asset management sectors, providing a wide range of banking and financial services to its individual and corporate clients. The Bank is also active in the wider financial services sector, with a presence in insurance, real estate and payroll services.

**Issue Details:** €300,000,000 Series D 8.25 per cent. Non-cumulative Guaranteed Non-voting Exchangeable Preferred Securities each with a par value and a liquidation preference (the “Liquidation Preference”) of €50,000. The Preferred Securities are perpetual.

**Preferred Dividends:** For each Preferred Dividend Period, Preferred Dividends on the Preferred Securities will be declared by the directors of the Issuer and paid by the Issuer subject to certain limitations (see “Limitations on Payments” below).

In respect of each Preferred Dividend Period, the Preferred Securities will accrue Preferred Dividends at a rate of 8.25 per cent. per annum which Preferred Dividends will be payable quarterly in arrear, subject as provided below, on the Preferred Dividend Payment Dates in each year.

**Guarantee:** The Bank will guarantee payments and deliveries on the Preferred Securities in respect of (a) any declared but unpaid Preferred Dividends for the most recent Preferred Dividend Period, (b) any compulsory Preferred Dividends described in “Compulsory Payments” below, (c) the Optional Redemption Price payable with respect to any Preferred Security to be redeemed, (d) payments on liquidation of the Issuer, (e) any Additional Amounts and (f) any delivery of Bank Ordinary Shares to be delivered upon redemption of the Preferred Securities pursuant to “Exchange for Bank Ordinary Shares” below.

The Bank's obligations under the Guarantee will be subordinated so that they rank junior to the claims of Senior Creditors (as defined in the Guarantee), *pari passu* with the Parity Obligations, if any, of the Bank, and senior to all Junior Obligations of the Bank.

**Limitations on Payments:**

Subject to satisfying the solvency requirements set out in the Law and to the provisions relating to compulsory payments below (see "Compulsory Payments"), Preferred Dividends may be declared by the directors of the Issuer, in their sole discretion, and paid by the Issuer out of funds legally available therefor.

However, subject to the provisions relating to compulsory payments below (see "Compulsory Payments"), the directors of the Issuer will not declare, and the Issuer will not be permitted to pay, any Preferred Dividend on the Preferred Securities if:

- (a) such Preferred Dividend, together with the amount of:
  - (i) any Preferred Dividends previously paid in respect of the Preferred Securities and distributions previously paid in respect of Preferred Dividend Parity Obligations in the then current financial year; and
  - (ii) any Preferred Dividends proposed or scheduled to be paid in respect of the Preferred Securities and distributions proposed or scheduled to be paid in respect of any Preferred Dividend Parity Obligations in the then current financial year,

would exceed Distributable Funds; or

- (b) sufficient Distributable Funds are available, but the Issuer has been notified that a resolution of the directors of the Bank has been passed that states that in the opinion of the directors of the Bank payment of such Preferred Dividends would cause the Bank to breach Greek banking regulations affecting banks which fail to meet their capital adequacy ratios on a consolidated basis, as applicable and in force at the relevant time.

For the avoidance of doubt, the directors of the Issuer will only be required to declare, and the Issuer will only be required to pay, a Preferred Dividend in the circumstances set out in "Compulsory Payments" below.

**Preferred Dividends non-cumulative:**

If the directors of the Issuer do not declare a Preferred Dividend payable on a Preferred Dividend Payment Date either by virtue of the limitations set out above (see "Limitations on Payments") or otherwise, then subject to the provisions relating to compulsory payments and redemption below (see "Compulsory Payments", "Optional Redemption", "Capital Disqualification Redemption", "Redemption for Tax Reasons", "Holders' Exchange Option", "Issuer's Exchange Option" and "Free Float Event or Change of Control Event Redemption" below) and without affecting the rights of the Holders under the Guarantee, the

entitlement of the Holders to such Preferred Dividend will be lost. Accordingly no payment will need to be made at any time by the Issuer or the Bank in respect of any such missed payment.

**Compulsory Payments:**

*Payment on Junior Obligations*

If the Bank, the Issuer or any other Subsidiary pays any dividend or other distribution(s) on or in respect of any class of Junior Obligations at any time then, subject to satisfying the solvency requirements set out in the Law and the provisions of “Exceptions to Compulsory Payments” below, the Issuer will be required to declare and pay Preferred Dividends on the Preferred Securities as follows:

- (a) payment of the full amount of the Preferred Dividend payable on the next four Preferred Dividend Payment Dates if the distribution(s) on the Junior Obligations is made in respect of an annual period;
- (b) payment of the full amount of the Preferred Dividend payable on the next two Preferred Dividend Payment Dates if the distribution(s) on the Junior Obligations is made in respect of a semi-annual period; and
- (c) payment of the full amount of the Preferred Dividend payable on the next Preferred Dividend Payment Date if the distribution on the Junior Obligations is made in respect of a quarterly period.

*Redemption of Junior Obligations*

Subject to satisfying the solvency requirements set out in the Law, the Issuer will be required to declare and make payment of the full amount of Preferred Dividends payable on the next four Preferred Dividend Payment Dates contemporaneous with, or following, any date on which the Bank or any Subsidiary has redeemed, repurchased or otherwise acquired any Junior Obligations for any consideration (or any moneys are paid to or made available for a sinking fund for, or for redemption of, any Junior Obligations), except by conversion into or in exchange for other Junior Obligations unless (a) such acquisition is effected in accordance with the provisions of Article 16 paragraphs 1-3 and 4(b) to (e) of Greek Codified Law 2190/1920 and (b) following such acquisition and any other measure taken by the Bank:

- (i) the solvency ratio of the Bank, on an unconsolidated and consolidated basis, remains above 8 per cent. or as otherwise defined by the Bank of Greece from time to time; and
- (ii) the ratio of “upper tier 1 capital” items of own funds (namely tier 1 capital excluding the Preferred Securities and similar instruments) to risk weighted assets of the Bank remains above 5 per cent. as required by Circular 21/2004 of the Bank of Greece, as in force and amended or supplemented from time to time.

### *Payment on Preferred Dividend Parity Obligations*

If the Bank, the Issuer or any other Subsidiary pays any dividend or other distribution(s) on or in respect of any class of Preferred Dividend Parity Obligations at any time then, subject to satisfying the solvency requirements set out in the Law and to the provisions of “Exceptions to Compulsory Payments” below, the Issuer will be required to declare and pay Preferred Dividends on the Preferred Securities as described under “Payment on Junior Obligations” above except that such payments will be made on a *pro rata* basis.

When a distribution on Preferred Dividend Parity Obligations requires *pro rata* payment of Preferred Dividends as described above, the amount of the required payment will be in the same proportion to the aggregate specified amount of Preferred Dividends payable on the Preferred Securities as the aggregate payment that was made on such Preferred Dividend Parity Obligations bears to the amount that was payable on such Preferred Dividend Parity Obligations at the time of such payment.

### *Aggregation of Preferred Dividends in Preferred Dividend Period*

Subject to satisfying the solvency requirements set out in the Law, compulsory payments of Preferred Dividends to be made by virtue of paragraph 4(a) (“*Compulsory payment as a result of payment on Junior Obligations*”), 4(b) (“*Compulsory payment as a result of redemption of Junior Obligations*”) or 4(c) (“*Compulsory payment as a result of payment on Preferred Dividend Parity Obligations*”) shall be aggregated on any Preferred Dividend Payment Date with any discretionary payments made or to be made following a declaration as described in paragraph 3 (“*Limitations on Payments of Preferred Dividends on Preferred Securities*”) in respect of any relevant Preferred Dividend Period, provided that in any relevant Preferred Dividend Period the aggregate amount paid in respect of Preferred Dividends on the Preferred Securities shall not exceed the scheduled amount of the Preferred Dividends.

### *Exceptions to Compulsory Payments*

Notwithstanding the above, a payment of Preferred Dividends will not be compulsory if the Bank, the Issuer or any other Subsidiary:

- (1) pays a dividend or other distribution on the ordinary share capital of the Bank (i) which dividend or other distribution is solely in the form of Junior Obligations or (ii) the whole of which dividend or other distribution is mandatorily required to be paid by mandatory operation of Greek law from time to time; or
- (2) pays a dividend or other distribution on any Preferred Dividend Parity Obligations, the whole of which dividend or other distribution is mandatory by the terms and conditions of such Preferred Dividend Parity Obligation or by mandatory operation of Greek law and cannot be avoided by the Bank, the Issuer or such other Subsidiary, as the case may be, either at their direct

discretion or through prior waiving of payments on other securities. This paragraph (2) shall include, but not be limited to, payments on the €200,000,000 Series A CMS-linked Non-cumulative Guaranteed Non-voting Preferred Securities of the Issuer triggered by payment on the ordinary share capital of the Bank in situations where the whole of such payment on such ordinary share capital is mandatorily required by mandatory operation of Greek law from time to time.

Any mandatory dividend or other distribution on the ordinary share capital of the Bank or any dividend or other distribution on any Preferred Dividend Parity Obligations triggered by a mandatory payment on the ordinary share capital of the Bank shall be deemed to be mandatory and unable to be so avoided even if such mandatory payment on ordinary share capital could be waived, according to Greek law, by a decision of a shareholders' meeting.

**Withholding Tax and Additional Amounts:**

The Preferred Securities will contain a gross up provision in respect of any imposition of Jersey or Greek withholding taxes. The Guarantee will contain a gross up provision in respect of any imposition of Greek withholding taxes. Each gross up provision will be subject to customary exceptions.

Under the gross up provisions, subject to customary exceptions, the Issuer, or the Bank pursuant to the Guarantee, will pay to each Holder such additional amounts ("Additional Amounts") as may be necessary in order that every net payment in respect of the Preferred Securities, after withholding for any taxes imposed by Jersey or Greece, as the case may be, upon or as a result of such payment, will not be less than the amount otherwise required to be paid.

The obligations of the Issuer and the Bank to pay any such Additional Amounts will be subject to limitations described in "Limitations on Payments" above.

**Optional Redemption:**

The Preferred Securities are redeemable, at the option of the Issuer, in whole but not in part, on the First Call Date or on the fourth Preferred Dividend Payment Date falling thereafter or on every fourth Preferred Dividend Payment Date falling after the preceding date on which the Preferred Securities were so redeemable (each such date after the First Call Date a "Subsequent Call Date") at the Optional Redemption Price, by giving not less than 30 or more than 60 days' notice.

**Optional Redemption Price:**

€50,000 per Preferred Security, plus accrued and unpaid Preferred Dividends calculated from (and including) the immediately preceding Preferred Dividend Payment Date (or, if none, the Closing Date) to (but excluding) the due date for redemption whether or not declared, and any Additional Amounts remaining unpaid.

**Capital Disqualification Redemption:**

If, at any time, a Capital Disqualification Event has occurred and is continuing, the Preferred Securities will be redeemable, at the option of the Issuer, in whole but not in part, at any time at the Optional Redemption Price.

**Redemption for Tax Reasons:**

If, at any time, as a result of a change in the laws or regulations of Jersey or Greece, the Issuer or the Bank is or would be required to pay Additional Amounts in respect of payments due on the Preferred Securities or under the Guarantee, the Preferred Securities will be redeemable, at the option of the Issuer, in whole but not in part, at any time at the Optional Redemption Price.

If, at any time, as a result of a change in the laws or regulations of Jersey or Greece, the Issuer or the Bank, in relation to the Preferred Securities, the Guarantee and/or any associated transactions (including, but not limited to, any loan or deposit from the Issuer to the Bank, any loan or deposit from a Subsidiary to the Bank or any loan or deposit from the Issuer to any other Subsidiary), is or would be required to pay (a) Jersey Tax (other than in respect of Jersey source income) or (b) Greek Tax, then the Preferred Securities will be redeemable, at the option of the Issuer, in whole but not in part, at any time at the Optional Redemption Price.

**Holders' Exchange Option:**

Provided that the Preferred Securities have not otherwise been redeemed or the Issuer has not elected to redeem the Preferred Securities on the First Call Date or on any Subsequent Call Date thereafter as described under "Optional Redemption" above and a Holders' Exchange Trigger Event has occurred at any time in the 12 month period prior to the date falling 21 days prior to the First Call Date or such Subsequent Call Date, as the case may be, then, Holders will have the right to require the Issuer to redeem the Preferred Securities on the First Call Date or on such Subsequent Call Date, as the case may be, by delivery of Bank Ordinary Shares as described under "Exchange for Bank Ordinary Shares" below, by giving not less than 14 or more than 21 days' notice.

*Holders' Exchange Trigger Event*

A "Holders' Exchange Trigger Event" shall be deemed to have occurred if the Bank has paid any dividend or other distribution(s) on its ordinary share capital other than any such payment of dividend or other distribution(s) the whole of which is mandatorily required to be paid by mandatory operation of Greek law from time to time.

Any mandatory dividend or other distribution on the ordinary share capital of the Bank shall be deemed to be mandatory even if such mandatory payment on ordinary share capital could be waived, according to Greek law, by a decision of a shareholders' meeting.

**Issuer's Exchange Option:**

Provided that the Preferred Securities have not otherwise been redeemed or the Issuer has not elected to redeem the Preferred Securities on the First Call Date or on any Subsequent Call Date thereafter as described under "Optional Redemption" above and a Holders' Exchange Trigger Event has not occurred at any time in the 12 month period prior to the date notice is given by the Issuer as provided below, then the Issuer will (save as provided below) have the right to redeem the Preferred Securities in whole but not in part on the First Call Date or on such Subsequent Call Date, as the case may be, by delivery of Bank Ordinary Shares as described under "Exchange for Bank Ordinary Shares" below.

The Issuer may elect to redeem the Preferred Securities pursuant to this paragraph by giving not less than 30 or more than 60 days' notice prior to the First Call Date or such Subsequent Call Date, as the case may be.

Notwithstanding the above, the Issuer will not exercise the Issuer's Exchange Option described above unless (i) the closing price of Bank Ordinary Shares on ATHEX on the Trading Day immediately preceding the date notice is given to the Holders pursuant to the preceding paragraph as multiplied by the Exchange Discount Factor (as defined under "Exchange Ratio" below) is greater than the Ordinary Share Nominal Value (as so defined) or (ii) the Bank undertakes to effect a reduction in the Ordinary Share Nominal Value in accordance with Greek law. If, notwithstanding the previous provisions, the VWAP (as determined under "Exchange Ratio" below) as multiplied by the Exchange Discount Factor is equal to or less than the Ordinary Share Nominal Value, then notwithstanding that the Issuer has given notice to redeem the Preferred Securities as provided above, such notice shall be considered void and no such redemption shall occur. If such notice shall be considered void, this shall not prejudice any subsequent redemption of the Preferred Securities provided that the requirements described herein (including in this paragraph) are satisfied at the relevant time.

**Free Float Event or Change of Control Event Redemption:**

If, at any time, a Change of Control Event or a Free Float Event (each as defined below) occurs, then the Preferred Securities will be redeemable, at the option of the Issuer, in whole but not in part, at any time at the Optional Redemption Price by giving not less than 15 or more than 30 days' notice provided that notice cannot be given more than seven days after the occurrence of the Change of Control Event or the Free Float Event, as the case may be.

Provided that the Preferred Securities have not otherwise been redeemed, the Issuer has not elected to redeem the Preferred Securities on the First Call Date or on any Subsequent Call Date thereafter as described under "Optional Redemption" above or the Issuer has not elected to redeem the Preferred Securities as provided in the preceding paragraph and a Holders' Exchange Trigger Event has not occurred at any time in the 12 month period prior to the date on which notice is given by the Issuer as provided below, then, if a Change of Control Event or a Free Float Event occurs, the Issuer will (save as provided below) have the right to redeem the Preferred Securities in whole but not in part, at any time by delivery of Bank Ordinary Shares as described under "Exchange for Bank Ordinary Shares" below by giving not less than 15 or more than 30 days' notice provided that notice cannot be given more than seven days after the occurrence of the Change of Control Event or the Free Float Event, as the case may be.

Notwithstanding the above, the Issuer will not exercise its right to redeem the Preferred Securities by delivery of Bank Ordinary Shares as described in the preceding paragraph unless (i) the closing price of Bank Ordinary Shares on ATHEX on the Trading Day immediately preceding the date notice is given to the Holders pursuant to the preceding paragraph as multiplied by the Exchange Discount Factor is greater than the Ordinary Share Nominal Value or (ii) the Bank undertakes to effect a

reduction in the Ordinary Share Nominal Value in accordance with Greek law. If, notwithstanding the previous provisions, the VWAP as multiplied by the Exchange Discount Factor is equal to or less than the Ordinary Share Nominal Value, then notwithstanding that the Issuer has given notice to redeem the Preferred Securities by delivery of Bank Ordinary Shares as provided above, such notice shall be considered void and no such redemption shall occur. If such notice shall be considered void, this shall not prejudice any subsequent redemption of the Preferred Securities provided that the requirements described herein (including in this paragraph) are satisfied at the relevant time.

A “Change of Control Event” shall be deemed to have occurred when any person or persons acting in concert (as such term is defined below) directly or indirectly acquire(s) more than 50 per cent. of the voting rights in the Bank provided that no Change of Control Event shall be deemed to occur when such person or persons are one or more Excluded Persons.

“Excluded Person” shall mean EFG Bank European Financial Group S.A. or any of its shareholders or any of their respective affiliates, successors or descendants, as the case may be.

A “Free Float Event” shall be deemed to have occurred when (i) any person or persons acting in concert directly or indirectly acquire(s) Bank Ordinary Shares so that the total shareholding of such person or persons exceeds 80 per cent. of the aggregate number of Bank Ordinary Shares listed on ATHEX; or (ii) the Bank Ordinary Shares are no longer listed on ATHEX.

“persons acting in concert” shall mean natural or legal persons who co-operate with the offeror or the offeree company on the basis of an agreement, either express or tacit, oral or written, aimed either at acquiring control of the offeree company or at frustrating the successful outcome of a bid. Persons controlled by another natural or legal person according to the definition provided in article 3 par.1 (c) of Greek Law 3556/2007 (implementing Directive 2004/109/EC into Greek law) are considered to be acting in concert with such other person and among themselves.

**Exchange for Bank Ordinary Shares:**

If, as provided above, the Preferred Securities become redeemable by delivery of Bank Ordinary Shares, then each Holder will receive a number of Bank Ordinary Shares equal to the number of Preferred Securities held by such Holder multiplied by the Exchange Ratio (as described below), plus accrued and unpaid Preferred Dividends calculated from (and including) the immediately preceding Preferred Dividend Payment Date (or, if none, the Closing Date) to (but excluding) the relevant due date for redemption, whether or not declared, and any Additional Amounts remaining unpaid.

**Exchange Ratio:**

Exchange Ratio means:

(i) Liquidation Preference / (Exchange Discount Factor \* VWAP)

or, if lower:

(ii) Liquidation Preference / Ordinary Share Nominal Value

*Definition of VWAP and Ordinary Share Nominal Value*

“VWAP” means whichever is the lower of (a) the VWAP during the relevant Reference Period and (b) EUR 50.00.

“Exchange Discount Factor” means a fixed value of 88%.

“Ordinary Share Nominal Value” means the prevailing Bank Ordinary Share nominal value on the last Trading Day of the corresponding Reference Period.

VWAP is, subject to any adjustments under “Adjustment to VWAP” below, the arithmetic average of the daily volume weighted average sale prices (rounded to the nearest full cent) of Bank Ordinary Shares sold on ATHEX during the relevant period or on the relevant days, but does not include any “special” transactions, such as outside of normal hours crossings, as determined by use of the screen function “AQR” on Bloomberg or any successor screen function as the Bank deems appropriate.

*Adjustment to VWAP*

For the purposes of calculating the VWAP in the formula above:

(a) where, on some or all of the Trading Days in the relevant Reference Period, Bank Ordinary Shares have been quoted on ATHEX as cum dividend or any other distribution or entitlement and the Preferred Securities will be redeemable by delivery of Bank Ordinary Shares after the date those Bank Ordinary Shares no longer carry that dividend, distribution or entitlement, then the VWAP on the Trading Days on which those Bank Ordinary Shares have been quoted cum dividend, cum other distribution or cum entitlement shall be reduced by an amount (“Cum Value”) equal to:

(i) (in the case of a dividend or other distribution), the amount of that dividend or other distribution;

(ii) (in the case of any entitlement which is traded on ATHEX on any of those Trading Days), the volume weighted average price of such entitlements sold on ATHEX during the relevant Reference Period on the Trading Days on which those entitlements were traded; or

(iii) (in the case of any other entitlement not traded on ATHEX

during the relevant Reference Period), the value of the entitlement as reasonably determined by the Bank and evidenced by a certificate signed by two of its authorised signatories; and

- (b) where, on some or all of the Trading Days in the relevant Reference Period, Bank Ordinary Shares have been quoted ex dividend, ex other distribution or ex entitlement, and the Preferred Securities will be redeemable by delivery of Bank Ordinary Shares which would be entitled to receive the relevant dividend, other distribution or entitlement, the VWAP on the Trading Days on which those Bank Ordinary Shares have been quoted ex dividend, ex other distribution or ex entitlement shall be increased by the Cum Value.

“ATHEX” means the Athens Exchange or the principal securities exchange on which Bank Ordinary Shares are from time to time quoted.

“Reference Period” means:

- (i) in respect of the Preferred Securities becoming redeemable on the First Call Date or a Subsequent Call Date other than pursuant to the occurrence of a Change of Control Event or a Free Float Event, the period of five consecutive Trading Days, ending on the seventh Trading Day prior to such First Call Date or Subsequent Call Date, as the case may be; or
- (ii) in respect of the Preferred Securities becoming redeemable due to the occurrence of a Change of Control Event or a Free Float Event, the shorter of:
  - (a) the period of five consecutive Trading Days, ending on the seventh Trading Day prior to the relevant due date for redemption; and
  - (b) the number of Trading Days following the occurrence of the Change of Control Event or Free Float Event, as the case may be, and ending on the seventh business day in Athens prior to the relevant due date for redemption; provided that, if such number of Trading Days is less than five, then (i) where the Preferred Securities are to be redeemed pursuant to the occurrence of a Change of Control Event, VWAP shall equal the offer price for Bank Ordinary Shares under such Change of Control Event; and (ii) where the Preferred Securities are to be redeemed pursuant to the occurrence of a Free Float Event, VWAP shall be determined as provided above but where the Reference Period is the five Trading Days immediately preceding the occurrence of the Free Float Event.

“Trading Day” means a day on which ATHEX is open for trading and on which trading in the Bank Ordinary Shares took place on ATHEX.

**Adjustment Events,  
Amalgamation, Merger:**

If at any time an Adjustment Event occurs or in the case of any amalgamation or merger of the Bank with any other corporation, the Issuer shall make such changes to the Articles of Association of the Issuer (including but not limited to the Exchange Ratio and/or VWAP) as the Issuer and the Bank consider appropriate to account for the Adjustment Event or such amalgamation or merger, as the case may be, in order to maintain, as between the Issuer and the Bank on the one hand and the Holders on the other hand, the economic position as existed prior to the Adjustment Event or such amalgamation or merger.

An “Adjustment Event” shall be deemed to have occurred if there is a subdivision, consolidation or reclassification of Bank Ordinary Shares or any other event which may have, in the opinion of the Bank, a dilutive or concentrative effect on the theoretical value of the Bank Ordinary Shares.

For the avoidance of doubt, the payment of an ordinary cash dividend (as determined by the Bank) on the Bank Ordinary Shares shall not be deemed to constitute an Adjustment Event, and, in determining what is an Adjustment Event, the Issuer shall be entitled, but not bound, to have regard to the definition of “Potential Adjustment Event” set out in the 2002 ISDA Equity Derivatives Definitions, as published by the International Swaps and Derivatives Association, Inc., except that the terms “Merger Event” and “Extraordinary Dividend” as used therein shall be determined in the sole discretion of the Issuer and the Bank.

**Redemption or Exchange  
subject to the Law and  
consent:**

Any redemption of the Preferred Securities at the option of the Issuer for cash as described under “Optional Redemption”, “Capital Disqualification Redemption”, “Redemption for Tax Reasons” or “Free Float Event or Change of Control Event Redemption” above will be subject to satisfying the solvency requirements set out in the Law and the prior consent of the Bank and the Bank of Greece.

Any redemption of the Preferred Securities by delivery of Bank Ordinary Shares pursuant to “Holders’ Exchange Option” will be subject to satisfying the solvency requirements set out in the Law and any redemption of the Preferred Securities by delivery of Bank Ordinary Shares pursuant to “Issuer’s Exchange Option” or “Free Float Event or Change of Control Event Redemption” as described above will be subject to satisfying the solvency requirements set out in the Law and the prior consent of the Bank.

**Rights upon Liquidation:**

In the event of any bankruptcy, winding-up, liquidation or dissolution of the Issuer, Holders will be entitled to receive the Liquidation Distribution per Preferred Security held out of assets of the Issuer available for distribution to shareholders.

Notwithstanding the availability of sufficient assets of the Issuer to pay any Liquidation Distribution, if at the time such Liquidation Distribution is to be paid, proceedings are pending or have been commenced for the liquidation, dissolution or winding-up of the Bank, the Liquidation Distribution per Preferred Security paid to Holders and the liquidation distribution paid to the holders of Liquidation Parity Obligations shall

not exceed the amount that would have been paid as the liquidation distribution from the assets of the Bank had the Preferred Securities and Liquidation Parity Obligations been issued by the Bank and ranked (i) junior to all Senior Creditors (as defined in the Guarantee), (ii) *pari passu* with the Parity Obligations, if any, of the Bank, and (iii) senior to all Junior Obligations of the Bank.

In the event of liquidation, dissolution or winding-up of the Bank, the directors of the Issuer shall convene an extraordinary general meeting of the Issuer for the purpose of proposing a Special Resolution to put the Issuer in winding-up and the amount to which Holders shall be entitled as a Liquidation Distribution will be as described above.

The Bank will undertake in the Guarantee that, so long as any of the Preferred Securities is outstanding, it will not permit, or take any action to cause, the liquidation, dissolution or winding-up of the Issuer unless the Bank of Greece has given its prior approval, or the Bank itself is in liquidation.

**Voting Rights:**

Generally, Holders will not be entitled to receive notice of or attend or vote at any general meeting of shareholders of the Issuer.

Holders (together with the holders of any other preferred securities or preference shares of the Issuer having the right to vote for the election of directors of the Issuer in such event) are entitled to elect two additional directors to the Issuer's Board of directors if, in respect of four Preferred Dividend Periods, Preferred Dividends (whether or not declared) on the Preferred Securities or any Additional Amounts in respect thereof have not been paid in full, or if the Bank breaches its payment obligations under the Guarantee.

Subject to the terms of such other preferred securities or preference shares, if, in respect of four Preferred Dividend Periods, Preferred Dividends and any Additional Amounts have been paid in full, any director(s) so appointed shall vacate the office.

**Modification and Substitution:**

If a Capital Disqualification Event or either of the events described under "Redemption for Tax Reasons" above has occurred, then the Issuer may, instead of giving notice to redeem the Preferred Securities, substitute the Preferred Securities or modify the terms of the Preferred Securities with the effect that such substituted or modified securities remain or become, as the case may be, Qualifying Securities (as defined below), subject to the following conditions being met:

- (a) the Bank has obtained approval to the proposed substitution or modification from the Bank of Greece (or any successor thereto), if such approval is required;
- (b) the substitution or modification would not itself give rise to any negative impact on any published rating (to the extent they are rated) of the Preferred Securities which are in effect at such time and the Qualifying Securities will, to the extent that the Preferred Securities are rated, be assigned the same ratings as were applied to the Preferred Securities immediately prior to such substitution

- or modification;
- (c) the Qualifying Securities shall preserve any existing rights under the Preferred Securities to any accrued Preferred Dividends which has become due and not been paid;
  - (d) the substitution or modification is reasonably necessary to ensure that no Capital Disqualification Event or right to redeem for Redemption for Tax Reasons would exist after such substitution or modification; and
  - (e) the Issuer has delivered to the Principal Paying and Transfer Agent a certificate, substantially in the form shown in the Agency Agreement, signed by two directors of the Issuer stating that conditions (a) to (d) above and (i) to (iii) in the definition of Qualifying Securities have been complied with, and such certificate has been made available for inspection by Holders.

For the purposes of this provision only, a “Capital Disqualification Event” shall be deemed to have occurred whether or not it occurs as a result of a change of applicable law, regulation, official interpretation or otherwise.

“Qualifying Securities” mean securities or instruments that are issued (a) by the Bank or (b) by a wholly-owned subsidiary of the Bank and guaranteed by the Bank that, in either case, comply with the following requirements:

- (i) they contain terms and conditions which are no more prejudicial to Holders than the terms and conditions applicable to the Preferred Securities prior to such substitution or modification, including but not limited to at least the same rights in relation to receiving Preferred Dividends and Additional Amounts (if any) and Holder redemption rights;
- (ii) they have a listing on a recognised stock exchange (to the extent the Preferred Securities were listed on such a stock exchange prior to such substitution or modification); and
- (iii) they comply with the then current requirements of the Bank of Greece (or successor entity) in relation to Tier 1 capital (or a form of regulatory capital of equivalent or higher quality).

For the avoidance of doubt, the Qualifying Securities may include directly-issued preference shares of the Bank provided all conditions for substitution and modification described herein are met.

**Governing Law:**

The Preferred Securities will be governed by, and construed in accordance with, Jersey law (the “Law”).

The Guarantee will be governed by, and construed in accordance with, English law, save that the provisions concerning the ranking of the Guarantee and the rights upon liquidation will be governed by, and construed in accordance with, Greek law.

**Listing:**

The regulated market of the London Stock Exchange.

**Risk Factors:**

The purchase of the Preferred Securities involves substantial risks. These include the exposure of the Bank to credit risk, market risk, operational risk and liquidity risk. Failure to control these risks could result in material adverse effects on the Bank's financial performance and reputation. In addition, the terms of the Preferred Securities contain significant risks. These include the provision that Preferred Dividends will not be paid unless the directors of the Issuer declare, in their sole discretion, that they are payable (subject to the provisions described in "Compulsory Payments" above). Redemption of the Preferred Securities may, in the circumstances described above under "Holders' Exchange Option", "Issuer's Exchange Option" and "Free Float Event or Change of Control Event Redemption" above be in the form of Bank Ordinary Shares and the value of such Bank Ordinary Shares may decrease between the time the Exchange Ratio is determined as provided above and the time such Bank Ordinary Shares are delivered to a Holder and/or the time a Holder is able to sell such Bank Ordinary Shares.

## RISK FACTORS

*Prospective investors should consider carefully the following information in conjunction with the other information contained in this Prospectus before investing in the Preferred Securities.*

*The Issuer and the Bank believe that the following factors may affect their ability to fulfil their obligations under the Preferred Securities and the Guarantee, respectively. All of these factors are contingencies which may or may not occur and neither the Issuer nor the Bank is in a position to express a view on the likelihood of any such contingency occurring.*

*Factors which the Issuer and the Bank believe may be material for the purpose of assessing the market risks associated with the Preferred Securities are also described below.*

*The Issuer and the Bank believe that the factors described below represent the principal risks inherent in investing in the Preferred Securities, but neither the Issuer nor the Bank represents that the statements below regarding the risks of holding any Preferred Securities are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision as these risk factors cannot be deemed complete.*

The purchase of Preferred Securities involves substantial risks and is 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 Preferred Securities. Before making an investment decision, prospective purchasers of Preferred Securities should ensure that they understand the nature of the Preferred Securities and the extent of their exposure to risks and that they consider carefully, in the light of their own financial circumstances, financial condition and investment objectives, all the information set forth herein and in the documents incorporated by reference herein.

**Investment in the Preferred Securities is only suitable for investors who:**

- (1) have the requisite knowledge and experience in financial and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained herein and in the documents incorporated by reference herein and the merits and risks of an investment in the Preferred Securities in the context of such investors' financial position and circumstances;
- (2) are capable of bearing the economic risk of an investment in the Preferred Securities for an indefinite period of time; and
- (3) recognise that it may not be possible to make any transfer of the Preferred Securities for a substantial period of time, if at all.

Further, each prospective purchaser of the Preferred Securities must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Preferred Securities (i) is fully consistent with its (or if it is acquiring the Preferred Securities in a fiduciary capacity, the beneficiary's/beneficiaries') financial needs, objectives and condition; (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Preferred Securities as principal or in a fiduciary capacity); and (iii) is a fit, proper and suitable investment for it (or if it is acquiring the Preferred Securities in a fiduciary capacity, for the beneficiary/beneficiaries), notwithstanding the clear and substantial risks inherent in investing in or holding the Preferred Securities.

## **Factors that may affect the Issuer's ability to fulfil its obligations under the Preferred Securities**

### ***The Issuer is a Finance Vehicle***

An investment in the Preferred Securities will have substantially the same economic risks as an investment in non-cumulative perpetual preference shares issued directly by the Bank having the same liquidation preference and rate of distribution as the Preferred Securities. The Issuer is a finance vehicle which does not have any trading assets and does not generate trading income. The Preferred Securities are guaranteed on a limited and subordinated basis by the Bank pursuant to the terms of the Guarantee. Accordingly, if the Bank's financial condition was to deteriorate, the Issuer and the Holders may suffer direct and materially adverse consequences, including non-payment of Preferred Dividends on the Preferred Securities or of payments under the Guarantee.

## **Factors that may affect the Bank's ability to fulfil its obligations under the Guarantee**

### ***Economic Activity in Greece***

The Bank's business activities are dependent on the level of banking, finance and financial services required by its customers. In particular, levels of borrowing are heavily dependent on customer confidence, employment trends, the state of the economy and market interest rates at the time. As the Bank currently conducts the majority of its business in Greece, its performance is influenced by the level and cyclical nature of business activity in Greece, which is in turn affected by both domestic and international economic and political events. There can be no assurance that a weakening in the Greek economy will not have a material effect on the Bank's future results.

### ***National political and economic stability***

The Bank operates in a number of locations other than Greece, principally in Central and Southeastern Europe. The Bank has been active in Bulgaria, Romania and Serbia for a number of years and has also expanded into Cyprus, Poland, Turkey and the Ukraine. Each of these countries and regions has very different economic and political conditions and sensitivities and, accordingly, business conducted in such markets can be subject to greater risk than in more developed markets. The Bank's operations and earnings may be adversely affected by political or economic instability and unrest in some of these countries (including financial crisis, civil unrest, wars, international conflicts, greater and tighter government regulation on cross border trading, production, pricing and the environment).

The Bank may seek additional opportunities to further expand its operations in the future where appropriate. Any acquisition which is not effectively integrated with the Bank's other businesses could have a negative impact on the Bank's business, results of operations and financial condition.

### ***Risks relating to disruptions in the global credit markets and economy***

Since the second half of 2007, disruption in the global credit markets, coupled with the repricing of credit risk, has created increasingly difficult conditions in the financial markets. Financial markets are subject to periods of historic volatility which may impact the Bank's ability to raise debt in a similar manner, and at a similar cost, to the funding raised in the past. Challenging market conditions have resulted in greater volatility but also in reduced liquidity, widening of credit spreads and lack of price transparency in credit markets. Changes in investment markets, including changes in interest rates, exchange rates and returns from equity, property and other investments, may affect the financial performance of the Bank. In addition, the financial performance of the Bank could be adversely affected by a worsening of general economic conditions in the markets in which it operates.

## ***Risks Related 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 and liquidity 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, US or global economic conditions, or arising from systematic risks in the financial systems, could affect the recoverability and value of its assets and require an increase in the Bank's provision for bad and doubtful debts and other provisions.

### ***Market Risk***

The most significant market risks 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 lending and borrowing costs. Changes in currency rates affect the value of 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. The Bank has implemented risk management methods to mitigate and control these and other market risks to which the Bank is exposed and exposures are constantly measured and monitored. However, it is difficult to predict with accuracy changes in economic or market conditions and to anticipate the effects that such changes could have on the Bank's financial performance and business operations.

### ***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, for example, those of the Bank's suppliers or counterparties. Although the Bank has implemented risk controls and loss mitigation actions, and substantial resources are devoted to developing efficient procedures and to staff training, it is not possible to implement procedures which are fully effective in controlling each of the operational risks.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Bank will be unable to comply with its obligations as a guarantor of securities admitted to the Official List.

### ***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.

### ***Impact of Regulatory Changes***

The Bank is subject to financial services laws, regulations, administrative actions and policies in each location that the Bank operates. Changes in supervision and regulation, in particular in Greece, could materially affect the Bank's business, the products and services offered or the value of its assets. Although the Bank works closely with its regulators and continually monitors the situation, future changes in regulation, fiscal or other policies can be unpredictable and are beyond the control of the Bank.

***Government interventions aimed at alleviating the financial crisis are subject to uncertainty and carry additional risks***

In an attempt to restore stability in the financial system, the United States, European and other governments have intervened on an unprecedented scale by making available funds and taking other measures designed to facilitate access to capital and support financial institutions and other industries that have been affected by the market turmoil. On 9 December 2008, Law 3723/2008 on “*Liquidity Support of the Economy for mitigating consequences of the international financial and credit crisis and other provisions*” was enacted (the “Law”) by virtue of which the Hellenic Republic established a voluntary scheme for the capitalisation and liquidity support of credit institutions licensed by the Bank of Greece (the “Support Scheme”), with the objective, among others, of strengthening Greek banks’ capital and liquidity positions. See “Regulation and Supervision of Banking in the Hellenic Republic” for a detailed description of the Support Scheme.

There is no assurance that these measures will improve liquidity conditions or otherwise achieve their intended effects, and a failure of these measures could prolong or exacerbate global and local adverse market conditions and materially harm our business, financial condition and results of operations. In addition, some of these measures could lead to increased ownership and control by the Hellenic Republic over financial institutions and further consolidation in the financial industry.

***As a result of the participation of the Bank in the Support Scheme, the Hellenic Republic is in a position to exert influence over the dividend and remuneration policies of the Group***

So long as a credit institution utilises certain facilities of the Support Scheme the Hellenic Republic is entitled by force of the Law to appoint (and has already appointed) a representative to the board of directors of such credit institution (the “Representative”). The Representative has the ability to veto actions relating to the distribution of dividends and the remuneration of certain of the Bank’s directors and senior management. However, the Representative may only utilise its veto power if he considers that the relevant corporate decisions may jeopardise the interests of depositors or materially affect the solvency and effective operation of the Bank or following a decision of the Minister of Economy and Finance. The Bank has voluntarily accepted the Support Scheme. Consequently, so long as the Bank utilises certain facilities of the Support Scheme, certain business decisions of management may be affected by the veto rights of the Representative appointed to the Bank’s board.

***The Bank may not pay dividends to its ordinary shareholders***

As a result of the Bank’s participation in the Support Scheme, the Bank’s dividends are subject to a maximum of 35 per cent. of the Bank’s distributable profits (on an unconsolidated basis) for as long as the Bank participates in the Support Scheme, and any decisions regarding distribution of dividends can be vetoed by the Representative. Whilst the Bank continues to participate in the Support Scheme this cap on the Bank’s ordinary share dividends will entail that the Holder’s Exchange Option (as described in paragraph 5(d) of “Description of the Preferred Securities”) will not be exercisable.

Pursuant to Greek Law 3756/2009, the Bank was prohibited from paying any cash dividends to ordinary shareholders in 2009 in respect of the 2008 financial year. There can be no assurance that subsequent legislation will not prohibit the Bank from paying cash dividends in subsequent years. Notwithstanding this inability to declare a cash dividend to the ordinary shareholders for 2008, there is currently no restriction on the Bank’s ability to pay dividends on its Preferred Dividend Parity Obligations.

## **Factors which are material for the purpose of assessing the market risks associated with the Preferred Securities**

### ***Preferred Dividends not cumulative; certain dividends to ordinary shareholders are mandatory***

Preferred Dividends on the Preferred Securities are not cumulative. Subject to the provisions relating to compulsory payments as set out in “Description of the Preferred Securities”, Preferred Dividends on the Preferred Securities will not be paid on each Preferred Dividend Payment Date unless the directors of the Issuer declare, in their sole discretion, that they are payable. If the Bank has insufficient Distributable Funds the Issuer will not make such a declaration and no Preferred Dividends will be payable or paid. Subject as provided above, if Preferred Dividends on the Preferred Securities for any Preferred Dividend Period are not declared or paid, Holders will not be entitled to receive any such Preferred Dividends (or any payment under the Guarantee in respect of any Preferred Dividends) whether or not sufficient funds are, or subsequently become, available.

If the Bank, the Issuer or any other Subsidiary pays any distribution(s) on or in respect of any class of Junior Obligations (as defined under “Description of the Preferred Securities”) at any time then, subject to satisfying the solvency requirements set out in Jersey law and to the provisions of paragraph 4(e) of “Description of the Preferred Securities”, the Issuer will be required to declare and pay Preferred Dividends on the Preferred Securities in accordance with paragraph 4(a) of “Description of the Preferred Securities”.

However, a payment of Preferred Dividends will not be compulsory if the Bank, the Issuer or any other Subsidiary:

- (1) pays a dividend or other distribution on the ordinary share capital of the Bank (i) which dividend or other distribution is solely in the form of Junior Obligations or (ii) the whole of which dividend or other distribution is mandatorily required to be paid by mandatory operation of Greek law from time to time; or
- (2) pays a dividend or other distribution on any Preferred Dividend Parity Obligations, the whole of which dividend or other distribution is mandatory by the terms and conditions of such Preferred Dividend Parity Obligation or by mandatory operation of Greek law and cannot be avoided by the Bank, the Issuer or such other Subsidiary, as the case may be, either at their direct discretion or through prior waiving of payments on other securities (including, but not be limited to, payments on the €200,000,000 Series A CMS-linked Non-cumulative Guaranteed Non-voting Preferred Securities of the Issuer triggered by payment on the ordinary share capital of the Bank in situations where the whole of such payment on such ordinary share capital is mandatorily required by mandatory operation of Greek law from time to time).

Any mandatory dividend or other distribution on the ordinary share capital of the Bank or any dividend or other distribution on any Preferred Dividend Parity Obligations triggered by a mandatory payment on the ordinary share capital of the Bank shall be deemed to be mandatory and unable to be so avoided even if such mandatory payment on ordinary share capital could be waived, according to Greek law, by a decision of a shareholders’ meeting.

Greek company law requires dividends to be paid to ordinary shareholders as follows:

The Bank pays dividends out of:

- (i) distributable profits for the year (i.e. profits net of: (a) tax, (b) losses carried forward, and (c) prior years tax audit differences); and
- (ii) retained earnings, special reserves or ordinary reserves to the extent they exceed the amount required to be maintained by law.

Before paying dividends, the Bank must allocate 5 per cent. of its net profits to an ordinary reserve until this reserve equals at least one-third of the Bank's share capital. According to the Bank's Articles of Association and Greek corporate law, and subject to the limitations described below, each year the Bank is required to pay a minimum dividend out of the net profits for the year, if any, equal to 35 per cent. of the net profits for the year on an unconsolidated basis (after the deduction of statutory reserves and any profits resulting from the sale of equity participations that represent at least 20 per cent. of the paid-up share capital of a subsidiary company in which the Bank has held an equity participation for at least ten years as well as unrealised gains on financial instruments).

Calculation of all such amounts is currently based on the financial statements of the Bank prepared in accordance with Greek corporate law.

Any distribution of the remainder of the distributable profits must be approved by a "General Meeting of the Shareholders" (the "General Meeting"), with ordinary quorum and majority voting requirements, following a proposal of the Bank's board of directors (the "Board of Directors" or the "Board").

No distribution whatsoever (including dividends) can be effected if, on the closing date of the last financial year, the total shareholders' equity (comprising paid-up share capital, reserves and profits/losses from previous years) is, or will become after that distribution, lower than the aggregate of the paid-up share capital and non-distributable reserves, the distribution of which is prohibited by Greek law or the Bank's Articles of Association. In any event, dividends may not exceed net profits of the last financial year, as increased by distributable reserves, the distribution of which is permitted as resolved at the General Meeting, and profits carried forward from previous years, and as decreased by any loss in the previous financial year and any compulsory reserves required by law or the Bank's Articles of Association.

In relation to the mandatory dividend, the Bank's shareholders have two options. According to Greek Emergency Law 148/1967, as amended by Greek Law 2753/1999, a majority representing at least 65 per cent. of the paid-up share capital may vote to waive this dividend payment at a General Meeting. Undistributed dividends must then be transferred under a special reserve and must be capitalised within four years following the General Meeting. Furthermore, a majority representing 70 per cent. of the Bank's paid-up capital may vote to distribute no dividend or a dividend smaller than the mandatory dividend.

Once approved, dividends must be paid to shareholders within two months of the date on which the Bank's annual financial statements are approved. Normally, dividends are declared and paid in the year subsequent to the reporting period. Dividends are forfeited to the Hellenic Republic if they are not claimed by shareholders within five years following 31st December of the year in which they were declared.

### ***Perpetual Nature of the Preferred Securities***

The Preferred Securities have no fixed final redemption date and Holders have no rights to require the redemption of the Preferred Securities except as provided below. Although the Issuer may elect to redeem the Preferred Securities at the Optional Redemption Price in whole, but not in part, in certain circumstances including at its option on the First Call Date or any Subsequent Call Date thereafter or following the occurrence of certain tax events or a Capital Disqualification Event (as set out in "Description of the Preferred Securities"), such election is discretionary and subject to certain limitations.

Provided that the Preferred Securities have not otherwise been redeemed or the Issuer has not elected to redeem the Preferred Securities on the First Call Date or on any Subsequent Call Date thereafter as described above and a Holders' Exchange Trigger Event has occurred at any time in the 12 month period prior to the date falling 21 days prior to the First Call Date or such Subsequent Call Date, as the case may be, then Holders will have the right to require the Issuer to redeem the Preferred Securities on the First Call Date or on such Subsequent Call Date, as the case may be, by delivery of Bank Ordinary Shares as described under "Description of the Preferred Securities – Exchange for Bank Ordinary Shares". A 'Holders' Exchange Trigger Event" shall be deemed to have occurred if the Bank has paid any dividend or other distribution(s)

on its ordinary share capital other than any such payment of dividend or other distribution(s) the whole of which is mandatorily required to be paid by mandatory operation of Greek law from time to time. Therefore, a Holder's right to redeem pursuant to the occurrence of a Holders' Exchange Trigger Event is subject to the Bank deciding to pay such a dividend or other distribution(s) as described in the preceding sentence.

Provided that the Preferred Securities have not otherwise been redeemed or the Issuer has not elected to redeem the Preferred Securities on the First Call Date or on any Subsequent Call Date thereafter as described above and a Holders' Exchange Trigger Event has not occurred at any time in the 12 month period prior to the date notice is given by the Issuer as provided below, then, subject as provided under "Description of the Preferred Securities – Issuer's Exchange Option", the Issuer will have the right to redeem the Preferred Securities in whole but not in part on the First Call Date or on such Subsequent Call Date, as the case may be, by delivery of Bank Ordinary Shares as described under "Description of the Preferred Securities – Exchange for Bank Ordinary Shares". The Issuer may elect to redeem the Preferred Securities pursuant to this paragraph by giving not less than 30 or more than 60 days' notice prior to the First Call Date or such Subsequent Call Date, as the case may be.

Furthermore, if, at any time, a Change of Control Event or a Free Float Event (each as defined under "Description of the Preferred Securities") occurs, then the Preferred Securities will be redeemable, at the option of the Issuer, in whole but not in part, at any time at either (i) the Optional Redemption Price or (ii) in certain circumstances described under "Description of the Preferred Securities – Redemption for Free Float Event or Change of Control Event", by delivery of Bank Ordinary Shares as described under "Description of the Preferred Securities – Exchange for Bank Ordinary Shares".

A redemption feature exercisable at the option of the Issuer is likely to limit the market value of the Preferred Securities. After the First Call Date, the market value of the Preferred Securities will not rise substantially above the price at which they can be redeemed. This may also be true prior to the First Call Date.

The Issuer may be expected to redeem the Preferred Securities when its cost of borrowing is lower than the rate of cash dividends payable on the Preferred Securities. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective rate as high as the rate on the Preferred Securities 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.

Any redemption of the Preferred Securities at the option of the Issuer for cash as described above will be subject to satisfying the solvency requirements set out in Jersey law and the prior consent of the Bank and the Bank of Greece. Any redemption of the Preferred Securities by delivery of Bank Ordinary Shares whether at the option of the Holders or the Issuer as described above will be subject to satisfying the solvency requirements set out in Jersey law. It is currently expected that, where required, the consent of the Bank of Greece will be given only in cases where, after such redemption of the Preferred Securities by the Issuer, (i) the solvency ratio of the Bank, on an unconsolidated and consolidated basis, remains after such redemption above 8 per cent. or as otherwise defined by the Bank of Greece from time to time and (ii) the ratio of "upper tier 1 capital" items of own funds (namely tier 1 capital excluding the Preferred Securities and similar instruments) to risk weighted assets of the Bank, remains above 5 per cent. as required by Circular 21/2004 of the Bank of Greece.

#### ***The Issuer's obligations under the Preferred Securities and the Bank's obligations under the Guarantee are subordinated***

In the event of any bankruptcy, winding-up, liquidation or dissolution of the Issuer, Holders will be entitled to receive the Liquidation Distribution (as defined under "Description of the Preferred Securities") per Preferred Security held out of assets of the Issuer available for distribution to shareholders. Notwithstanding the availability of sufficient assets of the Issuer to pay any Liquidation Distribution, if at the time such Liquidation Distribution is to be paid, proceedings are pending or have been commenced for the liquidation, dissolution or winding-up of the Bank, the Liquidation Distribution per Preferred Security paid to Holders

and the liquidation distribution paid to the holders of Liquidation Parity Obligations (as defined under “Description of the Preferred Securities”) shall not exceed the amount that would have been paid as the liquidation distribution from the assets of the Bank (after payment in full in accordance with Greek law of all creditors of the Bank, including holders of its subordinated debt but excluding holders of any liability ranking *pari passu* with or junior to the Bank’s obligations under the Guarantee) had the Preferred Securities and all such Liquidation Parity Obligations been issued by the Bank and ranked (i) junior to all liabilities of the Bank (other than any liability ranking *pari passu* with or junior to the Bank’s obligations under the Guarantee) (“Senior Creditors”), (ii) *pari passu* with the Parity Obligations (as defined under “Description of the Preferred Securities”), if any, of the Bank, and (iii) senior to all Junior Obligations of the Bank.

#### ***Risks attached to the delivery of Bank Ordinary Shares***

As described above under “Perpetual Nature of the Preferred Securities”, the Preferred Securities may become redeemable by delivery of Bank Ordinary Shares.

Investors should be aware that Bank Ordinary Shares differ from the Preferred Securities in a number of respects and bear certain additional risks. The value of the Bank Ordinary Shares to be delivered upon redemption of the Preferred Securities may vary substantially between the date on which the number of Bank Ordinary Shares to be delivered pursuant to paragraph 5(g) of “Description of the Preferred Securities” is determined and the date on which such Bank Ordinary Shares are delivered to a Holder and/or the time a Holder is able to sell such Bank Ordinary Shares.

#### ***Exchange Ratio***

Investors should note that the Exchange Ratio, which is used to determine the Equity Redemption Amount, has a maximum permissible value that is determined by reference to the prevailing nominal value of the Bank’s Ordinary Shares. Investors intending to elect to redeem the Preferred Securities by delivery of Bank Ordinary Shares as provided above, should consider what is the current trading price of the Bank Ordinary Shares at such time as compared to the prevailing nominal value of the Bank Ordinary Shares.

#### ***Inability of the Issuer to deliver Bank Ordinary Shares***

Should the Bank become legally barred from delivering or otherwise not deliver Bank Ordinary Shares to the Issuer in order to permit the Issuer to satisfy its obligations under the Preferred Securities, the rights and claims of the Holders against the Issuer and the Bank will be limited to their rights under the terms of the Preferred Securities and the Guarantee. Whilst the Bank guarantees delivery of Bank Ordinary Shares to the Holders pursuant to the terms of the Guarantee, the Holders may not be able to require the Bank to issue such Bank Ordinary Shares by means of an order for specific performance or otherwise. In such circumstances, the Holders’ remedy may lie in an award of cash damages in lieu of delivery of Bank Ordinary Shares.

The Issuer and the Bank have entered into an instrument pursuant to which the Bank agrees to deliver Bank Ordinary Shares to the Issuer in order to permit the Issuer to satisfy its obligations under the Preferred Securities. In the event that the shareholders of the Bank do not approve the renewal or replacement of such instrument upon its maturity, Holders may only be entitled to receive an award of cash in lieu of delivery of Bank Ordinary Shares.

#### ***Adjustment Events, Amalgamation and Merger***

If, at any time, an Adjustment Event (as defined in paragraph 16 “Description of the Preferred Securities”) occurs or in the case of any amalgamation or merger of the Bank with any other corporation, the Issuer shall make such changes to the Articles of Association of the Issuer (including but not limited to the Exchange Ratio and/or VWAP) as the Issuer and the Bank consider appropriate to account for the Adjustment Event or such amalgamation or merger, as the case may be, in order to maintain, as between the Issuer and the Bank on the one hand and the Holders on the other hand, the economic position as existed prior to the Adjustment

Event or such amalgamation or merger. Investors should review the adjustment provisions set out under “Description of the Preferred Securities” to ascertain how such provisions apply to the Preferred Securities.

### ***Modification and Substitution***

If at any time a Capital Disqualification Event or either of the events described under “Description of the Preferred Securities - Redemption for Tax Reasons” occurs, then the Issuer may, instead of giving notice to redeem the Preferred Securities, substitute the Preferred Securities or modify the terms of the Preferred Securities with the effect that such substituted or modified securities remain or become, as the case may be, Qualifying Securities (as defined under “Description of the Preferred Securities”), subject to certain conditions described under “Description of the Preferred Securities”.

### ***Voting Rights***

Except as provided under “Voting Rights” under “Description of the Preferred Securities”, holders will not be entitled to receive notice of or attend or vote at any general meeting of shareholders of the Issuer.

### ***No Limitation on Future Debt***

The Bank is not prohibited from issuing, guaranteeing or otherwise incurring further debt ranking *pari passu* with, or senior to, its obligations under the Guarantee.

### **Risks related to the Preferred Securities generally**

#### ***Modification and waivers***

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

#### ***EU Savings Directive***

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 15 September 2008, the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission’s advice on the need for changes to the Directive. On 13 November 2008, the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Preferred

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

### ***Change of law***

The Preferred Securities are based on Jersey law in effect as at the date of issue of the Preferred Securities. The Guarantee is based on English law (save that paragraphs 3 and 9(b) shall be governed by, and construed in accordance with, Greek law) in effect as at the date of issue of the Preferred Securities. In addition, the provisions of the paragraph entitled “Exceptions to Compulsory Payments” under “Description of the Preferred Securities” are subject to mandatory operation of Greek law from time to time. No assurance can be given as to the impact of any possible judicial decision or change to Jersey law, English law or Greek law or administrative practice after the date of issue of the Preferred Securities.

### **Risks related to the market generally**

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

#### ***Absence of Prior Public Markets***

The Preferred Securities constitute a new issue of securities by the Issuer. Prior to this issue, there will have been no public market for the Preferred Securities. Although application has been or will be made for the Preferred Securities to be admitted to the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange’s regulated market, there can be no assurance that an active public market for the Preferred Securities will develop and, if such a market were to develop, the Managers are under no obligation to maintain such a market. The liquidity and the market prices for the Preferred Securities can be expected to vary with changes in market and economic conditions, the financial condition and prospects of the Bank and other factors that generally influence the market prices of securities.

#### ***Limited liquidity on ATHEX***

The principal trading market for the Bank Ordinary Shares is ATHEX. ATHEX is less liquid than major markets in Western Europe and the United States. In the event that the Preferred Securities become redeemable by delivery of Bank Ordinary Shares as described above under “Perpetual Nature of the Preferred Securities”, neither the Issuer nor the Bank can provide any assurance regarding the future liquidity of the market for the Bank Ordinary Shares.

#### ***Exchange rate risks and exchange controls***

The Issuer will pay the Preferred Dividends on the Preferred Securities and the Bank will make any payments under the Guarantee in euro. This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “Investor’s Currency”) other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the euro would decrease (i) the Investor’s Currency-equivalent yield on the Preferred Securities and (ii) the Investor’s Currency-equivalent market value of the Preferred Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less of a return on the Preferred Securities than expected.

### ***Interest rate risks***

The Preferred Securities will accrue Preferred Dividends at a fixed rate. Investment in fixed rate instruments involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate instruments.

### ***Credit ratings may not reflect all risks***

The Preferred Securities are expected to be rated “A3” by Moody’s, “BB-” by S&P and “BBB” by Fitch. 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 Preferred Securities.

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

### ***Changes to credit ratings may affect the market value of the Preferred Securities***

Any change in the ratings assigned to the Preferred Securities may affect the market value of the Preferred Securities. Such change may, among other factors, be due to a change in the methodology applied by a rating agency to rating securities with similar structures to the Preferred Securities, as opposed to any revaluation of the Bank’s financial strength or other factors such as conditions affecting the financial services generally. Specifically, Moody’s is in the process of revisiting its bank subordinated capital rating methodology, as published in its June 2009 report “Moody’s proposed changes to bank subordinated capital ratings”, which may result in the lowering of most hybrid ratings by one or more notches.

### ***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Preferred Securities are legal investments for it, (ii) the Preferred Securities can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Preferred Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Preferred Securities under any applicable risk-based capital or similar rules.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the Financial Services Authority shall be incorporated in, and form part of, this Prospectus:

- (i) the audited non-consolidated annual financial statements of the Issuer for each of the financial years ended 31 December 2007 and 31 December 2008, in each case prepared in accordance with International Financial Reporting Standards ("IFRS"), including the information set out at the following pages of the Issuer's 'Report and accounts' for 2007 and 'Annual Report' for 2008, respectively:

	2007	2008
<i>Auditors' report</i> .....	pages 3-4	pages 3-4
<i>Income statement</i> .....	page 5	page 5
<i>Balance sheet</i> .....	page 6	page 6
<i>Cashflow statement</i> .....	page 8	page 8
<i>Notes to the non-consolidated annual financial statements</i> .....	pages 9-17	pages 9-16

- (ii) the audited consolidated annual financial statements of the Bank for each of the financial years ended 31 December 2007 and 31 December 2008, in each case prepared in accordance with IFRS, including the information set out at the following pages of the Bank's 'Consolidated Financial Statements' for 2007 and 'Consolidated Financial Statements' for 2008, respectively:

	2007	2008
<i>Auditors' report</i> .....	page 6	page 3
<i>Income statement</i> .....	page 7	page 4
<i>Balance sheet</i> .....	page 8	page 5
<i>Cashflow statement</i> .....	page 10	page 7
<i>Notes to the consolidated annual financial statements</i> .....	pages 11-49	pages 8-48

- (iii) the unaudited consolidated condensed interim financial statements of the Bank in respect of the three-month period ending 31 March 2009, prepared in accordance with IFRS, including the information set out at the following pages of the Bank's 'Condensed Consolidated Interim Financial Statements for the Three Months Ended 31 March 2009':

<i>Interim income statement</i> .....	page 3
<i>Interim balance sheet</i> .....	page 4
<i>Interim cashflow statement</i> .....	page 7
<i>Notes to the consolidated interim financial statements</i> .....	pages 8-15

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

Copies of documents incorporated by reference in this Prospectus can be obtained, upon request and free of charge, from the registered offices of the Issuer and the Bank and from the specified offices of the Paying and Transfer Agents. The documents incorporated by reference in this Prospectus may also be viewed on the website of the Bank at [www.eurobank.gr](http://www.eurobank.gr) (this uniform resource locator (URL) is an inactive textual reference only and is not intended to incorporate this website into this Prospectus).

## **DESCRIPTION OF THE PREFERRED SECURITIES**

*The following summary sets forth the material terms and provisions of the Preferred Securities. It is qualified in its entirety by reference to the terms and conditions of the Issuer's Articles of Association. Copies of the Issuer's Articles of Association and other documents relating to the Preferred Securities are available as described under "General Information — Documents". The wording set out in italics at the end of paragraph 3 shall not form part of the terms and conditions of the Issuer's Articles of Association.*

### **1. Definitions and Interpretation**

In this description of the Preferred Securities, except to the extent that the context requires otherwise:

“Additional Amounts” means the additional amounts which may be payable in respect of the Preferred Securities as described in paragraph 11;

“Adjustment Event” has the meaning set out in paragraph 16(a);

“Agency Agreement” means the agency agreement dated the Closing Date relating to the Preferred Securities between the Bank, the Issuer, the Principal Paying and Transfer Agent, the Registrar and the other agents named therein;

“Athens business day” means any 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 Athens;

“ATHEX” means the Athens Exchange or the principal securities exchange on which Bank Ordinary Shares are from time to time quoted;

“Bank” means EFG Eurobank Ergasias S.A. and its successors and assigns;

“Bank Ordinary Shares” means the ordinary shares of the Bank;

“Business Day” means any 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, Athens and Jersey and which is a TARGET2 Settlement Day;

“Calculation Agent” means Citibank, N.A., London Branch or such other entity appointed by the Issuer and notified to the Holders;

“Capital Disqualification Event” means, subject to paragraph 16, a change in any applicable law or regulation (including the provisions of Circular 21/2004 of the Bank of Greece on tier 1 instruments), or in the official interpretation or application thereof, as a result of which for the purposes of capital adequacy requirements applicable to banks in Greece, at that time an amount equal to, and in respect of, the aggregate liquidation preference of the Preferred Securities outstanding (being €50,000 per Preferred Security) will not be included in the tier 1 capital of the Bank on a consolidated basis;

a “Change of Control Event” shall be deemed to have occurred when any person or persons acting in concert (as such term is defined below) directly or indirectly acquire(s) more than 50 per cent. of the voting rights in the Bank provided that no Change of Control Event shall be deemed to occur when such person or persons are one or more Excluded Persons;

“Clearstream, Luxembourg” means Clearstream Banking, société anonyme or its successor;

“Closing Date” means 29 July 2009;

“Common Depository” means Citibank Europe plc;

“Directors” means some or all of the directors of the Issuer acting as a board and includes a duly appointed committee of the directors of the Issuer;

“Distributable Funds” means, in respect of a particular financial year, the aggregate amount, as calculated as of the end of the immediately preceding financial year of the Bank, of the profit and any accumulated retained earnings and any other reserves and surpluses of each member of the Group available for distribution in such particular financial year as cash dividends to holders of the ordinary share capital of the Bank under the companies laws of, and accounting standards applicable in, Greece; but before deduction of the amount of any dividend or other distribution declared on the Bank’s ordinary share capital in respect of such particular financial year;

“Equity Redemption Amount” means the Exchange Ratio expressed as a number of Bank Ordinary Shares per Preferred Security, all as determined by the Calculation Agent;

“Euroclear” means Euroclear Bank SA/NV or its successor;

“Exchange Discount Factor” means a fixed value of 88 per cent.;

“Exchange Notice” has the meaning set out in paragraph 6(b);

“Exchange Notice Cut-off Date” has the meaning set out in paragraph 6(b);

“Exchange Ratio” shall be determined by the Calculation Agent by reference to the following formula:

(i)      Liquidation Preference / (Exchange Discount Factor \* VWAP)

or, if lower,

(ii)      Liquidation Preference / Ordinary Share Nominal Value;

“Excluded Person” means EFG Bank European Financial Group S.A. or any of its shareholders or any of their respective affiliates, successors or descendants, as the case may be;

“First Call Date” means 29 October 2014;

a “Free Float Event” shall be deemed to have occurred when (i) any person or persons acting in concert directly or indirectly acquire(s) Bank Ordinary Shares so that the total shareholding of such person or persons exceeds 80 per cent. of the aggregate number of Bank Ordinary Shares listed on ATHEX; or (ii) the Bank Ordinary Shares are no longer listed on ATHEX;

“Global Certificate” has the meaning set out in paragraph 13;

“Greek Tax” means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Greece or any political sub-division thereof or by any authority therein or thereof having power to tax;

“Group” means the Bank together with its Subsidiaries;

“Guarantee” means the subordinated guarantee in favour of the Holders (as defined in the Guarantee) to be executed by the Bank on the Closing Date as a deed poll;

“HELEX” means Hellenic Exchanges, SA in Greece or its successor;

“Holder” means, in relation to any Preferred Security, the member of the Issuer whose name is entered in the Register as the holder of such Preferred Security;

“Holders’ Exchange Trigger Event” has the meaning set out in paragraph 5(d);

“Jersey Tax” means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Jersey or any political sub-division thereof or by any authority therein or thereof having power to tax;

“Junior Obligations” means (a) the ordinary share capital of the Bank; (b) any preferred or preference shares or securities or other obligations of the Bank that rank junior to the Guarantee; and (c) any preferred or preference shares or securities or other obligations of a Subsidiary including the Issuer entitled to the benefit of a guarantee, support agreement or other similar undertaking of the Bank that ranks junior to the Guarantee and any such guarantees, support agreements or similar undertakings of the Bank;

“Law” means the Companies (Jersey) Law, 1991 as the same may be amended from time to time;

“Liquidation Distribution” means the Liquidation Preference plus (a) any accrued and unpaid Preferred Dividends (whether or not declared) calculated from and including the immediately preceding Preferred Dividend Payment Date (or, if none, the Closing Date) to but excluding the date of payment, and (b) any Additional Amounts, in each case payable in cash only;

“Liquidation Parity Obligations” means the most senior preferred or preference shares or securities or other obligations of the Bank and any guarantee, support agreement or other similar undertaking of the Bank, in each case ranking *pari passu* with the Guarantee as regards entitlement to distributions on liquidation thereunder and any preferred or preference shares or securities or other obligations of a Subsidiary including the Issuer entitled to the benefit of a guarantee, support agreement or other similar undertaking of the Bank which guarantee, support agreement or other similar undertaking ranks *pari passu* with the Guarantee as regards entitlement to distributions on liquidation thereunder;

“Liquidation Preference” means the liquidation preference of €50,000 per Preferred Security;

“Optional Redemption Price” means €50,000 per Preferred Security plus accrued and unpaid Preferred Dividends calculated from (and including) the immediately preceding Preferred Dividend Payment Date (or, if none, the Closing Date) to (but excluding) the Redemption Date whether or not declared, and any Additional Amounts remaining unpaid;

“Ordinary Share Nominal Value” means, in respect of a Reference Period, the prevailing Bank Ordinary Share nominal value on the last Trading Day of such Reference Period as notified by the Bank to the Calculation Agent;

“Parity Obligations” means Liquidation Parity Obligations and Preferred Dividend Parity Obligations;

“Paying and Transfer Agent” means each of the Principal Paying and Transfer Agent and Citibank Europe plc and/or any other entity appointed as paying and transfer agent by the Issuer and notified to the Holders;

“persons acting in concert” means natural or legal persons who co-operate with the offeror or the offeree company on the basis of an agreement, either express or tacit, oral or written, aimed either at acquiring control of the offeree company or at frustrating the successful outcome of a bid; persons controlled by another natural or legal person according to the definition provided in article 3 par.1 (c) of Greek Law 3556/2007 (implementing Directive 2004/109/EC into Greek law) are considered to be acting in concert with such other person and among themselves;

“Preferred Dividends” means the non-cumulative dividends in respect of the Preferred Securities as described under paragraph 2;

“Preferred Dividend Parity Obligations” means (a) the most senior preferred or preference shares or securities or other obligations qualifying as tier 1 capital of the Bank on a consolidated basis and ranking *pari passu* as regards entitlement to distributions thereunder with the Bank’s obligations under the Guarantee and (b) all preferred or preference shares or securities or other obligations of Subsidiaries, including of the Issuer, qualifying as tier 1 capital of the Bank on a consolidated basis and entitled to the benefit of any guarantee, support agreement or similar undertaking of the Bank in each case ranking *pari passu* with the Bank’s obligations under the Guarantee as regards entitlement to distributions thereunder, and any such guarantee, support agreement or other similar undertaking of the Bank;

“Preferred Dividend Payment Date” means 29 January, 29 April, 29 July and 29 October in each year from and including 29 October 2009, being the dates on which a Preferred Dividend is payable in accordance with the provisions of paragraph 2(a);

“Preferred Dividend Period” means the period from and including the Closing Date to but excluding the first Preferred Dividend Payment Date and each successive period from and including a Preferred Dividend Payment Date to but excluding the next succeeding Preferred Dividend Payment Date;

“Preferred Securities” means the Series D 8.25 per cent. Non-cumulative Guaranteed Non-voting Exchangeable Preferred Securities of the Issuer outstanding, each with a “par value” Liquidation Preference, and including any further Preferred Securities of the Issuer of the same series issued pursuant to paragraph 10;

“Principal Paying and Transfer Agent” means Citibank, N.A., London Branch or such other entity appointed by the Issuer and notified to the Holders;

“Qualifying Securities” means securities or instruments that are issued (a) by the Bank or (b) by a wholly-owned subsidiary of the Bank and guaranteed by the Bank that, in either case, comply with the following requirements:

- (i) they contain terms and conditions which are no more prejudicial to Holders than the terms and conditions applicable to the Preferred Securities prior to the relevant substitution or modification, including but not limited to at least the same rights in relation to receiving Preferred Dividends and Additional Amounts (if any) and Holder redemption rights;
- (ii) they have a listing on a recognised stock exchange (to the extent the Preferred Securities were listed on such a stock exchange prior to the relevant substitution or modification); and
- (iii) they comply with the then current requirements of the Bank of Greece (or successor entity) in relation to Tier 1 capital (or a form of regulatory capital of equivalent or higher quality);

“Redemption Date” means the date on which the Preferred Securities are redeemed by the Issuer;

“Reference Period” means

- (i) in respect of the Preferred Securities becoming redeemable on the First Call Date or a Subsequent Call Date other than pursuant to the occurrence of a Change of Control Event or a Free Float Event, the period of five consecutive Trading Days, ending on the seventh Trading Day prior to such First Call Date or Subsequent Call Date, as the case may be; or
- (ii) in respect of the Preferred Securities becoming redeemable due to the occurrence of a Change of Control Event or a Free Float Event, the shorter of

- (a) the period of five consecutive Trading Days, ending on the seventh Trading Day prior to the relevant due date for redemption; and
- (b) the number of Trading Days following the occurrence of the Change of Control Event or Free Float Event, as the case may be, and ending on the seventh Athens business day prior to the relevant due date for redemption; provided that, if such number of Trading Days is less than five, then (i) where the Preferred Securities are to be redeemed pursuant to the occurrence of a Change of Control Event, VWAP shall equal the offer price for Bank Ordinary Shares under such Change of Control Event; and (ii) where the Preferred Securities are to be redeemed pursuant to the occurrence of a Free Float Event, VWAP shall be determined as provided above but where the Reference Period is the five Trading Days immediately preceding the occurrence of the Free Float Event;

“Register” means the register of Holders maintained by the Registrar outside the United Kingdom on behalf of the Issuer;

“Registrar” means Citibank Europe plc or such other entity appointed by the Issuer and notified to the Holders;

“Special Resolution” means a resolution of the Issuer passed as a special resolution in accordance with the Law;

“Stock Exchange” means the London Stock Exchange plc and/or such other stock exchange on which the Preferred Securities may be listed and/or admitted to trading from time to time;

“Subsequent Call Date” means the fourth Preferred Dividend Payment Date falling after the First Call Date and each fourth Preferred Dividend Payment Date falling after the preceding date on which the Preferred Securities were so redeemable;

“Subsidiary” means any corporation or other person or entity more than 50 per cent. of whose equity share capital is owned by the Bank, or 20 per cent., at least, of whose equity share capital is directly or indirectly controlled by the Bank and whose board of directors is controlled by the Bank or which is consolidated in the most recent annual audited consolidated financial statements of the Bank or which will be so consolidated in the next annual audited consolidated financial statements of the Bank;

“TARGET2 Settlement Day” means any day on which the TARGET2 System is operating;

“TARGET2 System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor thereto;

“Trading Day” means a day on which ATHEX is open for trading and on which trading in the Bank Ordinary Shares took place on ATHEX; and

“VWAP” means whichever is the lower of (a) the VWAP during the relevant Reference Period and (b) EUR 50.00.

VWAP, in respect of a relevant Reference Period, shall be, subject to any adjustments as set out within this definition of VWAP, the arithmetic average of the daily volume weighted average sale prices (rounded to the nearest full cent) of Bank Ordinary Shares sold on ATHEX during such Reference Period, but does not include any “special” transactions, such as outside of normal hours crossings, all as determined by the Bank and notified to the Calculation Agent by use of the screen function “AQR” on Bloomberg or any successor screen function as the Bank deems appropriate.

For the purposes of this definition of VWAP:

- (a) where, on some or all of the Trading Days in the relevant Reference Period, Bank Ordinary Shares have been quoted on ATHEX as cum dividend or any other distribution or entitlement and the Preferred Securities will be redeemable by delivery of Bank Ordinary Shares pursuant to the provisions of paragraph 5(g) below after the date on which Bank Ordinary Shares no longer carry that dividend, distribution or entitlement, then the VWAP on the Trading Days on which those Bank Ordinary Shares have been quoted cum dividend, cum other distribution or cum entitlement shall be reduced by an amount ("Cum Value") equal to:
  - (i) (in the case of a dividend or other distribution), the amount of that dividend or other distribution;
  - (ii) (in the case of any entitlement which is traded on ATHEX on any of those Trading Days), the volume weighted average price of such entitlements sold on ATHEX during the relevant Reference Period on the Trading Days on which those entitlements were traded; or
  - (iii) (in the case of any other entitlement not traded on ATHEX during the relevant Reference Period), the value of the entitlement as reasonably determined by the Bank and evidenced by a certificate signed by two of its authorised signatories; and
- (b) where, on some or all of the Trading Days in the relevant Reference Period, Bank Ordinary Shares have been quoted on ATHEX ex dividend, ex other distribution or ex entitlement, and the Preferred Securities will be redeemable by delivery of Bank Ordinary Shares pursuant to the provisions of paragraph 5(g) below which would be entitled to receive the relevant dividend, other distribution or entitlement, the VWAP on the Trading Days on which those Bank Ordinary Shares have been quoted ex dividend, ex other distribution or ex entitlement shall be increased by the Cum Value.

## **2. Preferred Dividends on Preferred Securities**

### *(a) Preferred Dividend Payment Dates*

Preferred Dividends on the Preferred Securities are non-cumulative and will be deemed to accrue on a day by day basis whether or not declared. Subject to satisfying the solvency requirements set out in the Law, the Preferred Dividends will be payable quarterly in arrear on the Preferred Dividend Payment Dates in each year.

### *(b) Dividend Rate*

In respect of each Preferred Dividend Period, the dividend rate shall be 8.25 per cent. per annum. The Preferred Dividend amounts payable on the Preferred Dividend Payment Dates in each year in respect of such Preferred Dividend Period shall be €1,031.25 per Preferred Security. To the extent that it is necessary to calculate the amount of Preferred Dividend per Preferred Security for a period other than a Preferred Dividend Period, such amount shall be calculated on the basis of the actual number of days in the period from, and including, the date from which the Preferred Dividend begins to accrue (the "Accrual Date") to, but excluding, the date on which it falls due divided by the product of (i) the actual number of days from, and including, the Accrual Date to, but excluding, the next following Preferred Dividend Payment Date and (ii) four.

### **3. Limitations on Payments of Preferred Dividends on Preferred Securities**

#### *(a) Limitations*

Subject to satisfying the solvency requirements set out in the Law and to the provisions of paragraph 4 below, Preferred Dividends on the Preferred Securities may be declared by the Directors, in their sole discretion, and paid by the Issuer out of funds legally available therefor.

However, subject to the provisions of paragraph 4 below, the Directors will not declare, and the Issuer will not be permitted to pay, any Preferred Dividend on the Preferred Securities if:

- (i) such Preferred Dividend, together with the amount of:
  - (A) any Preferred Dividends previously paid in respect of the Preferred Securities and distributions previously paid in respect of Preferred Dividend Parity Obligations in the then current financial year; and
  - (B) any Preferred Dividends proposed or scheduled to be paid in respect of the Preferred Securities and distributions proposed or scheduled to be paid in respect of Preferred Dividend Parity Obligations in the then current financial year,would exceed Distributable Funds; or
- (ii) sufficient Distributable Funds are available, but the Issuer has been notified that a resolution of the directors of the Bank has been passed that states that in the opinion of the directors of the Bank payment of such Preferred Dividends would cause the Bank to breach Greek banking regulations affecting banks which fail to meet their capital adequacy ratios on a consolidated basis, as applicable and in force at the relevant time.

For the avoidance of doubt, the Directors will only be required to declare, and the Issuer will only be required to pay, a Preferred Dividend in the circumstances set out in paragraph 4 below.

References to Preferred Dividends in this paragraph include Additional Amounts.

If the Issuer does not pay Preferred Dividends in respect of any Preferred Dividend Period, the Issuer shall notify the Stock Exchange, so long as the Preferred Securities are listed thereon, and the Holders.

#### *(b) Preferred Dividends non-cumulative*

If the Directors do not declare a Preferred Dividend payable on a Preferred Dividend Payment Date in respect of the Preferred Securities then, subject to paragraphs 4 and 5 below and without affecting the rights of the Holders under the Guarantee, the entitlement of the Holders to receive such Preferred Dividend will be lost. The Issuer will have no obligation to pay the Preferred Dividend accrued for such Preferred Dividend Period or to pay any interest thereon, whether or not Preferred Dividends on the Preferred Securities are declared in respect of any future Preferred Dividend Period.

*While paragraph 3(a) provides that Preferred Dividends will only be paid if so declared by the Directors in their sole discretion and paid by the Issuer out of funds legally available therefor, Preferred Dividends are required to be paid by the Issuer in the circumstances set out in paragraph 4 and it is the intention of the Bank to procure that the Directors do declare Preferred Dividends if there are funds legally available therefor and such declaration or payment of such Preferred Dividends would not breach or cause any breach of any applicable law or regulation.*

*However, this statement of intention is not, and is not intended to create, a legally binding agreement, undertaking, promise or representation regarding the Bank's future conduct.*

#### **4. Compulsory payment of Preferred Dividends on Preferred Securities**

##### *(a) Compulsory payment as a result of payment on Junior Obligations*

If the Bank, the Issuer or any other Subsidiary pays any dividend or other distribution(s) on or in respect of any class of Junior Obligations at any time, then, subject to satisfying the solvency requirements set out in the Law and to the provisions of paragraph 4(e) below, the Issuer will be required to declare and pay Preferred Dividends on the Preferred Securities as follows:

- (i) payment of the full amount of the Preferred Dividend payable on the next four Preferred Dividend Payment Dates if the distribution(s) on the Junior Obligations is made in respect of an annual period;
- (ii) payment of the full amount of the Preferred Dividend payable on the next two Preferred Dividend Payment Dates if the distribution(s) on the Junior Obligations is made in respect of a semi-annual period; and
- (iii) payment of the full amount of the Preferred Dividend payable on the next Preferred Dividend Payment Date if the distribution on the Junior Obligations is made in respect of a quarterly period.

##### *(b) Compulsory payment as a result of redemption of Junior Obligations*

Subject to satisfying the solvency requirements set out in the Law, the Issuer will be required to declare and make payment of the full amount of the Preferred Dividends payable on the next four Preferred Dividend Payment Dates contemporaneous with, or following, any date on which the Bank or any Subsidiary has redeemed, repurchased or otherwise acquired any Junior Obligations for any consideration (or any moneys are paid to or made available for a sinking fund for, or for redemption of, any Junior Obligations) except by conversion into or in exchange for other Junior Obligations unless (a) such acquisition is effected in accordance with the provisions of Article 16 paragraphs 1-3 and 4(b) to (e) of Greek Codified Law 2190/1920 and (b) following such acquisition and any other measure taken by the Bank:

- (i) the solvency ratio of the Bank, on an unconsolidated and consolidated basis, remains above 8 per cent. or as otherwise defined by the Bank of Greece from time to time; and
- (ii) the ratio of "upper tier 1 capital" items of own funds (namely tier 1 capital excluding the Preferred Securities and similar instruments) to risk weighted assets of the Bank remains above 5 per cent. as required by Circular 21/2004 of the Bank of Greece as in force and amended or supplemented from time to time.

##### *(c) Compulsory payment as a result of payment on Preferred Dividend Parity Obligations*

If the Bank, the Issuer or any other Subsidiary pays any dividend or other distribution(s) on or in respect of any class of Preferred Dividend Parity Obligations at any time, then, subject to satisfying the solvency requirements set out in the Law and to the provisions of paragraph 4(e) below, the Issuer will be required to declare and make *pro rata* payments of Preferred Dividends on the Preferred Securities as follows:

- (i) *pro rata* payment of the full amount of the Preferred Dividend payable on the next four Preferred Dividend Payment Dates if the distribution(s) on the Preferred Dividend Parity Obligations is made in respect of an annual period;
- (ii) *pro rata* payment of the full amount of the Preferred Dividend payable on the next two Preferred Dividend Payment Dates if the distribution(s) on the Preferred Dividend Parity Obligations is made in respect of a semi-annual period; and
- (iii) *pro rata* payment of the full amount of the Preferred Dividend payable on the next Preferred Dividend Payment Date if the distribution on the Preferred Dividend Parity Obligations is made in respect of a quarterly period.

When a distribution on Preferred Dividend Parity Obligations requires *pro rata* payment of Preferred Dividends as described above, the amount of the required payment will be in the same proportion to the aggregate specified amount of Preferred Dividends payable on the Preferred Securities as the aggregate payment that was made on such Preferred Dividend Parity Obligations bears to the amount that was payable on such Preferred Dividend Parity Obligations at the time of such payment.

(d) *Aggregation of Preferred Dividends in Preferred Dividend Period*

Subject to satisfying the solvency requirements set out in the Law, compulsory payments of Preferred Dividends to be made by virtue of paragraph 4(a), 4(b) or 4(c) shall be aggregated on any Preferred Dividend Payment Date with any discretionary payments made or to be made following a declaration as described in paragraph 3 in respect of any relevant Preferred Dividend Period, provided that in any relevant Preferred Dividend Period the aggregate amount paid in respect of Preferred Dividends on the Preferred Securities shall not exceed the scheduled amount of the Preferred Dividends.

Save as described in paragraph 5, after payment of any compulsory Preferred Dividend payable by virtue of this paragraph, the Holders will have no right to participate in the profits of the Issuer.

(e) *Exceptions to Compulsory Payments*

Notwithstanding the provisions of paragraph 4(a), 4(b), 4(c) and 4(d) above, a payment of Preferred Dividends will not be compulsory if the Bank, the Issuer or any other Subsidiary:

- (i) pays a dividend or other distribution on the ordinary share capital of the Bank (A) which dividend or other distribution is solely in the form of Junior Obligations or (B) the whole of which dividend or other distribution is mandatorily required to be paid by mandatory operation of Greek law from time to time; or
- (ii) pays a dividend or other distribution on any Preferred Dividend Parity Obligations, the whole of which dividend or other distribution is mandatory by the terms and conditions of such Preferred Dividend Parity Obligation or by mandatory operation of Greek law and cannot be avoided by the Bank, the Issuer or such other Subsidiary, as the case may be, either at their direct discretion or through prior waiving of payments on other securities.

Paragraph 4(e)(ii) above shall include, but not be limited to, payments on the €200,000,000 Series A CMS-linked Non-cumulative Guaranteed Non-voting Preferred Securities of the Issuer triggered by payment on the ordinary share capital of the Bank in situations where the whole of such payment on such ordinary share capital is mandatorily required by mandatory operation of Greek law from time to time.

Any mandatory dividend or other distribution on the ordinary share capital of the Bank or any dividend or other distribution on any Preferred Dividend Parity Obligations triggered by a mandatory payment on the ordinary share capital of the Bank shall be deemed to be mandatory and unable to be so avoided even if such mandatory payment on ordinary share capital could be waived, according to Greek law, by a decision of a shareholders' meeting.

## 5. **Redemption of Preferred Securities**

### (a) *Optional redemption*

Subject to paragraph 5(h) below, the Preferred Securities are redeemable, at the option of the Issuer, in whole but not in part, on the First Call Date or on any Subsequent Call Date thereafter, upon not less than 30 or more than 60 days' notice to the Holders (which notice shall be irrevocable). Upon the expiry of such notice, the Issuer shall be bound to redeem each Preferred Security at the Optional Redemption Price.

### (b) *Redemption for tax reasons*

- (i) Subject to paragraph 5(h) below, if, at any time, as a result of any amendment to or change in the laws or regulations of Jersey or Greece or any political subdivision thereof or any authority or agency therein or thereof having power to tax or any change in the application of or official interpretation or administration of any such laws or regulations, which amendment or change becomes effective on or after 27 July 2009, the Issuer is or would be required to pay Additional Amounts, or the Bank 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 under the Guarantee, then, the Preferred Securities will be redeemable, at the option of the Issuer, in whole but not in part, at any time, upon not less than 30 or more than 60 days' notice to the Holders (which notice shall be irrevocable). Upon the expiry of such notice, the Issuer shall be bound to redeem each Preferred Security at the Optional Redemption Price.
- (ii) Subject to paragraph 5(h) below, if, at any time, as a result of any amendment to or change in the laws or regulations of Jersey or Greece or any political subdivision thereof or any authority or agency therein or thereof having power to tax or any change in the application of or official interpretation or administration of any such laws or regulations, which amendment or change becomes effective on or after 27 July 2009 the Issuer or the Bank, in relation to the Preferred Securities, the Guarantee and/or any associated transactions (including, but not limited to, any loan or deposit from the Issuer to the Bank, any loan or deposit from a Subsidiary to the Bank or any loan or deposit from the Issuer to any other Subsidiary), is or would be required to pay (i) Jersey Tax, other than in respect of Jersey source income, or (ii) Greek Tax, then the Preferred Securities will be redeemable, at the option of the Issuer, in whole but not in part, at any time, upon not less than 30 or more than 60 days' notice to the Holders (which notice shall be irrevocable). Upon the expiry of such notice, the Issuer shall be bound to redeem each Preferred Security at the Optional Redemption Price.

### (c) *Redemption for Capital Disqualification Event*

Subject to paragraph 5(h) below, if, at any time, a Capital Disqualification Event has occurred and is continuing, the Preferred Securities will be redeemable, at the option of the Issuer, in whole but not in part, at any time, upon not less than 30 or more than 60 days' notice to the Holders (which notice shall be irrevocable). Upon the expiry of such notice, the Issuer shall be bound to redeem each Preferred Security at the Optional Redemption Price.

(d) *Holders' Exchange Option*

Subject to paragraph 5(h) below, provided that the Preferred Securities have not otherwise been redeemed or the Issuer has not elected to redeem the Preferred Securities on the First Call Date or on any Subsequent Call Date thereafter pursuant to paragraph 5(a) above and a Holders' Exchange Trigger Event has occurred at any time in the 12 month period prior to the date falling 21 days prior to the First Call Date or such Subsequent Call Date, as the case may be, then Holders will have the right to require the Issuer to redeem the Preferred Securities on the First Call Date or on such Subsequent Call Date, as the case may be, by delivery of Bank Ordinary Shares in accordance with paragraph 5(g) below, upon not less than 14 or more than 21 days' notice to the Issuer (which notice shall be irrevocable).

A "Holders' Exchange Trigger Event" shall be deemed to have occurred if the Bank has paid any dividend or other distribution(s) on its ordinary share capital other than any such payment of dividend or other distribution(s) the whole of which is mandatorily required to be paid by mandatory operation of Greek law from time to time. Any mandatory dividend or other distribution on the ordinary share capital of the Bank shall be deemed to be mandatory even if such mandatory payment on ordinary share capital could be waived, according to Greek law, by a decision of a shareholders' meeting.

(e) *Issuer's Exchange Option*

Subject to paragraph 5(h) below, provided that the Preferred Securities have not otherwise been redeemed or the Issuer has not elected to redeem the Preferred Securities on the First Call Date or on any Subsequent Call Date thereafter pursuant to paragraph 5(a) above and a Holders' Exchange Trigger Event has not occurred at any time in the 12 month period prior to the date notice is given by the Issuer as provided below, then the Issuer will (save as provided below) have the right to redeem the Preferred Securities, in whole but not in part, on the First Call Date or on such Subsequent Call Date, as the case may be, by delivery of Bank Ordinary Shares in accordance with paragraph 5(g) below. The Issuer may elect to redeem the Preferred Securities pursuant to this paragraph upon not less than 30 or more than 60 days' notice prior to the First Call Date or such Subsequent Call Date, as the case may be (which notice shall be irrevocable).

Notwithstanding the above, the Issuer will not exercise its right to redeem the Preferred Securities pursuant to this paragraph 5(e) unless (i) the closing price of Bank Ordinary Shares on ATHEX on the Trading Day immediately preceding the date notice is given to the Holders pursuant to the preceding paragraph as multiplied by the Exchange Discount Factor is greater than the Ordinary Share Nominal Value or (ii) the Bank undertakes to effect a reduction in the Ordinary Share Nominal Value in accordance with Greek law. If, notwithstanding the previous provisions, the VWAP as multiplied by the Exchange Discount Factor is equal to or less than the Ordinary Share Nominal Value, then notwithstanding that the Issuer has given notice to redeem the Preferred Securities as provided above, such notice shall be considered void and no such redemption shall occur. If such notice shall be considered void, this shall not prejudice any subsequent redemption of the Preferred Securities provided that the requirements described herein (including in this paragraph) are satisfied at the relevant time.

(f) *Redemption for Free Float Event or Change of Control Event*

Subject to paragraph 5(h) below, if, at any time, a Change of Control Event or a Free Float Event has occurred, the Preferred Securities will be redeemable, at the option of the Issuer, in whole but not in part, at any time upon not less than 15 or more than 30 days' notice to the Holders (which notice shall be irrevocable) provided that notice cannot be given more than seven days after the occurrence of the Change of Control Event or the Free Float Event, as the case may be. Upon the expiry of such

notice, the Issuer shall be bound to redeem each Preferred Security at the Optional Redemption Price.

Subject to paragraph 5(h) below, provided that the Preferred Securities have not otherwise been redeemed, the Issuer has not elected to redeem the Preferred Securities on the First Call Date or on any Subsequent Call Date thereafter pursuant to paragraph 5(a) above or the Issuer has not elected to redeem the Preferred Securities as provided in the preceding paragraph and a Holders' Exchange Trigger Event has not occurred at any time in the 12 month period prior to the date on which notice is given by the Issuer as provided below, then, if a Change of Control Event or a Free Float Event has occurred, the Preferred Securities will (save as provided below) be redeemable at the option of the Issuer, in whole but not in part, at any time by delivery of Bank Ordinary Shares in accordance with paragraph 5(g) below upon not less than 15 or more than 30 days' notice to the Holders (which notice shall be irrevocable) provided that notice cannot be given more than seven days after the occurrence of the Change of Control Event or the Free Float Event, as the case may be.

Notwithstanding the above, the Issuer will not exercise its right to redeem the Preferred Securities pursuant to this paragraph 5(f) by delivery of Bank Ordinary Shares unless (i) the closing price of Bank Ordinary Shares on ATHEX on the Trading Day immediately preceding the date notice is given to the Holders pursuant to the preceding paragraph as multiplied by the Exchange Discount Factor is greater than the Ordinary Share Nominal Value or (ii) the Bank undertakes to effect a reduction in the Ordinary Share Nominal Value in accordance with Greek law. If, notwithstanding the previous provisions, the VWAP as multiplied by the Exchange Discount Factor is equal to or less than the Ordinary Share Nominal Value, then notwithstanding that the Issuer has given notice to redeem the Preferred Securities by delivery of Bank Ordinary Shares as provided above, such notice shall be considered void and no such redemption shall occur. If such notice shall be considered void, this shall not prejudice any subsequent redemption of the Preferred Securities provided that the requirements described herein (including in this paragraph) are satisfied at the relevant time.

*(g) Exchange for Bank Ordinary Shares*

If, as provided herein, the Preferred Securities become redeemable by delivery of Bank Ordinary Shares, each Preferred Security will be redeemable at the Equity Redemption Amount plus accrued and unpaid Preferred Dividends calculated from (and including) the immediately preceding Preferred Dividend Payment Date (or, if none, the Closing Date) to (but excluding) the Redemption Date whether or not declared, and any Additional Amounts remaining unpaid.

Fractions of Bank Ordinary Shares will not be issued or delivered as part of the Equity Redemption Amount and no cash payment or other adjustment will be made in lieu thereof. Without prejudice to the generality of the foregoing, if a Holder holds more than one Preferred Security such that Bank Ordinary Shares to be delivered pursuant to this paragraph 5(g) are to be registered in the same name, the number of such Bank Ordinary Shares to be delivered in respect thereof shall be calculated on the basis of the aggregate Liquidation Preferences of such Preferred Securities being so redeemed and rounded down to the nearest whole number of Bank Ordinary Shares.

*(h) Precondition to redemption*

Any redemption of the Preferred Securities at the option of the Issuer under paragraph 5(a), (b), (c) or (f) above where each Preferred Security is redeemable by payment of the Optional Redemption Price will be subject to satisfying the solvency requirements set out in the Law and the prior consent of the Bank and the Bank of Greece, if such consent is then required.

Any redemption of the Preferred Securities at the option of the Holders by delivery of Bank Ordinary Shares pursuant to paragraph 5(d) will be subject to satisfying the solvency requirements set out in the Law and any redemption of the Preferred Securities at the option of the Issuer by

delivery of Bank Ordinary Shares pursuant to paragraph 5(e) or paragraph 5(f) will be subject to satisfying the solvency requirements set out in the Law and the prior consent of the Bank.

The notice to the Holders under paragraph 5(a), (b), (c), (e) or (f) will specify the Redemption Date and, where applicable, the Optional Redemption Price.

If the Preferred Securities become redeemable by delivery of Bank Ordinary Shares pursuant to any of the provisions above, the Issuer will, as soon as practicable after the last Trading Day of the relevant Reference Period and, in any event, prior to the Redemption Date, give notice of the Equity Redemption Amount to the Holders pursuant to paragraph 15 below.

For so long as the Preferred Securities are listed on any Stock Exchange, the Issuer will notify such Stock Exchange of any redemption under paragraph 5(a), (b), (c), (d), (e) or (f).

*(i) Multiple Notices*

If more than one notice of redemption is given pursuant to this paragraph 5, the first of such notices to be given shall prevail.

## **6. Payments and Delivery of Bank Ordinary Shares**

*(a) Payments*

Preferred Dividends declared on the Preferred Securities will be payable on the relevant Preferred Dividend Payment Date (or where the relevant Preferred Dividend Payment Date is not a Business Day, on the next Business Day (without adjustment for interest in respect of such delay)) and any Optional Redemption Price will be payable on the relevant Redemption Date (or where the relevant Redemption Date is not a Business Day, on the next Business Day (without adjustment for interest in respect of such delay)), by the Issuer to the Holders of record as they appear on the Register on the relevant record date, which will be 15 days prior to the relevant Preferred Dividend Payment Date or Redemption Date, as the case may be.

While the Preferred Securities are represented by the Global Certificate, payments in respect of the Preferred Securities will be made to or as directed by the Common Depository. Payments so made shall be made by wire transfer and Euroclear or Clearstream, Luxembourg, as applicable, will credit the relevant accounts of their participants on the applicable Preferred Dividend Payment Dates or Redemption Date. Each holder of a beneficial interest in the Global Certificate must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made by the Issuer to the Holder and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg, as the case may be. Such persons shall have no claim directly against the Issuer in respect of payments due on the Preferred Securities for so long as the Preferred Securities are represented by the Global Certificate and such obligations of the Issuer will be discharged by payment to the Holder in respect of each amount so paid.

If definitive Preferred Securities are issued, payments of the Optional Redemption Price in respect thereof will be made at the office of any Paying and Transfer Agent, in each case against presentation and surrender of the relevant definitive Preferred Security. Subject to any applicable fiscal or other laws and regulations, each payment in respect of Preferred Dividends on definitive Preferred Securities may, at the Issuer's option, be made by euro cheque drawn on a bank in a principal financial centre in the euro-zone and mailed to the Holder at such Holder's address as it appears on the Register on the relevant record date or by wire transfer if the Issuer (or its agent) so agrees with such Holder and if appropriate wire transfer instructions have been received by the Principal Paying and Transfer Agent not less than 30 days prior to the date of any such payments.

If the Issuer does not pay a Preferred Dividend which has been declared and is payable, a Holder's right to receive payment of such Preferred Dividend will be satisfied if and to the extent that the Bank pays such Preferred Dividend pursuant to the Guarantee.

If the Issuer gives a notice of redemption (other than a notice to redeem the Preferred Securities by delivery of Bank Ordinary Shares pursuant to paragraph 5(e) or (f) above) in respect of the Preferred Securities, then, by 10.00 a.m., Brussels time, on the Redemption Date, the Issuer will irrevocably deposit with the Principal Paying and Transfer Agent funds sufficient to pay the aggregate Optional Redemption Prices, and will give the Principal Paying and Transfer Agent irrevocable instructions and authority to pay the Optional Redemption Price in respect of each Preferred Security to each Holder. If notice of redemption (other than a notice to redeem the Preferred Securities by delivery of Bank Ordinary Shares pursuant to paragraph 5(e) or (f) above) shall have been given and funds deposited as required, then upon the date of such deposit, all rights of the Holders will be extinguished, except the right of the Holder to receive the Optional Redemption Price in respect of each Preferred Security and the Preferred Securities will cease to be outstanding.

In the event that deposit is not made as aforesaid or payment of the Optional Redemption Price in respect of any Preferred Security is improperly withheld or refused and not paid either by the Issuer or by the Bank pursuant to the Guarantee, Preferred Dividends on such Preferred Security, subject as described above, will continue to accrue, at the then applicable rate, from the Redemption Date to the date of actual payment of such Optional Redemption Price.

(b) *Delivery of Bank Ordinary Shares*

If the Preferred Securities become redeemable by delivery of Bank Ordinary Shares, then, in order to obtain delivery of the Equity Redemption Amount, the relevant Holder must deliver to the office of any Paying and Transfer Agent prior to the date falling 10 calendar days prior to the relevant Redemption Date (the "Exchange Notice Cut-off Date"), a duly executed exchange notice (an "Exchange Notice") in, or substantially in, the form set forth in the Agency Agreement. If such delivery is made on a day which is not a business day (being a day, other than a Saturday or a Sunday, on which commercial banks are open in the city where the relevant Paying and Transfer Agent's office is located) or after 14.00 hours (in the time-zone of the place where the office of the relevant Paying and Transfer Agent is located), it shall be deemed to be delivered at such place on the next following business day.

If a Holder fails to give an Exchange Notice as provided above on or prior to the Exchange Notice Cut-off Date, then the Equity Redemption Amount will be delivered as soon as practicable after the Redemption Date at the risk of such Holder in the manner provided below. For the avoidance of doubt, in such circumstances such Holder shall not be entitled to any payment, whether of dividend or otherwise, as a result of such delivery falling after the Redemption Date and no liability in respect thereof shall attach to the Issuer. If a Holder fails to give an Exchange Notice as provided herein on or prior to the date falling 180 days after the Exchange Notice Cut-off Date, then the Issuer's and the Bank's obligations in respect of the Preferred Securities held by such Holder for which no Exchange Notice has been given shall be discharged and the Issuer and the Bank shall have no further liability in respect thereof.

A Holder to which Bank Ordinary Shares are to be delivered pursuant to paragraph 5(g) above must pay any capital, stamp, issue, registration and transfer taxes and duties arising on redemption (other than any capital, stamp, issue, registration and transfer taxes and duties payable in Jersey or Greece in respect of the allotment and issue of any Bank Ordinary Shares on such redemption or in respect of the delivery of any Bank Ordinary Shares on such redemption, which shall be paid by or on behalf of the Issuer) and such Holder must pay all, if any, taxes arising by reference to any disposal or deemed disposal of a Preferred Security or interest therein in connection with such delivery.

Bank Ordinary Shares to be delivered pursuant to paragraph 5(g) above will be delivered in book-entry form through HELEX and will be credited to the HELEX account of the relevant Holder as specified in the relevant Exchange Notice by not later than the Redemption Date.

Once delivered to a Paying and Transfer Agent, an Exchange Notice will be irrevocable. Any determination as to whether any purported Exchange Notice has been duly completed and properly delivered shall be made by such Paying and Transfer Agent and shall, save in the case of a manifest error, be conclusive and binding on the Issuer, the Paying and Transfer Agents and the relevant Holder.

Bank Ordinary Shares delivered pursuant to paragraph 5(g) above will be fully paid and will in all respects rank *pari passu* with the fully paid ordinary share capital of the Bank in issue on the Redemption Date and the Holders will be entitled to all rights, dividends, distributions and payments and other rights in respect of which the record date or other due date for the establishment of entitlement falls on or after the Redemption Date except in any such case for any right excluded by mandatory provisions of applicable law, including any right to transfer or otherwise dispose of, or to grant any party any form of rights *in rem* or other interest in, such Bank Ordinary Shares, which will be possible only once such Bank Ordinary Shares have been admitted to listing on ATHEX and delivered in book-entry form through HELEX, as provided above. Such Bank Ordinary Shares will not rank for (or, as the case may be, the relevant Holder shall not be entitled to receive) any rights, dividends, distributions or payments the record date or other due date for the establishment of entitlement for which falls prior to the Redemption Date.

## **7. Purchase of Preferred Securities**

Subject to the foregoing and to applicable law, (including, without limitation, Greek and Jersey securities and banking laws and regulations) and to the requirements of the rules of the Stock Exchange (for so long as the Preferred Securities are listed thereon), the Issuer or the Bank or any Subsidiary may at any time and from time to time purchase outstanding Preferred Securities by tender, in the open market or by private agreement.

Any such purchase to be made by the Issuer or by the Bank or by any Subsidiary shall be subject to the prior consent of the Bank of Greece, if such consent is then required. Any purchase to be made by the Issuer shall be made in such manner and in such terms as the Issuer shall approve in a general meeting.

The restrictions contained in this paragraph 7 shall not apply to any purchase of Preferred Securities where such purchase is made (i) in the ordinary course of a business of dealing in securities and (ii) for the account of a person other than the Issuer, the Bank or any Subsidiary.

## **8. Liquidation Distributions**

In the event of any bankruptcy, winding-up, liquidation or dissolution of the Issuer, the Holders will be entitled to receive the Liquidation Distribution in respect of each Preferred Security held out of the assets of the Issuer available for distribution to shareholders.

Such entitlement will arise before any distribution of assets is made to holders of ordinary shares or any other class of shares of the Issuer ranking junior as regards participation in assets to the Preferred Securities, but such entitlement will rank equally with the entitlement of the holders of any other preferred or preference shares or securities or other obligations, if any, of the Issuer and which, in any such case, rank *pari passu* with the Preferred Securities as regards participation in the assets of the Issuer.

Notwithstanding the availability of sufficient assets of the Issuer to pay any Liquidation Distribution to the Holders, if, at the time such Liquidation Distribution is to be paid, proceedings are pending or have been commenced for the liquidation, dissolution or winding-up of the Bank, the Liquidation Distribution in

respect of each Preferred Security paid to Holders and the liquidation distribution paid to the holders of Liquidation Parity Obligations shall not exceed the amount that would have been paid as the liquidation distribution from the assets of the Bank (after payment in full in accordance with Greek law of all creditors of the Bank, including holders of its subordinated debt but excluding holders of any liability ranking *pari passu* with or junior to the Bank's obligations under the Guarantee) had the Preferred Securities and all such Liquidation Parity Obligations been issued by the Bank and ranked (i) junior to Senior Creditors (as defined in the Guarantee), (ii) *pari passu* with the Parity Obligations, if any, of the Bank and (iii) senior to all Junior Obligations of the Bank.

If the Preferred Securities are due to be redeemed by delivery of Bank Ordinary Shares pursuant to paragraph 5(d), (e) or (f) but, at the time such Bank Ordinary Shares are due to be delivered pursuant to paragraph 5(g), proceedings are pending or have been commenced for the liquidation, dissolution or winding-up of the Bank, each Holder's right to receive the Equity Redemption Amount in respect of each Preferred Security shall be converted immediately and without further action or notice into an entitlement to receive the Liquidation Distribution in respect of each Preferred Security and the other provisions of this paragraph 8 shall apply *mutatis mutandis*.

If the Liquidation Distributions and any other such liquidation distributions cannot be made in full by reason of the limitation described above, such amounts will be payable *pro rata* in the proportion that the amount available for payment bears to the full amount that would have been payable but for such limitation. After payment of the Liquidation Distribution, as adjusted if applicable, the Holders will have no right or claim to any of the remaining assets of the Issuer or the Bank.

In the event of the liquidation, dissolution or winding-up of the Bank, the Directors shall convene an extraordinary general meeting of the Issuer for the purpose of proposing a Special Resolution to put the Issuer into winding-up and the amount to which each Holder shall be entitled as a Liquidation Distribution will be as set out above.

## **9. Voting Rights**

Except as provided in this paragraph, Holders will not be entitled to receive notice of or attend or vote at any general meeting of shareholders of the Issuer.

If in respect of four Preferred Dividend Periods:

- (a) Preferred Dividends (whether or not declared) or any Additional Amounts in respect of such Preferred Dividends on the Preferred Securities have not been paid in full by the Issuer in accordance with the terms and provisions of the Preferred Securities; or
- (b) the Bank breaches any of its payment obligations under the Guarantee in respect of such Preferred Dividends or Additional Amounts,

then the Holders of the outstanding Preferred Securities, together with the holders of any other preferred securities or preference shares of the Issuer having the right to vote for the election of Directors in such event, acting as a single class without regard to series, will be entitled, by written notice to the Issuer given by the holders of a majority in liquidation preference of such securities and shares or by ordinary resolution passed by the holders of a majority in liquidation preference of such securities and shares present in person or by proxy at a separate general meeting of such holders convened for the purpose, to appoint two additional persons to act as Directors, and to remove any such Director from office and to appoint another person in place of such Director.

Not later than 30 days after such entitlement arises, if the written notice of the Holders and the holders of any other preferred securities or preference shares of the Issuer having the right to vote for the election of Directors in the circumstances described in the preceding sentence has not been given as provided for in the

preceding sentence, the Directors will convene a separate general meeting for the above purpose. If the Directors fail to convene such meeting within such 30 day period, the holders of not less than 10 per cent. by liquidation preference of the outstanding Preferred Securities and such other preferred securities or preference shares will be entitled to convene such meeting. The provisions of the Articles concerning the convening and conduct of general meetings of shareholders shall apply with respect to such meeting. Subject to the terms of such other preferred securities or preference shares, if, in respect of four Preferred Dividend Periods, Preferred Dividends and any Additional Amounts in respect of such Preferred Dividends have been paid in full on the Preferred Securities by the Issuer or the Bank has made payment of all amounts guaranteed in respect of such Preferred Dividends (whether or not declared) and any Additional Amounts, any Directors so appointed shall vacate the office.

Any variation or abrogation of the rights, preferences and privileges of the Preferred Securities by way of amendment of the Issuer's Articles or otherwise (including, without limitation, the authorisation or issuance of any shares of the Issuer ranking, as to participation in the profits or assets of the Issuer, senior to the Preferred Securities) shall not be effective (unless otherwise required by applicable law) except with the consent in writing of the Holders of not less than two-thirds in liquidation preference of the outstanding Preferred Securities or with the sanction of a resolution, passed by a majority of not less than two-thirds in liquidation preference of the Holders of the outstanding Preferred Securities, present or represented at a separate meeting at which the quorum shall be Holders present or represented holding at least one-third in liquidation preference of the outstanding Preferred Securities.

No such sanction shall be required if, as determined by the Directors, the change is solely of a formal, minor or technical nature or is to correct an error or cure an ambiguity, provided that any such change does not reduce the amounts payable to or impose any obligation on the Holders or adversely affect their voting rights or cause any modification of the terms of the Preferred Securities pursuant to paragraph 10.

Notwithstanding the foregoing, no vote of the Holders will be required for the Issuer to redeem the Preferred Securities in accordance with the Issuer's Articles.

In addition to the voting rights referred to above, no resolution may be proposed for adoption by the holders of the Issuer's ordinary shares providing for the winding-up, liquidation or dissolution of the Issuer, unless the Holders of a simple majority by liquidation preference of the outstanding Preferred Securities and holders of any other preferred or preference shares or securities or other obligations ranking *pari passu* as regards participation in profits or assets with the Preferred Securities have approved such resolution. Such approval may only be given by the consent in writing of the holders of at least a simple majority in liquidation preference of the outstanding Preferred Securities and such other preferred or preference shares or securities or other obligations or with the sanction of a resolution passed by not less than a simple majority in liquidation preference at a meeting of the holders of the Preferred Securities and such other preferred or preference shares or securities or other obligations present and voting at such meeting. Such approval shall not be required if the winding-up, liquidation or dissolution of the Issuer is proposed or initiated because of the winding-up, liquidation or dissolution of the Bank.

Notwithstanding that Holders are entitled to vote under any of the limited circumstances described above, any Preferred Security outstanding at such time that is owned by the Bank, or any Subsidiary of the Bank, shall not carry a right to vote and shall, for voting purposes, be treated as if it were not outstanding.

The Issuer will cause a notice of any meeting at which Holders are entitled to vote to be mailed to each Holder. Each such notice will include a statement setting forth (a) the date, time and place of such meeting, (b) a description of any resolution to be proposed for adoption at such meeting on which the Holders are entitled to vote and (c) instructions for the delivery of proxies.

## **10. Further Issues**

Notwithstanding paragraph 9, provided that the most recent Preferred Dividend payable on the Preferred Securities has been paid in full by the Issuer (or the Bank pursuant to the Guarantee), the holders of the Issuer's ordinary shares or the Directors may, without the consent or sanction of the Holders, take such action as is required in order to amend the Issuer's Articles:

- (a) to increase the authorised amount of Preferred Securities or to create and issue one or more other series of preferred securities or preference shares of the Issuer ranking *pari passu* with the Preferred Securities as regards participation in the profits and assets of the Issuer; or
- (b) to authorise, create and issue one or more other classes of shares or securities of the Issuer ranking junior, as regards participation in the profits and assets of the Issuer, to the Preferred Securities.

Thereafter, the Issuer may, provided that, in the case of (a) above the Issuer has declared and paid in full the Preferred Dividend on the Preferred Securities in respect of the immediately preceding Preferred Dividend Payment Date and, in the case of (b) above, without any pre-condition, without the consent of the Holders issue any such further securities either having the same terms and conditions as the Preferred Securities in all respects (or in all respects except for the first payment of Preferred Dividends on them) and so that such further issue shall be consolidated and form a single series with the Preferred Securities then in issue or upon such other terms as aforesaid.

Notwithstanding the foregoing, the Issuer may only issue further Preferred Securities if, at the same time, the Bank issues in respect of the further Preferred Securities a guarantee having terms and conditions that are substantially identical to the Guarantee (or extends the Guarantee to cover the further Preferred Securities).

## **11. Additional Amounts**

All payments in respect of the Preferred Securities by the Issuer will be made without withholding or deduction for, or on account of, any Jersey Tax or Greek Tax, unless the withholding or deduction of such Jersey Tax or Greek Tax is required by law. In that event, the Issuer will pay as further dividends such additional amounts (the "Additional Amounts") as may be necessary in order that the net amounts received by the Holders after such withholding or deduction shall equal the amounts which would have been receivable in respect of the Preferred Securities in the absence of such withholding or deduction; except that no such Additional Amounts will be payable to a Holder (or to a third party on his behalf) with respect to any Preferred Security (i) to the extent that such Jersey Tax or Greek Tax is imposed or levied by virtue of the Holder (or the beneficial owner of such Preferred Security) having some connection with Jersey or Greece, other than being a Holder (or beneficial owner) of such Preferred Security, (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive, (iii) where such withholding or deduction would not have been imposed if the Holder (or beneficial owner) of such Preferred Security had complied with a statutory requirement or made a declaration of non-residence or other similar claim for exemption but failed to do so or (iv) who would, where presentation of the Preferred Security is required, have been able to avoid such withholding or deduction by presenting the Preferred Securities to another Paying and Transfer Agent in a Member State of the European Union, and except that the Issuer's obligations to make any such payments are subject to the limitations on payments provisions under paragraph 3.

## **12. Prescription**

Any moneys paid by the Issuer to the Principal Paying and Transfer Agent for the payment of Preferred Dividends or on a redemption of the Preferred Securities and remaining unclaimed at the end of two years following the date on which such Preferred Dividends or redemption proceeds become payable shall be

returned to the Issuer at the Issuer's request, and the Holders shall thereafter look only to the Issuer for the payment thereof.

### **13. Form, Registration and Transfer of Preferred Securities**

The Preferred Securities will be in registered form and evidenced by a single global certificate (the "Global Certificate") deposited with the Common Depositary as common depositary for Euroclear and Clearstream, Luxembourg. On the Closing Date, the Preferred Securities will be registered in the name of Citivic Nominees Limited, as nominee for the Common Depositary. Euroclear and Clearstream, Luxembourg will make payment of any amounts received by them to their accountholders in accordance with their published rules and regulations. Except as set forth below, no definitive Preferred Securities will be issued.

Beneficial interests in the Preferred Securities will be shown only on, and transfers thereof will be effected only through, book-entry records maintained by Euroclear and Clearstream, Luxembourg and their respective participants and, except in the limited circumstances described below, Preferred Securities in definitive registered form will not be issued. Holders of beneficial interests in the Global Certificate must rely on the procedures of Euroclear and Clearstream, Luxembourg and (if applicable) their respective participants to exercise any rights of a Holder under the Global Certificate. None of the Bank, the Issuer, any Paying and Transfer Agent and the Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial interests in the Global Certificate or for maintaining, supervising or reviewing any records relating to such beneficial ownership interest.

The Global Certificate will cease to represent the Preferred Securities, and Preferred Securities in definitive registered form in aggregate Liquidation Preference equal to the Liquidation Preference of the Global Certificate will be exchangeable therefor, only if:

- (i) any or both of Euroclear and Clearstream, Luxembourg is or are closed for business for a continuous period of 14 days or more (other than for the purposes of a public holiday) or announces an intention permanently to cease business or does in fact so cease business other than in connection with a merger of Euroclear and Clearstream, Luxembourg; or
- (ii) as a result of a change in law, transfer duties or similar taxes become payable on transfers of the Preferred Securities in Euroclear and/or Clearstream, Luxembourg.

Such definitive Preferred Securities will be in denominations of €50,000 (and integral multiples thereof) and will be registered in such names as Euroclear and Clearstream, Luxembourg shall direct (such instructions being expected to be based upon directions received by Euroclear and Clearstream, Luxembourg from their participants with respect to ownership of beneficial interests in the Preferred Securities).

If definitive Preferred Securities are issued, they may be exchanged or transferred in whole or in part by surrendering such definitive Preferred Securities at the office of the Registrar or any Paying and Transfer Agent with a written instrument of transfer (which may be obtained at any such office) duly executed by the Holder thereof or its attorney duly authorised in writing. In exchange for any definitive Preferred Security properly presented for transfer, the Registrar or such Paying and Transfer Agent will promptly authenticate and deliver or cause to be authenticated or delivered at the office of the Registrar or such Paying and Transfer Agent, to the Holder entitled to such Preferred Security, or send by mail (at the risk of such Holder) to such address as such Holder may request, a definitive Preferred Security or Preferred Securities.

Registration of transfers of Preferred Securities will be effected without charge by or on behalf of the Issuer, but only upon payment by the transferor of any tax or other governmental charges that may be imposed in connection with any transfer or exchange. The Issuer will not be required to register or cause to be registered the transfer of Preferred Securities after such Preferred Securities have been called for redemption.

#### **14. Paying and Transfer Agents, Registrar and Calculation Agent**

Each of the Paying and Transfer Agents, the Registrar and the Calculation Agent shall be permitted to resign as Paying and Transfer Agents, Registrar or Calculation Agent, as the case may be, upon 30 days' written notice to the Issuer. In the event that Citibank, N.A., London Branch shall no longer be the Principal Paying and Transfer Agent, the Issuer shall appoint a successor (which shall be a financial institution or trust company acceptable to the Issuer) to act as Principal Paying and Transfer Agent. For so long as the Preferred Securities are admitted to trading on the regulated market of any Stock Exchange, the Issuer will maintain a Paying Agent and a Transfer Agent in such location as is required to maintain such admission. The Issuer will give notice in the manner described under paragraph 15 when any new paying and transfer agent is appointed. For so long as any Preferred Securities are outstanding, the Issuer will maintain (i) a Registrar having its office outside the United Kingdom and (ii) a Paying and Transfer Agent having its specified office in a European Union Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained whether by the Principal Paying and Transfer Agent, the Registrar or the Calculation Agent will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying and Transfer Agent, the Registrar, the Calculation Agent and all Holders and (in the absence of any such wilful default, bad faith or manifest error) no liability to the Issuer, the Registrar or the Holders shall attach to the Principal Paying and Transfer Agent or the Registrar in connection with the exercise or non-exercise by them of their powers, duties and discretions.

#### **15. Notices**

Any notice to Holders will be deemed validly given if sent to them at their respective addresses in the Register. Any such notice shall be deemed to have been given to the Holders on the fourth day after the date of mailing or, if posted from another country, on the fifth such day. Alternatively, for so long as the Preferred Securities are admitted to trading on the regulated market of any Stock Exchange, notices will be deemed validly given if given in accordance with the regulations relating to such admission and the Issuer will comply with such regulations so long as the Preferred Securities are so admitted. Any notice published in a newspaper shall be deemed to have been given to the Holders on the date of publication or, if published on different dates, on the date of the first such publication.

As a further alternative to the above, so long as the Preferred Securities are evidenced by the Global Certificate, notices may also be given by the Issuer by delivery to Euroclear and Clearstream, Luxembourg for communication by them to the relevant accountholders. Such notices to Euroclear and Clearstream, Luxembourg shall be deemed to have been given to the Holders on the date of delivery to Euroclear and Clearstream, Luxembourg.

In accordance with their respective published rules and regulations, each of Euroclear and Clearstream, Luxembourg will notify holders of securities accounts with it to which any Preferred Securities are credited of any such notices received by it.

Notices to be given by any Holder (including, but not limited to, an Exchange Notice) shall be in writing and given by lodging the same with any Paying and Transfer Agent. Any such notice shall be deemed to have been given when so lodged. For so long as the Preferred Securities are evidenced by the Global Certificate, holders of beneficial interests in the Global Certificate must rely on the procedures of Euroclear and Clearstream, Luxembourg and (if applicable) their respective participants to give notice as a Holder under the Global Certificate.

## **16. Adjustment Events, Amalgamation, Merger, Substitution and Modification**

### *(a) Adjustment Events, Amalgamation or Merger*

If, at any time, an Adjustment Event occurs or in the case of any amalgamation or merger of the Bank with any other corporation, the Issuer shall make such changes to the Articles of Association of the Issuer (including but not limited to the Exchange Ratio and/or VWAP) as the Issuer and the Bank consider appropriate to account for the Adjustment Event or such amalgamation or merger, as the case may be, in order to maintain, as between the Issuer and the Bank on the one hand and the Holders on the other hand, the economic position as existed prior to the Adjustment Event or such amalgamation or merger.

An “Adjustment Event” shall be deemed to have occurred if there is a subdivision, consolidation or reclassification of Bank Ordinary Shares or any other event which may have, in the opinion of the Bank, a dilutive or concentrative effect on the theoretical value of the Bank Ordinary Shares.

For the avoidance of doubt, the payment of an ordinary cash dividend (as determined by the Bank) on the Bank Ordinary Shares shall not be deemed to constitute an Adjustment Event, and, in determining what is an Adjustment Event, the Issuer shall be entitled, but not bound, to have regard to the definition of “Potential Adjustment Event” set out in the 2002 ISDA Equity Derivatives Definitions, as published by the International Swaps and Derivatives Association, Inc., except that the terms “Merger Event” and “Extraordinary Dividend” as used therein shall be determined in the sole discretion of the Issuer and the Bank.

### *(b) Substitution and Modification*

If a Capital Disqualification Event or either of the events described under paragraph 5(b)(i) or (ii) has occurred, then the Issuer may, instead of giving notice to redeem the Preferred Securities, substitute the Preferred Securities or modify the terms of the Preferred Securities with the effect that such substituted or modified securities remain or become, as the case may be, Qualifying Securities, subject to the following conditions being met:

- (i) the Bank has obtained approval to the proposed substitution or modification from the Bank of Greece (or any successor thereto), if such approval is required;
- (ii) the substitution or modification would not itself give rise to any negative impact on any published rating (to the extent they are rated) of the Preferred Securities which are in effect at such time and the Qualifying Securities will, to the extent that the Preferred Securities are rated, be assigned the same ratings as were applied to the Preferred Securities immediately prior to such substitution or modification;
- (iii) the Qualifying Securities shall preserve any existing rights under the Preferred Securities to any accrued Preferred Dividends which have become due and not been paid;
- (iv) the substitution or modification is reasonably necessary to ensure that no Capital Disqualification Event or right to redeem pursuant to paragraph 5(b)(i) or (ii) would exist after such substitution or modification; and
- (v) the Issuer has delivered to the Principal Paying and Transfer Agent a certificate, substantially in the form shown in the Agency Agreement, signed by two Directors stating that conditions (i) to (iv) above and (i) to (iii) in the definition of Qualifying Securities have been complied with, and such certificate has been made available for inspection by Holders.

For the purposes of this provision only, a “Capital Disqualification Event” shall be deemed to have occurred whether or not it occurs as a result of a change of applicable law, regulation, official interpretation or otherwise.

For the avoidance of doubt, the Qualifying Securities may include directly-issued preference shares of the Bank provided all conditions for substitution and modification described in the definition of “Qualifying Securities” and under this paragraph 16(b) are met.

## **17. Governing Law**

Being shares in a Jersey company, the Preferred Securities shall be governed by, and construed in accordance with, Jersey law.

In addition, the Articles of Association of the Issuer contain, *inter alia*, provisions (with the exception of sections in italics) to the following effect:

*All the Issuer’s ordinary shares are owned by the Bank.* In any year, subject to Jersey law and the provisions of paragraph 4, the Issuer may, without the consent of the Holders, declare and pay dividends on the ordinary shares to the Bank as the holder of the ordinary shares. Such dividends will be paid out of the Issuer’s funds, if any, available after payment of the Preferred Dividends on the Preferred Securities if and as due in accordance with the terms and conditions of the Preferred Securities. *No dividend has been paid on the ordinary shares of the Issuer since its incorporation.*

## **SUBORDINATED GUARANTEE**

*Set forth below is the text of the Guarantee in or substantially in the form to be executed by the Bank.*

“THIS DEED OF GUARANTEE (the “Guarantee”), dated 29 July 2009, is executed and delivered by EFG Eurobank Ergasias S.A. a company incorporated under the laws of Greece (the “Bank”) for the benefit of the Holders (as defined below).

WHEREAS the Bank desires to cause the Issuer to issue the Preferred Securities and the Bank desires to issue this Guarantee for the benefit of the Holders, as provided herein.

NOW THEREFORE the Bank executes and delivers this Guarantee for the benefit of the Holders.

### **1. Definitions and Interpretation**

As used in this Guarantee, capitalised terms not defined herein shall have the meanings ascribed to them in the Issuer’s Articles of Association and otherwise the following terms shall, unless the context otherwise requires, have the following meanings:

“Additional Amounts” means, except where otherwise defined in relation to the Issuer, the additional amounts which may be payable in respect of the Preferred Securities as described in paragraph 4;

“Distributable Funds” means, in respect of a particular financial year, the aggregate amount, as calculated as of the end of the immediately preceding financial year of the Bank, of the profit and any accumulated retained earnings and any other reserves and surpluses of each member of the Group available for distribution in such particular financial year as cash dividends to ordinary shareholders of the Bank under the companies laws of, and accounting standards applicable in, Greece; but before deduction of the amount of any dividend or other distribution declared on the Bank’s ordinary share capital in respect of such particular financial year;

“Group” means the Bank together with its Subsidiaries;

“Guarantee Deliveries” means deliveries under this Guarantee in respect of the Bank Ordinary Shares deliverable with respect to any Preferred Security due to be redeemed by the Issuer by the delivery of Bank Ordinary Shares;

“Guarantee Payments” means (without duplication) payments under this Guarantee in respect of (a) any declared but unpaid Preferred Dividends on the Preferred Securities for the most recent Preferred Dividend Period; (b) any compulsory Preferred Dividends pursuant to, and in accordance with, Article 12(D) of the Issuer’s Articles of Association (whether or not declared); (c) the Optional Redemption Price payable with respect to any Preferred Security due to be redeemed by the Issuer by payment of the Optional Redemption Price; (d) the Liquidation Distributions payable pursuant to Article 16(D) of the Issuer’s Articles of Association; and (e) any Additional Amounts (as defined in the Issuer’s Articles of Association) payable by the Issuer;

“Holder” means, in relation to any Preferred Security, the member of the Issuer whose name is entered in the Register as holder of such Preferred Security, or for as long as the Preferred Securities are represented by the Global Certificate which is deposited with a common depositary for, and registered in the name of a nominee of, Euroclear and 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 any Preferred Securities in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg, as the case may be, as to the number of the Preferred Securities standing to the account of any person shall be conclusive and binding for all purposes;

“Issuer” means EFG Hellas Funding Limited, a wholly-owned Subsidiary of the Bank incorporated in Jersey;

“Junior Obligations” means (a) ordinary shares of the Bank; (b) any preferred or preference shares or securities or other obligations of the Bank that rank junior to this Guarantee; and (c) any preferred or preference shares or securities or other obligations of a Subsidiary including the Issuer entitled to the benefit of a guarantee, support agreement or other similar undertaking of the Bank that ranks junior to this Guarantee and any such guarantees, support agreements or similar undertakings of the Bank;

“Liquidation Distribution” means the Liquidation Preference plus (a) any accrued and unpaid Preferred Dividends (whether or not declared) calculated from and including the immediately preceding Preferred Dividend Payment Date (or, if none, the Closing Date) to but excluding the date of payment, and (b) any Additional Amounts, in each case payable in cash only;

“Liquidation Parity Obligations” means the most senior preferred or preference shares or securities or other obligations of the Bank and any guarantee, support agreement or other similar undertaking of the Bank, in each case ranking *pari passu* with this Guarantee as regards entitlement to distributions on liquidation thereunder and any preferred or preference shares or securities or other obligations of a Subsidiary including the Issuer entitled to the benefit of a guarantee, support agreement or other similar undertaking of the Bank which guarantee, support agreement or other similar undertaking ranks *pari passu* with this Guarantee as regards entitlement to distributions on liquidation thereunder;

“Liquidation Preference” means the liquidation preference of €50,000 per Preferred Security;

“Optional Redemption Price” means €50,000 per Preferred Security plus accrued and unpaid Preferred Dividends calculated from and (including) the immediately preceding Preferred Dividend Payment Dates (or, if none, the Closing Date) to (but excluding) the Redemption Date whether or not declared, and any Additional Amounts remaining unpaid;

“Preferred Dividends” means the non-cumulative dividends in respect of the Preferred Securities as described in the Articles of Association of the Issuer;

“Preferred Securities” means the €300,000,000 Series D 8.25 per cent. Non-cumulative Guaranteed Non-voting Exchangeable Preferred Securities of the Issuer outstanding, each with a “par value” Liquidation Preference, and including any further Preferred Securities of the Issuer of the same series issued pursuant to Article 54 of the Issuer’s Articles of Association;

“Redemption Date” means the Preferred Dividend Payment Date on which the Preferred Securities are redeemed by the Issuer;

“Register” means the register of Holders maintained by the Registrar outside the United Kingdom on behalf of the Issuer;

“Senior Creditors” means the senior creditors of the Bank as described in paragraph 3;

“Stock Exchange” means the London Stock Exchange plc and/or such other stock exchange on which the Preferred Securities may be listed and/or admitted to trading from time to time; and

“Subsidiary” means any corporation or other person or entity more than 50 per cent. of whose equity share capital is owned by the Bank or 20 per cent., at least, of whose equity share capital is directly or indirectly controlled by the Bank and whose board of directors is controlled by the Bank or which is consolidated in the most recent annual audited consolidated financial statements of the Bank or which will be so consolidated in the next annual audited consolidated financial statements of the Bank.

## 2. **Guarantee**

Subject to the limitations contained in the following paragraphs, the Bank irrevocably and unconditionally agrees (a) to pay in full to the Holders the Guarantee Payments (except to the extent paid by the Issuer), as and when due and (b) to deliver in full to the Holders the Guarantee Deliveries (except to the extent delivered by the Issuer), in each case regardless of any defence, right of set-off or counterclaim which the Issuer may have or assert. This Guarantee is continuing, irrevocable and absolute.

## 3. **Liquidation Distributions**

- (a) Notwithstanding paragraph 2 above, if, at the time that any Liquidation Distribution is to be paid in respect of the Preferred Securities, proceedings are pending or have been commenced for the liquidation, dissolution or winding-up of the Bank, payment under this Guarantee of such Liquidation Distributions and payment by the Bank in respect of any liquidation distributions payable with respect to Liquidation Parity Obligations, shall not exceed the amount that would have been paid as the liquidation distribution from the assets of the Bank (after payment in full in accordance with the Greek law of all creditors of the Bank, including holders of its subordinated debt but excluding holders of any liability ranking *pari passu* with or junior to the Bank's obligations under this Guarantee) had the Preferred Securities and all such Liquidation Parity Obligations been issued by the Bank and ranked (a) junior to all liabilities of the Bank (other than any liability ranking *pari passu* with or junior to the Bank's obligors under this Guarantee) ("Senior Creditors"), (b) *pari passu* with the Parity Obligations, if any, of the Bank and (c) senior to all Junior Obligations of the Bank.
- (b) Article 16(D) of the Issuer's Articles of Association provides that, if the Preferred Securities are due to be redeemed by delivery of Bank Ordinary Shares pursuant to Article 13(D)(d), 13(D)(e) or 13(D)(f) but, at the time such Bank Ordinary Shares are due to be delivered pursuant to Article 13(D)(g), proceedings are pending or have been commenced for the liquidation, dissolution or winding-up of the Bank, each Holder's right to receive the Equity Redemption Amount in respect of each Preferred Security shall be converted immediately and without further action or notice into an entitlement to receive the Liquidation Distribution in respect of each Preferred Security.
- (c) For the avoidance of doubt, in such event as described in paragraph (b) above, "Guarantee Payments" shall include the Liquidation Distribution in respect of each Preferred Security as described in paragraph (b) above and the Bank shall have no obligation to make delivery of Bank Ordinary Shares.

## 4. **Additional Amounts**

All Guarantee Payments made hereunder in respect of the Preferred Securities by the Bank will be made without withholding or deduction for, or on account of, any Greek Tax, unless the withholding or deduction of such Greek Tax is required by law. In that event, the Bank will pay such additional amounts (the "Additional Amounts") as may be necessary in order that the net amounts received by the Holders after such withholding or deduction shall equal the amounts which would have been receivable in respect of the Preferred Securities in the absence of such withholding or deduction; except that no such Additional Amounts will be payable to a Holder (or to a third party on his behalf) with respect to any Preferred Security (i) to the extent that such Greek Tax is imposed or levied by virtue of the Holder (or the beneficial owner of such Preferred Security) having some connection with Greece, other than being a Holder (or beneficial owner) of such Preferred Security, or (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; (iii) where such withholding or deduction would not have been imposed if the Holder (or beneficial owner) of such Preferred Security had complied with a statutory requirement or made a declaration of non-residence or other similar claim for exemption but failed to do so, or (iv) who would, where presentation of the Preferred Security is

required, have been able to avoid such withholding or deduction by presenting the Preferred Securities to another Paying and Transfer Agent in a Member State of the European Union.

## **5. Continuing Guarantee**

The obligations, undertakings, agreements and duties of the Bank under this Guarantee shall in no way be affected or impaired by reason of the happening from time to time of any of the following:

- (a) the release or waiver, by operation of law or otherwise, of the performance or observance by the Issuer of any express or implied agreement, covenant, term or condition relating to the Preferred Securities to be performed or observed by the Issuer; or
- (b) the extension of time for the payment and/or delivery by the Issuer of all or any portion of the Preferred Dividends, any Optional Redemption Price, Liquidation Distributions, any Bank Ordinary Shares or any other sums and/or amounts payable and/or deliverable under the terms of the Preferred Securities or the extension of time for the performance of any other obligation under, arising out of, or in connection with, the Preferred Securities; or
- (c) any failure, omission, delay or lack of diligence on the part of Holders to enforce, assert or exercise any right, privilege, power or remedy conferred on the Holders pursuant to the terms of the Preferred Securities, or any action on the part of the Issuer granting indulgence or extension of any kind; or
- (d) the liquidation, dissolution, amalgamation, reconstruction, sale of any collateral, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganisation, arrangement, composition or readjustment of debt of, or other similar proceedings affecting, the Issuer or any of the assets of the Issuer; or
- (e) any invalidity of, or defect or deficiency in, the Preferred Securities; or
- (f) the settlement or compromise of any obligation guaranteed hereby or hereby incurred.

There shall be no obligation on the Holders to give notice to, or obtain consent of, the Bank with respect to the happening of any of the foregoing.

## **6. Deposit of Guarantee**

This Guarantee shall be deposited with and held by Citibank, N.A., London Branch as Principal Paying and Transfer Agent until all the obligations of the Bank have been discharged in full. The Bank hereby acknowledges the right of every Holder to the production of, and the right of every Holder to obtain a copy of, this Guarantee.

It is specifically agreed that the place of performance of any and all obligations of the Bank under this Guarantee shall be London, England and consequently any and all payments of the Bank under this Guarantee shall be made out of bank accounts maintained with banks legally operating and situated in London, England.

## **7. Enforcement; rights of remedy**

- (a) A Holder may enforce this Guarantee directly against the Bank, and the Bank waives any right or remedy to require that any action be brought against the Issuer or any other person or entity before proceeding against the Bank. Subject to paragraph 8, all waivers contained in this Guarantee shall be without prejudice to the right to proceed against the Issuer. The Bank agrees that this Guarantee shall not be discharged except by payment of the Guarantee Payments in full and by delivery of the

Guarantee Deliveries in full and by complete performance of all obligations of the Bank under this Guarantee.

- (b) Following a breach by the Bank of its payment and/or delivery obligations under this Guarantee, a Holder may petition for the winding-up of the Bank and claim in the liquidation of the Bank but no other remedy shall be available to the Holder.
- (c) No Holder shall, following any breach by the Bank of any of its obligations under this Guarantee, be entitled to exercise any right of set-off or counterclaim which may be available to it against amounts owing by the Bank to such Holder. Notwithstanding the provisions of the foregoing sentence, if any of the said rights and claims of any Holder against the Bank is discharged by set-off, such Holder will immediately pay an amount equal to the amount of such discharge to the Bank or, in the event of its winding-up, the liquidator of the Bank and until such time as payment is made, will hold a sum equal to such amount in trust for the Bank or the liquidator of the Bank, as the case may be, and accordingly such discharge will be deemed not to have taken place.
- (d) In the event of a winding-up of the Bank, if any payment or distribution of assets of the Bank of any kind or character, whether in cash, property or securities, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of the Bank being subordinated to the payment of amounts owing under this Guarantee, shall be received by any Holders before the claims of Senior Creditors have been paid in full, such payment or distribution shall be held in trust by the Holder, as applicable, and shall be immediately returned by it to the liquidator of the Bank and in that event, the receipt by the liquidator shall be a good discharge to the relevant Holder. Thereupon, such payment or distribution will be deemed not to have been made or received.

## **8. Subrogation**

The Bank shall be subrogated to any and all rights of the Holders against the Issuer in respect of any amounts paid and/or delivered to the Holders by the Bank under this Guarantee. The Bank shall not (except to the extent required by mandatory provisions of law) exercise any rights which it may acquire by way of subrogation or any indemnity, reimbursement or other agreement, in all cases as a result of a payment and/or delivery under this Guarantee, if, at the time of any such payment and/or delivery, any amounts are due and unpaid and/or undelivered under this Guarantee. If any amount with respect to the Preferred Securities shall be paid and/or delivered to the Bank in violation of the preceding sentence, the Bank agrees to pay and/or deliver, as the case may be, over such amount to the Holders.

## **9. Status**

- (a) The Bank acknowledges that its obligations hereunder are several and independent of the obligations of the Issuer with respect to the Preferred Securities and that the Bank shall be liable as principal and sole debtor hereunder to make Guarantee Payments and Guarantee Deliveries pursuant to the terms of this Guarantee, notwithstanding the occurrence of any event referred to in paragraph 5.
- (b) Subject to applicable law, the Bank agrees that the Bank's obligations hereunder constitute unsecured obligations of the Bank and rank and will at all times rank (i) junior to Senior Creditors, (ii) *pari passu* with the Liquidation Parity Obligations, if any, of the Bank and (iii) senior to all Junior Obligations of the Bank.

## **10. Undertakings of the Bank**

- (a) The Bank undertakes that it will not issue any preferred securities or preference shares or enter into any contractual obligation in respect of securities or any other instrument or obligation which would qualify or be capable of qualifying as tier 1 capital of the Bank (a "Tier 1 Qualifying Obligation")

which in any case would rank senior to its obligations under this Guarantee or give any guarantee or other support agreement or similar undertaking in respect of any Tier 1 Qualifying Obligation if such guarantee or other support agreement or similar undertaking would rank senior to its obligations under this Guarantee (including, without limitation, any guarantee or other support agreement or similar undertaking that would provide a priority of payment with respect to Distributable Funds) unless, in each case, (i) this Guarantee is changed to give the Holders such rights and entitlements as are contained in or attached to such Tier 1 Qualifying Obligation or such guarantee or other support agreement or similar undertaking with respect to a Tier 1 Qualifying Obligation so that this Guarantee ranks *pari passu* with, and contains substantially equivalent rights of priority as any such Tier 1 Qualifying Obligation or guarantee or other support agreement or similar undertaking with respect to a Tier 1 Qualifying Obligation and (ii) the most recent Preferred Dividend payment on the Preferred Securities has been paid in full either by the Issuer or by the Bank pursuant to this Guarantee.

- (b) The Bank undertakes that any amount required to be paid pursuant to this Guarantee in respect of any Preferred Dividend payable in respect of the most recent Preferred Dividend Period will be paid before any payment or other distribution in respect of any dividends (except distributions in the form of Junior Obligations) upon Junior Obligations.
- (c) The Bank undertakes that, if any Junior Obligations are redeemed, repurchased or otherwise acquired for any consideration (or any moneys are paid to or made available for a sinking fund for the redemption of any such Junior Obligations) by the Bank or any Subsidiary (except by conversion into or in exchange for other Junior Obligations), the Bank will procure that the Issuer will pay, or set aside payment with respect to, full Preferred Dividends on all outstanding Preferred Securities for four Preferred Dividend Periods contemporaneous with or following the date of such redemption, repurchase or other acquisition, unless: (1) such redemption, repurchase or other acquisition is effected in accordance with the provisions of Article 16 paragraphs 1-3 and 4(b) to (e) of Greek Codified Law 2190/1920; and (2) following such redemption, repurchase or other acquisition and any other measure taken by the Bank: (i) the solvency ratio of the Bank, on an unconsolidated and consolidated basis, remains above 8 per cent. or as otherwise defined by the Bank of Greece from time to time; and (ii) the ratio of “upper tier 1 capital” items of own funds (namely tier 1 capital excluding the Preferred Securities and similar instruments) to risk weighted assets or the Bank remains above 5 per cent. as required by Circular 21/2004 of the Bank of Greece as in force and amended or supplemented from time to time.
- (d) The Bank undertakes to maintain the Issuer as a direct or indirect wholly-owned Subsidiary for so long as any Preferred Security remains outstanding. The Bank undertakes that, so long as any of the Preferred Securities is outstanding, unless the Bank of Greece has given its prior approval or unless the Bank is itself in liquidation, the Bank will not permit, or take any action to cause, the liquidation, dissolution or winding-up of the Issuer.
- (e) The Bank undertakes to procure that the Issuer will maintain at all times whilst any of the Preferred Securities is outstanding, (i) for so long as the Preferred Securities are admitted to trading on a regulated market of any Stock Exchange, a Paying and Transfer Agent in such location as is required to maintain such admission, (ii) a Registrar having its office outside the United Kingdom and (iii) a Paying and Transfer Agent having its specified office in a European Union Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.
- (f) The Bank undertakes that:
  - (i) if the Preferred Securities have become redeemable by delivery of Bank Ordinary Shares and, after the Preferred Securities have become so redeemable, any offer is made to all (or as nearly as may be practicable all) holders of the ordinary share capital of the Bank (or all (or

as nearly as may be practicable all) holders of the ordinary share capital of the Bank other than the offeror and/or any persons acting in concert for the purpose of Greek law 3556/2007 implementing Directive 2004/109/EC) to acquire the whole or any part of the issued ordinary share capital of the Bank, or if any person proposes a scheme with regard to such acquisition:

- (A) it will give notice of such offer or scheme to the Holders at the same time as any notice thereof is sent to the holders of the ordinary share capital of the Bank (or as soon as practicable thereafter) that details concerning such offer or scheme may be obtained from the specified office of each of the Paying and Transfer Agents; and
  - (B) where such an offer or scheme has been recommended by the board of directors of the Bank, or where such an offer has become or been declared unconditional in all respects, the Bank will use all reasonable endeavours to procure that a like offer or scheme is extended to the Holders who become holders of any Bank Ordinary Shares issued during the period of the offer or scheme arising out of the redemption of the Preferred Securities by delivery of Bank Ordinary Shares;
- (ii) the Bank will use its best endeavours to ensure that the Bank Ordinary Shares issued for the purposes of redeeming Preferred Securities will, as soon as is practicable, be admitted to listing and to trading on ATHEX and will, as soon as is practicable, be listed, quoted or accepted for dealings on any other stock exchange or securities market on which the Bank Ordinary Shares may then be listed or quoted or accepted for dealings on; and
  - (iii) the Bank will, for so long as any Preferred Security remains outstanding, use its best endeavours to ensure that its issued and outstanding ordinary share capital shall be admitted to listing and to trading on ATHEX.

## **11. Termination**

With respect to the Preferred Securities, this Guarantee shall terminate and be of no further force and effect upon either payment of the Optional Redemption Price in respect of each Preferred Security in cash or delivery of the Bank Ordinary Shares deliverable in respect of each Preferred Security or purchase and cancellation of all Preferred Securities then outstanding or full payment of the Liquidation Distributions and liquidation of the Issuer, provided however that this Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time payment of any sums paid and/or delivery of any amounts delivered under the Preferred Securities or this Guarantee must be restored by a Holder for any reason whatsoever.

## **12. Transfer**

Subject to operation of law, all guarantees and agreements contained in this Guarantee shall bind the successors, assigns, receivers, trustees and representatives of the Bank and shall inure to the benefit of the Holders. The Bank shall not transfer its obligations hereunder without the prior written approval of the Holders of not less than two-thirds in liquidation preference of the outstanding Preferred Securities (excluding any Preferred Securities held by the Bank or any Subsidiary), or with the sanction of a resolution, passed in accordance with the provisions of the Issuer's Articles of Association for meetings of Holders by a majority of not less than two-thirds in liquidation preference of the Holders of the outstanding Preferred Securities, present or represented at a separate meeting at which the quorum shall be Holders present or represented holding at least one-third in liquidation preference of the outstanding Preferred Securities; provided, however, that the foregoing shall not preclude the Bank from merging or consolidating with, or transferring all or substantially all of its assets and liabilities to, a banking organisation organised under the laws of Greece or another European Union Member State, without obtaining any approval of such Holders.

### **13. Amendments**

Except for those changes (a) required by paragraph 10(a) above, (b) which do not adversely affect the rights of Holders, or (c) necessary or desirable to give effect to any one or more transactions referred to in the proviso to paragraph 12 above (in any of which cases no agreement will be required), this Guarantee shall be changed only by agreement in writing signed by the Bank with the prior approval of the Holders of not less than two-thirds in liquidation preference of the outstanding Preferred Securities (excluding any Preferred Securities held by the Bank or any Subsidiary), or with the sanction of a resolution, passed in accordance with the provisions of the Issuer's Articles of Association for meetings of Holders by a majority of not less than two-thirds in liquidation preference of the Holders of the outstanding Preferred Securities, present or represented at a separate meeting at which the quorum shall be Holders present or represented holding at least one-third in liquidation preference of the outstanding Preferred Securities.

### **14. Notices**

Any notice, request or other communication required or permitted to be given hereunder to the Bank shall be given in writing by delivering the same against receipt therefor or by facsimile transmission (confirmed by mail) addressed to the Bank, as follows (and if so given, shall be deemed given against receipt in the case of delivery or upon mailing of confirmation, if given by facsimile transmission), to:

EFG Eurobank Ergasias S.A.  
8 Othonos Street  
Athens 10557  
Greece

Facsimile: +30 210 3337 230

Attention: Head of Treasury Operations

The address of the Bank may be changed at any time and from time to time and shall be the most recent such address furnished in writing by the Bank to Citibank, N.A., London Branch as Principal Paying and Transfer Agent.

Any notice, request or other communication required or permitted to be given hereunder to the Holders shall be given by the Bank in the same manner as notices sent by the Issuer to Holders.

### **15. Miscellaneous**

- (a) This Guarantee is solely for the benefit of the Holders and is not separately transferable from the Preferred Securities.
- (b) The Bank will furnish any Holder, upon request of such Holder, with a copy of its annual report, and any interim reports made generally available by the Bank to holders of the ordinary shares of the Bank.
- (c) The Bank hereby waives notice of acceptance of this Guarantee and of any liability to which it applies or may apply, presentment, demand for payment, protest, notice of non-payment, notice of non-delivery, notice of dishonour, notice of redemption and all other notices and demands.

### **16. Governing Law and Jurisdiction**

- (a) This Guarantee and any non-contractual obligations arising out of or in connection with this Guarantee shall be governed by, and construed in accordance with, English law save that paragraphs 3 and 9(b) shall be governed by, and construed in accordance with, Greek law.

- (b) The Bank hereby irrevocably agrees for the benefit of the Holders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Guarantee (including a dispute relating to any non-contractual obligations arising out of or in connection with this Guarantee) and that accordingly any suit, action or proceedings arising out of or in connection therewith (together referred to as "Proceedings") (including any Proceedings relating to any non-contractual obligations arising out of or in connection with this Guarantee) may be brought in such courts.
- (c) The 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 final judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon the Bank and may be enforced in the courts of any other jurisdiction. Nothing contained in this paragraph shall limit any right to take Proceedings against the 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 competent jurisdictions, whether concurrently or not.
- (d) The Bank will receive service of process in respect of this Guarantee at EFG Hellas PLC, 24 Grafton Street, London W1S 4EZ in respect of any Proceedings.

IN WITNESS WHEREOF this Guarantee has been manually executed as a deed poll on behalf of the Bank.

Executed as a deed by

acting by

in the presence of:

Witness's signature

Name:

Address:

Dated 29 July 2009"

## **REASONS FOR THE OFFER AND USE OF PROCEEDS**

The net proceeds of the issue of the Preferred Securities, amounting to €300,000,000, will be used by the Issuer to meet the general financing requirements of the Bank and its Subsidiaries.

## **EFG HELLAS FUNDING LIMITED**

### **History**

EFG Hellas Funding Limited (the “Issuer”) was incorporated in Jersey on 4 March 2005 for an unlimited duration and with limited liability under the laws of Jersey with registered number 89637.

The registered office of the Issuer is Whiteley Chambers, Don Street, St. Helier, Jersey JE4 9WG and its telephone number is +44 1534 504000. The Issuer has no place of business in Greece.

### **Business**

The Issuer is a wholly-owned subsidiary of EFG Eurobank Ergasias S.A. (the “Bank”). The Issuer has no subsidiaries. It was formed to act as a general finance vehicle for the Group.

### **Capitalisation**

- (a) The existing issued ordinary shares of the Issuer are not listed on the London Stock Exchange or on any other stock exchange and are not dealt in on any other recognised market.
- (b) The Issuer has an authorised share capital of €1,001,000,000 divided into 1,000,000 ordinary shares of €1 each, 400,000 Series A Non-cumulative Guaranteed Non-voting Preferred Securities of €1,000 each (the “Series A Preferred Securities”), 8,000 Series B Fixed to Floating Rate Non-cumulative Guaranteed Non-voting Preferred Securities of €50,000 each (the “Series B Preferred Securities”) and 200,000 Series C Fixed Rate Non-cumulative Guaranteed Non-voting Preferred Securities of €1,000 each (the “Series C Preferred Securities”). Prior to the Closing Date, the Issuer intends to increase its authorised share capital to €1,301,000,000 divided into 1,000,000 ordinary shares of €1 each, 400,000 Series A Preferred Securities, 8,000 Series B Preferred Securities, 200,000 Series C Preferred Securities and 6,000 Series D 8.25 per cent. Non-cumulative Guaranteed Non-voting Exchangeable Preferred Securities of €50,000 each (the “Series D Preferred Securities”).

At the date hereof 10,000 ordinary shares, €200,000,000 Series A Preferred Securities, €400,000,000 Series B Preferred Securities and €200,000,000 Series C Preferred Securities have been issued by the Issuer and are fully paid.

The €200,000,000 Series A Preferred Securities were issued on 18 March 2005 and are listed on the Luxembourg Stock Exchange and the Official Market of the Frankfurt Stock Exchange. The Series A Preferred Securities carry a non-cumulative preferred dividend of 6.75 per cent. per annum up until 18 March 2007, after which time the non-cumulative preferred dividend will be the sum of the 10 year CMS mid-swap rate in EUR and 0.125 per cent. per annum, subject to a maximum rate of 8.00 per cent. per annum.

The €400,000,000 Series B Preferred Securities were issued on 2 November 2005 and are listed on the London Stock Exchange. The Series B Preferred Securities carry a non-cumulative preferred dividend of 4.565 per cent. per annum payable annually in arrear up to 2 November 2015 and thereafter payable quarterly in arrear on 2 February, 2 May, 2 August and 2 November in each year at a rate equal to 3 month EURIBOR plus 2.22 per cent. per annum.

The €200,000,000 Series C Preferred Securities were issued in two tranches on 9 November 2005 and 21 December 2005 and are listed on the London Stock Exchange, the Frankfurt Stock Exchange and Euronext Amsterdam N.V. The Series C Preferred Securities carry a non-cumulative preferred dividend of 6.00 per cent. per annum payable quarterly in arrear.

Dividends on the Series A Preferred Securities, the Series B Preferred Securities and the Series C Preferred Securities may be declared by the directors of the Issuer in their sole discretion. Payment of preferred dividends are compulsory except that the directors of the Issuer are not required to declare a dividend on the Series A Preferred Securities, the Series B Preferred Securities and the Series C Preferred Securities in certain circumstances if, *inter alia*, in the opinion of the directors of the Bank payment of such preferred dividends would cause the Bank to breach certain Greek banking regulations. Holders of the Series A Preferred Securities, the Series B Preferred Securities and the Series C Preferred Securities are not, other than in certain specified circumstances, entitled to receive notice of or attend and vote at meetings of the shareholders of the Issuer. In the event of winding up, the holders of the Series A Preferred Securities and of the Series C Preferred Securities are entitled to receive €1,000 per preferred security plus any accrued and unpaid preferred dividends; the holders of the Series B Preferred Securities are entitled to receive €50,000 per preferred security plus any accrued and unpaid preferred dividends. The Series A Preferred Securities, the Series B Preferred Securities and the Series C Preferred Securities are redeemable, in whole but not in part, at the option of the Issuer on 18 March 2010, 2 November 2015 and 9 November 2015, respectively, or any dividend payment date thereafter.

- (c) The holders of the ordinary shares, of the Series A Preferred Securities, the Series B Preferred Securities and the Series C Preferred Securities of the Issuer have no rights of pre-emption or preferential subscription rights in respect of the Preferred Securities.
- (d) No capital of the Issuer is under option or is agreed conditionally or unconditionally to be put under option.

## Directors

The directors of the Issuer and their principal activities outside the Issuer are as follows:

<u>Name</u>	<u>Function in the Issuer</u>	<u>Principal activities outside the Issuer</u>
Michael Lombardi	Director	Partner of Ogier
Peter Gatehouse	Director	Director of Ogier SPV Services Limited
Mrs. M. Antonara	Director	Deputy Head of Funding Origination and Special Projects, EFG Eurobank Ergasias S.A. Director, EFG Hellas (Cayman Islands) Limited Director, EFG Hellas PLC
Nicholaos Karamouzis	Director	Deputy Chief Executive Officer, EFG Eurobank Ergasias S.A. Vice Chairman, EFG Istanbul Securities S.A. Chairman, EFG Istanbul Holding A.S. Vice Chairman, Eurobank Tekfen A.S. Director, EFG Hellas (Cayman Islands) Limited Director, EFG Hellas PLC Director, Eurobank EFG Private Bank Luxembourg S.A. Director, Eurobank EFG Holding (Luxembourg) S.A. Director, Global Finance S.A. Chairman, Global Fund Management S.A. First Vice Chairman, Eurobank EFG Property Services S.A. Chairman, Eurobank EFG Cyprus Ltd Director, Kantor Management Consultants S.A. Director, Hellenic Exchanges S.A. Vice Chairman, Hellenic Federation of Enterprises (SEV)

Fokion Karavias	Director	General Manager, EFG Eurobank Ergasias S.A. Director, EFG Hellas (Cayman Islands) Limited Director, EFG Hellas PLC Chairman, DIAS S.A. Investment Company Director, Eurobank EFG Securities Investment Firm S.A. Director, Eurobank EFG Telesis Finance Investment Firm S.A. Director, Eurobank EFG Mutual Funds Management Company S.A. Director, Eurobank EFG Fund Management Company (Luxembourg) S.A. Director, EFG Istanbul Holding A.S. Limited Partner, Chr. Karavias – Evg. Lamprou “PTI PALAIS” Limited
Mr. A. Ioannidis	Director	Deputy General Manager and Treasurer, EFG Eurobank Ergasias S.A. Director, EFG Hellas (Cayman Islands) Limited Director, EFG Hellas PLC Director, Global Fund Management S.A.
Mrs. A. Vogiatzi	Director	Head of Funding Origination and Special Projects, EFG Eurobank Ergasias S.A. Director, EFG Hellas (Cayman Islands) Limited Director, EFG Hellas PLC
Julia Zavakos	Director	Co-Head of Funding Origination, EFG Eurobank Ergasias S.A. Director, EFG Hellas (Cayman Islands) Limited Director, EFG Hellas PLC

For the purpose of this Prospectus, the business address of each of the Directors is that of the Issuer's registered office.

There are no potential conflicts of interest between the duties to the Issuer of each of the members of the Board of Directors and his/her private interests or other duties.

The Issuer complies with the laws and regulations of Jersey regarding corporate governance.

The Directors do not, and it is not proposed that they will, have service contracts with the Issuer. No Director has entered into any transaction on behalf of the Issuer which is or was unusual in its nature of conditions or is or was significant to the business of the Issuer since its incorporation.

At the date of this Prospectus there were no loans granted or guarantees provided by the Issuer to any Director.

As at the date of this Prospectus, the Directors have not received, nor is it expected that they will receive, any remuneration for the provision of their services as directors of the Issuer. Michael Lombardi is a partner of Ogier and Peter Gatehouse is a director of Ogier SPV Services Limited, both of which derive fees from the provision of legal and administrative services to the Issuer. Ogier is associated with the Ogier Group Partnership, the owner of Ogier SPV Services Limited.

The Articles of Association of the Issuer provide that:

Subject to the provisions of the Law, any Director may vote on any proposal, arrangement or contract in which he is materially interested provided he has disclosed the nature of his interest in it prior to its consideration and any vote thereon.

The remuneration of the Directors shall from time to time be determined by ordinary resolution of the Issuer in general meeting.

Subject to the provisions of the Articles of Association, a Director shall hold office until such time as he is removed from office by ordinary resolution of the Issuer in general meeting.

For purposes of the Issuer's Articles of Association, "Law" means the Companies (Jersey) Law, 1991, as the same may be amended from time to time.

### **Secretary**

The Secretary of the Issuer is Ogier SPV Services Limited of Whiteley Chambers, Don Street, St. Helier, Jersey JE4 9WG.

### **Corporate Objects**

Paragraph 2 of the Issuer's Memorandum of Association states that the Issuer shall have unrestricted corporate capacity.

### **General**

PricewaterhouseCoopers S.A. of 268 Kifissias Avenue, 15232 Halandri, Greece, have been appointed as auditors to the Issuer.

No ordinary share dividends been declared or paid since the Issuer was incorporated.

No transactions have occurred since incorporation of the Issuer other than (i) the allotment of the shares and the preferred securities described under "Capitalisation" above, (ii) the issuance of €200,000,000 Series A Preferred Securities, €400,000,000 Series B Preferred Securities and €200,000,000 Series C Preferred Securities (as described above) and (iii) the execution of documentation in relation thereto and in relation to the Series D Preferred Securities.

## **EFG EUROBANK ERGASIAS S.A.**

### **Overview**

EFG Eurobank Ergasias S.A. (“Eurobank EFG” or the “Bank”) is the second largest bank in Greece in terms of assets (source: Greek banks’ published accounts). Eurobank EFG’s registered office is at 8 Othonos Street, Athens 10557, Greece and its telephone number is +30 210 333 7000.

In Greece, Eurobank EFG enjoys leading positions in Retail Banking, Small and Medium-Sized Enterprises (SMEs), Investment Banking, Capital Markets, Private Banking and Asset Management. Moreover, Eurobank EFG is active in the wider financial services sector, with a presence in areas such as insurance, real estate, and payroll services.

Eurobank EFG operated a total network of over 1,700 branches, business centres and points of sale as at the end of 2008, in Greece and Central and South Eastern Europe (New Europe), offering a wide range of banking and financial services to its individual and corporate clients.

Eurobank EFG is a member of the EFG Group which consists of banks and financial services companies whose ultimate parent company is EFG Bank European Financial Group (“Parent Company”), a credit institution registered in Switzerland. All voting rights at the General Meetings of the Parent Company are held by members of the Latsis family. As at 31 May 2009, the Parent Company holds 44.12 per cent. of the ordinary shares of Eurobank EFG, through its wholly owned subsidiaries EFG Consolidated Holdings S.A. and GPS Growth Equities S.A. Each ordinary share of Eurobank EFG confers the right to cast one vote unless the share is held by Eurobank EFG (Treasury Share), in which case the right is suspended. As at 31 May 2009 Eurobank EFG held 26,253,489 treasury shares out of a total of 527,591,242 ordinary shares. The remaining ordinary shares are held by institutional and retail investors.

Eurobank EFG is a public company under Greek law, listed on the Athens Exchange since April 1999. It is subject to regulation and supervision by the Bank of Greece and, indirectly on a consolidated basis via the EFG Group, by the Federal Banking Commission of Switzerland. Eurobank EFG is also regulated by the Hellenic Capital Markets Commission.

Eurobank EFG was incorporated in Greece on 12 December 1990 with a limited duration until 31 December 2100 under the name “Euromerchant Bank S.A.” It changed its name to EFG Eurobank S.A. in 1997 when all the banks of the EFG Group were unified for marketing purposes under the “EFG” brand-name. Eurobank EFG is registered in the Company Registry of the Municipality of Athens under registration number 6068/06/B/86/07.

### **Greek Economy Liquidity Support Program**

Eurobank EFG participates in the Greek Government’s €28 billion plan to support liquidity in the Greek economy under Law 3723/2008. The program consists of three streams which enable the Bank to raise more than €5 billion additional liquidity. The Board of Directors resolved in December 2008 to participate in all three streams which are as follows:

- (a) First stream - preference shares for which the law allocates €5 billion.

On 12 January 2009 the Bank’s Extraordinary General Meeting approved a share capital increase of €950 million, through the issuance of 345,500,000 non-voting preference shares, to be subscribed to and fully paid by the Greek State with bonds of equivalent value. The transaction was completed on 21 May 2009.

- (b) Second stream - bonds guaranteed by the Hellenic Republic, for which the law allocates €15 bn.

The Bank may issue up to €3,155 million of bonds guaranteed by the Hellenic Republic, with duration up to 3 years. As at 31 March 2009 the Bank has issued bonds of €0.5 billion.

- (c) Third stream - lending of Greek Government bonds for which the law allocates €8 billion.

The Bank may obtain additional liquidity of up to €1,368 million in order to fund mortgages and loans to small and medium-size enterprises by borrowing newly issued Greek Government bonds. As at 31 March 2009 the Bank has obtained liquidity of €0.9 billion.

According to the above law, for the period the Bank participates in the program through the preference shares or the guaranteed bonds (streams (a) and (b) above), the Government is entitled to appoint its representative to the Board of Directors, veto dividend distributions and restrict management remuneration.

In addition, according to Law 3756/2009, banks participating in the Greek Economy Liquidity Support Program are not allowed to declare a cash dividend to their ordinary shareholders for 2008, or to acquire treasury shares under Article 16 of Company Law.

### **Banking Activities in Greece**

Eurobank EFG has developed leading market share positions over the past years in many sectors in Greece. Today the Bank holds the top position in consumer credit, mutual funds excluding money-market funds and private banking. It is also among the top players in the Greek corporate and mortgage lending sectors and among the top providers of life insurance products. The Bank's client base comprises retail clients, SMEs and self-employed professionals, large corporations, high net worth individuals, private and institutional investors and the Greek Government. The Greek banking sector has expanded rapidly in recent years due to deregulation and technological advances, as well as Greece's entry into the Eurozone.

Within the current adverse conditions, Eurobank EFG responds with a number of initiatives that aim to strengthen the balance sheet of the Group, enhance the relationships with its clients and provide support to the Greek economy and the economies in "New Europe" countries where Eurobank EFG operates. In this context, the Group makes use of new financing programs and facilities, such as the Greek government support scheme, with the issuance of €950m preference shares to the Greek state.

### **Retail Banking**

Eurobank EFG's success in retail banking is demonstrated by its leading market position and is the result of product innovation and quality of services. Eurobank EFG's strong corporate image and name recognition in Greece, as well as its large client base and extensive network of outlets and ATMs also provide with the Group with an additional edge over its competitors. Such advantages help Eurobank EFG to access the largest and most diverse depositor base in Greece, providing the Bank with a large and stable source of funding.

The retail banking division of Eurobank EFG is divided into the following product areas:

#### ***Consumer Lending — Loans and Credit Cards***

Eurobank EFG remains the leading consumer loan and credit card provider in the Greek market and has overall a portfolio of consumer loans of €11.7 billion, as at 31 December 2008. Eurobank EFG is the leading issuer of credit cards in the Greek market both in terms of the total number of credit cards issued as well as in terms of total outstanding balances. The Bank currently offers a variety of consumer finance solutions including revolving loans, amortised personal loans, consumer loans (vehicle and durable goods financing) and a wide range of credit card products. Innovation remains an important aspect of Eurobank EFG's operations and recent new products provide the ability to consolidate debt and supplement current financing

with additional products. Eurobank EFG's lending products rely on flexibility, service, speed and multiple channels of distribution.

### ***Mortgage Lending***

As at 31 December 2008, Eurobank EFG's mortgage portfolio amounted to €14.8 billion. Mortgage lending products are predominantly focused on residential real estate for retail clients, although, to a lesser extent, Eurobank EFG is also active in the commercial real estate market. Since inception, Eurobank EFG's mortgage lending business has grown quickly and has diversified in recent years to allow for the securitisation of its portfolio assets. The branch network is the principal distribution channel for mortgage products. Eurobank EFG's product range includes a variety of fixed, variable and variable-fixed rate mortgages with maturities that are typically 25 years for residential mortgages, although in some cases it can be as long as 40 years. Mortgages may be prepaid subject to nominal penalties or refinanced. The Bank has its own team of specialist valuation experts under the supervision of Eurobank Property Services S.A., the Bank's real estate management subsidiary, who provides surveying services to prospective or existing mortgage loan clients or (non-loan) clients. The vast majority of the mortgages give the Bank a first priority lien over the relevant underlying property. The Bank does not grant mortgages for commercial development properties or sub-prime mortgages.

### ***Small Business and Professional Lending***

Amidst the growth of competition in the Greek market for loans to small businesses with annual turnovers of up to €2.5 million and for loans to self-employed professionals, Eurobank EFG continues to hold the leading position with a loan portfolio of approximately €9.1 billion as at 31 December 2008. Eurobank EFG has maintained its leading position as a result of the continued expansion of its client base and the growth of cross-selling initiatives. Eurobank EFG's product offering encompasses both lending products and non-lending services: working capital facilities, financing for professional equipment and business premises, as well as draft financing, check-book issuance, trade finance, letters of guarantees and overdraft facilities among other products and services.

### **Corporate Banking**

In an increasingly competitive environment, Eurobank EFG's corporate banking division maintained one of the largest market shares in Greece, achieving a substantial increase in both operational volume and revenue, while also accelerating the penetration of business sectors that offer significant growth prospects. This is reflected in the increase in the total value of loans which the Bank provides to large and medium-sized businesses.

#### *Large Corporates*

Eurobank EFG considers large corporates to be those entities with an annual turnover greater than €25 million. The main objective is to provide this client base with integrated business solutions that cater to their funding requirements, financial risk protection and investment management needs. Eurobank EFG's key products for this client base consist of investment and working capital financing facilities, structured financing facilities, offshore credit facilities, derivative products, factoring, forfaiting, leasing of all asset classes, trade finance facilities and cash management services. The Bank also provides innovative products that offer protection against interest and exchange rate risk and arranges, manages and participates in syndicated loans and debt securities. It also provides advisory services for mergers and acquisitions. Large corporates are served through two units in Athens and Thessaloniki. Outstanding corporate loan balances amounted to €10.3 billion as at 31 December 2008.

### *Medium-Sized Enterprises*

Medium-sized enterprises are those entities with an annual turnover of between €2.5 million and €25 million. Eurobank EFG's key products for this client base consist of investment and working capital facilities, overdrafts, trade finance facilities, factoring and financial leasing facilities. Eurobank EFG has developed a centralised import/export model, which simplifies procedures for clients and reduces costs. This client base is serviced through 42 specialised banking centres located throughout Greece, with a dedicated team of employees who have the ability to offer experienced advice and a full range of products and services that are designed to provide comprehensive coverage for the needs of every business. As at 31 December 2008, Eurobank EFG's loan balances for this client base amounted to €11.3 billion including leasing and factoring.

### *Shipping*

In the traditional Greek market for wholesale shipping finance, Eurobank EFG's exposure is relatively small when compared to other corporate banking segments. Eurobank EFG's loans and advances are primarily available to "medium-sized" and "upper tier" shipping companies and are comprised predominantly of secured financings. Eurobank EFG considers the quality of the portfolio to be exceptional, as it currently contains no bad debts.

### *Leasing*

Eurobank EFG continues to maintain a strong position in the provision of leasing services through its subsidiary, Eurobank EFG Ergasias Leasing S.A., which provides a broad range of business leasing services, including leases for new and second-hand moveable capital equipment and innovative leasing products for the Greek commercial real estate market (with a minimum duration of ten years) and for commercial vehicles. It is also expanding its cooperation agreements with commercial associates through vendor leasing programs that cover a wide range of business sectors.

### *Factoring*

The Group's subsidiary, EFG Factors S.A. ("EFG Factors"), continues to hold a leading position in the Greek factoring sector, with a market share that exceeds one-third of the relevant market, according to the Bank's estimates. EFG Factors is a full member of Factors Chain International ("FCI") — the largest global association in factoring services. EFG Factors is also a member of International Forfaiting Association and was successfully involved in specialised forfaiting products achieving large volumes of operations.

### *Investment Banking and Capital Markets*

Eurobank EFG provides a wide range of investment banking services for its clients, as well as access to the global capital markets directly and/or indirectly through its subsidiaries and affiliates, EFG Eurobank Securities S.A., EFG Telesis Finance S.A. and Global Finance S.A. These services include underwritings, private placements, corporate finance, brokerage, asset management, treasury, venture capital and research coverage in Greece and New Europe. Project financing services are also available for large infrastructure works. Eurobank EFG's leading position in the Greek investment banking community is demonstrated through its subsidiaries EFG Telesis Finance S.A. and EFG Eurobank Securities S.A.

EFG Eurobank Securities S.A. is ranked 2<sup>nd</sup> among all equity brokerage firms in Greece with a 15.7 per cent. share of the equities market on the ATHEX in 2008, according to the published statistics of the ATHEX. EFG Eurobank Securities also acts as a market maker for all listed index futures and options on the ATHEX, as well as in single stock derivatives, and has extended its activities as a broker into the largest international derivatives markets, including EUREX, CME and CBOT, where we are now able to hedge inflation risk.

## Treasury

The treasury function provides an integrated approach across Greece and New Europe, with a centralised treasury model driven from Greece that consolidates all trades and controls risk management. All positions are monitored from the central dealing room in Athens using local expertise to execute foreign exchange trades, interest rate derivatives as well as bonds, liquidity management and balance sheet management transactions. In each local jurisdiction the treasury functions, all with direct reporting to Athens, are organised along four major service lines: treasury sales to institutional, corporate, retail and private banking clients; position taking; the management of local banks' books; and liquidity management.

## Wealth Management

### *Mutual Funds*

Eurobank EFG is among the top mutual funds managers in Greece, according to statistics of the Association of Greek Institutional Investors, with a market share of 23 per cent., as at 31 December 2008. Eurobank EFG's success in this field is attributed to the strategic decision to offer reliable asset management services by employing managers with market experience and an in-depth knowledge of their respective fields, product innovation (including products incorporating capital guarantees and/or high annual income), transaction security and swift execution, together with a continued investment in advanced technology and internal education processes.

### *Insurance*

EFG Eurolife Life Insurance S.A. is one of the largest life insurance firms in the Greek market based on gross written premiums. It is active in the fields of life, annuity, health and property insurance. Eurobank EFG also operates an insurance brokerage firm, EFG Insurance Services S.A., which is one of the largest insurance brokers in the Greek market. The Group's subsidiary insurance companies, EFG Eurolife Life Insurance S.A. and EFG Eurolife General Insurance S.A., have sound portfolios and maintain higher than required reserves.

### *Institutional Asset Management*

The Group's specialist subsidiary, EFG Eurobank Asset Management, provides asset management services for institutional and private clients, along with investment advisory services to institutional clients in the Greek market. It also provides advisory services to portfolio investment companies affiliated with the Eurobank EFG Group and has expanded the range of discretionary asset management portfolios on offer, aiming to cater for specialised client needs.

## *Private Banking*

Eurobank EFG's private banking operations cater for the banking, investment and wealth management needs of high net worth individuals, with a minimum portfolio value of €400,000 in assets placed with Eurobank EFG. Eurobank EFG has been offering private banking services to high net worth clients since its inception in 1990 and currently has one of the largest private banking operations in Greece.

## *Operations in "New Europe"*

In the past few years Eurobank EFG has been implementing a long-term expansion strategy in New Europe, where it has identified opportunities for dynamic growth in the banking sector. The Group's investments outside Greece stood at approximately €2bn at the end of 2008 and translated into more than 1,200 branches and points of sale. Eurobank EFG is present in seven countries outside Greece: Bulgaria, Romania, Serbia, Poland, Turkey, Ukraine and Cyprus. The Group's international strategy seeks to establish its leadership in the retail and corporate banking sectors of New Europe through the implementation of the successful

Eurobank Model, adapted as required for the regulatory and legal framework of the local jurisdiction. Despite near term challenges, the New Europe countries offer particularly attractive growth prospects in the long term, as the penetration of banking services remains considerably lower compared to the more mature Eurozone countries.

## **Eurobank EFG Management Team**

### ***Board of Directors***

Following the Bank's participation in the Greek Government's Greek Economy Liquidity Support Program, the Government appointed as of 16 March 2009, Mr. Damianos Damianos as its representative under Law 3723/2008 to the Board of Directors.

As at the date of this Prospectus, the Board of Directors of Eurobank EFG, along with their positions held within the Board and their positions outside Eurobank EFG Group as at 2 July 2009 which are of importance to Eurobank EFG, comprises the following persons:

<i>Name</i>	<i>Positions held within Eurobank EFG</i>	<i>Positions held outside Eurobank EFG Group</i>	
		<i>Company</i>	<i>Position</i>
Mr. Xenophon C. Nickitas	Chairman (Executive Director)	–	–
Mr. George C. Gondicas	Honorary Chairman (Non-Executive Director)	Global Finance S.A. VIOHALKO S.A.	Chairman Director
Mrs. Anna Maria Louisa J. Latsis	First Vice Chairman (Non-Executive Director)	EFG Bank European Financial Group	Director
Mr. Lazaros D. Efraimoglou	Second Vice Chairman (Non-Executive Director)	Ardittos S.A.  Sausolito Trading Limited Samcat Limited Ladis Limited Nascol Alliance Inc.	Chairman & Managing Director  Director Director Director Director
Mr. Nicholas C. Nanopoulos	Chief Executive Officer	S & B Industrial Minerals S.A.	Director
Mr. Byron N. Ballis	Deputy Chief Executive Officer	Unitifinance S.A. Cardlink S.A. Tefin S.A.	Vice Chairman Chairman Vice Chairman
Mr. Michael H. Colakides	Deputy Chief Executive Officer	Hellenic Fabrics S.A.	Vice Chairman Non Executive Director
Mr. Nikolaos B. Karamouzis	Deputy Chief Executive Officer	Global Finance S.A. Kantor Management Consultants S.A.  Hellenic Exchanges S.A. Hellenic Federation of Enterprises (SEV)	Director Director  Director Vice Chairman

<i>Name</i>	<i>Positions held within Eurobank EFG</i>	<i>Positions held outside Eurobank EFG Group</i>	
		<i>Company</i>	<i>Position</i>
Mr. Nicholas K. Pavlidis	Executive Director	–	–
Mr. Fotios S. Antonatos	Non-Executive Director	Consolidated Lamda Holdings S.A. EFG Consolidated Holdings S.A. EFG Bank (Monaco) S.A.M.  Lamda Development S.A. PanEuropean Oil & Industrial Holdings S.A. Private Financial Investments Holding Limited	Director Director Director Audit Committee Director Director Director
Mr. Antonios G. Bibas	Non-Executive Director	–	–
Mr. Emmanuel Leonard C. Bussetil	Non-Executive Director	Consolidated Lamda Holdings S.A. EFG Consolidated Holdings S.A. EFG Bank (Monaco) S.A.M.  EFG Bank S.A. EFG International S.A.  Lamda Development S.A.  PanEuropean Oil & Industrial Holdings S.A. Private Financial Investments Holding Limited EFG Bank European Financial Group	Director Director Director Audit Committee Director Director Audit Committee Director Audit Committee Director Audit Committee Director Director Group Finance Director
Dr. Spiro J. Latsis	Non-Executive Director	Consolidated Lamda Holdings S.A.  EFG Bank European Financial Group EFG Bank S.A. EFG Consolidated Holdings S.A. EFG Bank (Monaco) S.A.M. EFG International S.A. PanEuropean Oil & Industrial Holdings S.A. Private Financial Investments Holdings Limited	Director Chairman Director Director Director Director Director Director
Dr. Pericles P. Petalas	Non-Executive Director	EFG International S.A. EFG Bank European Financial Group  EFG Private Bank Limited EFG Bank S.A.	Director Group Chief Executive Officer Director Director

Name	Positions held within Eurobank EFG	Positions held outside Eurobank EFG Group	
		Company	Position
Mr. Spyridon L. Lorentziadis	Independent Non-Executive Director	Private Financial Investments Holdings Limited EFG Consolidated Holdings S.A.	Director Director
Dr. Panayiotis V. Tridimas	Independent Non-Executive Director	Athens International Airport S.A. Lorentziadis Loudovikos L.P.	Audit Committee Limited Partner
Mr. Damianos N. Damianos	Non-Executive Director in accordance with Law 3723/2008	—	—
Mr. Damianos N. Damianos	Non-Executive Director in accordance with Law 3723/2008	—	—

The business address of each member of the Board of Directors of Eurobank EFG is 8 Othonos Street, Athens 10557, Greece.

The Board of Directors of Eurobank EFG has delegated management powers to an Executive Committee. The members of the Executive Committee as at 2 July 2009 and their positions held within the Committee and their positions outside Eurobank EFG, which are of importance to Eurobank EFG, are as follows:

Name	Position held within the Committee	Positions held outside Eurobank EFG Group	
		Company	Position
Mr. Nicholas C. Nanopoulos	Chairman	As shown in above table	
Mr. Byron N. Ballis	Member	As shown in above table	
Mr. Pedro J. Carvalho	Member	—	—
Mr. Michael H. Colakides	Member	As shown in above table	
Mr. Nikolaos B. Karamouzis	Member	As shown in above table	
Mr. Nicholas K. Pavlidis	Member	As shown in above table	
Ms. Paula N. Hadjisotiriou	Member	—	—
Mr. Fokion C. Karavias	Member	DIAS S.A. Investment Company Chr. Karavias – Evg. Lamprou “PTI PALAIS” Limited	Chairman Limited Partner

Name	Position held within the Committee	Positions held outside Eurobank EFG Group	
		Company	Position
Mr. Evangelos I. Kavvalos	Member	—	—
Mr. Piergiorgio G. Pradelli	Member	—	—
Mr. George P. Marinou	Member	—	—
Mr. Michael G. Vlastarakis	Member	Hellenic Ombudsman for Banking Investment Services	Director

The business address of each member of the Executive Committee of Eurobank EFG is 8 Othonos Street, Athens 10557, Greece.

There are no potential conflicts of interest between the duties to Eurobank EFG of each of the members of the Board of Directors and the members of the Executive Committee listed above and their private interests or other duties.

### Subsidiaries and Affiliates

In its effort to provide its clients with an active and competitive presence in all categories of financial products and services, Eurobank EFG has established specialised subsidiaries and forged alliances with other organisations for the joint development and distribution of products.

The proportions of shares in subsidiary undertakings held by Eurobank EFG as at 31 March 2009 are shown below:

Subsidiary Undertakings	%	Country of Incorporation	Category of Business
Activa Insurance S.A.	100	Greece	Insurance services Business-to business e-commerce
Be-Business Exchanges S.A.	97	Greece	Sundry services
Best Direct S.A.	100	Greece	Leasing
EFG Eurobank Ergasias Leasing S.A.	100	Greece	Insurance services
EFG Eurolife General Insurance S.A.	100	Greece	Insurance services
EFG Eurolife Life Insurance S.A.	100	Greece	Insurance brokerage
EFG Insurance Services S.A.	100	Greece	Internet and electronic banking
EFG Internet Services S.A.	100	Greece	Mutual fund management
EFG Mutual Funds Mngt Company S.A.	100	Greece	Asset management
Eurobank EFG Asset Management			Payroll and advisory services
Investment Firm S.A.	100	Greece	Credit card management
Eurobank EFG Business Services S.A.	100	Greece	Capital markets and investment services
Eurobank EFG Cards S.A.	100	Greece	Factoring
Eurobank EFG Securities Investment Firm S.A.	100	Greece	Investment banking
Eurobank EFG Factors S.A.	100	Greece	
Eurobank EFG Telesis Finance Investment Firm S.A.	100	Greece	

<i>Subsidiary Undertakings</i>	<i>%</i>	<i>Country of Incorporation</i>	<i>Category of Business</i>
Eurobank Fin and Rent S.A.	100	Greece	Vehicle leasing and rental
Eurobank Properties R.E.I.C.	56	Greece	Real estate investments
Eurobank Property Services S.A.	100	Greece	Real estate services
Financial Planning Services S.A.	100	Greece	Management of receivables
Global Fund Management S.A.	99	Greece	Investment advisors
Kalabokis Tours & Cargo SA	56	Greece	Real Estate
OPEN 24 S.A.	100	Greece	Sundry services
Eurobank EFG Bulgaria A.D.	100	Bulgaria	Banking
Bulgarian Retail Services A.D.	100	Bulgaria	Credit card management
EFG Auto Leasing E.O.O.D.	100	Bulgaria	Vehicle leasing and rental
EFG Leasing E.A.D.	100	Bulgaria	Leasing
EFG Property Services Sofia A.D.	80	Bulgaria	Real estate services
EFG Securities Bulgaria E.A.D.	100	Bulgaria	Capital markets and investment services
EFG Hellas (Cayman Islands) Limited	100	Cayman Islands	Special purpose financing vehicle
EFG Hellas II (Cayman Islands) Limited	100	Cayman Islands	Special purpose financing vehicle
Berberis Investments Limited	100	Channel Islands	Holding company
EFG Hellas Funding Limited	100	Channel Islands	Special purpose financing vehicle
Eurobank EFG Cyprus Ltd	100	Cyprus	Banking
CEH Balkan Holdings Ltd	100	Cyprus	Holding company
Eurocredit Retail Services Ltd	100	Cyprus	Credit card management
Eurobank EFG Private Bank (Luxembourg) S.A.	100	Luxembourg	Banking
Aristolux Investment Fund Management Company S.A.	98	Luxembourg	Investment fund management
Eurobank EFG Fund Management Company, (Luxembourg) S.A.	100	Luxembourg	Fund management
Eurobank EFG Holding (Luxembourg) S.A.	100	Luxembourg	Holding company
EFG New Europe Funding B.V.	100	Netherlands	Finance company
EFG New Europe Holding B.V.	100	Netherlands	Holding company
EFG New Europe Funding II B.V.	100	Netherlands	Finance company
EFG Leasing Poland Sp.zo.o	100	Poland	Leasing
EFG Property Services Polska Sp.zo.o	100	Poland	Real estate services
EFG Poldystrybucja Sp.zo.o.	100	Poland	Sundry services
Bancpost S.A.	85	Romania	Banking
Bancpost Fond de Pensii S.A.	85	Romania	Pension fund
EFG Eurobank Securities S.A.	100	Romania	Stock brokerage
EFG Eurobank Finance S.A.	100	Romania	Investment banking
EFG Leasing IFN S.A.	100	Romania	Leasing
EFG Eurobank Mutual Funds Management Romania S.A.I. S.A.	98	Romania	Mutual fund management
EFG Eurobank Property Services S.A.	80	Romania	Real estate services
EFG IT Shared Services S.A.	100	Romania	Informatics data processing
EFG Retail Services IFN S.A.	100	Romania	Credit card management
Eliade Tower S.A.	56	Romania	Real estate
Retail Development S.A.	56	Romania	Real estate
S.C. EFG Eurolife Asigurari de Viata S.A.	100	Romania	Insurance services
S.C. EFG Eurolife Asigurari Generale S.A.	100	Romania	Insurance services

<i>Subsidiary Undertakings</i>	<i>%</i>	<i>Country of Incorporation</i>	<i>Category of Business</i>
Seferco Development S.A.	56	Romania	Real estate
Eurobank EFG a.d. Beograd	100	Serbia	Banking
BDD EFG Securities a.d. Beograd	88	Serbia	Capital market services
EFG Asset Fin d.o.o. Beograd	100	Serbia	Asset management
EFG Business Services d.o.o. Beograd	100	Serbia	Payroll and advisory services
EFG Leasing a.d. Beograd	100	Serbia	Leasing
EFG Property Services d.o.o. Beograd	80	Serbia	Real estate services
EFG Retail Services a.d. Beograd	100	Serbia	Credit card management
Reco Real Property a.d.	56	Serbia	Real estate
Eurobank Tekfen A.S.	98	Turkey	Banking
EFG Finansal Kiralama A.S.	98	Turkey	Leasing
EFG Istanbul Holding A.S.	100	Turkey	Holding company
EFG Istanbul Menkul Degerler A.S.	98	Turkey	Capital market services
EFG Hellas PLC	100	United Kingdom	Special purpose financing vehicle
O.J.S.C. Universal Bank	100	Ukraine	Banking
EFG Property Services Ukraine LLC	100	Ukraine	Real estate services
Eurobank EFG Ukraine Distribution LLC	100	Ukraine	Sundry services

Associates are accounted for in the consolidated financial statements using the equity method of accounting. Shown below are our principal associates as at 31 March 2009:

<i>Subsidiary Undertakings</i>	<i>%</i>	<i>Country of Incorporation</i>	<i>Category of Business</i>
Cardlink S.A.	50	Greece	Management of automated processes
Dias S.A. Investment Company	25	Greece	Closed-End Fund
Tefin S.A.	50	Greece	Motor vehicle sales financing
Unitfinance S.A.	40	Greece	Financing company
BD Financial Limited	50	British Virgin islands	Financing company

#### *Nature of EFG Bank European Financial Group's control over Eurobank EFG*

Eurobank EFG and its material subsidiaries have been fully consolidated on the basis that the EFG Group exercises control over the Board of Directors, management, policies and strategies of Eurobank EFG. There are no shareholder agreements or any other similar arrangements in place governing the exercise of EFG Bank European Financial Group's control over Eurobank EFG. There are no arrangements existing or planned that would lead to a change in control of Eurobank EFG.

#### **Legal Matters**

In the ordinary course of business, Eurobank EFG usually has, at any particular time, a number of legal and other proceedings in which Eurobank EFG or its subsidiaries are involved. Certain of these actions allege damages in large amounts. It is not possible for Eurobank EFG to know or predict with certainty the ultimate outcomes of the actions pending. Eurobank EFG considers these proceedings to be groundless based on existing information and it is contesting them as such in court. However, Eurobank EFG believes that none of these actions, if adversely determined, would, individually or in the aggregate, have a material adverse effect on its financial position.

The following are some of the more significant proceedings that have been filed against the Bank:

1. A petition by Piraeus Bank in the Multi-Member Court of First Instance of Athens against Ergasias Bank S.A. (a banking société anonyme) on 30 July 1999 requesting payment of Drachmas 200,000,000,000, with interest, for damage to its reputation as a result of a tender offer made for Ergasias Bank S.A. The petition is currently in the stage of collecting evidence and the Bank has been named in place of Ergasias Bank S.A.;
2. A petition filed by ETVA Finance S.A. on 25 November 2005 requesting payment of €33,455,604 and interest of €990,000 as a result of a claim in tort; and
3. A petition filed by the Fund for Mutual Assistance of the Employees of Ioniki Bank and other Banks (TAPILTAT multi-employer auxiliary pension fund) on 12 March 2004, requesting payment of €28,124,904.69 from the Bank, with interest from 12 March 1999 for contributions owed.

In view of the above, no provisions for contingent liabilities have been recorded in respect of the above legal proceedings in case of an adverse outcome.

## SHARE PRICE HISTORY

The table below sets out, for the periods indicated, the reported high and low closing sales prices per Bank Ordinary Share on ATHEX, the principal market for the Bank Ordinary Shares. As at 24 July 2009, the closing price per Bank Ordinary Share on ATHEX was €8.96.

<b>Period</b>	<b>Price per Share</b>	
	<b>High</b>	<b>Low</b>
	<i>(in Euro)</i>	
<b>2006</b>		
First Quarter .....	23.39	18.08
Second Quarter .....	22.22	16.83
Third Quarter .....	20.04	17.14
Fourth Quarter .....	23.58	19.66
<b>2007</b>		
First Quarter .....	25.61	22.12
Second Quarter .....	27.30	23.52
Third Quarter .....	26.56	22.93
Fourth Quarter .....	27.00	22.14
<b>2008</b>		
First Quarter .....	23.98	17.46
Second Quarter .....	20.50	14.84
Third Quarter .....	16.26	12.02
Fourth Quarter .....	12.66	5.08
<b>2009</b>		
January .....	6.00	4.52
February .....	5.42	3.94
March .....	4.42	3.60
April .....	6.04	4.34
May .....	8.20	6.36
June .....	9.12	6.75

(Source: Bloomberg)

Information about the past and further performance of the Bank Ordinary Shares and their volatility can be obtained from the Bank's website at [www.eurobank.gr](http://www.eurobank.gr) (this uniform resource locator (URL) is an inactive textual reference only and is not intended to incorporate this website into this Prospectus).

The information above has been extracted from Bloomberg. Each of the Issuer and the Bank 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 Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## **REGULATION AND SUPERVISION OF BANKING IN THE HELLENIC REPUBLIC**

The Bank of Greece is the central bank in Greece. It is responsible for the licensing and supervision of credit institutions in Greece, in accordance with Greek Law 3601/2007, Greek Law 3746/2009 on the Greek deposit and investment guarantee fund, Greek Law 3691/2008 on anti-money laundering provisions and other relevant laws of Greece, each as amended. It also has regulatory and supervisory powers relating to the operation of credit institutions in Greece.

Regulation of the banking industry in Greece has changed in recent years pursuant to changes in Greek law, largely to comply with applicable EU directives. In August 2007, the EU directives regarding the adoption of the new Basel Capital Accord, known as Basel II, were incorporated into Greek law relating to the business of credit institutions and to the capital adequacy of investment firms and credit institutions.

Credit institutions operating in Greece are obliged to observe the liquidity ratios prescribed by the Bank of Greece, maintain efficient internal audit, compliance and risk management systems and procedures, submit to the Bank of Greece periodic reports and statements and provide it with such further information as it may require, and (in connection with certain operations or activities) make notifications to or request the prior approval (as the case may be) of the Bank of Greece, in each case in accordance with the applicable laws of Greece and the relevant Acts, Decisions and Circulars of the Bank of Greece.

Pursuant to Greek Law 3601/2007, the Bank of Greece Governor's Acts and other relevant laws of Greece, the Bank of Greece has the power to conduct audits and inspect the books and records of credit institutions. In case of breach, the Bank of Greece is empowered to require the relevant credit institution to take appropriate measures to remedy the breach, impose fines, appoint an administrator and finally (where the breach cannot be remedied or in case of insolvency) revoke the licence of the credit institution and place it into special liquidation under its supervision. In the case of insufficient liquidity of a credit institution, the Bank of Greece may order a mandatory extension of its due and payable obligations for a period not exceeding two months (which can be extended for a further one-month period) and appoint an administrator under its supervision.

### **Scheme for the Support of the Liquidity of the Greek Economy**

In November 2008, the Greek Parliament passed Greek Law 3723/2008 setting forth a €28 billion support scheme for the liquidity of the Greek economy, referred to as the "Support Scheme" in this Prospectus.

The Support Scheme is comprised of the following three pillars:

- (1) Up to €5 billion in non-dilutive capital designed to increase Tier 1 ratios. The capital will take the form of non-transferable voting redeemable preference shares with a 10 per cent. fixed return, which must be redeemed at the issue price five years after their issuance or, at the election of a participating bank, earlier with the approval of the Bank of Greece. Pursuant to decision No 54201/B2884 of the Minister of Economy and Finance, the banks will be required to convert the preference shares into common shares or another class of shares at the end of the five-year period if the redemption of the preference shares is impossible, because the Tier 1 capital of those banks after such redemption would be less than the level set by the Bank of Greece.
- (2) Up to €15 billion in Hellenic Republic guarantees for new borrowings (excluding interbank deposits) concluded until 31 December 2009 (whether in the form of debt instruments or otherwise) and with a maturity of three months to three years.
- (3) Up to €8 billion in debt instruments (the maturity of which may not exceed three years) issued by the Public Debt Management Agency until 31 December 2009 to participating banks meeting the minimum capital adequacy requirements set by the Bank of Greece. The debt instruments bear no

interest, are issued at their nominal value in denominations of €1 million and are listed on ATHEX. They are issued by virtue of a bilateral agreement executed between the participating bank and the Hellenic Republic. 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 must be repaid. The participating banks must use the debt instruments received only as collateral for refinancing, in connection with fixed facilities from the ECB 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 will have to accept a government-appointed director. Such director will have veto power on corporate decisions both at board and shareholder assembly level pertaining to directors and senior management compensation and dividend policy.

In addition, those banks will be required to limit maximum executive pay 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 Support Scheme. Also, during that period, dividend payouts for those banks, in respect of the year 2008, are disallowed, and, in respect of the financial year 2009 and any following years of participation in the Support Scheme, will be limited to up to 35 per cent. of distributable profits of the participating bank (at the parent company level). According to Greek Law 3756/2009, participating banks may not purchase their own shares. These provisions do not apply to the payment of dividends in respect of preference shares issued by credit institutions and traded on foreign organised markets.

Participating banks are obliged to avoid expanding their activities or pursuing other aims, in such a way that would lead to unjustifiable distortions of competition. To this end, the participating banks must ensure that the mean growth rate of their assets on a yearly basis will not exceed the highest of the following ratios:

- (a) the growth rate of the nominal GDP of the Hellenic Republic of the previous year; or
- (b) the mean annual asset growth rate of the banking sector of the period 1987-2007; or
- (c) the mean annual asset growth rate of the EU banking sector of the past six months.

## **Interest Rates**

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.

## **Compulsory Deposits with the Central Bank**

The compulsory reserve requirement framework of the Bank of Greece has been altered in line with Eurosystem regulations.

## **Guidelines for Risk-based Capital Requirements**

In November 2005, the Basel Committee on Banking Supervision issued its final proposals on the new capital standards, known as the new Basel Capital Accord or Basel II. Basel II promotes the adoption of certain specified risk management practices. It introduces risk-sensitive, conceptually sound approaches for the calculation of capital requirements that take into account the sophistication of risk management systems and methodologies applied by banks.

A significant innovation of the revised framework is the greater use of assessments of risk provided by banks' internal systems as inputs to capital calculations. In taking this step, the framework also puts forward a detailed set of minimum requirements designed to ensure the integrity of these internal risk assessments. The revised framework introduces capital requirements for operational risk and also directs banks to

establish an internal capital adequacy assessment process. This process accounts for market, credit and operational risks as well as other risk, including, but not limited to, liquidity risk, concentration risk, interest rate risk in the banking book, business risk and strategic risk.

The revised framework provides a range of options of escalated sophistication for determining the capital requirements for credit risk and operational risk. Various options allow banks and supervisors to select approaches that are most appropriate for their own operations and their financial market infrastructure.

The Basel II framework was implemented in June 2006 by means of EU Directives 2006/48 and 2006/49. These EU directives were enacted in Greece in August 2007 by means of Greek Law 3601/2007.

In 2008, the European Commission submitted a Proposal for a Directive of the European Parliament and the European Council amending Directives 2006/48/EC and 2006/49/EC regarding banks affiliated with central institutions, certain own funds items, large exposures, supervisory arrangements and crisis management.

#### *Additional Reporting Requirements*

Following the adoption of Basel II guidelines, the Bank of Greece issued a Governor's Act (2606/2008) determining the new reporting requirements for credit institutions in Greece.

The new reporting framework is put into effect for data with a reference date from 31 March 2008.

#### **Deposit and Investment Guarantee Fund**

A Greek deposit guarantee fund (the "Deposit Guarantee Fund") was implemented in September 1995. Currently, the fund, which is a private entity according to Greek Law 2832/2000, is administered jointly by the Bank of Greece, the Hellenic Bank Association, the Ministry of Economy and Finance, and the Association of Greek Cooperative Banks.

The Deposit Guarantee Fund is funded by annual contributions of participating credit institutions and cooperative banks pursuant to Greek Law 3714/2008, which amended Greek Law 2832/2000 and Presidential Decree 329/2000. The level of each participant's annual contribution is generally determined according to certain percentages applied to the total amount of eligible deposits. If accumulated funds are not sufficient to cover the claimants whose deposits become unavailable, participants may be required to pay an additional contribution. However, this contribution may not exceed an amount equal to 300 per cent. of a bank's last annual contribution. This additional contribution is set off against the annual contributions of following years. Greek law had adopted the minimum level of coverage provided under the applicable EU directive, which amounts to €20,000 per depositor per credit institution. However, following recent market developments the coverage level was increased to €100,000 until 31 December 2011, in accordance with Greek Law 3714/2008. Annual contributions of participating credit institutions and cooperative banks were accordingly increased by a factor of five. The deadline may be extended by a decision of the Greek Minister of Economy and Finance.

On 16 February 2009, certain protections of the existing Deposit Guarantee Fund relating to deposits and investment services were modernised, and the fund was renamed the "Deposit and Investment Guarantee Fund" ("TEKE"), by means of Greek Law 3746/2009. The coverage level in respect of deposits was maintained at €100,000.

#### **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. In August 2008, the Greek Parliament adopted Greek Law 3691/2008 on the prevention and suppression of money laundering and terrorist funding, which implemented EU Council Directives 2005/60/EC and 2006/70/EC.

The Bank of Greece, through its Banking and Credit Affairs Committee, has also issued Decision No. 281/5/2009 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 No. 281/5/2009 takes into account the principle of proportionality, the obligations of all credit and financial institutions and FATF recommendations. The decision also reflects the common understanding of the obligations imposed by European Regulation 1781/2006 on the information on the payer accompanying funds transfers to payment service providers of payees.

Finally, Greek banks are bound to follow Regulation (EC) 1781/2006 of the European Parliament and European Council of 15 November 2006 on information on the payer accompanying transfer of funds.

## TAXATION

### General

The summaries below are of a general nature based on current law and practice in each jurisdiction referred to. They relate only to the position of persons who are the owners of their Preferred Securities and may not apply to certain classes of persons such as dealers. These summaries do not constitute legal or tax advice and prospective investors should be aware that the relevant fiscal rules and practice and their interpretation may change. Any Holders who are in doubt as to their personal tax position should consult their professional advisers.

***Prospective purchasers of Preferred Securities are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of Preferred Securities, including the effect of any state or local taxes, under the tax laws of Jersey, Greece and each country of which they are residents.***

### The Hellenic Republic

The following discussion of Greek taxation, as it relates to the Preferred Securities and to the Guarantee, is of a general nature and is based on the provisions of the tax laws as currently in force in Greece. Since no or very limited precedent, administrative guidelines or evidence of practical application of the Greek taxation framework on withholding taxes, as amended, exists, the discussion below on Greek withholding tax is qualified in its entirety. Holders of Preferred Securities who are in doubt as to their personal tax position should consult their professional advisers.

#### ***Greek withholding tax***

##### ***Payments of Preferred Dividends under the Preferred Securities***

It is expected (though this has not been confirmed by the Greek Ministry of Finance) that the Greek tax authorities will consider the Preferred Dividends to constitute interest for the purposes of Greek taxes. The following analysis is based on this assumption. In relation to payments made to holders of Preferred Securities by the Issuer under the Preferred Securities which represent Preferred Dividends on the Preferred Securities:

- (i) a withholding tax of 10 per cent. will be imposed on holders of Preferred Securities who are tax residents in Greece and on holders who maintain for tax purposes, a permanent establishment in Greece. The withholding will be applied on the date of payment of the Preferred Dividends or on any date on which a holder sells any Preferred Securities with reference to the Preferred Dividends accrued during the relevant Preferred Dividend Period up to the time of such sale. In any case, the tax basis for withholding is the amount of Preferred Dividends accrued from the date the holder acquired the Preferred Securities to the next following Preferred Dividend Payment Date or from the date the holder acquired the Preferred Securities to the date of sale thereof if no Preferred Dividend Payment Date has occurred, in each case, determined with reference to the nominal value of the Preferred Securities sold. Such withholding will be imposed by credit institutions registered or established in Greece, qualifying as paying agents in the sense of par. 2(a) of article 4 of Law 3312/2005 (Gov. Gazette No A' 35/2005) implementing into Greek Law Directive 2003/48/EC on taxation of savings income in the form of interest payments (the "Implementing Law"), upon collection of interest on behalf of the Greek tax residents. Such withholding exhausts the tax liability of certain categories of Greek tax residents, including among others, individual holders.

*And*

- (ii) no withholding tax on account of Greek tax laws will be imposed on holders who are not Greek tax residents or do not maintain for tax purposes, a permanent establishment in Greece, to the extent that such payment of Preferred Dividends under the Preferred Securities is effected outside Greece.

Any gains, other than Preferred Dividends, from the sale of Preferred Securities are regarded as capital gains which increase the total taxable income of all categories of Greek tax residents. In the case of a capital loss, this is not a tax deductible amount for certain categories of Greek tax residents including individual Greek tax residents.

#### *Payments of Preferred Dividends under the Guarantee*

In relation to payments made to holders of Preferred Securities by the Bank under the Guarantee which represent Preferred Dividends on the Preferred Securities:

- (i) a withholding tax of 20 per cent., which does not exhaust the tax liability of the holder, will be imposed on holders of Preferred Securities who are tax residents in Greece and on holders who maintain, for tax purposes, a permanent establishment in Greece.

The same withholding tax will be imposed on holders who are individuals and are not residents of Greece nor of any country among those which adhered to the EU Savings Directive. No withholding tax on account of Greek laws will be imposed on holders who are individuals and are resident in any country which adhered to the EU Savings Directive. However, payments to any such individuals would be subject to the exchange of information regime described under “Implementation of EU Savings Directive” below.

*And*

- (ii) a withholding tax of 25 per cent., which exhausts the tax liability of a holder of Preferred Securities, will be imposed on holders of Preferred Securities who are companies or legal entities (other than “residual entities” of art. 4 par. 2 of the Implementing Law), and who are not resident in Greece and do not maintain for tax purposes a permanent establishment in Greece.

However, if such a holder of Preferred Securities is a resident of a country with which Greece has executed a bilateral treaty for the avoidance of double taxation then the provisions of such bilateral treaty shall prevail over the provisions of internal Greek tax laws and shall apply, provided that such a holder of Preferred Securities presents a tax residence certificate issued at a date not later than one (1) year before such certificate is presented.

#### *Implementation of EU Savings Directive*

On 3 June 2003, the EU Council of Economic and Finance Ministers adopted Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the “EU Savings Directive”).

The ultimate aim of the EU Savings Directive is to enable savings income in the form of interest payments made in one Member State to beneficial owners who are individuals resident for tax purposes in another Member State to be made subject to effective taxation in accordance with the laws of the latter Member State.

The achievement of such aim is attempted through the establishment of an automatic system of exchange of information concerning interest payments between Member States.

Greece implemented the EU Savings Directive by virtue of the Implementing Law.

The purpose of this section is to provide a summary of the mechanics introduced by the Implementing Law for the purpose of such implementation. Capitalised terms used in this section, “Taxation – Hellenic Republic”, and not defined in the Prospectus have the meaning given to them in the EU Savings Directive.

Under the Implementing Law, Greek paying agents paying interest, payable under the Preferred Securities or the Guarantee to, or securing the payment of interest for the benefit of, any individual holder (natural person), who is not a resident of Greece for tax purposes, shall be required to report to the Greek Competent Authority, being the Directorate of International Financial Affairs of the Ministry of Economy and Finance, certain information, consisting of, at least, the identity and residence of such individual Holder of Preferred Securities, the name and address of the paying agent, the account number of such individual Holder of Preferred Securities and information concerning such interest payment.

The Directorate of International Financial Affairs of the Ministry of Economy and Finance shall in turn communicate the above information to the respective Competent Authority of the Member State in which such Holder of Preferred Securities retains its residence for tax purposes.

A reporting process is established in certain cases also where the paying agent is paying interest, payable under the Preferred Securities or the Guarantee, to or securing the payment of interest for the benefit of certain categories of EU-based entities (other than Greek), as defined in the Implementing Law, which interest is secured or collected for the benefit of the ultimate individual holder of Preferred Securities. Also, specific obligations shall be imposed on Greek entities, collecting or receiving interest for the benefit of the ultimate individual Holder of Preferred Securities, by a Ministerial Decision of the Ministry of Economy and Finance.

The same treatment as with Preferred Dividends applies also to the capital gains arising from the sale of the Preferred Securities.

The enactment of the Implementing Law commenced on 1 July 2005.

### **Jersey**

The Issuer had “exempt company” status within the meaning of Article 123A of the Income Tax (Jersey) Law, 1961, as amended, for the calendar year ended 31 December 2008.

The Income Tax (Amendment No. 28) (Jersey) Law (the “Law”) was registered by the Royal Court in June 2007 and is now in force. The Law provides that the general basic rate of income tax on the profits of companies regarded as resident in Jersey or having a permanent establishment in Jersey, will be zero per cent. (“zero tax rating”) and that only a limited number of financial services companies which are regulated by the Jersey Financial Services Commission under the Financial Services (Jersey) Law 1998, shall be subject to income tax at a rate of 10 per cent. For so long as the Issuer holds a “zero tax rating”, payments in respect of the Preferred Securities will not be subject to any taxation in Jersey and no withholding in respect of Jersey taxation will be required on payments to any holder of the Preferred Securities.

Under current Jersey law, there are no capital gains, capital transfer, gift, wealth or inheritance taxes or any death or estate duties. No stamp duty is levied in Jersey on the issue or transfer of Preferred Securities. On the death of an individual holder of Preferred Securities (whether or not such individual was resident in Jersey), duty at rates of up to 0.75 per cent. of the value of the relevant Preferred Securities may be payable on the registration of Jersey probate or letters of administration.

### ***European Union Directive on the Taxation of Savings Income***

Jersey is not part of the EU and is not subject to the EU directive 2003/48/EC on the taxation of savings income (the “Savings Directive”) or other EU fiscal legislation. However, in keeping with Jersey’s policy of constructive international engagement (and in line with steps taken by other relevant countries), Jersey has now entered into various agreements regarding the Savings Directive.

Jersey has introduced a system which permits, either:

1. the disclosure of information concerning details of payments of interest (or other similar payments), and the identity of an individual beneficial owner of the interest to the tax authority of the EU jurisdiction where the owner of the interest payment is resident; or
2. the imposition of a retention or withholding tax in respect of payments of interest (or other similar income) made to an individual beneficial owner resident in an EU member state by a paying agent situated in Jersey or an EU member state.

(The terms “beneficial owner” and “paying agent” are defined in the bilateral agreements, entered into between Jersey and each of the EU member states relating to the treatment of savings income.)

Where the Issuer has appointed a paying agent located outside Jersey, the Issuer is not required to make any disclosures or levy retention tax. However, the rules applicable in the jurisdiction where the paying agent is located will apply.

The retention tax system will apply for an initial transitional period during which tax would be retained from such payments, instead of communicating the details of such payments to the tax authorities of the EU member state in which the individual beneficial owner is resident (the transitional period is prior to the implementation of a system of automatic communication among all EU member states of information regarding interest payments).

The requirements in respect of information disclosure or retention tax will not apply to payments made to companies, partnerships or to most types of trusts, nor will they apply to individuals who are resident outside the EU.

### ***Goods and Services Tax (“GST”)***

Pursuant to the Goods and Services Tax (Jersey) Law 2007 (the “2007 Law”), tax at a rate which is currently 3 per cent. applies to the supply of retail goods and services unless the relevant supplier or recipient of such goods and services is registered as an “international services entity”.

The Issuer is an “international services entity” within the meaning of the 2007 Law, having satisfied the requirements of the Goods and Services Tax (International Services Entities) (Jersey) Regulations 2008, as amended (the “ISE Regulations”) and, as long as it continues to be such an entity, a supply of goods or of a service made by or to the Issuer shall not be a taxable supply for the purposes of the 2007 Law.

### ***EU Savings Directive***

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other

countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 15 September 2008, the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008, the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

## **SUBSCRIPTION AND SALE**

EFG Eurobank Ergasias S.A. and HSBC Bank plc (together, the “Joint Lead Managers”) and Credit Suisse Securities (Europe) Limited and UBS Limited (together with the Joint Lead Managers, the “Managers” and each a “Manager”) have, pursuant to a Subscription Agreement (the “Subscription Agreement”) dated 27 July 2009, jointly and severally agreed to subscribe for the Preferred Securities at the issue price of 100 per cent. of the principal amount of the Preferred Securities. In addition, the Issuer has agreed to indemnify the Managers against certain liabilities, incurred in connection with the issue of the Preferred Securities. The Subscription Agreement may be terminated in certain circumstances prior to payment of the proceeds of the issue to the Issuer.

### **United States**

The Preferred Securities, the Guarantee and the Bank Ordinary Shares to be issued and delivered upon redemption of the Preferred Securities have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act (“Regulation S”).

Each Manager has agreed that it will not offer, sell or deliver the Preferred Securities, the Guarantee or the Bank Ordinary Shares to be issued and delivered in certain cases upon redemption of the Preferred Securities (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells the Preferred Securities, the Guarantee or the Bank Ordinary Shares to be issued and delivered in certain cases upon redemption of the Preferred Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Preferred Securities, the Guarantee or the Bank Ordinary Shares to be issued and delivered in certain cases upon redemption of the Preferred Securities, as the case may be, within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

The Preferred Securities and the Guarantee are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Preferred Securities, the Guarantee or the Bank Ordinary Shares to be issued and delivered in certain cases upon redemption of the Preferred Securities within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

### **United Kingdom**

Each Manager has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Preferred Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or, in the case of the Bank, would not, if it was not an authorised person, apply to the Bank; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Preferred Securities in, from or otherwise involving the United Kingdom.

### **The Hellenic Republic**

Each Manager has represented and agreed that it has complied and will comply with (i) all applicable provisions of Law 3401/2005 (Gov. Gazette A' Issue No 257/17.10.2005), implementing into Greek Law the Prospectus Directive; and (ii) all applicable provisions of Law 876/1979, with respect to anything done in relation to any offering of any Preferred Securities or advertisement, notice, statement or other action involving Preferred Securities in, from or otherwise involving the Hellenic Republic.

### **Jersey**

Each Manager has agreed that the Preferred Securities may not be: (i) offered to, sold to, purchased by or held by, or for the account of persons (other than a financial institution acting in the ordinary course of its business) resident for income tax purposes in Jersey; or (ii) transferred to a person resident for income tax purposes in Jersey (other than a financial institution acting in the ordinary course of its business).

### **General**

No action has been or will be taken in any country or jurisdiction by the Issuer, the Bank or the Managers that would permit a public offering of Preferred Securities, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Prospectus comes are required by the Issuer, the Bank and each Manager to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Preferred Securities or have in their possession or distribute such offering material, in all cases at their own expense.

## **GENERAL INFORMATION**

### **Authorisation**

1. The issue of the Preferred Securities was duly authorised by a resolution of the Board of Directors of the Issuer dated 27 July 2009 and the giving of the Guarantee was duly authorised by a resolution of the Board of Directors of the Bank dated 6 July 2009.

### **Listing**

2. Application has been made to the UK Listing Authority for the Preferred Securities to be admitted to the Official List of the UK Listing Authority and to the London Stock Exchange for the Preferred Securities to be admitted to trading on the London Stock Exchange's regulated market.

It is expected that Official Listing will be granted on or about 30 July 2009, subject only to issue of the Global Certificate.

### **Clearing Systems**

3. The Preferred Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records).

The ISIN for this issue is XS0440371903 and the Common Code is 044037190.

The address of Euroclear is 1 Boulevard du Roi Albert III, B-1210 Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg.

### **No adverse or significant change**

4. There has been no material adverse change in the prospects of the Issuer and no significant change in the financial or trading position of the Issuer since 31 December 2008.

There has been no material adverse change in the prospects of the Bank since 31 December 2008, the last day of the financial period in respect of which the most recent audited consolidated financial statements of the Bank have been prepared, and there has been no significant change in the financial or trading position of the Group since 31 March 2009, the last day of the financial period in respect of which the most recent unaudited consolidated interim financial statements of the Bank have been prepared.

### **Litigation**

5. Save as provided under "EFG Eurobank Ergasias S.A. – Legal Matters" on pages 79-80, none of the Issuer and the Bank and its Subsidiaries taken as a whole is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Bank is aware) during the period of 12 months preceding the date of this Prospectus which may have, or have had in such period, a significant effect on the financial position or profitability of either the Issuer or the Bank and its Subsidiaries taken as a whole.

### **Expenses**

6. The total expenses related to the admission to trading of the Preferred Securities are estimated to be approximately £4,200.

## **Yield**

7. The yield on the Preferred Securities will be 8.25 per cent. per annum calculated on the basis of the Issue Price and as at the date of this Prospectus. It is not an indication of future yield.

## **Payment for the Preferred Securities**

8. Payment for the Preferred Securities subscribed by the Managers or by persons procured by the Managers will be made by telegraphic transfer (or other approved means) to the account nominated by the Issuer.

## **Accounts**

9. The auditors of the Issuer are PricewaterhouseCoopers S.A., Chartered Accountants and Registered Auditors, who have audited the Issuer's accounts, without qualification, in accordance with IFRS for each of the financial years ended on 31 December 2007 and 31 December 2008. The auditors of the Issuer do not have any material interest in the Issuer.

The auditors of the Bank are PricewaterhouseCoopers S.A., Chartered Accountants and Registered Auditors, who have audited the Bank's accounts, without qualification, in accordance with IFRS for each of the financial years ended on 31 December 2007 and 31 December 2008. The auditors of the Bank do not have any material interest in the Bank.

## **Documents**

10. For the period of 12 months following the date of this Prospectus, copies and, where appropriate, English translations of the following documents may be obtained and, upon request and free of charge during normal business hours, at the specified offices of the Paying and Transfer Agents:
  - (a) the Memorandum of Association and Articles of Association of the Issuer and the constitutional documents of the Bank;
  - (b) the audited annual non-consolidated financial statements of the Issuer in respect of each of the financial years ended 31 December 2007 and 31 December 2008, prepared in accordance with IFRS;
  - (c) the audited annual consolidated financial statements of the Bank in respect of each of the financial years ended 31 December 2007 and 31 December 2008, prepared in accordance with IFRS;
  - (d) the unaudited interim consolidated financial statements of the Bank as at, and for the period ended, 31 March 2009; and
  - (e) the Agency Agreement and the Guarantee.

In addition, this Prospectus will be available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at [www.londonstockexchange.com/en-gb/pricesnews/marketnews](http://www.londonstockexchange.com/en-gb/pricesnews/marketnews) (this uniform resource locator (URL) is an inactive textual reference only and is not intended to incorporate this website into this Prospectus).

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