

OFFERING CIRCULAR



**PIRAEUS GROUP FINANCE PLC**

(incorporated with limited liability in England and Wales)

as Issuer  
and

**PIRAEUS BANK S.A.**

(incorporated with limited liability in the Hellenic Republic)

as Issuer and Guarantor

**€4,000,000,000 Euro Medium Term Note Programme**

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

Under this €4,000,000,000 Programme the Issuers may from time to time issue notes (the "Notes") denominated in any currency agreed with the relevant Dealer (as defined below). Notes may be issued as unsubordinated obligations or dated subordinated obligations of the relevant Issuer.

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

The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed €4,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

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

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

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

References in this Offering Circular to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been listed on the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Investment Services Directive (Directive 93/22/EEC).

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

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

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

The Notes of each Tranche will be in bearer form and (unless otherwise specified in the applicable Final Terms) will initially be represented by a temporary global Note which will be deposited on the relevant issue date with a common depository on behalf of Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg"), and/or any other agreed clearance system and which will be exchangeable, as specified in the applicable Final Terms, for either a permanent global Note or Notes in definitive form, in each case upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations. The applicable Final Terms will specify that a permanent global Note either (i) is exchangeable (in whole but not in part) for definitive Notes upon not less than 60 days' notice or (ii) is only exchangeable (in whole but not in part) for definitive Notes following the occurrence of an Exchange Event (as defined on page 17) all as further described in "Form of the Notes" and "Form of Final Terms" below.

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

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

*Arranger*

**Deutsche Bank**

*Dealers*

**ABN AMRO  
Credit Suisse First Boston  
Morgan Stanley  
Nomura International**

**Banc of America Securities Limited  
Deutsche Bank  
Natexis Banques Populaires  
Piraeus Bank S.A.**

**UBS Investment Bank**

**9th August, 2005**

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

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

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

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

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

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

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

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

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of Piraeus PLC, Piraeus Bank and the Dealers represents that this document may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by Piraeus PLC, Piraeus Bank or any of the Dealers which would permit a public offering of any Notes outside the European Economic Area or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other

offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. For details of certain restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom and Greece) and Japan, see “Subscription and Sale” below.

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

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

## TABLE OF CONTENTS

	Page
<i>SUMMARY OF THE PROGRAMME</i> .....	4
<i>RISK FACTORS</i> .....	10
<i>DOCUMENTS INCORPORATED BY REFERENCE</i> .....	15
<i>GENERAL DESCRIPTION OF THE PROGRAMME</i> .....	16
<i>FORM OF THE NOTES</i> .....	17
<i>FORM OF FINAL TERMS</i> .....	19
<i>TERMS AND CONDITIONS OF THE NOTES</i> .....	29
<i>USE OF PROCEEDS</i> .....	52
<i>PIRAEUS GROUP FINANCE PLC</i> .....	53
<i>PIRAEUS BANK S.A. AND THE PIRAEUS BANK GROUP</i> .....	57
<i>THE BANKING SECTOR IN GREECE</i> .....	78
<i>SELECTED CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP</i> .....	80
<i>FORM OF THE DEED OF GUARANTEE</i> .....	86
<i>TAXATION</i> .....	92
<i>SUBSCRIPTION AND SALE</i> .....	96
<i>GENERAL INFORMATION</i> .....	99

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes (provided that, in the case of any Tranche of Notes to be listed on the Luxembourg Stock Exchange, the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the relevant Tranche) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes.

## SUMMARY OF THE PROGRAMME

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

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

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

<b>Issuers:</b>	Piraeus Group Finance PLC Piraeus Bank S.A., acting through its Issuing Branch (as specified in the applicable Final Terms)  The issuance of Notes by Piraeus Bank S.A. is subject to the prior resolution of the Board of Directors of Piraeus Bank S.A.
<b>Guarantor (in the case of Notes issued by Piraeus Group Finance PLC):</b>	Piraeus Bank S.A.
<b>Description of the Issuers and the Guarantor:</b>	Piraeus Bank was incorporated in Greece in 1916 and provides a wide variety of retail and commercial banking services in the Greek market. Piraeus PLC is a wholly owned subsidiary of Piraeus Bank and was incorporated in England in 2000. Detailed descriptions of Piraeus Bank and Piraeus PLC are set out later in this Offering Circular.
<b>Risk Factors:</b>	There are certain factors that may affect Piraeus Bank's ability to fulfil its obligations under Notes issued by it under the Programme and under the Deed of Guarantee. These are set out under "Risk Factors" below and include the risk of adverse changes in the banking markets and the Greek property market. There are also certain factors that may affect Piraeus PLC's ability to fulfil its obligations under Notes issued by it under the Programme. These are also set out under "Risk Factors" below and include the fact that Piraeus PLC acts as a funding vehicle for Piraeus Bank. In addition, for certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme, see "Risk Factors".
<b>Description:</b>	Euro Medium Term Note Programme (the "Programme")
<b>Arranger:</b>	Deutsche Bank AG, London Branch
<b>Dealers:</b>	ABN AMRO Bank N.V. Banc of America Securities Limited Credit Suisse First Boston (Europe) Limited Deutsche Bank AG, London Branch Morgan Stanley & Co. International Limited Natexis Banques Populaires Nomura International plc Piraeus Bank S.A. (only in respect of issues of Notes by Piraeus Group Finance PLC) UBS Limited

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

**Certain Restrictions:**

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

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

**Issuing and Principal Paying Agent:**

Deutsche Bank AG, London Branch

**Luxembourg Listing Agent:**

Deutsche Bank Luxembourg S.A.

**Amount:**

Up to €4,000,000,000 (or its equivalent in other currencies calculated as described herein) outstanding at any time. The Issuers may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

**Distribution:**

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

**Currencies:**

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

**Redenomination, Exchange or Consolidation:**

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

**Maturities:**

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

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

*If the Notes have a maturity of less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom (i) the Notes must have a minimum redemption value of £100,000 or its equivalent in other currencies and be sold only to "professional investors" (ii) or another applicable exemption from section 19 of the FSMA must be available.*

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

**Issue Price:**

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

**Form of Notes:**

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

**Fixed Rate Notes:**

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

**Floating Rate Notes:**

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

- (i) on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or
- (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (iii) on such other basis as may be agreed between the relevant Issuer and the relevant Dealer,

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

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



<b>Index Linked Notes:</b>	<p>Each Issuer may offer Notes which provide for payments of principal, premium or interest which are linked to a currency or commodity index, securities exchange or commodities exchange index or other index or formula as agreed between the relevant Issuer and the relevant Dealer.</p> <p>Payments of principal in respect of Index Linked Redemption Amount Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the relevant Issuer and the relevant Dealer may agree (as indicated in the applicable Final Terms).</p>
<b>Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:</b>	<p>Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate, or both (as indicated in the applicable Final Terms).</p> <p>Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as selected prior to issue by the relevant Issuer and the relevant Dealer, will be payable on such Interest Payment Dates specified in, or determined pursuant to, the applicable Final Terms and will be calculated on the basis of the relevant Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer.</p>
<b>Interest Periods for Floating Rate Notes:</b>	Such period(s) as the relevant Issuer and the relevant Dealer may agree (as indicated in the applicable Final Terms).
<b>Dual Currency Notes:</b>	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the relevant Issuer and the relevant Dealer may agree (as indicated in the applicable Final Terms).
<b>Zero Coupon Notes:</b>	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest other than in the case of late payment.
<b>Change of Interest Basis Notes:</b>	Notes may be converted from one interest basis to another if so provided in the applicable Final Terms.
<b>Redemption:</b>	<p>The Final Terms relating to each Tranche of Notes will indicate either that Notes of such Tranche cannot be redeemed prior to their stated maturity (other than in specified instalments (see below) or for taxation reasons (subject, in the case of Dated Subordinated Notes only, to having obtained the prior approval of the Bank of Greece, if then required) or following an Event of Default) or that such Notes will be redeemable prior to their stated maturity at the option of the relevant Issuer (subject, in the case of Dated Subordinated Notes only, to having obtained the prior approval of the Bank of Greece, if then required) and/or the Noteholders upon giving notice to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as may be agreed between the relevant Issuer and the relevant Dealer.</p> <p><i>Prior to their stated maturity, Dated Subordinated Notes may be redeemed only at the option of the Issuer with the prior approval of the Bank of Greece.</i></p> <p>The applicable Final Terms may provide that such Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.</p>

<b>Denomination of Notes:</b>	The Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).
<b>Taxation:</b>	All payments in respect of the Notes issued by Piraeus Bank will be made without deduction for or on account of Greek withholding taxes (or, in the case of Notes issued by Piraeus Bank through a branch situate in a jurisdiction other than the Hellenic Republic, withholding taxes imposed by the jurisdiction where such branch is situate) and all payments in respect of Notes issued by Piraeus PLC will be made without deduction for or on account of UK withholding taxes, subject as provided in Condition 10.
<b>Negative Pledge:</b>	The Senior Notes will contain a negative pledge provision as further described in Condition 4.  There will be no negative pledge provision relating to Dated Subordinated Notes.
<b>Cross Default:</b>	The Senior Notes will contain a cross default provision as further described in Condition 11(a).  The Dated Subordinated Notes will not contain a cross default provision.
<b>Status of the Senior Notes:</b>	The Senior Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the relevant Issuer and will rank <i>pari passu</i> without any preference among themselves and at least <i>pari passu</i> with all other present and future unsecured (subject as aforesaid) and unsubordinated obligations of such Issuer (other than those preferred by mandatory provisions of law).
<b>Status of the Dated Subordinated Notes:</b>	The Dated Subordinated Notes will be direct, unsecured and subordinated obligations of the relevant Issuer and will rank at all times <i>pari passu</i> among themselves.
<b>Status of Deed of Guarantee:</b>	Notes issued by Piraeus PLC will be unconditionally and irrevocably guaranteed by Piraeus Bank (pursuant to a Deed of Guarantee dated 9th August, 2005 (the "Deed of Guarantee")) on a subordinated or an unsubordinated basis, as specified in the relevant Final Terms.
<b>Listing and admission to trading:</b>	Application has been made to the CSSF to approve this document as a base prospectus in respect of Piraeus PLC and in respect of Piraeus Bank. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Luxembourg Stock Exchange.  Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the



relevant Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

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

**Governing Law:**

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

**Selling Restrictions:**

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

## **RISK FACTORS**

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

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

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

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

#### ***Banking Markets***

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

#### ***Greek Property Market***

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

#### ***Regulation***

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

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

#### ***Financial Risks***

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

#### ***International Financial Reporting Standards***

Piraeus Bank has adopted International Financial Reporting Standards for reporting periods beginning after 1st January 2005. These standards are, in a number of ways, different from existing generally accepted accounting principles in Greece and their implementation may have a significant effect on the presentation of Piraeus Bank's financial statements.

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

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

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

### ***The Notes may not be a suitable investment for all investors***

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

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

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

#### *Notes subject to optional redemption by the relevant Issuer*

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

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

#### *Index Linked Notes and Dual Currency Notes*

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

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

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

#### *Partly-paid Notes*

The relevant Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

#### *Variable rate Notes with a multiplier or other leverage factor*

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

#### *Inverse Floating Rate Notes*

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

#### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The relevant Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

#### *Notes issued at a substantial discount or premium*

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

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

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

#### **Risks related to Notes generally**

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

##### *Modification, waivers and substitution*

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

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

##### *EU Savings Directive*

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from 1st July, 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

If, following implementation of this Directive, a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the relevant Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent following implementation of this Directive, the relevant Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

##### *Change of law*

The conditions of the Notes (other than Condition 20 and, in the case of Dated Subordinated Notes issued by Piraeus Bank, Condition 3(a), which shall be governed by Greek law) are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English or Greek law or administrative practice after the date of this Offering Circular.

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

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

### *The secondary market generally*

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

### *Exchange rate risks and exchange controls*

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

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

### *Interest rate risks*

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

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

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

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

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.



## DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) the auditors' report and audited consolidated annual financial statements for the financial year ended 31st December, 2003 which appear on pages 108 to 110 of the annual report for the year ended 2003 of Piraeus Bank. The auditors' report appears on page 110, the balance sheet appears on pages 108-109, the income statement appears on page 110 and the explanatory notes appear on page 108 of that document;
- (b) the auditors' report and audited non-consolidated annual financial statements for the financial year ended 31st December, 2003 which appear on pages 100 to 103 of the annual report for the year ended 2003 of Piraeus Bank. The auditors' report appears on page 103, the balance sheet appears on pages 100-101, the income statement appears on page 102 and the explanatory notes appear on page 100 of that document;
- (c) the auditors' report and audited consolidated annual financial statements for the financial year ended 31st December, 2004 which appear on pages 74 to 76 of the annual report for the year ended 2004 of Piraeus Bank. The auditors' report appears on page 76, the balance sheet appears on pages 74 to 75, the income statement appears on page 76 and the explanatory notes appear on page 74 of that document;
- (d) the auditors' report and audited non-consolidated annual financial statements for the financial year ended 31st December, 2004 which appear on pages 82 to 85 of the annual report for the year ended 2004 of Piraeus Bank. The auditors' report appears on page 85, the balance sheet appears on pages 82-83, the income statement appears on page 84 and the explanatory notes appear on page 82 of that document;
- (e) the unaudited consolidated quarterly financial statements for the three months ended 31st March 2005 which appear on pages 2 to 47 of the financial statements for the three months ended 31st March, 2005 of Piraeus Bank. The balance sheet appears on page 3, the income statement appears on page 2, the cash flow statement appears on page 5 and the explanatory notes appear on pages 12-47 of that document;
- (f) the unaudited non-consolidated quarterly financial statements for the three months ended 31st March, 2005 which appear on pages 2 to 36 of the financial statements for the three months ended 31st March, 2005 of Piraeus Bank. The balance sheet appears on page 3, the income statement appears on page 2, the cash flow statement appears on page 5 and the explanatory notes appear on pages 12-36 of that document;
- (g) the auditors' report and audited annual financial statements for the financial year ended 31st December, 2003 which appear on pages 3 to 9 of the annual report for the year ended 2003 of Piraeus PLC. The auditors' report appears on page 3, the balance sheet appears on page 5, the profit and loss account appears on page 4 and the explanatory notes appear on pages 6-10 of that document; and
- (h) the auditors' report and audited annual financial statements for the financial year ended 31st December, 2004 which appear on pages 3 to 13 of the annual report for the year ended 2004 of Piraeus PLC. The auditors' report appears on page 3, the balance sheet appears on page 5, the profit and loss account appears on page 4 and the explanatory notes appear on pages 6-13 of that document.

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

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

## GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, each Issuer may from time to time issue Notes denominated in any currency subject as set out herein<sup>1</sup>. A summary of the terms and conditions of the Programme and the Notes appears below. The applicable terms of any Notes will be agreed between the relevant Issuer, and in respect of Notes issued by Piraeus PLC, Piraeus Bank, and the relevant Dealer prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Final Terms attached to, or endorsed on, such Notes, as more fully described under "Form of the Notes and the Final Terms" below. A summary of the Programme is set out in the section "Summary of the Programme" in this Offering Circular.

This Offering Circular and any supplement will only be valid for Notes in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed €4,000,000,000 or its equivalent in other currencies. For the purpose of calculating the Euro equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

- (a) the Euro equivalent of Notes denominated in another Specified Currency (as specified in the applicable Final Terms in relation to the relevant Notes) shall be determined, at the discretion of the relevant Issuer, either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the Euro against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the relevant Issuer on the relevant day of calculation;
- (b) the Euro equivalent of Dual Currency Notes, Index Linked Notes and Partly Paid Notes (each as specified in the applicable Final Terms in relation to the relevant Notes) shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes (in the case of Partly Paid Notes, regardless of the subscription price paid); and
- (c) the Euro equivalent of Zero Coupon Notes (as specified in the applicable Final Terms in relation to the relevant Notes) and other Notes issued at a discount or premium shall be calculated in the manner specified above by reference to the net proceeds received by the relevant Issuer for the relevant issue.

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

## FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will be initially issued in the form of a temporary global Note without receipts, interest coupons or talons or, if so specified in the applicable Final Terms, a permanent Global Note, which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depository for Euroclear and Clearstream, Luxembourg. Whilst any Note is represented by a temporary global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the temporary global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent. Any reference in this Section "Form of the Notes" to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system approved by the relevant Issuer and the Agent.

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

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

Payments of principal, interest (if any) or any other amounts on a permanent global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the permanent global Note without any requirement for certification.

The applicable Final Terms will specify that either (i) a permanent global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such permanent global Note) to the Agent as described therein or (ii) a permanent global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached only upon the occurrence of an Exchange Event as described therein. "Exchange Event" means (i) in the case of Senior Notes, an Event of Default has occurred and is continuing or in the case of Dated Subordinated Notes, any Subordinated Default Event has occurred and is continuing, (ii) the relevant Issuer has been notified that either Euroclear or Clearstream, Luxembourg has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative clearing system is available or (iii) at the option of the relevant Issuer at any time. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 15 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event as described in (i) or (ii) above, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such permanent global Note) may give notice to the Agent requesting

exchange and in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may give notice to the Agent requesting exchange. Any such exchange shall not occur not later than 30 days after the date of receipt of the first relevant notice by the Agent.

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

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

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

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

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 11. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of the Notes and payment in full of the amount due has not been made in accordance with the provisions of the global Note then the global Note will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interest in such global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the relevant Issuer on the basis of statements of account provided by Euroclear and Clearstream, Luxembourg, on and subject to the terms of a deed of covenant (the “Deed of Covenant”) dated 9th August, 2005 executed by the Issuers.

## FORM OF FINAL TERMS

*The Final Terms applicable to each Tranche of Notes will be in substantially the following form, duly supplemented (if necessary), amended (if necessary) and completed to effect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of Final Terms but denotes directions for completing the Final Terms.*

[Date]

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

(acting through its [ ] Branch)

Issue of

[Aggregate Principal Amount of Tranche]

[Title of Notes]

Issued under the

**€4,000,000,000 Euro Medium Term Note Programme**

**[guaranteed by PIRAEUS BANK S.A.]**

### **PART A CONTRACTUAL TERMS**

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

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

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

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

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

1. Issuer:	[Piraeus Group Finance PLC] [Piraeus Bank S.A.] <sup>1</sup>
Issuing Branch:	[not applicable/specify branch]
Guarantor:	[Piraeus Bank S.A. <i>in respect of Notes issued by Piraeus PLC</i> ]

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

2. [(i)] Series Number: [ ]  
 [(ii)] Tranche Number: [ ]
- (if fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount: [ ]
- (i) Series: [ ]
- (ii) Tranche: [ ]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [date] (if applicable)]
6. Specified Denominations: [ ]  
 [ ]
- (N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €1,000 minimum denomination is not required.)*
7. [(i)] Issue Date and Interest Commencement Date:  
 [(ii)] Interest Commencement Date (if different from the Issue Date): [ ]  
 [ ]
8. Maturity Date: [Fixed Rate – Specify date  
 Floating Rate – Interest Payment Date falling in or nearest to [Specify Month]
- (N.B. in the case of Dated Subordinated Notes this must be at least five years after the Issue Date)*
- [If the Notes have a maturity of less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom (i) the Notes must have a minimum redemption value of £100,000 or its equivalent in other currencies and be sold only to “professional investors” (ii) or another applicable exemption from section 19 of the FSMA must be available.]*
9. Interest Basis: [[ ]% Fixed Rate]  
 [[LIBOR/EURIBOR] +/- [ ]% Floating Rate]  
 [Zero Coupon]  
 [Index Linked Interest]  
 [Other (specify)]  
 (further particulars specified below)



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

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

15. Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [ ] per cent. per annum [payable annually/semi-annually/quarterly/monthly] in arrear. *(If payable other than annually, consider amending Condition 5)*
- (ii) Interest Payment Date(s): [ ] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [ ] [per Note of [ ] Specified Denomination and per Note of [ ] Specified Denomination]
- (iv) Broken Amount(s): *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s)]*
- (v) Day Count Fraction: [30/360 or Actual/Actual (ISMA) or other (give details)]  
(subject to paragraph 30)

- (vi) Determination Date(s): [ ] in each year  
 [Insert regular interest payment dates, ignoring issue date or maturity date in case of long or short first or last coupon]  
 (NB: This will need to be amended in the case of regular interest payment dates which are not of equal duration)  
 (NB: Only relevant where Day Count Fraction is Actual/Actual (ISMA))
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
16. Floating Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph. If applicable also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate)*
- (i) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (iii) Additional Business Centre(s): [ ]
- (iv) Manner in which the Rate(s) of Interest and Interest Amount is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [[Name] shall be the Calculation Agent (no need to specify if the Principal Paying Agent is to perform this function)]
- (vi) Screen Rate Determination:
- Reference Rate: [ ]  
*(Either LIBOR, EURIBOR or other, although additional information is required if other – including as to fallback provisions in the Agency Agreement)*
- Interest Determination Date(s): [ ]  
*(Second London business day prior to the start of each Interest Period if LIBOR other than euro LIBOR or Sterling LIBOR, first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
- Relevant Screen Page: [ ]  
*(In the case of EURIBOR, if not Moneyline Telerate 248 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*

- (vii) ISDA Determination:
- Floating Rate Option: [            ]
  - Designated Maturity: [            ]
  - Reset Date: [            ]
- (viii) Margin(s): [ +/- ] [            ] per cent. per annum
- (ix) Minimum Rate of Interest: [            ] per cent. per annum
- (x) Maximum Rate of Interest: [            ] per cent. per annum
- (xi) Day Count Fraction: [Actual/365  
Actual/365 Fixed  
Actual/365 Sterling  
Actual/360  
30/360  
30E/360  
Other]  
(See Condition 5 for alternatives)
- (xii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [            ]
17. Zero Coupon Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Accrual Yield: [            ] per cent. per annum
  - (ii) Reference Price: [            ]
  - (iii) Any other formula/basis of determining amount payable: [            ]  
(Consider applicable day count fraction if euro denominated)
  - (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment [Condition 6(e)(iii) and 6(j) apply/specify other]
18. Index Linked Interest Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Index/Formula: [give or annex details]
  - (ii) Calculation Agent responsible for calculating the principal and/or interest due: [            ]
  - (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [need to include the description of market disruption or settlement disruption events and adjustment provision]
  - (iv) Specified Period(s)/Specified Interest Payment Date(s): [            ]
  - (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
  - (vi) Additional Business Centre(s): [            ]
  - (vii) Minimum Rate of Interest: [            ] per cent. per annum
  - (viii) Maximum Rate of Interest: [            ] per cent. per annum

- (ix) Day Count Fraction: [ ]
19. Dual Currency Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest payable: [ ]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [need to include the description of market disruption or settlement disruption events and adjustment premium]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [ ]

### PROVISIONS RELATING TO REDEMPTION

20. Issuer Call [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [ ] per Note of [ ] Specified Denomination
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [ ]
- (b) Maximum Redemption Amount: [ ]
- (iv) Notice period (if other than as set out in the Conditions): [ ]
21. Investor Put [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [ ] per Note of [ ] Specified Denomination
- (iii) Notice period (if other than as set out in the Conditions): [ ]
22. Final Redemption Amount [Nominal Amount/specify other/see Appendix]  
*(N.B. If the Final Redemption Amount is less than 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
23. Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6): [ ]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [60 days'] notice given at any time/only upon an Exchange Event].  
[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date upon [ ] days' notice.]  
[Permanent Global Note exchangeable for Definitive Notes on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note].
25. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details]
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details. *NB: a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]
28. Details relating to Instalment Notes:  
(i) Instalment Amount(s) [Not Applicable/give details]  
(ii) Instalment Date(s) [Not Applicable/give details]
29. Redenomination and/or Exchange and/or Consolidation applicable: Redemption [not] applicable  
*(if Redenomination is applicable, specify either the applicable Fixed Day Count Fraction or any other provisions necessary to deal with floating rate interest calculation (including alternative interest rates))*  
Exchange [not] applicable  
Consolidation [not] applicable
30. Other terms: [Not Applicable/give details]  
*(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)*

## DISTRIBUTION

31. (i) If syndicated, names [and addresses]\*\* of Managers [and underwriting commitments]\*\*: [Not Applicable/give details]

*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)\*\**

- (ii) Date of Subscription Agreement\*\* : [ ]\*\*
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give details]
32. If non-syndicated, name [and address]\*\* of Dealer: [Name [and address]\*\*]
33. Total commission and concession\*\* : [ ] per cent. of the Aggregate Nominal Amount\*\*
34. Additional selling restrictions: [Not Applicable/give details]
35. TEFRA: [Not Applicable/the [C/D] Rules are applicable]

### **[LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the €4,000,000,000 Euro Medium Term Note Programme of Piraeus Group Finance PLC and Piraeus Bank S.A.]

### **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. To the best of the knowledge and belief of the Issuer (having taken reasonable care to ensure that such is the case) the information contained in these Final Terms is in accordance with the facts and does not omit anything likely to affect the import of such information. [[ ] has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer:

By: .....

*Duly Authorised*

[Signed on behalf of the Guarantor:

By: .....

*Duly Authorised]*

### **PART B – OTHER INFORMATION**

#### **1. Listing**

- (i) Listing: [Luxembourg/other (*specify*)/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [ ] with effect from [ ].] [Not Applicable.]

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



(iii) Estimates of total expenses related to admission to trading:\* [ ]\*

## 2. Ratings

Ratings: The Notes to be issued have been rated:

[S & P: [ ]]

[Moody's: [ ]]

[[Other]: [ ]]

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

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

## 3. Notification

The [name of competent authority in home Member State] [has been requested to provide/has provided – include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [names of competent authorities of host Member States] with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.]

## 4. Interests of Natural and Legal Persons Involved in the Issue

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

## 5. Reasons for the Offer, Estimated Net Proceeds and Total Expenses

[(i) Reasons for the offer [ ]]

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

[(ii) Estimated net proceeds: [ ]]

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

[(iii) Estimated total expenses: [ ]. [Include breakdown of expenses]

*(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

## 6. Yield (Fixed Rate Notes only)

Indication of yield: [ ]

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

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

**7. Historic Interest Rates** (*Floating Rate Notes only*)\*\*

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

**8. Performance of Index/Formula, Explanation of Effect on Value of Investment and Associated Risks and Other Information Concerning the Underlying** (*Index-Linked Notes only*)

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

[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]\*\*

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

**9. Performance of rate[s] of Exchange and Explanation of Effect on Value of Investment** (*Dual Currency Notes only*)

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

[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]\*\*

**10. Operational Information**

- |       |  |   |
|-------|--|---|
| (i)   | ISIN Code:   | [            ]                              |
| (ii)  | Common Code:   | [            ]                              |
| (iii) | Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): | [Not Applicable/give name(s) and number(s)] |
| (iv)  | Delivery:  | Delivery [against/free of] payment          |
| (v)   | Names and addresses of additional Paying Agent(s) (if any):  | [            ]                              |

Notes:

\* Delete if the minimum denomination is less than €50,000

\*\* Delete if the minimum denomination is €50,000 or more

## TERMS AND CONDITIONS OF THE NOTES

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

This Note is one of a Series of notes issued by the Issuer specified as such in the applicable Final Terms (as defined below), being either Piraeus Group Finance PLC ("Piraeus PLC") or Piraeus Bank S.A. ("Piraeus Bank"), acting through its Issuing Branch (as specified in the applicable Final Terms) (together the "Issuers") the notes of such Series being hereinafter called the "Notes", which expression shall mean (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency, (ii) definitive Notes issued in exchange for a global Note and (iii) any global Note issued in accordance with an amended and restated Fiscal Agency Agreement (the "Agency Agreement", which expression shall include any amendments or supplements thereto) dated 9th August, 2005 and made between Piraeus PLC, Piraeus Bank and Deutsche Bank AG, London Branch in its capacity as Issuing and Principal Paying Agent (the "Agent", which expression shall include any successor to Deutsche Bank AG, London Branch in its capacity as such) and the other Paying Agents named therein (the "Paying Agents", which expression shall include the Agent and any substitute or additional Paying Agents appointed in accordance with the Agency Agreement).

The Notes, the Receipts and the Coupons (each as defined below) have the benefit of a deed of covenant (the "Deed of Covenant", which expression shall include any amendments or supplements thereto) dated 9th August, 2005 executed by the Issuers in relation to the Notes. The original Deed of Covenant is held by the common depositary for Euroclear and Clearstream, Luxembourg (each as defined below).

Notes issued by Piraeus PLC are the subject of a deed of guarantee dated 9th August, 2005 (as amended or supplemented from time to time, the "Deed of Guarantee") entered into by Piraeus Bank (in such capacity, the "Guarantor").

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

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

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

Any reference to "Noteholders" or "holders" in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a global Note, be construed as provided

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

Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Guarantee and subject to their detailed provisions. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant, the Deed of Guarantee and the applicable Final Terms which are applicable to them. Copies of the Agency Agreement, the Deed of Covenant and the Deed of Guarantee are available for inspection at the specified office of each of the Agent and the other Paying Agents. Copies of the applicable Final Terms are available for viewing at, and copies may be obtained from, the registered office of the Issuer and the specified offices of each of the Paying Agents save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer or, as the case may be, the relevant Paying Agent as to its holding of such Notes and identity.

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

## **1. FORM, DENOMINATION AND TITLE**

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

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

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

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

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

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

For so long as any of the Notes is represented by a global Note held on behalf of Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") and/or Clearstream Banking, *société anonyme* ("Clearstream, Luxembourg") each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Agent and any other Paying Agent as the holder of such nominal amount of

Notes for all purposes other than with respect to the payment of principal or interest on such Notes, for which purpose the bearer of the relevant global Note shall be treated by the Issuer, the Guarantor, the Agent and any other Paying Agent as the holder of such nominal amount of Notes in accordance with and subject to the terms of the relevant global Note (and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly). Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

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

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

- (a) If the Notes are specified as Senior Notes in the applicable Final Terms, the Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer which will at all times rank *pari passu* without any preference among themselves and at least *pari passu* with all other present and future unsecured (subject as aforesaid) and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.
- (b) The obligations of Piraeus Bank under the Deed of Guarantee in respect of Senior Notes issued by Piraeus PLC constitute direct, general, unconditional and unsubordinated obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured (subject as aforesaid) and unsubordinated obligations of the Guarantor, save for such obligations as may be preferred by mandatory provisions of law.

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

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

The claims of the Noteholders will be subordinated to the claims of Senior Creditors of the Issuer (as defined below) in that payments of principal and interest in respect of the Notes (whether in the winding up of the Issuer or otherwise) will be conditional upon the Issuer being solvent at the time of payment by the Issuer and in that no principal or interest shall be payable in respect of the Notes (whether in the winding up of the Issuer or otherwise) except to the extent that the Issuer could make such payment and still be solvent immediately thereafter. For this purpose, the Issuer shall be considered to be solvent if it can pay principal and interest in respect of the Notes and still be able to pay its outstanding debts to Senior Creditors of the Issuer, which are due and payable.

"Senior Creditors of the Issuer" means creditors of the Issuer (a) who are unsubordinated creditors of the Issuer, or (b) who are subordinated creditors of the Issuer whose claims are expressed to rank in priority to the claims of the holders of Dated Subordinated Notes (whether only in the winding up of the Issuer or otherwise).

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

- (b) The payment of principal and interest in respect of any Dated Subordinated Notes issued by Piraeus PLC has been irrevocably guaranteed on a subordinated basis by the Guarantor.

All claims under the Deed of Guarantee will be subordinated to the claims of Senior Creditors of the Guarantor (as defined below) in that payments under the Deed of Guarantee (whether in the winding up of the Guarantor or otherwise) will be conditional upon the Guarantor being solvent at the time of payment by the Guarantor and in that no amount shall be payable under the Deed of Guarantee (whether in the winding up of the Guarantor or otherwise) except to the extent that

the Guarantor could make such payment and still be solvent immediately thereafter. For this purpose, the Guarantor shall be considered to be solvent if it can pay principal and interest in respect of the Notes and still be able to pay its outstanding debts to Senior Creditors of the Guarantor, which are due and payable.

“Senior Creditors of the Guarantor” means creditors of the Guarantor (a) who are unsubordinated creditors of the Guarantor, or (b) who are subordinated creditors of the Guarantor whose claims are expressed to rank in priority to the claims of the holders of Dated Subordinated Notes or other persons claiming under the Deed of Guarantee (whether only in the winding up of the Guarantor or otherwise).

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

#### **4. NEGATIVE PLEDGE (SENIOR NOTES ONLY)**

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

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

#### **5. INTEREST**

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

- (i) Each Fixed Rate Note bears interest on its nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date specified in the applicable Final Terms at the rate(s) per annum equal to the Rate(s) of Interest so specified payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date so specified if that does not fall on an Interest Payment Date.

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

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

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

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



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

In these Terms and Conditions:

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

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

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

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

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

(i) *Interest Payment Dates*

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

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



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

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

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

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

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

(ii) *Rate of Interest*

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

(iii) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (iii), “ISDA Rate” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent or other person specified in the applicable Final Terms under an interest rate swap transaction if the Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2000 ISDA Definitions as published by the International Swaps and Derivatives Association Inc. and as amended

and updated as at the Issue Date of the first Tranche of the Notes (the "ISDA Definitions") and under which:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (a) if "Actual/365" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (b) if "Actual/365 Fixed" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (c) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (d) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (e) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (f) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or the last day of the Interest Period unless, in the case of an Interest Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

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

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

Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 15. For the purposes of this paragraph, the expression "London Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(viii) *Certificates to be final*

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

(c) *Interest on Dual Currency Notes*

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

(d) *Interest on Partly Paid Notes*

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

(e) *Accrual of Interest*

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

## **6. REDEMPTION AND PURCHASE**

(a) *Redemption at Maturity*

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

(b) *Redemption for Tax Reasons*

If as a result of any amendment to or change in the laws or regulations of the jurisdiction of incorporation of the Issuer or, if applicable, the Guarantor or, in the case of Piraeus Bank issuing Notes through a branch situated in a jurisdiction other than the Hellenic Republic, such other jurisdiction or in each case of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which amendment or change becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes the Issuer would be unable for reasons outside its control to make payment or the Guarantor (if applicable) would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay additional amounts as provided in Condition 10, the Issuer may, (subject, in the case of Dated Subordinated Notes, to the prior approval of the Bank of Greece), at its option and having given no less than 30 nor more than 60 days' notice (ending, in the case of

Notes which bear interest at a floating rate, on any Interest Payment Date) to the Agent and, in accordance with Condition 15, the Noteholders (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes at their Early Redemption Amount as may be specified in, or determined in accordance with, the applicable Final Terms together (if appropriate) with interest accrued to (but excluding) the date of redemption provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor (if applicable) would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Upon the expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly.

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

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

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

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

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

If Investor Put is specified in the applicable Final Terms, upon any Noteholder giving to the Issuer in accordance with Condition 15 not more than 30 nor less than 15 days' notice (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem subject to, and in accordance with, the terms specified in the applicable Final Terms such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date.

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

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

(e) *Early Redemption Amounts*

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



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

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

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

(f) *Instalments*

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

(g) *Partly Paid Notes*

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

(h) *Purchases*

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

(i) *Cancellation*

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

(j) *Late Payment on Zero Coupon Notes*

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

which the Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

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

## **7. PAYMENTS**

### **(a) *Method of Payment***

Subject as provided below:

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

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

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

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

Payments of instalments (if any) of principal in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) at the specified office of any Paying Agent of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in (a) above only against surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) appertaining thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

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



Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

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

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

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

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

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

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer or the Guarantor (if applicable).

(c) *Redenomination*

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

The election will have effect as follows:

- (i) the Notes and the Receipts shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Note and Receipt equal to the principal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Agent, that the then market practice in respect of the redenomination into euro of

internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;

- (ii) save to the extent that an Exchange Notice has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (iii) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Agent may approve) euro 0.01 and such other denominations as the Agent shall determine and notify to the Noteholders;
- (iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "Exchange Notice") that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (v) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (vi) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Fixed Day Count Fraction specified in the applicable Final Terms, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention;
- (vii) if the Notes are Floating Rate Notes, any applicable changes to the provisions relating to interest will be specified in the applicable Final Terms; and
- (viii) such other changes shall be made to these Terms and Conditions as the Issuer may decide, after consultation with the Agent, and as may be specified in the notice, to conform them to conventions then applicable to instruments denominated in euro or to enable the Notes to be consolidated with one or more issues of other notes, whether or not originally denominated in the Specified Currency or euro.

(d) *Exchange*

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

Agent, and as may be specified in the notice, including arrangements under which Receipts and Coupons unmaturing at the date so specified become void.

(e) *Consolidation*

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

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

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

(f) *Definitions*

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

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

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

"Relevant Clearing System" means:

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

(g) *Payment Day*

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

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in
  - (a) the relevant place of presentation;

- (b) London;
  - (c) any Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne or Wellington respectively or (2) in relation to any sum payable in euro, a day on which the TARGET System is open.
- (h) *Interpretation of Principal and Interest*
- Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:
- (i) any additional amounts which may be payable with respect to principal under Condition 10;
  - (ii) the Final Redemption Amount of the Notes;
  - (iii) the Early Redemption Amount of the Notes;
  - (iv) the Optional Redemption Amount(s) (if any) of the Notes;
  - (v) in relation to Notes redeemable in instalments, the Instalment Amounts;
  - (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(e)); and
  - (vii) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes.

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

## **8. AGENT AND PAYING AGENTS**

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

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

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

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

## 9. EXCHANGE OF TALONS

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

## 10. TAXATION

All amounts of principal, premium and interest in respect of the Notes, Receipts and Coupons payable by or on behalf of the Issuer or the Guarantor (if applicable) shall be made free and clear of, and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, collected, withheld, assessed or levied by or on behalf of, in the case of Piraeus PLC, the United Kingdom or, in the case of Piraeus Bank, the Hellenic Republic and, in the case of Piraeus Bank issuing Notes through a branch situated in a jurisdiction other than the Hellenic Republic, the jurisdiction where such branch is situated and, in the case of Piraeus Bank guaranteeing Notes issued by Piraeus PLC, the United Kingdom or, in each case, any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless such withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable in respect of any Note, Receipt or Coupon presented for payment:

- (i) by or on behalf of, a Noteholder, Receiptholder or Couponholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the United Kingdom, or, as the case may be, the Hellenic Republic, or, as the case may be, the jurisdiction in which the issuing branch is situated other than the mere holding of such Note, Receipt or Coupon; or
- (ii) by or on behalf of a Noteholder, Receiptholder or Couponholder who would not be liable or subject to such withholding or deduction if he were to comply with any statutory requirement or to make a declaration of non-residence or other similar claim for exemption but fails to do so; or
- (iii) more than thirty days after the Relevant Date (as defined below), except to the extent that the relevant Noteholder, Receiptholder or Couponholder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of thirty days; or
- (iv) in Greece (in the case of Piraeus Bank unless Piraeus Bank issues Notes through a branch situated in a jurisdiction other than the Hellenic Republic, in which case the reference to Greece shall be construed as a reference to such other jurisdiction) or the United Kingdom (in the case of Piraeus PLC); or
- (v) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (vi) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

For the purposes of these Terms and Conditions, the "Relevant Date" means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Agent on or prior to such due date, it means

the first date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 15.

## **11. EVENTS OF DEFAULT**

### **(1) Senior Notes**

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

- (a) Unless otherwise specified in the relevant Final Terms, the following events or circumstances (each an "Event of Default") shall be acceleration events in relation to the Notes, namely:
- (i) the Issuer fails to pay any amount of principal or interest in respect of the Notes on the due date for payment thereof and such failure continues for a period of 14 days; or
  - (ii) the Issuer or, if applicable, the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes, Receipts or Coupons and such default remains unremedied for 30 days after written notice thereof has been delivered by a Noteholder to the Issuer or the Guarantor, as the case may be, requiring the same to be remedied; or
  - (iii) the repayment of any indebtedness owing by the Issuer or, if applicable, the Guarantor or any Material Subsidiary is accelerated by reason of default and such acceleration has not been rescinded or annulled, or the Issuer or, if applicable, the Guarantor or any Material Subsidiary defaults (after whichever is the longer of any originally applicable period of grace and 14 days after the due date) in any payment of any indebtedness or in the honouring of any guarantee or indemnity in respect of any indebtedness provided that no such event shall constitute an Event of Default unless the indebtedness whether alone or when aggregated with other indebtedness relating to all (if any) other such events which shall have occurred and be continuing shall exceed U.S.\$10,000,000 (or its equivalent in any other currency or currencies); or
  - (iv) any order shall be made by any competent court or resolution passed for the winding up or dissolution of the Issuer or, if applicable, the Guarantor or any Material Subsidiary (other than for the purpose of amalgamation, merger or reconstruction (1) on terms approved by an Extraordinary Resolution of the Noteholders or (2) in the case of a Material Subsidiary whereby the undertaking and the assets of the Material Subsidiary are transferred to or otherwise vested in Piraeus Bank or another of its Subsidiaries); or
  - (v) the Issuer or, if applicable, the Guarantor or any Material Subsidiary shall cease to carry on the whole or substantially the whole of its business (other than for the purpose of an amalgamation, merger or reconstruction (1) on terms approved by an Extraordinary Resolution of the Noteholders or (2) in the case of a Material Subsidiary whereby the undertaking and the assets of the Material Subsidiary are transferred to or otherwise vested in Piraeus Bank or another of its Subsidiaries); or
  - (vi) the Issuer or, if applicable, the Guarantor or any Material Subsidiary shall stop payment or shall be unable to, or shall admit inability to, pay its debts as they fall due, or shall be adjudicated or found bankrupt or insolvent by a court of competent jurisdiction or shall make a conveyance or assignment for the benefit of, or shall enter into any composition or other arrangement with, its creditors generally; or
  - (vii) a receiver, trustee or other similar official shall be appointed in relation to the Issuer or, if applicable, the Guarantor or any Material Subsidiary or in relation to the whole or over half of the assets of the Issuer or, if applicable, the Guarantor or any Material Subsidiary or an interim supervisor of Piraeus Bank is appointed by the Bank of Greece or an encumbrancer shall take possession of the whole or over half of the assets of the Issuer or, if applicable, the Guarantor or any Material Subsidiary, or a distress or execution or other process shall be levied or enforced upon or sued out against the whole or a substantial part of the assets of the Issuer or, if applicable, the Guarantor and in any of the foregoing cases it or he shall not be discharged within 60 days; or



- (viii) the Issuer or, if applicable, the Guarantor or any Material Subsidiary sells, transfers, lends or otherwise disposes of the whole or a major part of its undertaking or assets (including shareholdings in its Subsidiaries or associated companies) and such disposal is substantial in relation to the assets of the Issuer or Piraeus Bank and its Subsidiaries as a whole, other than selling, transferring, lending or otherwise disposing on an arm's length basis;
- (ix) with respect to any Notes issued by Piraeus PLC, the Deed of Guarantee is not in full force and effect.

For the purposes of this Condition 11(1)(a) "Material Subsidiary" means at any time any Subsidiary of Piraeus Bank:

- (i) whose profits or (in the case of a Subsidiary which has subsidiaries) consolidated profits, before taxation and extraordinary items or before taxation and after extraordinary items as shown by its latest audited profit and loss account are at least 15 per cent. of the consolidated profits before taxation and extraordinary items of Piraeus Bank and its Subsidiaries as shown by the then latest published audited consolidated profit and loss account of Piraeus Bank and its Subsidiaries; or
  - (ii) whose gross assets or (in the case of a Subsidiary which has subsidiaries) gross consolidated assets as shown by its latest audited balance sheet are at least 15 per cent. of the gross consolidated assets of Piraeus Bank and its Subsidiaries as shown by the then latest published audited consolidated balance sheet of Piraeus Bank and its Subsidiaries; or
  - (iii) to which is transferred the whole or substantially the whole of the assets and undertaking of a Subsidiary which immediately prior to such transfer is a Material Subsidiary provided that, in such a case, the Subsidiary so transferring its assets and undertaking shall thereupon cease to be a Material Subsidiary.
- (b) If any Event of Default shall occur and be continuing in relation to any Note, any Noteholder may, by written notice to the Issuer at the specified office of the Agent, declare that such Note shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its Early Redemption Amount as may be specified in or determined in accordance with the relevant Final Terms, together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(2) *Dated Subordinated Notes*

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

- (a) If default is made in the payment of any amount due in respect of the Notes or any of them on the due date and such default continues for a period of 7 days, any Noteholder may institute proceedings for the winding up of the Issuer.
- (b) If, otherwise than for the purposes of a reconstruction or amalgamation on terms previously approved by an Extraordinary Resolution of the Noteholders, an order is made or an effective resolution is passed for the winding up of the Issuer, any Noteholder may, by written notice to the Agent, declare such Note to be due and payable whereupon the same shall become immediately due and payable at its Early Redemption Amount as may be specified in or determined in accordance with the relevant Final Terms, together (if appropriate) with interest accrued to (but excluding) the date of redemption unless such Subordinated Default Event shall have been remedied prior to receipt of such notice by the Agent.

**12. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER**

The Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of the Noteholders to consider any matter affecting their interests, including (without limitation) the modification by Extraordinary Resolution (as defined in the Agency Agreement) of these Terms and Conditions. An Extraordinary Resolution passed at any meeting



of the Noteholders will be binding on all Noteholders whether or not they are present at the meeting, and on all holders of Coupons or Receipts relating to the Notes.

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

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

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

### **13. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS**

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

### **14. PRESCRIPTION**

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

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

### **15. NOTICES**

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

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

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

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

## 16. SUBSTITUTION OF THE ISSUER

- (a) The Issuer may, without the consent of any Noteholder or Couponholder, substitute for itself any other body corporate incorporated in any country in the world as the debtor in respect of the Notes, any Coupons, the Deed of Covenant and the Agency Agreement (the "Substituted Debtor") upon notice by the Issuer and the Substituted Debtor to be given in accordance with Condition 15, provided that:
- (i) the Issuer is not in default in respect of any amount payable under the Notes;
  - (ii) the Issuer and the Substituted Debtor have entered into such documents (the "Documents") as are necessary to give effect to the substitution and in which the Substituted Debtor has undertaken in favour of each Noteholder to be bound by these Terms and Conditions and the provisions of the Agency Agreement as the debtor in respect of the Notes in place of the Issuer (or of any previous substitute under this Condition 16);
  - (iii) the Substituted Debtor shall enter into a deed of covenant in favour of the holders of the Notes then represented by a global Note on terms no less favourable than the Deed of Covenant then in force in respect of the Notes;
  - (iv) if the Substituted Debtor is not Piraeus Bank, the Deed of Guarantee extends to the obligations of the Substituted Debtor under or in respect of the Notes, any Coupons, the Deed of Covenant and the Agency Agreement and continues to be in full force and effect;
  - (v) if the Substituted Debtor is resident for tax purposes in a territory (the "New Residence") other than that in which the Issuer prior to such substitution was resident for tax purposes (the "Former Residence"), the Documents contain an undertaking and/or such other provisions as may be necessary to ensure that each Noteholder has the benefit of an undertaking in terms corresponding to the provisions of Condition 10, with the substitution of references to the Former Residence with references to the New Residence;
  - (vi) the Substituted Debtor and the Issuer have obtained all necessary governmental approvals and consents for such substitution and for the performance by the Substituted Debtor of its obligations under the Documents;
  - (vii) legal opinions shall have been delivered to the Agent from lawyers of recognised standing in the jurisdiction of incorporation of the Substituted Debtor, in England and in Greece as to the fulfilment of the requirements of this Condition 16 and that the Notes and any Receipts, Coupons and/or Talons are legal, valid and binding obligations of the Substituted Debtor;
  - (viii) if Notes issued or to be issued under the Programme have been assigned a credit rating by Standard & Poor's and/or Moody's, Standard & Poor's and/or Moody's as the case may be, having been notified of the proposed substitution, shall not have stated within 30 days thereafter that, as a result of such substitution, the credit rating of the Notes would be downgraded;
  - (ix) each stock exchange on which the Notes are listed shall have confirmed that, following the proposed substitution of the Substituted Debtor, the Notes will continue to be listed on such stock exchange; and
  - (x) if applicable, the Substituted Debtor has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Notes and any Coupons.
- (b) Upon such substitution the Substituted Debtor shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under the Notes, any Coupons, the Deed of Covenant and the Agency Agreement with the same effect as if the Substituted Debtor had been named as the Issuer herein, and the Issuer shall be released from its obligations under the Notes, any Receipts, Coupons and/or Talons, the Deed of Covenant and under the Agency Agreement.

- (c) After a substitution pursuant to Condition 16(a) the Substituted Debtor may, without the consent of any Noteholder or Couponholder, effect a further substitution. All the provisions specified in Conditions 16(a) and 16(b) shall apply *mutatis mutandis*, and references in these Terms and Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substituted Debtor.
- (d) After a substitution pursuant to Condition 16(a) or 16(c) any Substituted Debtor may, without the consent of any Noteholder or Couponholder, reverse the substitution, *mutatis mutandis*.
- (e) The Documents shall be delivered to, and kept by, the Agent. Copies of the Documents will be available free of charge during normal business hours at the specified office of each of the Paying Agents.

## **17. FURTHER ISSUES**

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

## **18. GOVERNING LAW; SUBMISSION TO JURISDICTION**

- (a) The Agency Agreement, the Deed of Covenant, the Deed of Guarantee, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law except that (i) Condition 20 and (ii), in the case of Dated Subordinated Notes issued by Piraeus Bank, Condition 3(a) is governed by and shall be construed in accordance with Greek law and in the case of Dated Subordinated Notes issued by Piraeus PLC, Condition 3(b) and clause 5.8 of the Deed of Guarantee are governed by and shall be construed in accordance with Greek law.
- (b) Piraeus Bank irrevocably agrees, for the exclusive benefit of the Noteholders that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes (together "Proceedings"), which may arise out of or in connection with the Agency Agreement, the Deed of Covenant, the Deed of Guarantee and the Notes and, for such purpose, irrevocably submits to the jurisdiction of such courts.
- (c) Piraeus Bank irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of England and any claim that any Proceedings have been brought in an inconvenient forum and further irrevocably and unconditionally agrees that a judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction. Nothing in this Condition shall limit any right to take Proceedings against Piraeus Bank in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.
- (d) Piraeus Bank irrevocably and unconditionally agrees that service in respect of any Proceedings may be effected upon Piraeus Bank S.A., London branch at Tower 42, 25 Old Broad Street, London EC2N 1HQ and undertakes that in the event of it ceasing to maintain a London branch Piraeus Bank will forthwith appoint a further person as its agent for that purpose and notify the name and address of such person to the Agent and agrees that, failing such appointment within fifteen days, any Noteholder shall be entitled to appoint such a person by written notice addressed to Piraeus Bank and delivered to Piraeus Bank or to the specified office of the Agent. Nothing contained herein shall affect the right of any Noteholder to serve process in any other manner permitted by law.

## **19. THIRD PARTY RIGHTS**

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

## **20. PIRAEUS BANK NOTEHOLDERS AGENT**

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

## **USE OF PROCEEDS**

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

## PIRAEUS GROUP FINANCE PLC

### Introduction

Piraeus Group Finance PLC ("Piraeus PLC") was incorporated in and under the laws of England on 26th October, 2000 as a public limited company of indefinite duration registered in England with number 4097418. Piraeus PLC operates under the Companies Act 1985. The registered office of Piraeus PLC is at Tower 42, 25 Old Broad Street London EC2N 1HQ, telephone +44 20 7537 1118. Piraeus PLC was acquired by Piraeus Bank on 25th January, 2001 and the share capital of Piraeus PLC continues to be held, directly or indirectly, by Piraeus Bank. Piraeus PLC's legal and commercial name is Piraeus Group Finance PLC.

### Directors

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

<b>Name</b>	<b>Address</b>	<b>Principal activities</b>
John Kyriakopoulos	Tower 42, 25 Old Broad Street London EC2N 1HQ	Director of Piraeus PLC, Marathon National Bank of New York, Marathon Banking Corporation, Tirana Bank S.A. and Piraeus Bank Romania
Irini Tzortzoglou	Tower 42, 25 Old Broad Street London EC2N 1HQ	Director of Piraeus PLC

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

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

Piraeus PLC has no employees or non-executive Directors.

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

### Activities

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

### General

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

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

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

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

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

Other than the execution of the Programme Agreement, the Agency Agreement, the Deed of Covenant and the Notes (each as defined in this Offering Circular) Piraeus PLC has not entered into any contract outside the ordinary course of its business which could result in Piraeus PLC being

under an obligation or entitlement that is material to Piraeus PLC's ability to meet its obligations to the holders of Notes under the Programme.

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

### Capitalisation and Indebtedness

The following table sets out the capitalisation and indebtedness of Piraeus PLC as at 31st December, 2004. There has been no material change in the capitalisation of Piraeus PLC since 31st December, 2004.

During 2004 Piraeus PLC issued Senior Notes of €350m (£247m) and Subordinated Notes of €400m (£282m). It also issued €200m (£141m) to Piraeus Group Capital Ltd., a subsidiary of the Piraeus Group (being the proceeds of Subordinated Floating Rate Notes).

	<b>Year ended 31st December, 2004</b>	<b>Year ended 31st December, 2003</b>
	<b>(Amounts in GBP)</b>	
Authorised Share Capital 50,000 Ordinary Shares of £1 each . . . . .	50,000	50,000
Issued Share Capital 50,000 Ordinary Shares of £1 each paid up as to 25p each. . . . .	12,500	12,500
Profit and loss account. . . . .	54,194	54,194
<b>Total Shareholders' Equity . . . . .</b>	<b>66,694</b>	<b>66,694</b>
Shareholders' Equity . . . . .	66,694	66,694
Creditors falling due within one year . . . . .	594,215,872	157,394,002
Total Shareholders' Equity and Liabilities . . . . .	1,263,162,331	157,460,696

The debt of Piraeus PLC as of 31st December, 2004 was £1,262.5 million (2003 — £157.4 million), as a result of the issue of commercial paper, medium term notes and borrowings from a fellow subsidiary in 2004.

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

### Accounts and Dividends

Since the date of its incorporation, no dividends have been declared or paid. Copies of the latest annual accounts for the years dated 31st December, 2003 and 2004 and interim (if any) accounts of Piraeus PLC, if required to be produced, will be available free of charge at the specified offices of Deutsche Bank S.A. Luxembourg in Luxembourg.

### Selected financial information relating to Piraeus PLC

The financial information set out below has been derived from the audited financial statements of Piraeus PLC at 31st December, 2004. Such information should be read in conjunction with, and is qualified in its entirety by reference to, Piraeus PLC's audited financial statements and the related notes thereto incorporated by reference to this Offering Circular.



**Profit and Loss Account**

	<u>2004</u>	<u>2003</u>
	<b>(Amounts in GBP)</b>	
Turnover . . . . .	19,197,385	1,647,573
Interest Payable . . . . .	(18,204,003)	(1,540,926)
Foreign Exchange Losses . . . . .	(15,883)	—
	977,499	106,647
Administrative Expenses . . . . .	(76,880)	(13,360)
<b>Profit/Loss on ordinary activities before Taxation</b> . . . . .	<u>900,619</u>	<u>93,287</u>
Tax on Profit on Ordinary Shares . . . . .	(271,000)	(27,990)
<b>Retained Profit/Loss for the financial period</b> . . . . .	<u><u>629,619</u></u>	<u><u>65,297</u></u>

**Balance Sheet**

	<u>Year ended 31st December, 2004</u>	<u>Year ended 31st December, 2003</u>
	<b>(Amounts in GBP)</b>	
<b>Current Assets</b>		
Amounts due from Parent undertakings . . . . .	1,263,156,680	157,458,483
Prepayments and accrued Income . . . . .	—	63
Cash at bank and in hand . . . . .	5,650	2,150
	<u>1,263,162,330</u>	<u>157,460,696</u>
<b>Creditors: Amounts falling due within one year</b> . . . . .	(594,217,017)	(157,394,002)
<b>Net Current Assets</b> . . . . .	668,954,313	66,694
<b>Creditors: Amounts falling due after more than one year</b> . . . . .	(668,249,000)	—
<b>Net Assets</b> . . . . .	696,313	66,694
<b>Capital and Reserves</b>		
Called up capital . . . . .	12,500	12,500
Profit and loss . . . . .	683,813	54,194
<b>Shareholders' Funds</b> . . . . .	<u><u>696,313</u></u>	<u><u>66,694</u></u>

## Unaudited Cash Flow Statement of Piraeus Group Finance plc

	1st January– 31st December 2004	1st January– 31st December 2003
	(Amounts in GBP)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Cash Inflows</b>		
Interest and Commission receipts . . . . .	20,210,893.37	1,647,572.78
Increase in deposits from Customers and Credit Institutions (excluding borrowings from Credit Institutions). . . . .	141,010,000.00	157,374,059.61
Add: the decrease in accrued income . . . . .	0.00	330,965.84
Less: the increase in accrued income . . . . .	4,075,613.42	63.00
<b>Sum of Cash Inflows</b> . . . . .	<b>157,145,279.95</b>	<b>159,352,535.23</b>
<b>Cash Outflows</b>		
Interest and Commission Expense . . . . .	13,026,939.84	1,541,010.35
Staff and Other Administrative Expenses. . . . .	0.00	13,193.90
Other operating and Exceptional expenses . . . . .	1,154,795.37	0.00
Loss from FX trading and revaluations and loss from securities trading. . . . .	15,883.22	81.95
Increase in loans and advances to Customers and Credit Institutions	1,100,844,332.05	157,463,618.95
Less: the decrease in prepaid expenses . . . . .	63.00	0.00
Add: the decrease in accrued expenses . . . . .	0.00	330,902.84
Less: the increase in accrued expenses . . . . .	2,333,927.98	0.00
Add: the decrease in other liabilities excl. Dividends & Taxes payable	0.00	5,435.00
Less: the increase in other liabilities excl. Dividends & Taxes payable	0.00	13,616.43
Taxes Cash Flows . . . . .	132,962.41	16,527.58
<b>Sum of Cash Outflows</b> . . . . .	<b>1,112,840,921.91</b>	<b>159,357,154.14</b>
<b>Net Cash from Operating Activities</b> . . . . .	<b>(955,695,641.96)</b>	<b>(4,618.91)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>Sum of Cash Inflows</b> . . . . .	0.00	0.00
<b>Sum of Cash Outflows</b> . . . . .	0.00	0.00
<b>Net Cash from Investing Activities</b> . . . . .	0.00	0.00
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Cash Inflows</b>		
Increase in liabilities from Issuing bonds and other securities . . . . .	679,300,284.95	0.00
Increase in Subordinated debt. . . . .	282,020,000.00	0.00
<b>Sum of Cash Inflows</b> . . . . .	<b>961,320,284.95</b>	<b>0.00</b>
<b>Cash Outflows</b>		
Interest expense from issued bonds . . . . .	5,174,059.27	0.00
<b>Sum of Cash Outflows</b> . . . . .	<b>5,174,059.27</b>	<b>0.00</b>
<b>Net Cash from Financing Activities</b> . . . . .	<b>956,146,225.68</b>	<b>0.00</b>
<b>Net Increase in Cash &amp; Cash Equivalents</b> . . . . .	<b>450,583.72</b>	<b>(4,618.91)</b>
<b>Cash &amp; Cash Equivalents at the Beginning of the Year</b> . . . . .	<b>96,844.81</b>	<b>6,769.00</b>
<b>Cash &amp; Cash Equivalents at the End of the Year</b> . . . . .	<b>547,428.53</b>	<b>2,150.09</b>

## PIRAEUS BANK S.A. AND THE PIRAEUS BANK GROUP

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

### 1. Overview of Piraeus Bank S.A. and the Piraeus Bank Group

Piraeus Bank S.A. (the "Bank") was incorporated in Greece on 6th July, 1916 pursuant to the laws of the Hellenic Republic and is presently operating under the Codified Law 2190/1920 as in force. The Bank is a limited liability financial company with the legal name 'Piraeus Bank Societe Anonyme'. It is registered in Greece (register number 6065/06/B/86/04) and has its registered office at 20 Amalias Ave. & 5 Souri Str., 105 57 Athens, Greece (telephone + 30 210 333 5000). It has been listed on the Athens Exchange ("ATHEX") since 1918 and is subject to regulations and supervision by the Bank of Greece as well as the Hellenic Capital Market Commission. The Bank's commercial name is Piraeus Bank S.A. The duration of the Bank as determined by its Articles of Association has been extended to terminate on 6th July, 2099.

The Bank was initially headquartered in the city of Piraeus, port of Athens. The Bank was nationalised in 1975 and reverted to private ownership in 1991 to a group of prominent businessmen. Today, the Bank is the flagship company of the Piraeus Bank Group of companies (the "Piraeus Bank Group" or the "Group") and the direct parent of the majority of the subsidiaries comprising the Group.

Both the Bank and the Group, as a whole, have developed rapidly over the last few years, through organic growth and acquisitions, and the Group is now the third largest privately-held banking group in Greece (source: published financial statements). At 31st December, 2004 the Group's assets totalled €16.6 billion, representing approximately 8.7 per cent. of all commercial bank assets in Greece (source: published financial statements). The Group contains a number of companies covering a wide spectrum of retail and commercial banking services in the Greek market, including corporate and investment banking, mutual funds management, equity brokerage, leasing, financial consulting, venture capital, and bancassurance.

In addition to organic growth, the Piraeus Bank Group has made a series of strategic acquisitions with the goal of establishing a strong presence in the dynamically developing market. In 1998, Piraeus Bank acquired and absorbed the Greek operations of Chase Manhattan Bank and in 1999 of National Westminster Bank. In June 2000, through an exchange of shares, Piraeus Bank merged with two of its banking subsidiaries, Macedonia-Thrace Bank and XiosBank, in which it had held controlling interests since April 1998 and February 1999, respectively. In early 2002, Piraeus Bank acquired the Hellenic Industrial Development Bank ("ETBA Bank"), thus enhancing the Group's capital base and increasing its market share in banking activities, leasing and asset management. ETBA Bank was successfully absorbed by Piraeus Bank in December 2003.

At the beginning of 2002, a strategic alliance agreement for the Greek market was signed between the Piraeus Bank Group and the international banking and insurance ING Group. As part of this agreement, a cross-shareholding took place in November 2002 and two joint ventures were established at the beginning of 2003 in the fields of Bancassurance – Employee Benefits and Asset Management.

The Bank's know-how extends into retail banking, small and medium-sized enterprises (SMEs), capital markets and investment banking, leasing, and shipping. These services are offered through the Bank's branch network and its subsidiaries, and through the electronic banking network of winbank.

Internationally, the Group has steadily expanded its presence. The Group operates in New York through its subsidiary Marathon Bank (10 branches), in London through a branch of Piraeus Bank, in Albania through its subsidiary Tirana Bank (22 branches), in Romania through its subsidiary Piraeus Bank Romania S.A. (14 branches) and in Bulgaria through 13 branches of Piraeus Bank.

In accordance with Greek law, the Bank prepares annual audited and semi-annual reviewed financial statements in accordance with Greek GAAP (until 31st December, 2004) and under IFRS (as of 1st January, 2005). PricewaterhouseCoopers and SOL are the auditors for the annual financial statements and reviewers of the semi-annual financial statements. The Bank also prepares quarterly unaudited financial statements under IFRS (as of 1st January, 2005).

As at 31st December, 2004, Piraeus Bank Group had a network of 309 branches (of which 60 were abroad) and 449 ATMs and employed 5,358 people (4,191 of which were employed by the Bank). Its equity capital amounted to €1.2 billion with a BIS ratio of 13.1 per cent. (Tier I 10.2 per cent.).

Customer deposits (excluding customer repos) amounted to €10.7 billion, loans reached €12.7 billion and total assets were €16.6 billion.

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

## **2. Strategy**

Piraeus Bank has taken advantage of the deregulation and consolidation of the Greek market in the 1990s by increasing its presence in the domestic retail banking market, and raising its share of the loan market from 0.3 per cent. in 1991 to 11 per cent. at the end of 2004 (source: published financial statements). The Greek banking market offers opportunities for development as viewed by a variety of measures, such as household loans-to-GDP (32 per cent. as opposed to 50 per cent. in the Eurozone) or business loans-to-GDP (40 per cent. as opposed to 65 per cent. in the Eurozone) (source: Bank of Greece).

Over the next three years, the Bank seeks to achieve a 14 per cent. share of loans in Greece where room for growth in the mortgage and consumer credit segments is considerable. The Group plans to maintain its focus on servicing small and medium sized enterprises ("SMEs") through specialised products and longer credit terms. With regard to medium and large enterprises and shipping, the Group aims to establish a larger presence, with profit margins commensurate with the assumed risk. The Group's non-performing loans are to be reduced to approach the long-term target of approximately 2.5 per cent. of outstanding loans.

In investment banking, the Group shall seek to enhance its current presence in the market, whereas in the private banking area the renewal of electronic data processing ("EDP") and organisation infrastructures is anticipated to strengthen the Group's involvement in asset management.

In Southeastern Europe, the Group aims to take advantage of the banking reforms expected in the medium term by raising its share of the loan market to 5 per cent. in each country where the Group has a presence.

The Bank plans to maintain its branch expansion rate by establishing approximately 40-50 new branches in two to three years, mainly in the Attica prefecture surrounding Athens where economic activity exceeds the potential of the existing network. This will complement the historically strong presence in Northern Greece which the Bank had acquired via the purchase of ex-Macedonia Thrace Bank in 1998. These new branches, along with the maturing of 100 branches established in the past four years, are expected to contribute decisively to the further growth of the Group's operations.

The Group is keen to expand its business while maintaining efficiency. To contain cost, personnel hires to new branches are to be filled primarily through staff transfers from the Head Office in Athens. The Group's medium-term target cost-to-income target ratio is set at 53 per cent. (as opposed to 58.6 per cent. in 2004). The maturing of its Greek branch network and the cost containment policy are expected to drive after-tax return on equity ("ROE") above the 20 per cent. from 14.4 per cent. and 12.5 per cent. in 2004 and 2003 respectively.

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

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

### 3. Piraeus Bank Group Organisational Structure

The Greek financial services sector has historically been characterised by the presence of specialised companies established around a principal bank. In a similar manner, the Piraeus Bank Group is comprised of Piraeus Bank S.A. and its subsidiaries. Piraeus Bank S.A. is not dependent upon any other entities within the group. The following diagram summarises the divisional structure of the principal subsidiaries of the Piraeus Bank Group as at 31st December, 2004:

<b>Piraeus Bank Group</b>				
<b>Commercial Banking</b>	<b>Investment Banking</b>	<b>Asset Management</b>	<b>Bancassurance</b>	<b>Non-Financial Companies</b>
<ul style="list-style-type: none"> <li>-Piraeus Bank</li> <li>-Tirana Bank (83.9%)</li> <li>-Marathon Banking Corporation (78.3%)</li> <li>-Piraeus Bank Romania (100.0%)</li> <li>-Piraeus Leasing Romania (100.0%)</li> <li>-Piraeus Leasing (84.3%)</li> <li>-Piraeus Best Leasing (38.9%)</li> <li>-Piraeus Multifin (87.5%)</li> <li>-Piraeus Factoring (100.0%)</li> <li>-Multicollection (51.0%)</li> </ul>	<ul style="list-style-type: none"> <li>-Piraeus Sigma Devletoglou Securities(80.0%)</li> </ul>	<ul style="list-style-type: none"> <li>-Hellenic Investment Co. (48.1%)</li> <li>-Piraeus Asset Management Europe (99.9%)</li> </ul>	<ul style="list-style-type: none"> <li>-Piraeus Insurance Agency (98.9%)</li> </ul>	<ul style="list-style-type: none"> <li>-e-Vision (100.0%)</li> <li>-Piraeus Direct Services (100.0%)</li> <li>-Exodus (50.1%)</li> <li>-Picar (100.0%)</li> <li>-Piraeus Real Estate (87.5%)</li> <li>-Piraeus Real Estate Investment Property (92.7%)</li> <li>-ETBA Industrial Estates (65.0%)</li> <li>-Piraeus Botifin (98.1%)</li> </ul>

### 4. Ownership of Piraeus Bank S.A.

Piraeus Bank's share capital consists of 200,257,006 common registered shares listed on the Athens Exchange. As of 31st December, 2004, the total number of shareholders stood at 221,411. The two largest shareholding interest groups are the members of the Vardinoyiannis family controlling an approximate 7.5 per cent. stake and the Dutch financial group ING, which holds 4.2 per cent. No single shareholder owns an interest in excess of 5.0 per cent. No shareholder has a controlling interest in Piraeus Bank.

#### Ownership

(%)	Shareholder Identity
4.2	ING Group
25.1	Foreign institutional investors
11.3	Greek institutional investors
5.9	Corporates
0.7	Treasury Stock
2.7	Greek State (ex-ETBA Bank's shareholder)
50.1	Individual Shareholders

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

### 5. Management of Piraeus Bank S.A.

The Annual General Shareholders' Meeting ("AGSM") which took place on 7th April, 2005 elected the Board of Directors of the Bank to a three-year term, which is renewable, ending on 30th June, 2007. The Board consists of fifteen (15) members, three (3) executive and twelve (12) non-executive, three (3) of which are independent.

### *Executive Members*

Michalis G. Sallas, Chairman and Managing Director  
Michael H. Colakides, Vice Chairman and Deputy Managing Director  
Theodoros N. Pantalakis, Vice Chairman and Deputy Managing Director

### *Non-Executive Vice Chairmen*

Konstantinos P. Angelopoulos, Economist – Businessman  
Ioannis V. Vardinoyiannis, Businessman

### *Non-Executive Members*

Iakovos G. Georganas, Economist, Chief Financial Advisor  
Georgios P. Alexandridis<sup>1,3</sup>, Economist, Member of the Board of Directors of Motor Oil S.A.  
Vassilios S. Furlis, Businessman, Chairman and Managing Director of Furlis Holding S.A.  
Loukas A. Gerostathopoulos, Electrical Mechanical Engineer – Businessman  
Michalis D. Gigilinis, Businessman  
Stilianos D. Golemis, Economist, Chairman of Goldair Group  
Lambros E. Kotsiris, University Professor, Chairman of the Legal Council  
Dimitrios Th. Simeonidis, Businessman, Chairman of the Federation of Industrialists of Northern Greece<sup>3</sup>  
Eftichios Th. Vassilakis, Economist, Vice Chairman of the Board of Directors of Autohellas S.A., Vassilakis Group  
Nikolaos J. Zografos, Economist<sup>2,3</sup>

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1 Member of the Audit Committee

2 Chairman of the Audit Committee

3 Non-Executive Independent Director, as per AGSM resolution on 7th April, 2005

Other than as disclosed above no Executive Member, Non-Executive Vice Chairman or Non-Executive Member has any activities outside Piraeus Bank which are significant with respect to Piraeus Bank.

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

The business address of each person identified above is 20 Amalias Ave. & 5 Souri. Str., 105 57 Athens, Greece.

## **6. Activities of the Piraeus Bank Group**

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

### *6.1. Retail Banking and Branch Network*

Retail banking is mainly conducted through the Bank's branch network in Greece and abroad. The Bank offers a variety of products in retail banking and is focused on developing specialised products for the Greek market. Facilitated by the Bank's branch network and alternative distribution channels, mortgage and consumer credit totals have grown significantly over the last few years and are expected to continue, particularly as the loan market itself has significant room for development.

#### **6.1.1. Personal Deposit Products**

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



### Personal Deposits (on a consolidated basis)

Amounts in € million (end of year)	2004	2003	Change
Savings . . . . .	2,988.9	2,426.0	23.2%
Current Accounts . . . . .	801.9	610.7	31.3%
Time Deposits . . . . .	2,470.8	1,657.9	49.0%
Investment Products . . . . .	262.5	270.0	-2.8%
Bank Bonds issued . . . . .	475.4	473.1	0.5%
Total Deposits . . . . .	6,999.6	5,437.7	28.7%
Customer Repos . . . . .	403.0	943.5	-57.3%
<b>Total Deposits and Repos . . . . .</b>	<b>7,402.6</b>	<b>6,381.2</b>	<b>16.0%</b>

#### 6.1.2. Personal Investment and Mutual Funds

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

#### 6.1.3. Mortgage and Consumer Credit

Mortgage and Consumer Credit continued growing in 2004, accounting for 30.7 per cent. of the Group's total loan advances. The 2004 domestic market share for the Group reached 9.3 per cent. (4th overall) in the consumer credit segment (14.0 per cent. when excluding credit cards (source: Bank of Greece)). Similarly, market share in mortgage credits reached 7.6 per cent. in 2004.

Regarding personal loans, the Bank offers customised interest-rate products off its individualised consumer loan platform. With respect to mortgage and home repair loans, the Bank distributes a wide range of fixed and floating rate mortgages of up to 30 years' maturity through the branch network as well as the alternative networks such as ING's insurance agents. Emphasis is placed on product innovation and service quality as the Bank targets specific customer groups. With respect to credit card issuance, holders of Visa, MasterCard, and co-branded credit cards amounted to 276,450, generating €333 million in turnover. Debit cardholders totalled 410,342 as at 31st December, 2004, and the market is expected to grow as spending habits converge with the European average. The Bank is active in consumer vehicle financing via Piraeus Multifin S.A., granting financing for new and used vehicles at either the purchase (stock finance) or sale stages. Piraeus Multifin works with more than 300 car dealerships, including select central dealers.

### Consumer Credit (on a consolidated basis)

Amounts in € million (end of year)	2004	2003	Change
Consumer Loans . . . . .	1,618.9	1,480.7	9.3%
Mortgage Loans . . . . .	2,228.9	1,572.3	41.8%
<b>Totals . . . . .</b>	<b>3,847.8</b>	<b>3,053.0</b>	<b>26.0%</b>

#### 6.1.4. Other Retail Banking Services

##### 6.1.4.1. Bancassurance

ING Piraeus Life Insurance S.A., a bancassurance joint venture between Piraeus Bank and the ING Group, was established in 2003 for the purpose of offering insurance products through the Bank's network and, banking products through the insurance advisors of ING. The upgraded electronic data processing system of ING Piraeus Life Insurance S.A. and specialised training of the sales forces of both networks assist this endeavour. In 2004 total insurance premia amounted to €51.0 million. Piraeus Insurance Agency S.A., operates as a broker for all types of insurance policies to satisfy the insurance requirements of the Group's customers.

##### 6.1.4.2. Fund Transfer and Payments Systems

The Bank maintains a competitive edge in the domestic market with regard to fund transfers and payment systems, thanks to high automation standards of such transactions and its state-of-the-art information systems. In this context, the migration from the automated fund transfer system SWIFT to the new SWIFTNetFin environment was completed in 2003. The new system operates exclusively via the internet and Group companies in Southeastern Europe are online

with the Athens centralised units. Piraeus Bank successfully joined the European STEP1 Straight Through Euro Processing clearing system, a pan-European means of electronically processing payments, and has commenced procedures to join STEP2.

#### 6.1.4.3. e-banking – winbank

The Group is continually developing its electronic banking capacity to complement traditional distribution networks. Electronic banking was enhanced via the expansion of the ATM network to 449 terminals and the introduction of winbank services that have attracted more than 130,000 customers in four years. Winbank, which handles a significant volume of tax and payment orders, recently received the ISO 9001: 2000 certification - the first electronic financial services unit so certified in Greece.

## 6.2. Corporate Banking

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

Piraeus Bank attributes great importance to its relationship with medium-large corporations, providing a wide range of modern bank services and products, including syndicated loans and bond issues. The Bank manages its larger corporate relationships, including Greece's biggest corporate names, centrally, through the Corporate Banking Division. The needs of SMEs are met through the branch network, where specialised products are offered, as well as loans targeted to specific market segments. The product range encompasses all types of working capital, trade finance, fixed assets & equipment and mortgages, leasing, factoring, documentary, letters of guarantee, foreign exchange, capital markets and advisory services.

Piraeus Bank has also established a specialised shipping centre providing the full range of banking products and services needed by shipping companies.

### 6.2.1. Corporate Deposit Products

Corporate deposits amounted to €3,666.10 million at the end of 2004, compared with €3,715.2 million at the end of 2003, recording a decrease of 1.3 per cent.

#### Corporate Deposits (on a consolidated basis)

Amounts in € million (end of year)	2004	2003	Change
Sight . . . . .	1,582.2	1,257.3	25.8%
Time . . . . .	1,887.2	2,304.9	-18.1%
Other . . . . .	196,7	153.0	28.6%
Total Deposits . . . . .	3,666.1	3,715.2	-1.3%
Repos . . . . .	245,8	305.4	-19.5%
<b>Total Deposits and Repos . . . . .</b>	<b>3,911.9</b>	<b>4,020.6</b>	<b>-2.7%</b>

### 6.2.2. Corporate Loans and Advances to Businesses

Medium-large corporates and shipping accounts constitute 32 per cent. of the Group's loans. In 2004, Piraeus Bank improved its return on employed capital, by means of more efficient use of the existing portfolio and cross selling. At the same time, it focused on improving its client base composition and upgrading the services offered. As in 2004 large freight merchant marine demonstrated high growth, the Shipping Banking Division continued its growth in 2004, maintaining the Bank's position among the top three Greek banks financing Greek shipping (source: Bank of Greece).

The Bank uses a threefold approach to SMEs that consists of product design, customer service procedures and after-sales support. The Bank supports this approach via a network of executives trained to assess customer needs, evaluate them and implement decisions effectively and unbureaucratically, and sees itself as having a competitive edge in the area of SMEs.

With respect to leasing activities, Piraeus Leasing S.A. focuses on car, real estate and machinery leasing and has an estimated market share of 15.0 per cent. (source: Piraeus Bank estimate). Its market position is based both on organic growth and acquisitions (OTE Leasing S.A. and ETBA

Leasing S.A.). Total assets have increased to €746.0 million in 2004 compared with €662.3 at the end of 2003 and turnover in 2004 rose 10.9 per cent. (as compared with 2003) to €201.0 million. Piraeus Best Leasing S.A. is a subsidiary of Piraeus Leasing S.A. and currently manages over 5,400 autos (as opposed to 4,500 in 2003). The customer base consists of companies, professionals or retail customers and lending tenors range from two to five years.

The Group provides domestic and export factoring services to Greek businesses, as well as consumer factoring through Piraeus Factoring S.A. It offers amounts receivable management and collection, credit risk insurance, financial statements improvement and ongoing information on customers' solvency. The company is a member of the international organisation Factor Chain International ("FCI") and co-operates with the major factoring organisations abroad.

### Loans (on a consolidated basis)

Amounts in € million (end of year)	2004	2003	Change
Medium – Large Enterprises . . . . .	3,172.4	3,238.3	-2.0%
Shipping. . . . .	557.8	536.4	4.0%
SMEs. . . . .	4,244.6	3,083.0	37.7%
Leasing . . . . .	715.3	619.3	15.5%
<b>Total . . . . .</b>	<b>8,690.1</b>	<b>7,477.0</b>	<b>16.2%</b>

### 6.3. Investment Banking

Piraeus Bank has a significant presence in the developing capital markets of Greece and has acquired a large share in the securities underwriting market. Piraeus Bank Group is one of the leading IPO advisory institutions and among the major underwriters in the Greek market, reaching an estimated market share of 9.1 per cent. in 2004 (source: Piraeus Bank estimate). The Group has also developed in the areas of syndicated loans arrangement, bond issuance, and offers consulting services for capital restructuring, company valuation, acquisitions and mergers and special financing for corporate clients.

#### 6.3.1. Capital Market Operations

Piraeus Bank provides underwriting and consulting services throughout the capital market product spectrum.

Thanks to its broad branch network and contacts with major institutional investors, in 2004 Piraeus Bank was once again ranked at the top places having participated in all IPOs effected during the year, as either principal underwriter or underwriter.

Piraeus Bank provides underwriting services for IPOs on the ATHEX, for share capital increases, and for corporate bonds (convertible or regular). It also provides consulting services for company listings, capital restructuring, company valuation, acquisitions and mergers.

#### 6.3.2. Stock Exchange Operations – Piraeus Sigma Devletoglou Securities S.A.

Piraeus Sigma Devletoglou Securities S.A. is the Bank's brokerage house. It trades and intermediates in the trade of Greek and foreign shares, derivatives, government and corporate bonds and offers a wide range of investment services to its customers through its network. Piraeus Sigma Devletoglou's national network includes 4 own branches and 43 associated brokerage offices as well as the entire network of Piraeus Bank's branches. The firm works with the majority of Greek and foreign institutional investors who are active in the domestic market.

In terms of market presence in 2004, Piraeus Sigma Devletoglou Securities was placed 4th in total trading operations (9.1 per cent. market share) (source: Association of Greek Stock Brokers) increasing its trading value by 24.4 per cent. to €6,513 million. It was the first Greek private securities company engaged in derivatives trading and is a market maker on the Derivatives Market of ATHEX ("ADEX").

#### 6.3.3. Custody Services

Custodian services are provided on a wide range of instruments including shares, bonds and derivative products etc. in the domestic as well as in foreign markets, for the Bank's network and institutional investors. The Bank is a general clearing member of the ADEX and the service range includes

dividend/interest collections, corporate actions, and underwriting services for listed companies. Custody operation's commission's income raised in 2004 compared with 2003, despite the decrease in the number of Greek institutional investors. Piraeus Bank offering and support of all the products of domestic capital markets successfully continued, with total assets under management portfolio of €4.9 billion as at 31st December, 2004.

#### 6.4. Asset Management

In the asset gathering market, the Group operates in the context of its strategic alliance with the ING Group. In early 2003, it established a joint venture ING Piraeus Asset Management Company S.A. and offers mutual funds covering all investment categories. The strategic alliance with ING has reinforced the Group's position in the area of asset management, as it brings international know-how and a variety of investment products.

#### Assets Under Management by the Group

Amounts in € million (end of year)	2004	2003	Change
Deposits . . . . .	10,190.1	8,679.8	17.4%
Bank issued bonds (held by customers) . . . . .	475.5	473.1	0.5%
Repos . . . . .	648.8	1,248.9	-48.1%
Assets under management <sup>(1)</sup> . . . . .	1,431.7	1,317.5	8.7%
<b>Total</b> . . . . .	<b>12,746.1</b>	<b>11,719.3</b>	<b>8.8%</b>

(1) Includes private banking, mutual funds (excluding money market funds), net asset value of investment companies.

##### 6.4.1. Hellenic Investment Company S.A.

Hellenic Investment Company is the first closed end company in Greece and has been listed in the Athens Stock Exchange since 1973.

The investment choices made by the company, coupled with the positive trend of the domestic and international stock markets, led to a growth of its financial figures. Thus, the company closed the financial year 2004 recording profit before tax amounting to €62.9 million compared with €21.9 million in 2003; net asset value at current prices as of 31st December, 2004 amounted to €450.8 million compared with €398.2 million on 31st December, 2003.

##### 6.4.2. ING Piraeus Asset Management S.A.

ING Piraeus Asset Management S.A. was established in 2003 in the framework of the strategic alliance of Piraeus Bank with the ING Group. It manages 12 domestic mutual funds and offers 90 additional international mutual funds into the Greek market. Domestic mutual fund assets amounted to €757 million in 2004 (approximately 2.4 per cent. of total market assets (source: Association of Greek Institutional Investors). The company offers 56 international mutual funds of ING Luxembourg and 32 mutual funds of Goldman Sachs, along with two of Piraeus Asset Management Europe, with assets amounting to €176 million in 2004. It also manages another €38 million for other institutional investors. In total, mutual funds managed/offered by the company rose to €933.5 million as at 31st December, 2004, up from €831.4 million in the previous year.

##### 6.4.3. Private Banking

The Bank's Private Banking Division targets customers of medium-high financial strength holding investment portfolios in excess of €271 million. Portfolios are designed around the availability of funds, the time horizon of the investment, customer risk preferences, the purpose of the investment and the customer's liquidity needs and monitored throughout accordingly. Total assets under management over all investment types and markets were €271 million as at 31st December, 2004, up 71 per cent. over 2003.

#### 6.5. Treasury

Treasury is entrusted with the Bank's asset and liability management and serves as the Group's principal point of access to the financial markets by actively participating in the interbank markets for money, foreign exchange, bonds and derivatives. Within guidelines of rational risk exposure and

efficient capital allocation, Treasury trades and manages market risks, with the aim of delivering results and contributing to the Bank's overall performance.

The Bank is a primary dealer of Greek State Bonds and plays an active role in the Greek debt markets. During 2004, the Bank has participated in a series of international issues totalling €18.5 billion. The Bank is a member of EUREX and a founding member of the ADEX.

Treasury has an established client base of institutional investors, which underpins the distribution of a variety of investment and risk management products addressing specific customer needs. The Bank is also active in the niche market of trading banknotes. In terms of technology, Treasury is equipped with digital information platforms, a variety of trading systems and comprehensive risk management systems.

In the course of expanding its funding capacity and broadening its funding base, the Bank increased the size of its Euro Commercial Paper ("ECP") Programme in June 2005 to €3.0 billion. Outstanding issuance under the Programme equalled €836.7 million as at 31st December, 2004, capped by the Bank's funding requirements.

In July 2004, the Bank issued a 3-year €350 million senior floating rate note under its EMTN Programme. In September 2004, the Bank issued a 10-year €400 million dated subordinated note under its EMTN Programme, callable in 5 years. In October 2004, the Bank issued €200 million of perpetual hybrid Tier 1 securities. In October 2004, the Bank also concluded a Schuldschein agreement in the amount of €150 million, targeted mainly at the German market.

#### 6.6. International Banking Activities

The Group is present in the financial centres of New York and London through its subsidiary's branch network in the former and its London branch in the latter. In Southeastern Europe, the Group expanded its physical presence in 2004 through the opening of 20 new branches. The Group also operates five subsidiaries: Piraeus Leasing Romania in Romania; and Bulgaria Leasing, Auto Leasing Bulgaria and Bulfina (real estate company) in Bulgaria. In October 2004, it also set up a leasing company in Albania (Tirana Leasing).

In early 2005, the Group signed an agreement for the acquisition of 99.7 per cent. of the Bulgarian Eurobank A.D., with a network of 48 branches and assets worth €220 million. The acquisition was completed on 19th May, 2005 at a price of €48.4 million. In early 2005, the Piraeus Bank Group also agreed to acquire 80 per cent. of the Serbian Atlas Banka A.D., with a network of 9 branches and assets worth €63 million. This acquisition was completed on 30th May, 2005 at a price of €19.5 million. On 21st June, 2005, the Piraeus Bank Group completed its acquisition of 69.3 per cent. of the Egyptian Commercial Bank with a network of 18 branches and assets worth €437 million. This acquisition was made via a public offer for approximately €19 million to be followed by a capital increase of €47 million before the end of July as required by the Egyptian central bank. These investments have been financed by existing working capital.

The Group intends to carefully build on its strategic presence in Southeastern Europe, with the aim of providing a full spectrum of commercial banking services.

At the end of 2004, total customer deposits in units of Piraeus Bank Group abroad amounted to €840.3 million, compared with €534.9 million in the previous year. Such deposits represent 7.4 per cent. of the Group's total deposits.

#### Deposits from Customers

Amounts in € million (end of year)	2004	2003	Change
UK – Piraeus Bank branch . . . . .	34.7	47.5	-26.9%
USA – Marathon Bank NY . . . . .	448.9	248.6*	80.6%
Romania – Piraeus Bank Romania S.A. . . . .	76.3	33.1	130.5%
Albania – Tirana Bank IBC . . . . .	219.5	175.0	25.4%
Bulgaria – Piraeus Bank branches . . . . .	60.9	30.7	98.4%
<b>Total . . . . .</b>	<b>840.3</b>	<b>534.9</b>	<b>57.1%</b>

\* 2003 deposits balance does not include the deposits of Interbank, which was absorbed by Marathon Bank in the beginning of 2004

## Loans and Advances to Customers

### Amounts in € million (end of year)

	<b>2004</b>	<b>2003</b>	<b>Change</b>
UK – Piraeus Bank branch . . . . .	388.5	547.4	-29.0%
USA – Marathon Bank (N.Y.) . . . . .	270.9	168.4	60.9%
Romania – Piraeus Bank Romania S.A. . . . .	163.9	110.7	48.1%
Albania – Tirana Bank IBC . . . . .	73.4	53.6	37.0%
Bulgaria – Piraeus Bank branches . . . . .	188.2	97.3	93.4%
<b>Total</b> . . . . .	<b>1,084.9</b>	<b>977.4</b>	<b>11.0%</b>

\* 2003 loans balance does not include the deposits of Interbank, which was absorbed by Marathon Bank in the beginning of 2004

### 6.6.1. Piraeus Bank Branch in London

The activities of the London Bank branch include:

- corporate customer service; and
- search for investment opportunities in international markets (focusing on emerging markets), which are related to credit risk assumption with an efficient risk to return ratio.

In the search for new income sources, the branch has broadened the range of offered products, creating the following specialised products, which are aimed at meeting the needs of the relevant market segments:

- mortgage loans for the purchase of residence in London;
- deposits linked to credit-risk assumption, which offer higher return, thus improving the branch's bond portfolio.

### 6.6.2. Marathon Banking Corporation

Marathon Bank of New York holds a U.S. banking operating licence, is supervised by the U.S. Office of the Comptroller of the Currency, and provides a wide range of banking services and products through its branch network.

Marathon Banking Corporation became a member of the Piraeus Group in July 1999. Marathon focused on providing commercial housing mortgage credits as well as deposit products for private and corporate customers through its network of six branches. At the end of 2003, Marathon Banking Corporation agreed to acquire Interbank NY, a U.S. commercial bank with \$275 million in assets and a network of 5 branches in the New York district, and merged it with its Marathon Bank operation. The takeover and integration of Interbank into Marathon Bank were concluded in the beginning of 2004. As a result of this merger, total assets reached €505 million with a network of 10 branches.

### 6.6.3. Piraeus Bank Romania S.A.

Piraeus Bank Romania was founded in 1995 as Pater Credit Bank, and in 2000 it was acquired and incorporated into the Piraeus Bank Group. The Bank's growth in 2004 was mainly based on its reorganisation of its head office services, offering new deposit and consumer credit products and expanding its network to 14 branches in 10 cities. Its range of retail banking products includes mortgages, debit and credit cards, and is supported by a call centre. It has also established a leasing subsidiary, Piraeus Leasing Romania, to capitalise on the growth prospects offered by the leasing sector.

By 31st December, 2004, Piraeus Bank Romania held a 1.7 per cent loans market share of the local market (source: Central Bank of Romania), while deposits increased significantly by 130.5 per cent., amounting to €76.3 million. Total assets grew as well by 48.8 per cent. As at 31st December, 2004, total assets were €262.1 million, while equity stood at €24 million.

### 6.6.4. Tirana Bank IBC

Tirana Bank IBC was founded in September 1996 as the first privately owned banking institution in Albania and currently has assets totalling €249.1 million (as at 31st December, 2004, up 27.0 per cent. over the previous year). It increased its share of the banking sector in 2004 capturing an estimated 13.3 per cent. of loans in the domestic market (source: Piraeus Bank estimate). The



current network of Tirana Bank IBC consists of 22 branches covering 14 cities of Albania, after the addition of 6 new branches and one agency. Also, during 2004, it developed its ATM network, issued an international VISA debit card and launched other bank products and services, such as business payroll accounts etc. In October 2004, Tirana Leasing S.A. was set up to offer leasing services in the context of a complete product range. As at 31st December, 2004, total equity was €13.5 million.

#### 6.6.5. Piraeus Bank Branches in Bulgaria

Piraeus Bank started operating as the first foreign bank in Bulgaria in 1993. The Bank initially focused on servicing Greek business in its efforts to penetrate the local market. Today, the Bank caters to local, non-Greek business and individual needs via its network of 13 branches in 10 cities, through a broad range of products and services. As at 31st December, 2004, deposits had risen 98.4 per cent. to €61 million and loans increased by 93.5 per cent. amounting to €188 million representing 2.5 per cent. of the local loan market (source: Central Bank of Bulgaria).

#### 6.7. *Other activities*

Other activities pertain basically to the real estate sector and information technology sectors, with the aim of exploiting investment opportunities and synergies on the real estate market, as well as implementing new technologies in the banking sector as they play an increasingly crucial role.

The Group's activities in the real estate sector continued to expand in 2004 offering a large number of banking products and services, such as leasing.

##### 6.7.1. Piraeus Real Estate S.A.

The listed on ATHEX company provides a broad range of services in the real estate area (development, use, management, consulting, etc.). The company now has a principal holding in Piraeus Real Estate Investment Property SA amounting to €46.1 million. Moreover, the company owns a land plot near Thessalonika port as well as a car parking station of 600 places in Maroussi, Attica. In 2004 the company bought indiviso with two other companies a land plot in Agios Stefanos, Attica, covering an area of 47,600m<sup>2</sup>, for house development purposes.

##### 6.7.2. Piraeus Real Estate Investment Property S.A.

The company was the first in Greece to undertake collective investments in fixed assets. The company owns 27 business real estates located within or adjacent to large urban centres of Greece (Athens, Thessalonika, Volos, etc.) which are leased to solvent lessees. The current value of such fixed assets, according to the valuation of Chartered Valuers as of 31st December, 2004, amounts to €62.4 million. The company is the first real estate closed-end fund company to list its shares on ATHEX in June 2005.

##### 6.7.3. Picar S.A.

Picar S.A. was awarded the commercial development and management of the Army Pension Fund Building, a prime real estate in central Athens, based on a long contract expiring in 2049. The refurbishment of the Building has entered its final completion stage, and it is estimated that the department store will start operating around the end of the first half of 2005, while all the other facilities (shops, restaurants, offices, gym, etc.) will be operational in autumn 2005

##### 6.7.4. ETBA Industrial Estates S.A.

ETBA Industrial Estates S.A. is engaged in managing 32 industrial development zones set close to large urban centres throughout Greece. It was formed in 2003 as a separate entity, jointly owned by Piraeus Bank (65.0 per cent.) and the Greek State (35.0 per cent.) following the former's acquisition of the state-controlled ETBA Bank. In early 2004, Piraeus Bank established eight new branches in these industrial zones to capitalise on the proximity of more than 2,500 businesses that are based there and more than 40,000 employees.

In 2004, the company's structure and operation were re-organised based on a new organisation chart. ETBA Industrial Estates S.A. set up an integrated information system, created projects and studies regulations and established a sales system, too. At the same time, it acquired VIPETBA (project manager of all ETBA Industrial Areas SA tasks), which will be merged through absorption in the course of 2005.

#### 6.7.5. e-Vision Advanced Systems and Information Services S.A.

E-Vision focuses on information technology, telecommunications and related services by exploiting synergies in areas such as the internet, e-commerce, call centres, customer support and banking applications that are complementary to the core business of the Group.

#### 6.7.6. Exodus S.A.

Exodus S.A. is an e-business solution provider. It offers advanced solutions and services in e-commerce, application content management for business-to-business and business-to-commerce processes, workflow and knowledge management support, data warehouses and Decision Support Systems, new media exploitation over the internet, intranet, extranet as well as e-learning applications. In 2003, Exodus was ISO 9001:2000 certified and awarded the EFQM-Level I 'Committed to Excellence' distinction by the EFQM Levels of Excellence program.

#### 6.7.7. ABC Professional Services S.A.

For more than two decades, ABC Professional Services S.A. has been operating in the software development and integrated IT solutions sectors. In 2004, ABC Professional Services pursued its investment in new product and state-of-the-art technologies, establishing appropriate infrastructures to successfully implement its business plan. Hence, the company brought to completion its Card Processing Centre, for (debit, credit, affinity/loyalty and smart) covered by Visa International and MasterCard, and successfully integrated Piraeus Bank credit cards therein.

#### 6.7.8. Piraeus Direct Services S.A.

Piraeus Direct Services S.A. ("PDS") was established in 2000 as an evolution of Piraeus Bank's call centre. The company offers its services to both Piraeus Bank (customer service, products and services promotion, winbank etc.) and Piraeus Group companies, as well as to third parties. Besides financial contact services provided, PDS also operates credit and debit card management services including issuance, support, applications' processing, customer service and product and programme development.

## **7. Risk Management**

The Bank considers effective risk management critical to safe operations growth, to limiting adverse profit variations and to the rational allocation of capital. The role of the Bank's Risk Management Division is to analyse, monitor and control the Bank's position using advanced risk management methods and practices. The Bank follows international best practices, including centralising the risk control function and developing a risk management culture within the organisation.

In 1999, the Bank established an independent Risk Management Division and an Asset and Liability Management Committee ("ALCO") to operate within a well-established framework for the monitoring of the organisation's activities and the maintenance of the business risks within predefined limits. The members of the ALCO are responsible for defining the strategy regarding balance sheet items evolution and the developments in the business environment. The Committee meets on a monthly basis, to review financial data and risk exposures of the Group business units.

The Bank's risk management system, Risk-Pro, an integrated risk management system provided by the Swiss company IRIS, has been operating since the beginning of 2002. Currently the system covers 99 per cent. of the Group's financial activities and provides an assessment for market and liquidity risks analysis, in addition to monitoring credit exposures.

The new capital adequacy framework known as Basel II, is a priority project for Piraeus Bank, with an expected effective date of 31st December, 2006. The Bank has established a Basel II committee which has been working towards the development of an appropriate infrastructure to facilitate the Group's compliance with Basel II requirements since the beginning of 2003. The existing integrated risk management system already supports capital requirement calculations in line with those stated in Basel II. At the same time, new applications are being developed, such as loan performance historic bases, loans collateral monitoring systems, debtor credit line monitoring and credit rating systems, which are necessary components for the implementation of the new framework.

### *7.1. Market Risk*

Market risk refers to the possibility of incurring losses due to variations in market prices, such as share prices, interest rates or currency exchange rates. Market risk is therefore differentiated in Equity Risk, Interest Rate Risk and Foreign Exchange Risk, respectively. Piraeus Bank applies modern and widely accepted market risk analysis techniques, such as Value-at-Risk ("VaR"), earnings-at-risk, stress test results and sensitivity indicators.

In September 2002, the Piraeus Bank Board of Directors approved a common market risk management policy for Piraeus Bank and its subsidiaries. This policy, applied since early 2003, outlines the main definitions pertaining to market risk management, determines the roles and responsibilities of units and executives involved, and describes the market risk measurement and monitoring methodologies. On the basis of this policy, every unit of Piraeus Bank Group has been assigned specific market risk limits, which are monitored on a consistent basis. Regarding interest-rate risk, it is the Bank's standard practice to hedge bond and fixed-rate loan positions by derivatives positions, such as interest-rate futures and swaps.

For market risk assessment the VaR measure is used, which captures the maximum loss in the net present value of a portfolio over a specified period (holding period) with a specified probability (confidence level). Piraeus Bank implements Risk Metrics parametric methodology, assuming a one-day holding period and utilising a 99.0 per cent. confidence level.

### *7.2. Liquidity Risk*

Liquidity risk management focuses on the ability of the Bank to maintain sufficient liquid assets in order to meet its contractual obligations. Management of this type of risk involves systematic monitoring of future cash flows and related funding needs by currency, depending on the maturity of particular transactions.

In line with Market Risk Management Policy, a common Liquidity Risk Management Policy has been approved for the Group. The policy specifies the definitions and methodology of liquidity risk assessment, determines the roles and responsibilities of involved parties and describes the actions to be taken to manage a liquidity crisis. The policy focuses on the liquidity position in one week and one month time horizons, based on a liquidity crisis hypothesis.

Piraeus Bank manages liquidity risk by holding liquid portfolios of Fixed Income instruments, by attracting "diversified" deposit accounts and by expanding the average maturity of time deposits. At the same time, the Bank is actively diversifying its funding sources, for example, through its Euro Commercial Paper Programme as well as its EMTN Programme.

### *7.3. Operational Risk*

Piraeus Bank acknowledges operational risk as a major risk element facing financial institutions. The Bank staff takes all necessary actions to limit the impact of legal risks, natural disasters, inadequate procedures or systems failures. The Bank relies on the quality of its human resources and technological infrastructure, the internal audit functions and the use of insurance policies to minimise losses due to operational risk. Insurance coverage is based on banker blanket bonds (which are insurance coverage packages for banks), insurance policies for the assets of the Group, and house insurance policies linked with mortgage loans.

Special emphasis is placed on the protection of e-banking activities and IT systems security. The development of the Business Continuity/ Disaster Recovery Site for the Bank's central information system in 2003 has minimised the risks due to central system failures.

A project for the development and design of the Bank's operational risk framework was launched in 2004, according to the directives of the new Basle II regulatory accord. The year 2005 will be dedicated to the design and implementation of this framework, so that a systematic operational risk assessment process should be in place for the Group within 2006.

### *7.4. Credit Risk*

It is the aim of the Credit Division to actively and systematically maintain credit risk at "moderate" levels. This goal is achieved through pro-active measures, such as the pre-screening of potential credits and the active monitoring and hedging of credit risk, and retroactive measures, such as the proper management of doubtful loans.

The Group applies a common credit policy and practice on credit approval procedures, renewals and monitoring of credit lines. Approvals are granted on the basis of total credit risk per obligor or group of associated obligors, taking into account credit exposures in Piraeus Bank Group subsidiaries. In the credit assessment process, a thorough analysis of the qualitative and quantitative criteria, is applied according to the internal credit rating methodology defined by the Bank.

With respect to credit risk exposure to financial institutions, Piraeus Bank applies a credit approval policy and interbank credit lines are monitored by the limit monitoring functionality of the Treasury system.

Regarding country risk exposures, a country risk policy has been approved with specific limits that cap exposure to countries with a credit rating lower than that of Greece.

With respect to personal loans, Piraeus Bank emphasises the implementation of modern credit risk management methods. Emphasis is placed on the analysis of credit scoring parameters, the population parameters' distribution and the monitoring of past due amounts. The use of three-year historical data has permitted assessing default rates and recovery rates in particular portfolios, in accordance with the Basel II framework.

Since 2002, new credit rating models (scorecards) have been applied for consumer loans, personal loans and credit cards. The new models have helped in the systematisation of the approval procedure and risk-controlled growth of the relevant loan portfolios. In 2004 a new scorecard was developed and launched for car loans managed by the subsidiary Piraeus Multifin SA.

Since mid-2004, the Moody's Risk Advisor system started being used with the purpose of evaluating the credit quality of corporate borrowers, using such variables as financial results and industry analysis. In addition, through the new Loan Origination System the credit limit approval process is being more effectively monitored.

In 2004, an automated collateral monitoring system was developed integrating the relevant standards stipulated by the new Basle II regulatory accord. The new monitoring system is expected to go live in early 2005, greatly enhancing the Bank's ability to monitor its exposure versus the collateral being held.

The Group's non-performing loans (NPLs) accounted for 3.91 per cent. of total loans in 2004 as compared with 3.98 per cent. in 2003, and the NPL coverage ratio from accumulated provisions stood at 85.3 per cent. on 31st December, 2004.

With respect to doubtful credits, the Bank has developed a policy where business loans are considered delinquent when, after a period of 90 days, no interest or principal has been paid. This period is 180 days for household loans. Delinquent loans are reported through a special Report of Classifiable Outstandings ("ROCO") from the branch network or the Corporate Account Officer to the General Manager, who is in charge of the Problem Loan Division. A loan is also reported immediately in the ROCO once its collection is considered to bear increased risk. Each case is assessed by the General Manager, who decides on the status of the delinquent loan and the course of action to be taken by the responsible business unit (branch or corporate). Delinquent loans are classified as either (a) Special mention, or accruing interest, (b) Substandard, or accruing interest, (c) Doubtful, or non-accruing interest, or (d) Loss, non-accruing interest.

The ROCOs are then distributed to the managers responsible for those loans to implement the courses of action that have been decided. A copy of the ROCOs is sent to the Internal Audit Division. The necessary courses of action are reassessed and documented monthly. A summary of all the delinquent loans, exceeding €150,000, is reviewed monthly and referred to senior management.

The Problem Loan Division and the relevant branch or account officer are jointly responsible for taking appropriate measures such as collecting payment, increasing security or increasing collateral by communicating with the delinquent borrower, or initiating extrajudicial and judicial actions. The Bank's Legal Division assists in recovering problem assets. After all legal actions have been exhausted the balance of any remaining exposure is classified as a loss.

At least once a year, the Asset Monitoring Committee reviews all write-off proposals for doubtful loans and formally approves those loans to be written off. Asset write-offs are subject to the approval of the Board of Directors.

The Bank annually raises general provisions of up to 1.0 per cent. of the average loan balance, which is tax deductible. The Bank can also apply additional special provisions to specific loans on a case-by-case basis. The Board of Directors decides all write-offs on the proposals made by the Problem Loan Division every December. Approved write-offs are deducted from the accumulated provisions amount (either general or special). According to IFRS (implemented as of Q1 2005), there will be no general provisions, but only specific ones. The Group will test for impairment all loans exceeding €100,000 one by one and collectively the rest of the portfolio on an annual basis.

## 8. Analysis of Loan Portfolio

Due to significant loan growth achieved, net loans increased their share in total assets in 2004 to 73.9 per cent. (from 69.8 per cent. in 2003). The loan portfolio of the Piraeus Bank Group is highly diversified across various sectors with loans to individuals (mortgage, consumer credit) comprising 30.7 per cent. of the total loan portfolio of the Group, loans to medium and large enterprises and shipping 32.4 per cent., and loans to SMEs 36.9 per cent. of the loan portfolio as at 31st December, 2004.

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

Amounts in € million (end of year)	2004	2003	Change
Industry . . . . .	1,971.6	1,784.2	10.5%
Handicraft . . . . .	156.8	147.9	6.0%
Trade . . . . .	1,828.9	1,581.8	15.6%
Shipping . . . . .	557.8	536.4	4.0%
Tourism . . . . .	515.8	486.3	6.1%
Energy and Transport . . . . .	264.8	290.7	-8.91%
Construction . . . . .	981.0	771.5	27.2%
Mortgage . . . . .	2,228.9	1,572.3	41.8%
Consumer . . . . .	1,618.9	1,480.7	9.3%
Public Companies and Organisations . . . . .	142.0	43.0	230.2%
Other Sectors . . . . .	2,271.5	1,835.2	23.8%
Total . . . . .	12,538.0	10,530.0	19.1%
Other receivables . . . . .	146.8	151.0	-2.8%
<b>Total Loans . . . . .</b>	<b>12,684.8</b>	<b>10,681.1</b>	<b>18.8%</b>

The majority of loans granted by the Group are on a floating rate basis, with interest resets mostly at one- or three-month intervals. As of 31st December, 2004, the Group's loans and advances, in currencies other than Euro, amounted to €1,240.8 million (9.8 per cent. of total loans and advances to customers).

### Loans and Advances to Customers in Euro & Foreign Currencies

Amounts in € million (end of year)	2004	2003	Change	Composition	
				2004	2003
Euro . . . . .	11,444.0	9,524.6	20.2%	90.2%	89.2%
Other Currencies . . . . .	1,240.8	1,156.5	7.3%	9.8%	10.8%
<b>Total Loans and Advances to Customers . . . . .</b>	<b>12,684.8</b>	<b>10,681.1</b>	<b>18.8%</b>	<b>100.0%</b>	<b>100.0%</b>

The Group's asset quality improved, as indicated by the Group's declining non-performing loan ("NPL") percentage. Approximately 32 per cent. of NPLs are attributable to ex-ETBA Bank and are covered with sufficient loan loss reserves and collateral securities. If ex-ETBA Bank's loan portfolio were excluded, the NPL percentage drops to approximately 2.67 per cent. The 85.3 per cent. loan loss reserve coverage ratio of NPLs is the one of the highest coverage ratios in the Greek banking market (source: published financial statements). Accumulated loan loss reserves more than cover total doubtful loans as well as the reserves required by Bank of Greece (according to the 2557/2005 Bank of Greece Governor's Act).

## Loan Quality

Amounts in € million (end of year)	2004	2003
Total Loans . . . . .	12,684.8	10,681.1
Non-performing Loans (NPLs). . . . .	496.3	424.7
Total loan loss provisions . . . . .	423.1	402.8
Addition to loan provisions during the year. . . . .	88.3	68.5
Amounts written off during the year. . . . .	64.0	31.0
NPLs as a percentage of total loans . . . . .	3.9	4.0%
Loan loss provisions as a percentage of total loans . . . . .	3.3%	3.8%
Loan loss provisions as a percentage of NPLs . . . . .	85.3%	94.8%
Write-offs as a percentage of NPLs . . . . .	12.9%	7.3%

## 9. Analysis of Funding

As at 31st December, 2004, the Group's total obligations to customers amounted to €11.3 billion, recording an increase of 0.9 billion over the previous year. Customer repos amounted to €648.8 million against €1,248.9 million a year earlier, a decline of 48.1 per cent.

### Development of Obligations to Customers

Amounts in € million (end of year)	2004	2003	Change	Composition	
				2004	2003
Sight . . . . .	2,384.1	1,868.0	27.6%	21.1%	18.0%
Savings . . . . .	2,988.9	2,425.9	23.2%	26.4%	23.3%
Time Deposits . . . . .	4,620.5	4,233.0	9.2%	40.8%	40.7%
ETBA bonds . . . . .	475.4	473.1	0.5%	4.2%	4.5%
Other obligations . . . . .	196.7	153.0	28.6%	1.7%	1.5%
Total Deposits . . . . .	10,665.7	9,152.9	16.5%	94.3%	88.0%
Customer repos. . . . .	648.8	1,248.9	-48.1%	5.7%	12.0%
<b>Total Obligations to Customers</b>	<b>11,314.4</b>	<b>10,401.8</b>	<b>8.8%</b>	<b>100.0%</b>	<b>100.0%</b>

As at 31st December, 2004, the Group's deposits, in currencies other than Euro, amounted to €1,312.6 million (11.6 per cent. of total obligations to customers).

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

Amounts in € million (end of year)	2004	2003	Change	Composition	
				2004	2003
Euro. . . . .	10,001.8	8,987.8	11.3%	88.4%	86.4%
Other Currencies . . . . .	1,312.6	1,414.0	-7.2%	11.6%	13.6%
<b>Total obligations to Customers</b>	<b>11,314.4</b>	<b>10,401.8</b>	<b>8.8%</b>	<b>100.0%</b>	<b>100.0%</b>

About 47.5 per cent. of total obligations to customers comprise sight and savings accounts, the vast majority of the remainder maturing in less than a year.

### Obligations to Customers by Maturity as at 31st December, 2004

Amounts in € million	Less than 3 months	More than 3 months and up to 1 year	More than 1 year	Total

\* Includes savings and sight deposits

Liabilities to credit institutions totalled €1,714 million as at 31st December, 2004 compared with €2,283 million at the end of 2003, a decrease of 24.9 per cent. Interbank funding in foreign



currencies represents almost half of the total interbank deposits, whereas maturities in all currencies do not exceed one year. Currency mismatches are managed through short-term foreign exchange forward transactions.

## **10. Information Technology**

It is the goal of Piraeus Bank to ascertain the availability of leading technology capable of supporting business needs and ensuring delivery of quality services. Technology infrastructure is primarily based on four major banking systems: (a) customer relationship management ("CRS"), (b) accounts management, (c) general ledger, and (d) treasury systems. These four core systems are complemented by additional product and service oriented applications.

The effort to improve the Bank's technological infrastructure was pursued in 2004 for the purpose of better and higher quality customer service. In this context, a series of new systems was developed and installed in various business units, and existing systems were extended and improved significantly. The modernisation and simplification of internal structures and operating processes are mainly intended to cut down on costs and enhance efficiency and productivity.

The advanced "SafeGuard" system for fraud detection and prevention, mainly affecting credit and debit cards sectors, was installed in 2004. The system collects real-time all the transaction data from the bank's ATM and POS and evaluates them on the basis of established rules for eventual fraud identification.

Moreover, a new anti-money laundering system was developed and put in place to monitor and detect "suspicious transactions" for money laundering.

In the same year, the Bank's CRS data bank was optimised, non-performing loans management system was refined and credit card operations were automated. To ensure improved customer services at branches handling large transaction volumes, a modern customer queuing system (NEMO-Q) was studied and implemented in pilot branches.

Moreover, an appropriate mobile phone card automatic renewal system was developed and put in place via the innovative Diasdebit-Online.

Finally, the Group's subsidiary Tirana Bank in Albania developed an ATM network and issued debit cards. This network is centrally supported by the ATM management system of Piraeus Bank in Greece, thus enabling debit cardholders of Tirana Bank to perform transactions both in Greece and Albania.

To improve the Bank's internal operation, i-Perform, a workflow support system was implemented. i-Perform allows integrating complex operations involving multiple units and various information systems into a single automated flow, thus improving completion times. Additionally, the platform produces reports and performance indicators. Based on i-Perform a study was conducted on the automation of consumer and mortgage loans approval procedures, being the spear-head of the Bank's product range.

Applications processing, credit profile data control and performance indicators generation procedures at the approval centres were restructured and automated for the dual purpose of achieving competitive customer application approval times and safeguarding the Bank against financial risks.

In 2004, the variable operating cost was substantially reduced, thanks to the fruitful completion of the projects at the end of 2003. As a result there was a major boost in electronic payments (Winbank, electronic-Piraeus Payment System / e-PPS), especially for mass payments in Greece and abroad, recording a 241 per cent. increase as compared with 2003.

The sale of intermediary services to foreign banks was further intensified in 2004, allowing an increase in operations volume by 123 per cent. as compared with 2003. Similarly, the express money transfer service MoneyGram recorded an operations growth of 29 per cent.

In the course of the past year, the Bank's payment systems were upgraded and integrated into STEP2 of the European Bankers Association, ensuring participation in Pan European Automated Clearing House (PEACH) at a low cost per payment. It is noted that the Bank also participates in STEP 1 clearing system since 2002.

Finally, a major event was the "Straight-Through Processing (STP) Excellence Award" with which Deutsche Bank honoured Piraeus Bank.

As at 31st December, 2004 Piraeus Bank was equipped with a network of 449 ATMs, of which 199 were located outside of the Bank's branches (off-site). In addition the Bank's POS network was strengthened with 4,000 new points currently numbering 17,000 POS. It is worth noting that more than 5,000 POS have been upgraded to execute EMV transactions, thus improving the provided security standard.

The Piraeus Bank I.T. Division supports more than two million customers holding over 1.3 million accounts.

## 11. Human Resources

As at 31st December, 2004, the Piraeus Bank Group employed 5,358 persons (as compared with 4,896 in 2003, up 9.4 per cent.), Piraeus Bank S.A. employed 4,191 persons (as compared with 3,996 in 2003, an increase of 4.9 per cent.), and the Group's subsidiaries employed 1,167 persons (as compared with 900 in 2003, an increase of 29.7 per cent.).

The majority of the Group's activities are within the prefecture of Attica. This is reflected in the number of employees working in the greater Athens area (2,674 or 49.9 per cent.), in the Thessaloniki region (783 or 14.6 per cent.) and 1,109 (20.7 per cent.) in the remaining counties. In 2004, the number of staff employed by the network abroad grew significantly, rising to 792 (an increase of 52.9 per cent.) from 516 in 2003.

The Group is an active practitioner of equal opportunity employment. The male-female ratio of employees is balanced at 48.6 per cent. to 51.4 per cent. as at 31st December, 2004.

The ratio of the Group's employees holding university, postgraduate or PhDs degrees as compared with those with only secondary school education levels is 53.8 per cent. and 46.2 per cent. respectively. In 2004 the number of employees with postgraduate degrees grew by 8.3 per cent. over 2003. As at 31st December, 2004, the average age of the Group's staff was 36.2 years (as compared with 35.4 years a year earlier) and the average age of the Group's executives was 42.3 years (as compared with 41.5 a year earlier).

## 12. Participations (Subsidiaries and Affiliates)

The Bank's direct and indirect participations in subsidiaries which are fully consolidated in the Consolidated Balance Sheet as at 31st December, 2004, are illustrated in the table below:

### Financial Sector Subsidiaries

Amounts in €	Direct and Indirect participation (%)	Total Assets as at 31st December, 2004	Total Equity as at 31st December, 2004	Profit before Tax as at 31st December, 2004
Marathon Banking Corporation. . . . .	78.3%	505,376,209.53	45,177,632.33	9,182,222.94
Tirana Bank IBC. . . . .	83.9%	249,134,081.87	13,522,142.59	3,398,349.58
Piraeus Bank Romania S.A. . . . .	100.0%	262,074,812.63	23,530,749.71	2,133,068.74
Piraeus Leasing S.A. . . . .	84.3%	746,026,203.28	155,820,700.13	16,129,156.33
Piraeus Leasing Romania SRL. . . . .	100.0%	33,941,812.91	2,190,806.77	377,669.27
Piraeus Multifin S.A. . . . .	87.5%	403,219,785.51	13,796,235.32	7,724,867.85
Piraeus Factoring S.A. . . . .	100.0%	184,284,965.58	16,121,420.72	729,121.46
Piraeus Sigma Devletoglou Securities S.A. . . . .	80.0%	179,011,169.15	44,675,495.90	4,820,256.16
Hellenic Investment Company S.A. . . . .	48.1%	451,186,472.63	416,220,546.70	62,855,501.52
Piraeus Financial Economic Research SA. . . . .	100.0%	2,857,001.60	1,301,506.35	414,847.82
Piraeus Asset Management Europe S.A. . . . .	99.9%	1,507,045.01	1,488,777.30	109,439.65
Piraeus Group Finance PLC. . . . .	100.0%	1,791,592,552.68	927,465.07	1,234,994.29
Piraeus Group Capital PLC. . . . .	100.0%	201,246,530.19	-59,606.67	-69,606.67
Piraeus Insurance Agency S.A. . . . .	99.0%	5,678,537.26	869,773.33	-661,560.49
ETBA Finance S.A. . . . .	100.0%	17,969,042.46	1,713,758.25	239,266.50
Multicollection S.A. . . . .	51.0%	3,007,705.84	863,418.38	1,242,427.14
Bulfina S.A. . . . .	100.0%	1,007,272.05	500,043.46	224,968.43
Piraeus Enterprisers LTD 1. . . . .	100.0%	8,155.45	9,168.00	0.00
Piraeus Enterprisers LTD 2. . . . .	100.0%	8,155.45	9,168.00	0.00
Piraeus Enterprisers LTD 3. . . . .	100.0%	8,155.45	9,168.00	0.00
Piraeus Enterprisers LTD 4. . . . .	100.0%	8,155.45	9,168.00	0.00
Fairholme Enterprises LTD. . . . .	100.0%	17,008,443.97	-3,747,759.01	855,081.98
Runius Overseas LTD. . . . .	100.0%	17,020,148.32	-3,202,269.71	1,065,929.74
Mayboil LTD. . . . .	100.0%	17,007,925.94	-3,730,571.88	914,467.18
Gibdale Overseas LTD. . . . .	100.0%	17,005,936.57	-3,616,458.19	926,467.70
Chineridge LTD. . . . .	100.0%	17,006,423.98	-3,347,341.46	1,033,950.22

As at 31st December, 2004, the Bank's principal direct and indirect participations in subsidiaries, which are accounted for via the net equity method in the Consolidated Balance Sheet, as they do not belong to the financial sector, are illustrated in the table below:

### Non-Financial Sector Subsidiaries

Amounts in €	Business activity	Direct and Indirect participation (%)	Total Equity	Balance Sheet Date
ETBA Industrial Areas S.A. ....	Real Estate	65.0%	203,736,974.31	31.12.2003
Piraeus Real Estate S.A. ....	Real Estate	87.5%	53,587,772.95	31.12.2003
Piraeus Real Estate Investment Property S.A. ....	Real Estate Invest. Fund	92.7%	41,255,301.64	31.12.2004
Picar S.A. ....	Real Estate	100.0%	22,188,641.06	31.12.2003
Piraeus Botifin S.A. ....	Real Estate	98.1%	7,415,170.02	31.12.2003
e-vision S.A. ....	Holding company	100.0%	15,852,954.00	31.12.2003
Exodus S.A. ....	e-business	50.1%	7,624,936.22	31.12.2003
ABC Professional Services S.A. ....	Banking software and Card Proces.	98.2%	973,086.90	31.12.2003
ING Mutual Funds S.A. ....	Mutual Fund	49.9%	5,456,035.86	31.12.2003
Piraeus Direct Services S.A. ....	Call Centre — Card Services	100.0%	419,614.67	31.12.2003

Certain other non-financial sector subsidiaries are excluded from consolidation based on article 130 of Greek Law 2190/1920.

The table below depicts the Bank's principal direct and indirect participations in affiliate companies that are accounted for in the Consolidated Balance Sheet using the net equity method.

### Participation in Affiliate Companies

Amounts in €	Business activity	Direct and Indirect participation (%)	Total Equity	Balance Sheet Date
ING Piraeus Life Insurance S.A. ....	Bank Assurance	49.9%	4,356,583.98	31.12.2003
Piraeus Best Leasing S.A. ....	Operating Car Leasing	38.9%	3,108,547.35	31.12.2003

### 13. Profit and Loss Account

Set out below is the summary consolidated Profit and Loss Account of the Piraeus Bank Group for the years ending 31st December, 2004 and 2003 respectively. After-tax profit attributable to Piraeus Bank's shareholders amounted to €142.5 million in 2004 compared with €101.5 million the year before, representing a growth of 40.4 per cent. EPS in 2004, according to the year-end number of shares (200,257,006) was €0.711.

The 2004 annual results for the Piraeus Bank Group were characterised by the following highlights:

- Growth of net interest income by 14.2 per cent. and net commission income by 21.4 per cent.
- Rise of net interest margin-NIM (on average interest earning assets) to above 3 per cent.
- Expansion of the loan portfolio by 18.8 per cent.
- Rise of customer deposits by 16.5 per cent.

## Summary Consolidated Profit and Loss Account

### Amounts in € thousands

	2004	2003	Change
Interest income . . . . .	781,372	757,191	3.2%
Less: Interest expense . . . . .	(334,751)	(365,997)	(8.5%)
<b>Net Interest Income</b> . . . . .	<b>446,621</b>	<b>391,194</b>	<b>14.2%</b>
Plus: Income from securities . . . . .	20,134	19,793	1.7%
Plus: Net Commission Income . . . . .	133,624	110,061	21.4%
Plus: Net profit from financial transactions . . . . .	82,155	57,647	42.5%
Plus: Other operating income . . . . .	13,771	16,509	(16.6%)
<b>Gross Operating Results</b> . . . . .	<b>696,306</b>	<b>595,205</b>	<b>17.0%</b>
Less: Staff expenses . . . . .	191,134	173,531	10.1%
Less: Administrative expenses . . . . .	164,926	147,900	11.5%
Less: Other operating expenses . . . . .	5,691	4,142	37.4%
Less: Depreciation of fixed assets . . . . .	46,368	50,040	(7.3%)
<b>Operating expenses</b> . . . . .	<b>408,119</b>	<b>375,614</b>	<b>8.7%</b>
Less: Provisions for Bad Debt and Doubtful Debts . . . . .	88,318	68,508	28.9%
<b>Total Operating Results</b> . . . . .	<b>199,869</b>	<b>151,083</b>	<b>32.3%</b>
Plus: Extraordinary results . . . . .	17,152	13,958	22.9%
<b>Profit before Tax</b> . . . . .	<b>217,022</b>	<b>165,041</b>	<b>31.5%</b>
<i>Share of minority in profit before tax</i> . . . . .	39,859	27,254	46.3%
<i>Profit of Piraeus Bank Shareholders before tax</i> . . . . .	177,162	137,787	28.6%
Less: Tax . . . . .	37,876	41,319	(8.3%)
<b>Net Profit</b> . . . . .	<b>179,145</b>	<b>123,722</b>	<b>44.8%</b>
<i>Share of minority in profit after tax</i> . . . . .	36,686	22,241	64.9%
<b>Net Profit of Piraeus Bank Shareholders</b> . . . . .	<b>142,459</b>	<b>101,481</b>	<b>40.4%</b>

Net revenue in 2004 amounted to €696.3 million compared with €595.2 million in 2003, enhanced by 17.0 per cent. Net interest income and commissions constitute 83.3 per cent. of the Group's total net revenues.

Total cost (personnel costs, administrative and other expenses plus depreciation) amounted to €408.1 million against €375.6 million in 2003. This increase was mainly due to the branch network expansion (309 branches compared with 257 last year), mostly focused on the greater Athens area and in the Balkan countries.

The cost to income ratio improved to 58.6 per cent. from 63.1 per cent. in 2003, towards the Groups' medium-term goal for a ratio lower than 53 per cent.

The "pre-provision profit to average assets" ("recurring earning power") ratio had a considerable improvement and reached 1.84 per cent. against 1.49 per cent. the previous year.

As at 31st December, 2004, return on equity increased to 18.0 per cent. before tax (against 17.0 per cent. in 2003) and to 14.4 per cent. after tax (against 12.5 per cent. in 2003). Similarly, return on assets rose to 1.39 per cent. before tax (against 1.12 per cent. in 2003), and to 1.14 per cent. after tax (against 0.84 per cent. in 2003).

## 14. Balance Sheet

As at 31st December, 2004 the Group's assets had increased to €16.6 billion as compared with €14.7 billion a year ago. As a result of this expansion, the share of net loans in total assets increased to 73.9 per cent. (against 69.8 per cent. in 2003), mainly at the expense of the bond portfolio, which decreased to 8.2 per cent. of total assets compared with 13.4 per cent. last year and the participations, which reduced to 5.7 per cent. of assets compared with last year's 6.8 per cent. This is in line with the Group's policy of gradually enhancing the most profitable assets of the balance sheet.

As at 31st December, 2004, customer deposits and domestic bonds in issue constituted 64.3 per cent. of Total Liabilities & Equity (against 62.1 per cent. in 2003), while interbank deposits and commercial paper constituted 10.3 per cent. and 7.1 per cent. respectively.

## Summary Consolidated Balance Sheet

Amounts in € thousands	31st December, 2004	31st December, 2003
<b>ASSETS</b>		
Cash in hand and balances with the Central Bank . . . . .	1,113,953.7	785,912.4
Treasury bills and other eligible bills . . . . .	145,452.6	117,705.7
Loans and Advances to Credit Institutions . . . . .	278,241.2	219,946.8
Loans and Advances to Customers . . . . .	12,261,628.3	10,278,343.6
Bonds and other fixed-income securities . . . . .	1,219,930.5	1,857,004.8
Shares (closed end fund) . . . . .	316,770.0	307,804.5
Shares . . . . .	245,365.5	225,333.6
Equity participations . . . . .	387,670.5	464,432.0
Intangible Assets . . . . .	32,655.5	43,245.5
Tangible Assets . . . . .	189,336.3	150,328.7
Land-buildings from Industrial Estates . . . . .	0.0	0.0
Other Assets . . . . .	314,393.7	204,911.2
Prepaid expenses and accrued income . . . . .	85,537.7	79,569.3
<b>Total Assets</b> . . . . .	<b>16,590,935.5</b>	<b>14,734,537.9</b>
<b>LIABILITIES AND EQUITY</b>		
Deposits from Credit Institutions . . . . .	1,714,347.1	2,283,202.8
Customer Deposits . . . . .	10,190,213.5	8,679,746.2
Customer Repos . . . . .	648,778.8	1,248,906.0
Bank issued bonds (held by customers) due in one year . . . . .	475,448.1	473,069.6
Debentures . . . . .	1,174,258.3	223,281.7
Other liabilities . . . . .	455,007.5	318,460.2
Deferred income and accrued expenses . . . . .	106,128.2	97,536.8
Provisions . . . . .	29,324.7	64,177.0
Subordinated Debt . . . . .	582,496.3	3,958.8
Share Capital and Reserves . . . . .	1,303,418.3	1,257,672.7
Own shares . . . . .	(27,738.2)	(19,767.0)
Goodwill — Amounts written off . . . . .	(318,510.6)	(221,984.7)
Minority interests in equity . . . . .	257,763.6	326,277.8
<b>Total Liabilities and Equity</b> . . . . .	<b>16,590,935.5</b>	<b>14,734,537.9</b>

As at 31st December, 2004 the share of Equity in Total Liabilities and Equity decreased slightly to 7.3 per cent. (9.1 per cent. in 2003).

### 15. Capital Adequacy

On a consolidated basis, the Group's capital adequacy ratio as at 31st December, 2004, calculated in accordance with the Bank of International Settlements stood at 13.1 per cent., with the Tier I ratio standing at 10.2 per cent.

## THE BANKING SECTOR IN GREECE

### Structure of the Market

Owing to the Greek legal framework, which historically has required the establishment of specialised institutions for the provision of specific financial services, the majority of Greek banks until recently created subsidiaries for the provision of specific categories of financial services. As a consequence, the market was dominated by groups of companies each established around a principal bank.

The banking sector has expanded rapidly in the last ten years as a result of deregulation and modernisation, as well as entry into the Eurozone. In the past six years, restructuring has led to higher concentration. Six state-controlled banks and four private banks have changed ownership, while some new banks have entered the market. However, the five biggest commercial banks had a 78.7 per cent. share in the market (in terms of loans) at the end of December 2004, compared with a 62.0 per cent. share in 1998.

The domestic banks can be grouped into two principal categories, namely commercial banks and specialised credit institutions. However, most specialised institutions have recently been either absorbed by other commercial banks (e.g. The Hellenic Industrial Development Bank or ETBA Bank which has been absorbed by Piraeus Bank) or transformed into full-scale commercial banks (e.g. Agricultural Bank of Greece).

### Commercial Banks

There are currently five large commercial banks. These are the National Bank of Greece, Alpha Bank, EFG Eurobank Ergasias, Emporiki Bank and Piraeus Bank. Most specialised credit institutions, like the Agricultural Bank of Greece, have been transformed into commercial banks (listed on the Athens Exchange) following increased liberalisation of the Greek market. Traditionally, commercial banks are the dominant group among all categories of deposit and credit institutions operating in the Greek financial market.

### Foreign Banks

At the end of June 2005, there were approximately 23 foreign-owned or incorporated credit institutions, which are still operating through branches in the Greek banking market (source: Hellenic Banking Association). Principal participants include Citibank, HSBC, Société Générale, BNP Paribas and Bank of Cyprus. Overall, foreign banks have made limited inroads into the Greek retail market.

### Specialised Credit Institutions

Today, the major specialised credit institutions are the Deposits and Loans Fund (which is under the Ministry of Economy and Finance) and the Postal Savings Bank. The role of specialised credit institutions has been decreasing significantly in the last few years.

### Economic Environment

Greek banks operate in a rather stable economic environment with the economy growing at high rates and with good prospects for strong growth in the following years. Entry into the Eurozone (implying monetary stability and low interest rates) and the substantial investment programme of infrastructure projects associated with the 2004 Olympic Games and the Community Support Framework III ("CSF III") have contributed to the achievement of high rates of growth of more than 4 per cent. in the last three years and provide for the maintenance of good prospects for the economy to grow in the following three to four years at growth rates well above 3.5 per cent. (source: Eurostat; Piraeus Bank estimate). As a consequence, Greek banks have the opportunity to expand their activities given the low bank intermediation in relation to Greek GDP when compared with their European peers. Greece's entry into the Eurozone has redefined the strategic goals and the activities of domestic financial institutions, although rapid technological developments and the integration of the financial and capital markets pose a whole new range of challenges.

In order to face these challenges, Greek banks have made substantial investments in IT projects and in the modernisation of the products and services they provide. On the other hand, in recent years a significant number of mergers and acquisitions have taken place as a result of the transformation of the Greek banking system to conform to the new European environment. At the same time, Greek banks have increased their presence in Southeastern Europe either through the acquisition of local credit institutions or through the establishment of representative offices and branches. The



expansion in the Balkans follows the significant expansion and growing presence in this area of Greek businesses and utility firms, which have made significant investments in the area.

The growth prospects of the Greek market for financial products and services seem rather positive when compared with the other markets in the Eurozone. The outstanding balances of housing and consumer loans as a percentage of GDP were 20.0 per cent. and 11.2 per cent. respectively at the end of December 2004, while in the other markets in the Eurozone the corresponding figures were 34.3 per cent. and 16.1 per cent. respectively (source: Bank of Greece). This suggests there is significant potential for the further growth of this retail banking business in the next few years.

Apart from the retail banking business, there are also very good prospects for expansion in the areas of investment banking and asset management services, such as pension fund management and private banking, as well as in bank assurance.

It is also important to note that although competition in the Greek market has intensified during recent years, the net interest margin of the Greek banks remains at satisfactory levels due to the major restructuring of the asset side of their balance sheets, which now include more profitable asset categories, in particular mortgages consumer lending, and lending to small and medium-sized firms.

Another important development characteristic of the Greek banking system is the gradual improvement of the quality of the Greek banks' assets following substantial clean-up operations in recent years. This has been supported by the strength of the economy and the lack of major credit exposures, either to businesses or to the individual sectors. For Piraeus Bank specifically, non-performing loans equal approximately 3.91 per cent. of the total loan portfolio (or approximately 2.67 per cent. when excluding the loan portfolio of the absorbed ETBA Bank) as at 31st December, 2004.

#### Market Share of the Five Largest Banks

	<u>Assets</u>	<u>Lending</u> (per cent.)	<u>Deposits</u>
1998 .....	63.9	62.0	68.4
1999 .....	73.1	73.1	80.2
2000 .....	77.9	76.9	85.8
2001 .....	79.8	76.9	84.1
2002 .....	81.3	78.0	82.6
2003 .....	79.2	77.7	80.8
2004 .....	77.6	78.7	78.1

Source: Published financial statements of each bank

#### Market Share of the Principal Commercial Banks in Greece at 31st December, 2004

	<u>Assets</u>	<u>Lending</u> (per cent.)	<u>Deposits</u>
National Bank of Greece .....	26.0	21.0	29.7
Alpha Bank .....	17.3	17.8	15.0
EFG Eurobank .....	16.0	17.2	13.2
Emporiki Bank .....	9.6	11.7	11.6
Piraeus Bank .....	8.7	11.0	8.6
Other .....	22.4	21.3	21.9

Source: Published financial statements of each bank

## SELECTED CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

### A. Financial Information according to Greek GAAP

The Bank prepared, up to and including the year ended 31st December, 2004, consolidated and non-consolidated audited annual and semi-annual financial statements, in accordance with Greek GAAP. The Bank also prepared unaudited non-consolidated quarterly financial statements in accordance with Greek GAAP which were not reviewed by its auditors.

#### Summary Consolidated Balance Sheet for Piraeus Bank Group (in accordance with Greek GAAP)

	31st December, 2004	31st December, 2003(*)
	(Euro thousands)	
<b>ASSETS</b>		
Cash in hand and balances with the Central Bank . . . . .	1,113,954	785,912
Treasury bills and other eligible bills . . . . .	145,453	117,706
Loans and Advances to Credit Institutions . . . . .	278,241	219,947
Net Loans and Advances to Customers . . . . .	12,261,628	10,278,344
Bonds and other fixed - income securities . . . . .	1,219,931	1,857,005
Shares (closed end fund) . . . . .	316,772	307,804
Shares . . . . .	245,364	225,334
Equity participations . . . . .	387,670	464,432
Intangible Assets . . . . .	32,656	43,245
Tangible Assets . . . . .	189,336	150,329
Prepaid expenses and accrued income . . . . .	85,538	79,569
Other Assets . . . . .	314,393	204,911
<b>Total Assets</b> . . . . .	<b>16,590,936</b>	<b>14,734,538</b>
<b>LIABILITIES &amp; EQUITY</b>		
Deposits from Credit Institutions . . . . .	1,714,347	2,283,203
Customer Deposits . . . . .	10,190,214	8,679,746
Customer Repos. . . . .	648,779	1,248,906
Bank issued bonds . . . . .	475,448	473,070
Commercial Paper . . . . .	1,174,258	223,282
Other liabilities . . . . .	455,008	318,460
Deferred income and accrued expenses . . . . .	106,128	97,537
Other Provisions . . . . .	29,325	64,177
Subordinated Debt . . . . .	388,924	3,959
Hybrid capital . . . . .	193,573	0
Share Capital and Reserves . . . . .	1,303,418	1,257,673
Treasury shares . . . . .	-27,738	-19,767
Goodwill — Amounts written off . . . . .	-318,511	-221,985
Minority interests in equity . . . . .	257,763	326,277
<b>Total Liabilities and Equity</b> . . . . .	<b>16,590,936</b>	<b>14,734,538</b>

(\*) During 2003, the merger with ETBA Bank was completed

Certain footnotes to the Consolidated Balance Sheet as at 31st December, 2004:

- The Bank and certain consolidated subsidiaries valued the securities portfolio following the requirements of Law 2992/2002. The resulting negative difference of EUR 0.3 million was included in the Reserves. Other shares and non consolidated investments portfolio of total amount EUR 503.2 was valued at cost. The corresponding net asset value, according to the relevant requirements of Law 2190/1920, amounts to EUR 425.5 approximately.
- Fixed assets employed for leasing activities are presented as receivables from customers, according to International Financial Reporting Standards, for the consolidated companies PIRAEUS LEASING S.A. and PIRAEUS LEASING ROMANIA SRL. The relevant balances have been reclassified, with no effect on the Group Profit before tax.
- The Bank and its most significant subsidiaries book a retirement benefit provision consistently, based on the 205/1988 Interpretation of the Legal Advisory Committee to the Government, and article 10 of Law 2065/1992. Had the Bank and these subsidiaries created a retirement benefit provision for all serving employees, the total amount required as at 31st December, 2004 would amount to EUR 31.6 million, of which EUR 4.3 million relate to the year ended 31/12/2004. The total amount of retirement benefit provision as at 31/12/2004 amounts to EUR 4.7 million.
- Tax Authorities have audited Piraeus Bank and ETBA Bank's tax positions for the year up to and including 1997 and 1998 respectively.

## Summary Consolidated Profit and Loss Account (in accordance with Greek GAAP)

	2004	2003 (*)
	(Euro thousands)	
<b>PROFIT AND LOSS ACCOUNT</b>		
Interest income . . . . .	781,372	757,191
Less: Interest expense . . . . .	-334,751	-365,997
<b>Net Interest Income</b> . . . . .	<b>446,621</b>	<b>391,194</b>
Plus: Dividend income from securities . . . . .	20,134	19,794
Plus: Net Commission Income . . . . .	133,624	110,061
Plus: Net profit from financial transactions . . . . .	82,156	57,647
Plus: Other operating income . . . . .	13,771	16,509
<b>Gross Operating Results</b> . . . . .	<b>696,306</b>	<b>595,205</b>
Less: Staff expenses . . . . .	191,134	173,532
Less: Other administrative expenses . . . . .	164,926	147,900
Less: Other operating expenses . . . . .	5,691	4,142
Less: Depreciation of fixed assets . . . . .	46,367	50,040
<b>Operating Expenses</b> . . . . .	<b>408,118</b>	<b>375,614</b>
Less: Provisions for Bad Debt and Doubtful debts . . . . .	88,319	68,508
<b>Total Operating Results</b> . . . . .	<b>199,869</b>	<b>151,083</b>
Plus: Extraordinary results . . . . .	17,153	13,958
<b>Profit before tax</b> . . . . .	<b>217,022</b>	<b>165,041</b>
<i>Share of minority in profit before tax</i> . . . . .	<i>39,859</i>	<i>27,254</i>
Profit of Piraeus Bank Shareholders before tax . . . . .	177,163	137,787
Less: Tax . . . . .	37,877	41,319
Net Profit . . . . .	179,146	123,722
<i>Share of minority in profit after tax</i> . . . . .	<i>36,686</i>	<i>22,241</i>
<b>Net Profit of Piraeus Bank Shareholders</b> . . . . .	<b>142,459</b>	<b>101,481</b>

(\*) During 2003, the Merger with ETBA Bank was completed

## B. Financial information according to IFRS

Piraeus Bank Group has adopted the IFRS as required by the relevant legislation. The first financial statements according to the IFRS for the first quarter of 2005 were published in May 2005. This full set of financial statements has not been audited by the Group's auditors. Piraeus Bank Group has also prepared the quarterly consolidated financial statements for 2004. These statements will be the comparative for the 2005 financial statements.

The IFRS financial statements for the period ended 30th June, 2005 will be audited by the Group's auditors.

### Summary Consolidated Balance Sheet for Piraeus Bank Group (in accordance with IFRS)

	<b>31st March, 2005</b>	<b>31st March, 2004</b>
	<b>(Euro thousands)</b>	
<b>ASSETS</b>		
Cash and balances with central banks . . . . .	1,635,964	414,103
Treasury bills and other eligible bills . . . . .	183,413	142,498
Loans and Advances to Credit Institutions . . . . .	153,074	300,439
Derivative financial instruments . . . . .	9,066	18,941
Other financial assets at fair value through profit or loss . . . . .	1,099,415	2,107,377
Net Loans and Advances to Customers . . . . .	12,613,967	10,312,409
Investment securities . . . . .	459,797	485,983
Investment in associated undertakings . . . . .	44,722	40,353
Goodwill and other intangible assets . . . . .	123,713	66,372
Property, plant and equipment . . . . .	735,549	701,854
Deferred tax assets . . . . .	115,705	137,303
Inventories — property . . . . .	166,816	185,552
Other Assets . . . . .	500,323	524,304
<b>Total Assets</b> . . . . .	<b>17,841,524</b>	<b>15,437,488</b>
<b>LIABILITIES &amp; EQUITY</b>		
Due to Banks . . . . .	1,752,245	2,181,467
Derivative financial instruments . . . . .	39,622	74,562
Due to customers . . . . .	11,114,209	10,094,945
Debt securities in issue . . . . .	2,258,050	1,007,961
Other borrowed funds . . . . .	397,017	4,068
Hybrid capital . . . . .	199,983	0
Retirement benefit obligations . . . . .	144,238	153,663
Other Provisions . . . . .	60,402	0
Deferred tax liabilities . . . . .	38,355	65,001
Other liabilities . . . . .	563,640	581,578
Share Capital and Reserves . . . . .	917,009	832,992
Minority interests in equity . . . . .	356,754	441,251
<b>Total Liabilities and Equity</b> . . . . .	<b>17,841,524</b>	<b>15,437,488</b>

**Summary Consolidated Profit and Loss Account (in accordance with IFRS)**

	<b>31st March, 2005</b>	<b>31st March, 2004</b>
	<b>(Euro thousands)</b>	
<b>PROFIT AND LOSS ACCOUNT</b>		
Interest and similar income . . . . .	213,236	177,597
Interest expense and similar charges . . . . .	-93,622	-75,813
<b>NET INTEREST INCOME</b> . . . . .	<b>119,614</b>	<b>101,784</b>
Fee and commission income . . . . .	37,565	30,765
Fee and commission expense . . . . .	-5,863	-5,519
<b>NET FEE AND COMMISSION INCOME</b> . . . . .	<b>31,702</b>	<b>25,246</b>
Dividend income . . . . .	3,748	2,859
Net trading income . . . . .	19,028	32,808
Gain less losses from investment securities . . . . .	2	1,602
Other operating income . . . . .	16,499	17,263
<b>TOTAL NET INCOME</b> . . . . .	<b>190,593</b>	<b>181,562</b>
Staff costs . . . . .	-58,025	-55,901
Administrative expenses . . . . .	-38,600	-35,510
Depreciation and amortisation . . . . .	-9,078	-9,100
Gains/Losses from sale of assets . . . . .	1,409	682
Impairment losses on loans and advances . . . . .	-20,842	-19,065
<b>OPERATING EXPENSES</b> . . . . .	<b>-125,136</b>	<b>-118,894</b>
Share of profit of associates . . . . .	155	-126
<b>PROFIT BEFORE INCOME TAX</b> . . . . .	<b>65,612</b>	<b>62,542</b>
Less: Tax . . . . .	-15,127	-12,911
<b>PROFIT FOR THE PERIOD</b> . . . . .	<b>50,485</b>	<b>49,631</b>
Profit for the year attributable to the equity holders of Piraeus Bank . . . .	42,771	30,992
Minority interest . . . . .	7,714	18,639

## AUDITED CONSOLIDATED CASH FLOW PER GREEK GAAP

AS AT 31ST DECEMBER, 2004 (IN THOUSAND EURO)

	<b>1st January – 31st December 2004</b>	<b>1st January – 31st December 2003</b>
	<u>                    </u>	<u>                    </u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash Inflows</b>		
Interest and commissions income . . . . .	937,512	889,104
Income from securities . . . . .	16,580	16,824
Other revenues . . . . .	20,335	28,686
Profit from financial transactions . . . . .	9,403,293	1,745,345
Disposal of (trading) securities . . . . .	125,750,532	123,029,597
Disposal of treasury bills and other securities . . . . .	94,465	33,762
Increase in deposits . . . . .	263,706	0
Plus: decrease in accrued income . . . . .	0	20,413
Less: increase in accrued income . . . . .	7,111	0
Plus: increase in deferred income . . . . .	5,168	2,780
Plus: decrease in Other Assets account . . . . .	0	25,335
Less: increase in Other Assets account . . . . .	65,341	0
Disposal of auction items . . . . .	5,867	11,855
<b>Total Cash Inflows . . . . .</b>	<b><u>136,425,004</u></b>	<b><u>125,803,702</u></b>
<b>Cash Outflows</b>		
Interest and commissions expenses . . . . .	331,658	373,404
General administrative expenses . . . . .	358,160	321,432
Other operating expenses . . . . .	19,285	7,499
Profit from financial transactions . . . . .	9,401,979	1,775,273
Purchase of (trading) securities . . . . .	124,934,323	121,355,313
Purchase of treasury bills and other securities . . . . .	124,739	62,898
Increase in loans . . . . .	2,061,809	1,740,106
Decrease in deposits . . . . .	0	92,383
Plus: increase in prepaid expenses . . . . .	0	964
Less: decrease in prepaid expenses . . . . .	1,183	0
Plus: decrease in accrued expenses . . . . .	0	9,630
Less: increase in accrued expenses . . . . .	3,211	0
Plus: decrease in Other Liabilities account . . . . .	0	179,881
Less: increase in Other Liabilities account . . . . .	99,441	0
Acquisition of auction items . . . . .	1,630	4,873
Cash flow from taxes . . . . .	79,653	37,079
<b>Total Cash Outflows . . . . .</b>	<b><u>137,209,400</u></b>	<b><u>125,960,735</u></b>
<b>Cash Flows from Operating Activities . . . . .</b>	<b><u>(784,396)</u></b>	<b><u>(157,034)</u></b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		
<b>Cash Inflows</b>		
Disposal of investment securities and securities . . . . .	18,414	98,505
Disposal of intangible and tangible assets . . . . .	19,944	6,020
Income from investments and securities . . . . .	3,757	2,979
Other revenues . . . . .	1,208	1,965
<b>Total Cash Inflows . . . . .</b>	<b><u>43,322</u></b>	<b><u>109,468</u></b>
<b>Cash Outflows</b>		
Purchase of investment securities and securities . . . . .	156,100	95,717
Purchase of intangible and tangible assets . . . . .	75,028	36,737
<b>Total Cash Outflows . . . . .</b>	<b><u>231,128</u></b>	<b><u>132,454</u></b>
<b>Cash Flows from Investment Activities . . . . .</b>	<b><u>(187,805)</u></b>	<b><u>(22,985)</u></b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Cash Inflows</b>		
Increase in long term liabilities . . . . .	820,935	427,368
Increase in subordinated debt . . . . .	385,139	0
Increase in hybrid debt . . . . .	193,573	0
Issue of share capital . . . . .	23,134	1,113
Sale of treasury shares . . . . .	32,688	97,997
Increase in deposits from credit institutions . . . . .	18,917	0
<b>Total Cash Inflows . . . . .</b>	<b><u>1,474,386</u></b>	<b><u>526,478</u></b>



	<b>1st January – 31st December 2004</b>	<b>1st January – 31st December 2003</b>
<b>Cash Outflows</b>		
Purchase of Treasury shares . . . . .	38,896	38,075
Decrease in deposits from credit institutions . . . . .	0	84,203
Interest paid for debt securities . . . . .	25,715	14,886
Dividends . . . . .	74,916	51,428
Profit distributed to the staff . . . . .	6,594	1,563
Board fees from the period's profit . . . . .	130	130
<b>Total Cash Outflows</b> . . . . .	<b>146,251</b>	<b>190,285</b>
<b>Cash Flows from Financing Activities</b> . . . . .	<b>1,328,135</b>	<b>336,193</b>
<b>Group Cash Flows</b> . . . . .	<b>355,934</b>	<b>156,174</b>
plus: Cash & cash equivalents at the beginning of the year . . . . .	995,917.87	841,764.09
less: Previous year cash & cash equivalents of absorbed companies . . . . .	6,201.67	5,327.98
plus: Eliminations of previous year cash & cash equivalents of absorbed companies . . . . .	6,201.67	3,298.13
plus: Cash & cash equivalents at the beginning of the year of companies consolidated for the first time . . . . .	38,953.41	9.60
<b>Cash &amp; Cash Equivalents at the end of the year</b> . . . . .	<b>1,390,805</b>	<b>995,918</b>

## FORM OF THE DEED OF GUARANTEE

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

“THIS DEED OF GUARANTEE is made on 9th August, 2005 in London, England

by

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

### IN FAVOUR OF

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

### WHEREAS

- (A) Piraeus Bank S.A., in its capacity as an issuer and Piraeus Group Finance PLC (“Piraeus PLC” and together with Piraeus Bank S.A. in its capacity as issuer, (the “Issuers”) have established a Euro Medium Term Note Programme (the “Programme”) for the issuance of notes. The Guarantor has authorised the giving of its irrevocable guarantee in relation to the notes issued by Piraeus PLC (the “Notes”).
- (B) The Issuers and the Guarantor have, in relation to the notes issued under the Programme, entered into a fiscal agency agreement (as amended, supplemented and/or restated from time to time, the “Agency Agreement”) dated 9th August, 2005 with Deutsche Bank AG, London Branch as fiscal agent (the “Agent”, which expression shall include any successor) and the other paying agents named therein.
- (C) The Issuers have, in relation to the notes issued under the Programme, executed in London, England a deed of covenant (as amended, supplemented and/or restated from time to time, the “Deed of Covenant”) dated 9th August, 2005.
- (D) The Guarantor has agreed to irrevocably guarantee the payment of all sums expressed to be payable from time to time by Piraeus PLC in respect of the Notes and under the Deed of Covenant.
- (E) The Guarantor entered into a deed of guarantee dated 9th June, 2004 in relation to the Notes (such deed of guarantee, the “Original Deed of Guarantee”).
- (F) The Guarantor agrees to make certain modifications to the Original Deed of Guarantee.
- (G) This Deed of Guarantee amends and restates the Original Deed of Guarantee. Any Notes issued under the Programme by Piraeus PLC on or after the date hereof shall be issued subject to this Deed of Guarantee (other than any such Notes issued so as to be consolidated and form a single series with any Notes issued prior to the date hereof which shall continue to be subject to the Original Deed of Guarantee).

**THIS DEED OF GUARANTEE WITNESSES** as follows:

#### 1.1 Definitions and Interpretation

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

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

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

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

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

“Euroclear” means Euroclear Bank S.A./N.V., as operator of the Euroclear system;

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

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

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

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

“Senior Creditors of the Guarantor” means creditors of the Guarantor (a) who are unsubordinated creditors of the Guarantor, or (b) who are subordinated creditors of the Guarantor whose claims are expressed to rank in priority to the claims of the holders of Dated Subordinated Notes or other persons claiming under the Deed of Guarantee (whether only in the winding up of the Guarantor or otherwise).

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

## **2. Guarantee and Indemnity**

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

rise to a separate and independent cause of action if any sum is not recoverable under Clause 2.1.

- 2.3 Notwithstanding the foregoing provisions of Clauses 2.1 and 2.2 hereof, it is specifically agreed that the place of performance of any and all obligations under the Deed of Guarantee shall be London, England and consequently any and all payments of the Guarantor under this Deed of Guarantee shall be made out of or to the credit of bank accounts maintained with banks legally operating and situated in London, England.

### **3. Negative Pledge**

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

### **4. Taxation**

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

### **5. Preservation of Rights**

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

- 5.5 No Beneficiary shall be obliged before exercising any of the rights, powers or remedies conferred upon it by this Deed of Guarantee or by law:
- (a) to make any demand of Piraeus PLC, save for the presentation of the relevant Note;
  - (b) to take any action or obtain judgment in any court against Piraeus PLC; or
  - (c) to make or file any claim or proof in a winding up or dissolution of Piraeus PLC,
- and (save as aforesaid) the Guarantor hereby expressly waives presentment, demand, protest and notice of dishonour in respect of each Note.
- 5.6 The Guarantor agrees that, so long as any sums are or may be owed by Piraeus PLC in respect of the Notes or under the Deed of Covenant or Piraeus PLC is under any other actual or contingent obligation thereunder or in respect thereof, the Guarantor will not exercise any right which the Guarantor may at any time have by reason of the performance by the Guarantor of its obligations hereunder:
- (a) to be indemnified by Piraeus PLC;
  - (b) to claim any contribution from any other guarantor of Piraeus PLC's obligations under or in respect of the Notes or the Deed of Covenant;
  - (c) to take the benefit (in whole or in part) of any security enjoyed in connection with the Notes or the Deed of Covenant by any Beneficiary; or
  - (d) to be subrogated to the rights of any Beneficiary against Piraeus PLC in respect of amounts paid by the Guarantor under this Deed of Guarantee.
- 5.7 The Guarantor irrevocably undertakes that its obligations hereunder in respect of Notes specified in the applicable Final Terms as Senior Notes will constitute direct, general, unconditional and unsubordinated obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured (subject to Condition 4) and unsubordinated obligations of the Guarantor, save for such obligations as may be preferred by mandatory provisions of law.
- 5.8 The Guarantor irrevocably undertakes that its obligations hereunder in respect of Notes specified in the applicable Final Terms as Dated Subordinated Notes will constitute direct, general and unconditional, subordinated and unsecured obligations of the Guarantor which will be subordinated to the claims of Senior Creditors of the Guarantor in that payments under the Deed of Guarantee (whether in the winding up of the Guarantor or otherwise) will be conditional upon the Guarantor being solvent at the time of payment by the Guarantor and in that no amount shall be payable under the Deed of Guarantee (whether in the winding up of the Guarantor or otherwise) except to the extent that the Guarantor could make such payment and still be solvent immediately thereafter. For this purpose, the Guarantor shall be considered to be solvent if it can pay principal and interest in respect of the Dated Subordinated Notes and still be able to pay its outstanding debts to Senior Creditors of the Guarantor, which are due and payable.

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

## **6. Deposit of Deed of Guarantee**

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

## **7. Stamp Duties**

The Guarantor shall pay all stamp, registration and other similar taxes and duties (including any interest and penalties thereon or in connection therewith) which are payable upon or in connection with the execution and delivery of this Deed of Guarantee, and shall, to the extent permitted by law, indemnify each Beneficiary against any claim, demand, action, liability,

damages, cost, loss or expense (including, without limitation, reasonable legal fees and any applicable value added tax) which it incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.

## **8. Benefit of Deed of Guarantee**

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

## **9. Partial Invalidity**

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

## **10. Notices**

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

Piraeus Bank S.A.

Address: 20 Amalias Ave. & 5 Souri Str.  
105 57 Athens  
Greece

Tel: +30 210 328 8871/+30 210 333 5870

Fax: +30 210 333 5505/+30 210 325 4207

Attention: Prof. Mr. Lambros Kotsiris, Head of Legal Council/  
Mrs. Dimitra Pallikari, Legal Counsel

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

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

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

## **11. Governing Law and Jurisdiction**

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



“Proceedings” and “Disputes”) and, for such purposes, irrevocably submits to the jurisdiction of such courts.

11.3 The Guarantor irrevocably waives any objection which it might now or hereafter have to the courts referred to in Clause 11.2 being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.

11.4 The Guarantor agrees that the process by which any Proceedings are begun may be served on it by being delivered to Piraeus Bank S.A., London Branch at its principal place of business for the time being in England (currently Tower 42, 25 Old Broad Street, London EC2N 1HQ). If the Guarantor ceases to maintain a branch in England, the Guarantor shall appoint a further person in England to accept service of process on its behalf. Nothing in this sub-clause shall affect the right to serve process in any other manner permitted by law.

11.5 The submission to the jurisdiction of the courts referred to in Clause 11.2 shall not (and shall not be construed so as to) limit any right to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

**12. Modification**

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

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

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

Signature of witness: . . . . .

Name of Witness: . . . . .

Address: . . . . .

Occupation: . . . . . ”

## TAXATION

### Taxation in the Hellenic Republic

*The following discussion of Greek taxation, as it relates to the Notes and the Guarantee, is of a general nature and is based on the provisions of tax law, currently in force in Greece. Holders of Notes who are in doubt as to their personal tax position should consult their professional advisers.*

Under the Greek tax laws as of the date hereof:

1. payments of interest from Piraeus Bank in respect of Notes issued by it to Noteholders who:
  - (a) reside in Greece or maintain a permanent establishment therein for Greek tax law purposes, will be subject to Greek withholding tax at the rate of 10 per cent. Nevertheless, such withholding shall not be imposed should the issue of such Notes be considered as having taken place outside Greece;
  - (b) neither reside nor maintain a permanent establishment in Greece for Greek tax law purposes will not be subject to Greek income tax, provided that the relevant Noteholders present a "tax residence certificate" issued at a date not later than one year before such certificate is presented,
2. no Greek withholding tax shall be imposed on payments of principal or interest from Piraeus PLC (or of principal by Piraeus Bank under the Deed of Guarantee) in respect of Notes issued outside Greece by Piraeus PLC,
3. payments of accrued interest from Piraeus Bank under the Deed of Guarantee in respect of Notes issued by Piraeus PLC to Noteholders who:
  - (a) reside in Greece or maintain a permanent establishment therein for Greek tax law purposes, might be subject to Greek withholding tax at the rate of 20 per cent. which does not exhaust the tax liability of such Noteholders;
  - (b) are companies or legal entities and who neither reside nor maintain a permanent establishment in Greece for Greek tax law purposes, might be subject to Greek withholding tax at the rate of 35 per cent., which exhausts the tax liability of such Noteholders.

However, if such a Noteholder is a resident of a country with which Greece has executed a bilateral tax treaty for the avoidance of double taxation, then the provisions of such treaty shall prevail over the provisions of internal Greek tax laws and shall apply, provided such Noteholder presents to Piraeus Bank a duly signed and stamped "claim" for the application of the relevant treaty supported by a tax residence certificate issued at a date not later than one year before such claim is presented.

## **Taxation in the United Kingdom**

*The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of the Notes. The comments are made on the assumption that Piraeus Bank is not resident in the United Kingdom for United Kingdom tax purposes and that any interest on Notes issued by Piraeus Bank (other than through its UK branch) will not have a UK source. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Prospective Noteholders should be aware that the particular terms of issue of any Series of Notes as specified in the relevant Final Terms may affect the tax treatment of that and other Series of Notes. The following is a general guide and should be treated with appropriate caution. Noteholders who are in any doubt as to their tax position should consult their professional advisers.*

*Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.*

### **A. UK Withholding Tax on UK Source Interest**

#### *A.1 UK Notes Listed on a Recognised Stock Exchange*

The Notes issued by Piraeus PLC (the "UK Issuer") or Piraeus Bank issuing through its UK branch (also the "UK Issuer", and together with Piraeus PLC, the "UK Issuers") which carry a right to interest ("UK Notes") will constitute "quoted Eurobonds" provided they are and continue to be listed on a recognised stock exchange. On the basis of HM Revenue & Customs published interpretation of the relevant legislation, securities which are to be listed on a stock exchange in a country which is a member state of the European Union or which is part of the European Economic Area will satisfy this requirement if they are listed by a competent authority in that country and are admitted to trading on a recognised stock exchange in that country; securities which are to be listed on a stock exchange in any other country will satisfy this requirement if they are admitted to trading on a recognised stock exchange in that country. The Luxembourg Stock Exchange is a recognised stock exchange for these purposes. While the UK Notes are and continue to be quoted Eurobonds, payments of interest on the UK Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

#### *A.2 UK Notes issued by Piraeus Bank acting through its UK branch*

In addition to the exemption set out in A.1 above, interest on Notes issued by Piraeus Bank acting through its UK branch may be paid without withholding or deduction for or on account of United Kingdom income tax if and for so long as Piraeus Bank issuing through its UK branch is a "bank" for the purposes of section 349 of the Income and Corporation Taxes Act 1988 and so long as such payments are made by it in the ordinary course of its business. In accordance with the published practice of HM Revenue & Customs, such payments will be accepted as being made by Piraeus Bank issuing through its UK branch in the ordinary course of its business unless either:

- (i) the borrowing in question conforms to any of the definitions of tier 1, 2 or 3 capital adopted by the Financial Services Authority whether or not it actually counts towards tier 1, 2 or 3 capital for regulatory purposes; or
- (ii) the characteristics of the transaction giving rise to the interest are primarily attributable to an intention to avoid United Kingdom tax.

#### *A.3 Notes with short maturity dates*

Interest on the UK Notes may be paid without withholding or deduction for or on account of United Kingdom income tax if the relevant interest is paid on Notes with a maturity of less than one year from the date of issue and which are not issued under arrangements the effect of which is to render such Notes part of a borrowing with a total term of a year or more.

#### *A.4 All other Notes*

In all cases falling outside the exemptions described in A.1, A.2 and A.3 above, interest on the UK Notes may be paid under deduction of United Kingdom income tax at the lower rate (currently 20 per cent.) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply.

#### **B. Payments by the Guarantor**

If the Guarantor makes any payments in respect of interest on Notes issued by Piraeus PLC (or other amounts due under such Notes other than the repayment of amounts subscribed for the Notes) such payments may be subject to United Kingdom withholding tax at the basic rate (currently 22 per cent.) subject to such relief as may be available under the provisions of any applicable double taxation treaty. Such payments by the Guarantor may not be eligible for the exemptions described in A above.

#### **C. Payments under the Deed of Covenant**

Any payments made by an Issuer under the Deed of Covenant may not qualify for the exemptions from United Kingdom withholding tax described above.

#### **D. Provision of Information**

Noteholders should note that where any interest on Notes is paid to them (or to any person acting on their behalf) by any UK Issuer or any person in the United Kingdom acting on behalf of any Issuer (a "paying agent") or is received by any person in the United Kingdom acting on behalf of the relevant Noteholder (other than solely by clearing or arranging the clearing of a cheque) (a "collecting agent"), then the relevant UK Issuer, the paying agent or the collecting agent (as the case may be) may, in certain cases, be required to supply to HM Revenue & Customs details of the payment and certain details relating to the Noteholder (including the Noteholder's name and address). These provisions will apply whether or not the interest has been paid subject to withholding or deduction for or on account of United Kingdom income tax and whether or not the Noteholder is resident in the United Kingdom for United Kingdom taxation purposes. Where the Noteholder is not so resident, the details provided to HM Revenue & Customs may, in certain cases, be passed by HM Revenue & Customs to the tax authorities of the jurisdiction in which the Noteholder is resident for taxation purposes.

For the above purposes, "interest" should be taken, for practical purposes, as including payments made by a guarantor in respect of interest on Notes.

The provisions referred to above may also apply, in certain circumstances, to payments made on redemption of any Notes where the amount payable on redemption is greater than the issue price of the Notes.

#### **E. Other Rules Relating to United Kingdom Withholding Tax**

1. Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Notes will not be subject to any United Kingdom withholding tax pursuant to the provisions mentioned in A above, but may be subject to reporting requirements as outlined in D above.
2. Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax and reporting requirements as outlined above.
3. Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.
4. The references to "interest" above mean "interest" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the Terms and Conditions of the Notes or any related documentation (e.g. see Condition 7(h) of the Notes).
5. The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an Issuer pursuant to Condition 16 of the Notes and does not consider the tax consequences of any such substitution.

### **Taxation in Luxembourg**

Under Luxembourg tax law, there is currently no withholding tax on payments of principal, premium or interest, nor on accrued but unpaid interest, in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes except for payments made by a Luxembourg paying agent to individual beneficial owners who are tax resident of (i) another EU Member State, pursuant to Council Directive 2003/48/EC of 3rd June, 2003 on taxation of savings income in the form of interest payments, or (ii) certain non-EU countries and territories which have agreed to adopt similar measures to those provided for under Council Directive 2003/48/EC (see "Risk Factors — EU Savings Directive" above). Responsibility for the withholding of such tax will be assumed by the Luxembourg paying agent and not by the relevant Issuer or the Guarantor.

### **EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from 1st July, 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

## SUBSCRIPTION AND SALE

The Dealers have in an amended and restated programme agreement (the "Programme Agreement") dated 9th August, 2005 agreed with Piraeus Bank and Piraeus PLC a basis upon which they or any of them may from time to time agree to subscribe Notes. Any such agreement will extend to those matters stated under "Form of the Notes" and "Terms and Conditions of the Notes" above. In the Programme Agreement, Piraeus Bank and Piraeus PLC have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer, or in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all the Notes of the Tranche of which such Notes are a part within the United States or to, or for the account or benefit of, U.S. persons and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issue of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealer or Dealers may agree as a term of the issue and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms. Each relevant Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

### European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of Notes to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;



- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

### **Japan**

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the “Securities and Exchange Law”) and each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

### **United Kingdom**

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) in relation to any Notes issued by Piraeus PLC having a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### **Greece**

Each Dealer has represented and agreed that no public offering of the Notes is permitted in the Hellenic Republic and consequently no advertisement of any kind, notifications, statements or other actions are permitted to be taken or made in the Hellenic Republic with a view to attracting the public in Greece to acquire any of the Notes, other than in compliance with the laws applicable at the time in the Hellenic Republic governing the issue, offering and sale of securities, including any implementing legislation of Directive 2003/71/EC.

**General**

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief having made all due and proper enquiries) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of Piraeus PLC, Piraeus Bank and any other Dealer shall have any responsibility therefor.

None of Piraeus PLC, Piraeus Bank and any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the relevant Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

## GENERAL INFORMATION

### Authorisation

The establishment and update of the Programme and the issue of Notes by Piraeus PLC have been duly authorised by resolutions of the Board of Directors of Piraeus PLC dated 2nd June, 2004 and 21st July, 2005. The establishment and update of the Programme and the giving of the Deed of Guarantee have been duly authorised by resolutions of the Board of Directors of Piraeus Bank dated 12th May, 2004 and 13th July, 2005.

**The issue of Notes by Piraeus Bank under the Programme is subject to the prior decision of the Board of Directors of Piraeus Bank.**

### Listing of Notes on the Luxembourg Stock Exchange

Application has been made to the CSSF to approve this document as a base prospectus in respect of Piraeus PLC and in respect of Piraeus Bank. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange has allocated to the Programme the number 13013 for Piraeus PLC and 13135 for Piraeus Bank for listing purposes. The regulated market of the Luxembourg Stock Exchange is a regulated market for the purposes of the Investment Services Directive (Directive 93/22/EEC).

### Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available from the registered office of each Issuer and from the specified offices of the Paying Agents for the time being in London and Luxembourg:

- (i) the constitutional documents of Piraeus Bank and Piraeus PLC (in English);
- (ii) the audited Greek GAAP and financial statements of Piraeus Bank in respect of the financial years ended 31st December, 2003 and 31st December, 2004 (with an English translation thereof) (in each case together with the audit reports prepared in connection therewith);
- (iii) the audited financial statements of Piraeus PLC in respect of the financial years ended 31st December, 2003 and 31st December, 2004 (in each case together with the audit reports prepared in connection therewith);
- (iv) the most recently published audited annual financial statements of each of Piraeus PLC and Piraeus Bank and the most recently published quarterly unaudited financial statements of Piraeus Bank (with an English translation thereof) (in each case together with the audit reports prepared in connection therewith). Piraeus PLC does not currently produce interim financial statements;
- (v) the Programme Agreement, the Agency Agreement, the Deed of Covenant, the Deed of Guarantee, the forms of the temporary global Notes, the permanent global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (vi) a copy of this Offering Circular;
- (vii) any future offering circulars, prospectuses, information memoranda and supplements including Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the relevant Issuer or the relevant Paying Agent, as the case may be, as to its holding and identity) to this Offering Circular and any other documents incorporated herein or therein by reference; and
- (viii) in the case of each issue of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange and subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

## **Clearing Systems**

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

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

## **Conditions for determining price**

The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

## **Material or Significant Change**

Save as disclosed in this Offering Circular, there has been no material adverse change in the prospects of Piraeus Bank, Piraeus Bank and its subsidiaries as a whole (the "Group") or Piraeus PLC since the date of their last published audited financial statements. Save as disclosed in this Offering Circular, there has been no significant change in the financial position of Piraeus Bank since 31st March, 2005 and there has been no significant change in the financial position of Piraeus PLC since the date of its last published audited financial statements.

## **Litigation**

None of Piraeus PLC, Piraeus Bank or any subsidiary of Piraeus Bank has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Piraeus PLC or Piraeus Bank is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of Piraeus PLC, Piraeus Bank or the Group.

## **Auditors of Piraeus PLC**

The auditors of Piraeus PLC are PricewaterhouseCoopers LLP, Southwark Towers, 32 London Bridge Street, London SE1 9SY (member of the Institute of Chartered Accountants in England and Wales). The financial statements of Piraeus PLC for the years ended 31st December, 2003 and 2004 have been audited by PricewaterhouseCoopers LLP. The auditors of Piraeus PLC have no material interest in Piraeus PLC.

## **Auditors of Piraeus Bank**

With effect from 1st January, 2005 the statutory auditors of Piraeus Bank are PricewaterhouseCoopers – Athens (member of the Institute of Certified Public Accountants of Greece). Prior to that date the statutory auditors of Piraeus Bank were PricewaterhouseCoopers – Athens and Sol AE (both members of the Institute of Certified Public Accountants of Greece), each of whom independently audited the Bank.

The Greek GAAP financial statements of the Group as of 31st December, 2003 and 2004 and for each of the two years in the period ended 31st December, 2004 have been audited by PricewaterhouseCoopers – Athens and Sol AE.

PricewaterhouseCoopers' report on the 31st December, 2003 and the 31st December, 2004 year-end financial statements included certain qualifications. The auditors of Piraeus Bank have no material interest in Piraeus Bank.

## **Post-issuance information**

The Issuers do not intend to provide any post-issuance information in relation to any assets underlying issues of Notes constituting derivative securities.

## ISSUER

### **Piraeus Group Finance PLC**

Tower 42  
25 Old Broad Street  
London EC2N 1HQ  
England

## ISSUER AND GUARANTOR

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

20 Amalias Ave. &  
5 Souris Str.  
105 57 Athens  
Greece

## AGENT

### **Deutsche Bank AG, London Branch**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
England

## PAYING AGENT

### **Deutsche Bank Luxembourg S.A.**

2, boulevard Konrad Adenauer  
L-1115 Luxembourg  
Luxembourg

## INDEPENDENT AUDITORS OF PIRAEUS BANK

### **PricewaterhouseCoopers**

268 Kifissias Avenue  
152 32 Athens  
Greece

## INDEPENDENT AUDITORS OF PIRAEUS PLC

### **PricewaterhouseCoopers LLP**

Southwark Towers  
32 London Bridge Street  
London SE1 9SY  
England

## LEGAL ADVISERS

*To Piraeus PLC and Piraeus Bank  
as to Greek law*

### **M. & P. Bernitsas Law Offices**

5, Lykavittou Street  
Gr-105 72 Athens  
Greece

*To the Dealers  
as to Greek law*

### **Law Office**

#### **T. J. Koutalidis**

4, Valaoritou Street  
10671 Athens  
Greece

*To the Dealers  
as to English law*

### **Allen & Overy LLP**

One New Change  
London EC4M 9QQ  
England

## **ARRANGER**

### **Deutsche Bank AG, London Branch**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
England

## **DEALERS**

### **ABN AMRO Bank N.V.**

250 Bishopsgate  
London EC2M 4AA  
England

### **Banc of America Securities Limited**

5, Canada Square  
London E14 5AQ  
England

### **Credit Suisse First Boston (Europe) Limited**

One Cabot Square  
London E14 4QJ  
England

### **Deutsche Bank AG, London Branch**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
England

### **Morgan Stanley & Co. International**

20, Cabot Square  
Canary Wharf  
London E14 4QA  
England

### **Natexis Banques Populaires**

115, Rue Montmartre  
75002 Paris  
France

### **Nomura International plc**

Nomura House  
1 St Martin's-le-Grand  
London EC1A 4NP  
England

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

20 Amalias Ave. &  
5 Souris Str.  
105 57 Athens  
Greece

### **UBS Limited**

1 Finsbury Avenue  
London EC2M 2PP  
England

## **LUXEMBOURG LISTING AGENT**

### **Deutsche Bank Luxembourg S.A.**

2, boulevard Konrad Adenauer  
L-1115 Luxembourg  
Luxembourg



