



## NATIONAL BANK OF GREECE S.A.

(incorporated with limited liability in the Hellenic Republic)

### €5,000,000,000 Global Medium Term Note Programme

Pursuant to the Global Medium Term Note Programme (the **Programme**) National Bank of Greece S.A. (**NBG**, the **Bank** or the **Issuer**, and with its subsidiaries, the **Group**) may from time to time issue Notes in bearer or registered form denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

This base prospectus (the **Base Prospectus**) has been approved as a base prospectus by the *Commission de Surveillance du Secteur Financier* (the **CSSF**), as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation. The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CSSF should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes. By approving this Base Prospectus, the CSSF assumes no responsibility as to the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Bank in line with the provisions of Article 6 (4) of the Law of 16 July 2019 (the **Luxembourg Law on Prospectuses for Securities**). Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the official list of the Luxembourg Stock Exchange (the **Official List**). References in this Base Prospectus 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 admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU). The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer. The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €5,000,000,000 (or its equivalent in other currencies calculated as described herein).

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the **EEA**). The validity of this Base Prospectus ends upon expiration of 17 December 2022. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other terms and conditions not contained herein as well as any information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms document (the **Final Terms**) which, with respect to Notes to be listed on the Luxembourg Stock Exchange, will be filed with the CSSF. Copies of Final Terms in relation to Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

The Notes have not been nor will be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. Notes are subject to certain restrictions on transfer, see "*Forms of the Notes and Transfer Restrictions Relating to U.S. Sales*" and "*Subscription and Sale*" below.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*General Description of the Programme*" and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a **Dealer** and together the **Dealers**). References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to the lead manager of such issue and, in relation to an issue of Notes subscribed by one Dealer, be to such Dealer.

Notes of each Tranche will initially be represented by either a Temporary Global Note, a Permanent Global Note, an Unrestricted Global Note and/or a Restricted Global Note (each as defined below), in each case as indicated in the applicable Final Terms (as defined herein). Temporary Global Notes and Permanent Global Notes may also be issued in new global note form, and Registered Notes that are held through Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**) may also be held under the new safekeeping structure (**NSS**). See "*Forms of the Notes and Transfer Restrictions Relating to U.S. Sales*" below.

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Bank to fulfil its obligations in respect of the Notes are discussed under "*Risk Factors*" below.

The Bank has been rated B- for long-term Issuer default rating and B for short-term Issuer default rating by Fitch Ratings Ireland Limited (**Fitch**), B3 for long-term debt and NP for short-term debt by Moody's Investors Service Cyprus Limited (**Moody's**) and B+ for long-term debt and B for short-term debt by S&P Global Ratings, acting through S&P Global Ratings Europe Limited France Branch (**S&P**). The Programme has been rated B3 for Senior Unsecured MTN (domestic) and Caa1 for Subordinated MTN (domestic) by Moody's, B+ for Senior Unsecured and CCC+ for Subordinated by S&P and B- for Senior Unsecured and CCC for Subordinated by Fitch. Each of Fitch, Moody's and S&P is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such each of Fitch, Moody's and S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Accordingly, the Bank's and the Programme's ratings issued by Fitch, Moody's and S&P have been endorsed by Fitch Ratings Ltd, Moody's Investors Service Limited and S&P Global Ratings UK Limited, respectively, in accordance with the Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**) and have not been withdrawn. As such, the ratings issued by each of Moody's, Fitch and S&P may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation.

Notes issued under the Programme may be rated by any one or more of the rating agencies referred to above or unrated. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Amounts payable on the Floating Rate Notes and/or the Fixed Reset Notes may be calculated by reference to certain reference rates which may constitute benchmarks for the purposes of Regulation (EU) No. 2016/1011 (the **EU Benchmarks Regulation**), including EURIBOR, as specified in the relevant Final Terms with respect to Floating Rate Notes or the semi-annual or annual swap rate, as the case may be, for swap transactions in the Specified Currency (as specified in the relevant Final Terms) with respect to Fixed Reset Notes. As at the date of this Base Prospectus, the European Money Markets Institute (as administrator of EURIBOR) is included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (**ESMA**) under Article 36 of the EU Benchmarks Regulation. If the semi-annual or annual swap rate, as the case may be, for swap transactions in the Specified Currency (as specified in the relevant Final Terms) with respect to Fixed Reset Notes constitutes a benchmark, the relevant Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA under Article 36 of the EU Benchmarks Regulation.

### **Arrangers and Dealers**

**Morgan Stanley**

**National Bank of Greece S.A.**

The date of this Base Prospectus is 17 December 2021.

## IMPORTANT INFORMATION

The Bank accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Bank (having taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Bank or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Bank or any Dealer.

Certain information under the heading “*Forms of the Notes and Transfer Restrictions Relating to U.S. Sales – Book-Entry System*” has been extracted from information provided by the clearing systems referred to therein. The Bank confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant clearing systems, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Bank since the date thereof or, if later, the date upon which this Base Prospectus has been most recently supplemented, or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither the Issuer nor any of its affiliates makes any representation as to the suitability of any Green Bonds, Social Bonds or Sustainable Bonds to fulfil any environmental criteria required by any prospective investors. Neither the Issuer nor any of its affiliates makes any representation as to the suitability of the National Bank of Greece Green Bond Framework (as defined below).

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

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Bank and each of the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see “*Subscription and Sale*” below. In particular, the Notes have not been nor will be registered under the Securities Act and the Notes may include Bearer Notes that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. Notes may be offered and sold outside the United States to persons who are not U.S. persons in reliance on Regulation S under the Securities Act (**Regulation S**) and, in the case of Registered Notes, in the United States to qualified institutional buyers (as defined in Rule 144A under the Securities Act (**Rule 144A**), each a **QIB**) in reliance on Rule 144A or another applicable exemption from registration under the Securities Act. In addition, prospective purchasers of Notes are hereby notified that a seller of Notes may be relying on the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by any of the Bank or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Bank. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Bank or any of the Dealers to any person to subscribe for or to purchase any Notes.

None of the Dealers or the Bank makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning the Bank is correct at any time subsequent to its date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Bank during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention.

**PRIIPS / IMPORTANT – EEA RETAIL INVESTORS** – If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PRIIPS / IMPORTANT – UK RETAIL INVESTORS** – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**MiFID II product governance / target market** – The Final Terms in respect of any Notes will include a legend entitled "*MiFID II product governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

**UK MiFIR product governance / target market** – The Final Terms in respect of any Notes will include a legend entitled “*UK MiFIR Product Governance*” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

**Notification under Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the SFA) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the CMP Regulations 2018)** – Unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in section 309A(1) of the SFA), that all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

**The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Base Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Base Prospectus. Any representation to the contrary is unlawful.**

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed €5,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Programme Agreement)). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Programme Agreement as defined under “*Subscription and Sale*”.

## **CERTAIN DEFINED TERMS AND CONVENTIONS**

Capitalised terms which are used but not defined in any particular section of this Base Prospectus will have the meaning attributed to them in “*Terms and Conditions of the Notes*” or any other section of this Base Prospectus. In addition, the following terms as used in this Base Prospectus have the meanings defined below.

In this Base Prospectus, unless otherwise specified, references to a **Member State** are references to a Member State of the European Economic Area, references to **U.S.\$**, **U.S. dollars** or **dollars** are to United States dollars and references to **€**, **EUR** or **euro** are to the single currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

In this Base Prospectus, all references to **Greece** or to the **Greek State** are to the Hellenic Republic.

In this Base Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

## ALTERNATIVE PERFORMANCE MEASURES

This Base Prospectus contains references to certain Alternative Performance Measures (**APMs**), as defined in the guidelines issued on 5 October 2015 by ESMA concerning the presentation of APMs disclosed in regulated information and prospectuses published as from 3 July 2016 which, although not recognised as financial measures under International Financial Reporting Standards (**IFRS**), as endorsed by the European Union, are used by the management of the Bank to monitor the Group's financial and operating performance.

In particular:

- (a) *Non-Performing Loans (NPLs) ratio or 90 days past due ratio*: Loans and advances to customers at amortised cost in arrears for 90 days or more divided by total loans and advances to customers before Expected Credit Loss (**ECL**) allowance for impairment at the end of the period.
- (b) *Loans-to-Deposits Ratio*: Loans and advances to customers over due to customers, at the end of the period.
- (c) *Non-Performing Exposures (NPE) ratio*: NPEs divided by total loans before ECL allowance for impairment at the end of the period.

The Group defines NPEs, according to EBA ITS Technical Standards on Forbearance and Non-Performing Exposures, as exposures that satisfy either or both of the following criteria:

- (i) material exposures which are more than 90 days past due; and
  - (ii) the debtor is assessed as unlikely to pay its credit obligations in full without realisation of collateral, regardless of the existence of any past due amount or of the number of days past due.
- (d) *Balance sheet*: Statement of Financial Position.
  - (e) *Common Equity Tier 1 (CET1) ratio*: CET1 capital as defined by Regulation No 575/2013, with the application of the regulatory transitional arrangements for IFRS 9 impact over RWAs.
  - (f) *CET1 ratio fully loaded*: CET1 capital as defined by Regulation No 575/2013, without the application of the regulatory transitional arrangements for IFRS 9 impact on RWAs.
  - (g) *Core Income*: Net Interest Income (**NI**) + Net fee and commission income.
  - (h) *Core Operating Profit*: Core income less operating expenses and loan impairments and excluding COVID-19 provisions of €0.4 billion in the second quarter of 2021.
  - (i) *Core Pre-Provision Income*: Core Income less operating expenses.
  - (j) *Cost of Risk*: Loan impairments for the year (or for the period annualised) over average net loans, excluding the short-term reverse repo facility of €3.0 billion in the second quarter of 2021.
  - (k) *Cost-to-Core Income ratio*: Operating expenses over Core Income.
  - (l) *Cost-to-Income ratio*: Operating expenses over total income.
  - (m) *Deposits*: Due to customers.
  - (n) *Domestic banking activities*: Refers to banking business in Greece and includes retail, corporate and investment banking. Group's domestic operations includes Ethniki Leasing S.A (Ethniki Leasing), Probank Leasing S.A. (Probank Leasing) and Ethniki Factors S.A. (Ethniki Factors).

- (o) *Gross loans*: Loans and advances to customers before Expected Credit Loss (**ECL**) allowance for impairment on loans and advances to customers at amortised cost and mandatorily measured at FVTPL.
- (p) *Held for Sale*: Non-current assets held for sale.
- (q) *Liquidity Coverage Ratio (**LCR**)*: The LCR refers to the liquidity buffer of High Quality Liquid Assets (**HQLAs**) that a Financial Institution holds, in order to withstand net liquidity outflows over a 30 calendar-day stressed period as per Regulation (EU) 2015/61.
- (r) *Loan Impairments*: Impairment charge for ECL.
- (s) *Net loans*: Loans and advances to customers after ECL allowance for impairment on loans and advances to customers at amortised cost and mandatorily at FVTPL.
- (t) *Net Stable Funding Ratio (**NSFR**)*: The NSFR refers to the portion of liabilities and capital expected to be sustainable over the time horizon considered by the NSFR over the amount of stable funding that must be allocated to the various assets, based on their liquidity characteristics and residual maturities.
- (u) *NPE Coverage Ratio*: ECL allowance for impairment for loans and advances to customers divided by NPE, excluding loans and advances to customers mandatorily classified as FVTPL, at period end.
- (v) *Pre-Provision Income*: Total income less operating expenses, before loan impairments.
- (w) *Risk Weighted Assets (**RWAs**)*: Assets and off-balance-sheet exposures, weighted according to risk factors based on Regulation (EU) No 575/2013.
- (x) *Risk Adjusted NIM*: NIM minus CoR
- (y) *Total Capital Ratio*: Total capital as defined by Regulation No 575/2013, with the application of the regulatory transitional arrangements for IFRS 9 impact over RWAs.

Investors should be aware that:

- these financial measures are not recognised as a measure of performance under IFRS; and
- they are used by management to monitor the underlying performance of the business and operations but are not indicative of the historical operating results of the Bank, nor are they meant to be predictive of future results.

Furthermore, since companies do not all calculate these measures in an identical manner, the Group's presentation may not be consistent with similar measures used by other companies. Therefore, undue reliance should not be placed on any such data.

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



## SUITABILITY OF INVESTMENT

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

- (a) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (e) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

## STABILISATION

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

## U.S. INFORMATION

This Base Prospectus may be submitted on a confidential basis in the United States to a limited number of QIBs for informational use solely in connection with the consideration of the purchase of certain Notes issued under the Programme. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

The Notes in bearer form 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 United States persons, 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 the regulations promulgated thereunder.

Registered Notes may be offered or sold within the United States only to QIBs in transactions exempt from registration under the Securities Act in reliance on Rule 144A or any other applicable exemption. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be being made in reliance upon the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A.

Each purchaser or holder of Notes represented by a Restricted Global Note or any Notes issued in registered form in exchange or substitution therefor (together **Legended Notes**) will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in “*Forms of the Notes and Transfer Restrictions Relating to U.S. Sales*”. Unless otherwise stated, terms used in this paragraph have the meanings given to them in “*Forms of the Notes and Transfer Restrictions Relating to U.S. Sales*”.

### AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with any resale or other transfers of Notes that are “Restricted Securities” (as defined in Rule 144(a)(3) under the Securities Act), the Bank will furnish, upon the request of a holder of such Notes or of a beneficial owner of an interest therein, to such holder or beneficial owner or to a prospective purchaser designated by such holder or beneficial owner, the information required to be delivered under Rule 144A(d)(4) under the Securities Act and will otherwise comply with the requirements of Rule 144A(d)(4) under the Securities Act, if, at the time of such request, any of the relevant Notes remain outstanding as “restricted securities” within the meaning of Rule 144(a)(3) of the Securities Act and the Bank is not a reporting company under Section 13 or Section 15(d) of the United States Securities Exchange Act of 1934, as amended (the **Exchange Act**), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

### SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Bank is incorporated under the laws of the Hellenic Republic. All of the officers and directors named herein reside outside the United States and all or a substantial portion of the assets of the Bank and of such officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process outside the Hellenic Republic upon the Bank or such persons, or to enforce judgments against them obtained in courts outside the Hellenic Republic predicated upon civil liabilities of the Bank or such directors and officers under laws other than the Hellenic Republic, including any judgment predicated upon United States federal securities laws.

### FORWARD-LOOKING STATEMENTS

This Base Prospectus includes forward-looking statements. Such statements in this Base Prospectus include, but are not limited to, statements made under “*Risk Factors*”, “*Description of the Group*” and “*Regulation and Supervision of Banks in Greece*”. Such statements can be generally identified by the use of terms such as “believes”, “expects”, “may”, “will”, “should”, “would”, “could”, “plans”, “anticipates” and comparable terms, including the negatives of such terms. By their nature, forward-looking statements involve risk and uncertainty, and the factors described in the context of such forward-looking statements in this Base Prospectus could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. The Bank has based these forward-looking statements on their management's current expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties and assumptions about the Group, including, among other things:

- Hellenic Republic's commitment to achieve very demanding fiscal targets for a protracted period and legacy effects from the fiscal crisis and from the COVID-19 crisis may impose further constraints on economic activity in Greece;

- The effort to restore conditions of economic normalcy in the Hellenic Republic and enhance its long-term competitiveness, as well as to support the completion, delivery and continuity of reforms may not lead to the intended return of the economy to sustainable growth and the issue of the Hellenic Republic's debt sustainability may not be fully resolved also in view of further deterioration due to the COVID-19 crisis, which could have a material adverse impact on the Group's business, results of operations, financial condition or prospects;
- If additional European Central Bank (**ECB**) or Emergency Liquidity Assistance (**ELA**) funding is needed in the future it will be subject to ECB rules relating to the eligibility and valuation of collateral used for funding such as Greek government bonds;
- Deteriorating asset valuations may adversely affect the Group's business, results of operations and financial condition and may limit its ability to post collateral for Eurosystem funding purposes;
- High outflows of funds from customer deposits could cause an increase in the Group's costs of funding and if such outflows were to continue it could have a material adverse effect on the Group's operating results, financial condition and liquidity prospects;
- There can be no assurance that the Bank's capital will be sufficient, in particular if economic conditions in Greece do not improve or if they deteriorate further;
- The Group may need additional capital and liquidity as a result of regulatory changes;
- The Bank's wholesale borrowing costs and access to liquidity and capital may be negatively affected by, and there may be further material adverse consequences to the Group of, any future downgrades of the Hellenic Republic's credit rating;
- A resurgence of default risks for the Hellenic Republic would have a material adverse effect on the Group's business and could lead to a higher cost of funding or the inability of the Bank to raise capital;
- The Group may not be allowed to continue to recognize the main part of deferred tax assets (**DTAs**) as regulatory capital or as an asset, which may have an adverse effect on its operating results and financial condition;
- There is uncertainty about the Bank's ability to continue as a "going concern";
- As a recipient of State Aid, the Bank's operational autonomy is constrained;
- The Hellenic Financial Stability Fund (**HFSF**), as shareholder, has certain rights in relation to the operation of the Bank and has and will continue to have the ability to exercise significant influence over the Group's operations;
- The high level of NPEs has had and may continue to have in the future a negative impact on the Group's operations;
- The Group is subject to risks related to the future evolution of and response to the COVID-19 pandemic that may materially and adversely affect its business, results of operations, prospects and financial condition;
- The Group's loan portfolio may continue to contract;
- The Group is vulnerable to disruptions and volatility in the global financial markets;
- The Group has incurred and may continue to incur significant losses on its trading and investment activities due to market fluctuations and volatility;

- Volatility in interest rates may negatively affect the Group's net interest income and have other adverse consequences;
- The Group faces significant competition from Greek and foreign banks;
- The loss of senior management may adversely affect the Group's ability to implement its strategy;
- The Group, like any other credit institution, is exposed to the risk of fraud and illegal activities of any form which, if not dealt with in a timely manner and successfully, could have negative effects on its business, financial condition, results of operations and prospects;
- The Group could be exposed to significant future pension and post-employment benefit liabilities;
- The value of certain financial instruments recorded at fair value is determined using financial models incorporating assumptions, judgments and estimates that may change over time or may not be accurate;
- The Group is exposed to credit risk, market risk, liquidity risk, operational risk and insurance risk;
- The Group's economic hedging may not prevent losses;
- The Group's operational systems and networks have been, and will continue to be, exposed and possibly vulnerable to an increasing risk of continually evolving cybersecurity or other technological risks which could result in the unavailability of IT services or in the disclosure of confidential client or customer information, damage to its reputation, additional costs to it, regulatory penalties and financial losses;
- The Group's business is subject to increasingly complex regulation which may increase its compliance costs and capital requirements;
- The Group is subject to the European resolution framework which has been implemented and may result in additional compliance or capital requirements and will dictate the procedure for the resolution of the Group (which may include the Notes being subject to the bail-in resolution tool by the Relevant Resolution Authority, resulting in their full or partial write-down or conversion);
- Application of the Minimum Requirements for Own Funds and Eligible Liabilities (**MREL**) under the Bank Recovery and Resolution Directive (Directive 2014/59/EU, as amended, the **BRRD**) may affect the Group's profitability;
- Laws governing the bankruptcy of individuals or otherwise settlement of debts owed by individuals and regulations governing creditors' rights in Greece and various South Eastern Europe (**SEE**) countries may limit the Group's ability to receive payments on past due loans, and anticipated changes to such laws may not have the desired effect; and
- other factors described under "*Risk Factors*".

The Bank undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Base Prospectus might not occur. Any statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Investors are cautioned not to place undue reliance on such forward-looking statements, which are based on facts known only as at the date of this Base Prospectus.

## TABLE OF CONTENTS

| Clause  | Page |
|---|------|
| GENERAL DESCRIPTION OF THE PROGRAMME .....                                | 14   |
| RISK FACTORS .....  | 21   |
| DOCUMENTS INCORPORATED BY REFERENCE .....                                 | 68   |
| TERMS AND CONDITIONS OF THE NOTES .....                                   | 72   |
| FORMS OF THE NOTES AND TRANSFER RESTRICTIONS RELATING TO U.S. SALES ..... | 123  |
| FORM OF FINAL TERMS.....  | 136  |
| DESCRIPTION OF THE GROUP.....   | 154  |
| RISK MANAGEMENT .....   | 204  |
| MANAGEMENT AND EMPLOYEES .....  | 216  |
| REGULATION AND SUPERVISION OF BANKS IN GREECE .....                       | 229  |
| TAXATION .....  | 264  |
| SUBSCRIPTION AND SALE .....   | 269  |
| GENERAL INFORMATION .....   | 274  |

## GENERAL DESCRIPTION OF THE PROGRAMME

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

*This Overview constitutes a general description of the Programme for the purposes of Article 25.1 of Commission Delegated Regulation (EU) No 2019/980 (the **Delegated Regulation**).*

*Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Base Prospectus have the same meanings in this summary.*

|  |   |
|--|---|
| <b>Issuer:</b>                               | National Bank of Greece S.A.  |
| <b>Issuer Legal Entity Identifier (LEI):</b> | 5UMCZOEYKCVFAW8ZLO05  |
| <b>Risk Factors:</b>                         | Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the Issuer’s ability to fulfil its respective obligations in respect of the Notes are discussed under “ <i>Risk Factors</i> ” above. In addition, there are certain factors which are material for assessing the potential market risks associated with Notes issued under the Programme. These are also discussed under “ <i>Risk Factors</i> ” above and include certain risks associated with the structure of a particular issue of Notes and risks common to the Notes generally. |
| <b>Description:</b>                          | €5,000,000,000 Global Medium Term Note Programme  |
| <b>Arrangers:</b>                            | Morgan Stanley & Co. International plc and National Bank of Greece S.A.   |
| <b>Dealers:</b>                              | Morgan Stanley & Co. International plc<br><br>National Bank of Greece S.A.<br><br>and any other Dealer appointed from time to time by the Bank either generally in respect of the Programme or in relation to a particular Tranche of Notes.  |
| <b>Certain Restrictions:</b>                 | Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “ <i>Subscription and Sale</i> ” below) including the following restrictions applicable at the date of this Base Prospectus.<br><br><b>Notes having a maturity of less than one year</b>  |

## General Description of the Programme

In the case of Notes having a maturity of less than one year, the same will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent in other currencies, see “*Subscription and Sale*” below.

Under the Prospectus Regulation, prospectuses relating to money market instruments having a maturity at issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions stated therein.

|  |  |
|--|--|
| <b>Fiscal Agent:</b>                     | The Bank of New York Mellon (acting through its London branch)   |
| <b>Registrar:</b>                        | The Bank of New York Mellon SA/NV, Luxembourg Branch   |
| <b>Transfer Agent:</b>                   | The Bank of New York Mellon acting through its New York branch and acting through its London branch  |
| <b>Luxembourg Listing Agent:</b>         | The Bank of New York Mellon SA/NV, Luxembourg Branch   |
| <b>Listing and Admission to Trading:</b> | <p>Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.</p> |
| <b>Clearing Systems:</b>                 | Euroclear Bank SA/NV, of 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium ( <b>Euroclear</b> ), Clearstream Banking S.A., of 42 Avenue J. F. Kennedy, L-1855 Luxembourg ( <b>Clearstream, Luxembourg</b> ), The Depository Trust Company of 55 Water Street, New York, New York 10041-0004, U.S.A. ( <b>DTC</b> ) and/or any other clearing system as may be specified in the relevant Final Terms.  |
| <b>Initial Programme Amount:</b>         | Up to €5,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time. The Bank may increase the amount of the Programme in accordance with the terms of the Programme Agreement.   |
| <b>Issuance in Series:</b>               | Notes will be issued in Series. Each Series may comprise one or  |

## General Description of the Programme

more Tranches issued on different issue dates. The Notes of each Series will all be subject to the same terms and conditions in all respects (or in all respects except for the first payment of interest) so as to form a single Series.

### Forms of Notes:

Notes may be issued in bearer form (**Bearer Notes**) or registered form (**Registered Notes**), as specified in the relevant Final Terms. Bearer Notes will not be exchangeable for Registered Notes and Registered Notes will not be exchangeable for Bearer Notes. No single Series or Tranche may comprise both Bearer Notes and Registered Notes.

#### *Bearer Notes*

Each Tranche of Notes in bearer form will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Bearer Global Note which is not intended to be issued in new global note form (a **Classic Global Note** or **CGN**), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Bearer Global Note which is intended to be issued in new global note form (a **New Global Note** or **NGN**), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. If so specified in the relevant Final Terms, each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

#### *Registered Notes*

Notes in registered form which are offered and sold to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act will be represented by interests in a global registered note certificate (the **Unrestricted Global Note**), and either (i) be deposited with a custodian for and registered in the name of a nominee of The Depository Trust Company (**DTC**); or (ii) be deposited with a common depositary or (in the case of Unrestricted Global Notes to be held under the NSS) a common safekeeper for Euroclear and Clearstream, Luxembourg, and registered in the name of a nominee of the common safekeeper, on or about the date of issue of the relevant Tranche. Up to and including the 40th day after the later of the commencement of the



## General Description of the Programme

offering and the relevant issue date, beneficial interests in an Unrestricted Global Note that is deposited with a custodian for DTC may be held only through Euroclear or Clearstream, Luxembourg.

Notes which are offered and sold to QIBS in reliance on Rule 144A or another applicable exemption from registration under the Securities Act will be represented by interests in a global registered note certificate (the **Restricted Global Note** and, together with the Unrestricted Global Note, the **Registered Global Notes**), deposited with a custodian for and registered in the name of a nominee of DTC on or about the date of issue of the relevant Tranche. Interests in the Registered Global Notes will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear, Clearstream, Luxembourg, and DTC and its direct and indirect participants, including depositaries for Euroclear and Clearstream, Luxembourg.

Definitive registered notes (**Definitive Registered Notes**) evidencing holdings of Notes will only be available in certain limited circumstances. (See “*Forms of the Notes and Transfer Restrictions Relating to U.S. Sales*” below).

### Currencies:

Notes may be denominated in U.S. dollars, Sterling, Euro, Yen and such other currencies without limitation, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.

### Status of the Notes:

Notes may be Unsubordinated Notes, Unsubordinated MREL Notes, Senior Non-Preferred Notes or Subordinated Notes, as specified in the relevant Final Terms.

### Issue Price:

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

### Maturities:

Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

### Redemption:

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default or an Enforcement Event, as applicable) or that such Notes will be redeemable at the option of (i) the Issuer (see Condition 10.3 (*Redemption at the option of the Issuer*)) or, in the case of Subordinated Notes only, for regulatory reasons (see Condition 10.6 (*Redemption of Subordinated Notes for regulatory reasons*)) or, in case of Unsubordinated MREL Notes or Senior Non-Preferred Notes only, following a MREL Disqualification Event

## General Description of the Programme

(see Condition 10.7 (*Issuer Call due to MREL Disqualification Event*)) and/or (ii) (in the case of Unsubordinated Notes only) the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

### Interest:

Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate (which, in the case of Fixed Reset Notes, will be reset to the sum of the applicable Mid-Swap Rate or the applicable Reference Bond Rate, as specified in the relevant Final Terms, and the Reset Margin) or a floating rate. The Issuer may also have the right to convert the interest rate from a fixed rate to a floating rate or vice versa.

### Substitution or Variation

If Substitution or Variation is specified as being applicable in the relevant Final Terms, in respect of (x) Unsubordinated MREL Notes or Senior Non-Preferred Notes only, if a MREL Disqualification Event occurs, or (y) Subordinated Notes, if a Regulatory Event occurs, or (z) all Notes, as applicable, in order to ensure the effectiveness and enforceability of Condition 26 (*Statutory Loss Absorption Powers*), the Issuer may substitute the Notes, or vary the terms of such Notes, so that the relevant Notes once again become or remain, as appropriate, Qualifying Unsubordinated Notes, Qualifying Unsubordinated MREL Notes, Qualifying Senior Non-Preferred Notes or Qualifying Subordinated Notes, as the case may be. See Condition 17.3 (*Substitution and Variation*).

### Cross-default/cross-acceleration:

Unsubordinated Notes will have the benefit of a cross-default / cross-acceleration as described in Condition 13 (*Events of Default*).

### Enforcement Events:

Holders of Unsubordinated MREL Notes, Senior Non-Preferred Notes and the Subordinated Notes may declare such Notes to be immediately due and repayable on the occurrence of an Enforcement Event as described in Condition 13.2 (*Enforcement Events—Unsubordinated MREL Notes, Senior Non-Preferred Notes and Subordinated Notes*).

### Contractual Recognition of Statutory Loss Absorption Powers

By the acquisition of the Notes, each Noteholder acknowledges and agrees to be bound by the exercise of any Loss Absorption Power by the Relevant Resolution Authority, as set out in more detail in Condition 26 (*Statutory Loss Absorption Powers*). The rights of the Noteholders are subject to, and will be varied if necessary so as to give effect to the exercise of any Loss Absorption Power by the Relevant Resolution Authority. See Condition 26 (*Statutory Loss Absorption Powers*).

### Denominations:

The Notes will be issued in such denominations as may be agreed between the 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, see "*Certain Restrictions – Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

### **Taxation:**

All payments of principal and interest in respect of Notes will be made free and clear of withholding taxes in the Relevant Taxing Jurisdiction unless the withholding is required by law. In that event, the Issuer will (subject as provided in Condition 12 (*Taxation*)) pay such additional amounts in respect of principal and interest or, in respect of Unsubordinated MREL Notes, Senior Non-Preferred Notes and Subordinated Notes, interest only, as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.

Under Greek law as at 18 December 2021, payments of interest under the Non-Listed Notes are subject to Greek income withholding tax and, under the Terms and Conditions of the Notes, where Extended Gross-Up is specified as being applicable in the relevant Final Terms, subject to one limited exception (which would not apply while the Non-Listed Notes are represented by Global Notes cleared through Euroclear and/or Clearstream, Luxembourg), the Bank is required to gross up such payments in order that Noteholders receive such amounts as would have been received by them if no such withholding had been required (see Condition 12.1 (*Gross-up*)). In this case, depending on applicable income tax rules in the tax jurisdiction(s) to which they are subject, the income received by a Holder for tax purposes may be the gross amount paid by the Bank, rather than the net amount received by the Holder.

The attention of Holders is also drawn to the fact that, if the Greek law on income tax withholding changes in the future and payments of interest under the Non-Listed Notes to Non-Greek Legal Persons (as defined in Condition 2 (*Interpretation*)) cease to be subject to Greek income withholding tax, the obligation of the Issuer to gross up interest payments will be limited. Please see Condition 12.1 (*Gross-up*). In such circumstances, Holders who are not Non-Greek Legal Persons may remain subject to income tax withholding, if any is applicable, and (if so) may cease to benefit from any grossing-up of interest payments.

**Listed Notes** means Notes which are listed on the EU-regulated market of the Bourse of Luxembourg, or on another trading venue within the meaning of article 4 of Directive 2014/65/EU.

**Non-Listed Notes** means Notes which are not listed in a trading venue, within the meaning of article 4 of Directive 2014/65/EU.

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

## General Description of the Programme

|   |  |
|---|--|
| <b>Rating:</b>                              | A Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. |
| <b>Substitution of the Issuer</b>           | The Terms and Conditions of the Notes contain provisions allowing for the substitution of the Issuer as the debtor in respect of the Notes, any Coupons, the Deed of Covenant and the Agency Agreement, as more fully described in Condition 20 ( <i>Substitution of the Issuer</i> ).   |
| <b>Governing Law:</b>                       | English law except for Conditions 5.2 ( <i>Status – Senior Non-Preferred Notes</i> ), 5.3 ( <i>Status – Subordinated Notes</i> ) and 26 ( <i>Statutory Loss Absorption Powers</i> ) are governed by, and shall be construed in accordance with, the laws of the Hellenic Republic.   |
| <b>Enforcement of Notes in Global Form:</b> | In the case of Global Notes, individual investors' rights against the Issuer will be governed by a Deed of Covenant dated 17 December 2021 (as amended, supplemented or restated from time to time), a copy of which will be available for inspection at the specified office of the Fiscal Agent.   |
| <b>Selling Restrictions:</b>                | For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the Hellenic Republic, The Netherlands, France, Italy, the EEA, the United Kingdom, Singapore and Japan, see " <i>Subscription and Sale</i> " below.                                |

## RISK FACTORS

*The Bank believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme.*

*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.*

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

*The risk factors relating to the Group are deemed to cover the Bank.*

### FACTORS THAT MAY AFFECT THE ABILITY OF THE BANK TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

The Notes will constitute unsecured obligations of the Issuer. A purchaser of Notes relies on the creditworthiness of the Bank and no other person. Investment in the Notes involves the risk that subsequent changes in the actual or perceived creditworthiness of the Bank may adversely affect the market value of the Notes.

#### **Risks relating to the Hellenic Republic's economic crisis in the previous decade and during the COVID-19 outbreak**

*The economic outlook and the fiscal position of the Hellenic Republic continues to be affected by the legacy of the prolonged economic crisis of the previous decade and the eruption of the COVID-19 pandemic since 2020, which could have additional adverse effects on the Group's business, results of operations and financial condition.*

The Group's financial condition and its results of operations are heavily dependent on macroeconomic, social and political conditions prevailing in Greece.

Following almost eight years of recession in the period 2008 to 2016, the annual growth of Gross Domestic Product (**GDP**) in Greece entered positive territory in 2017 and accelerated further in 2018 and 2019 (with annual growth rates of 1.1% year-on-year, 1.7% year-on-year and 1.8% year-on-year, respectively, Source: EL.STAT., Annual National Accounts, 2020, Press Release, October 2021), despite the tighter-than-initially expected fiscal conditions, due to the over performance, over this three-year period, against the fiscal targets of the European Stability Mechanism (**ESM**) stability support programme (**Third Programme**). Due to the high level of Greek debt, which is primarily held by the official sector, ambitious fiscal targets continue to be pursued in the context of the enhanced surveillance framework (the **Enhanced Surveillance Framework**) applying to Greece since August 2018 following the completion of the Third Programme as further described below (with the aforementioned fiscal targets temporarily suspended, however, due to the Coronavirus (**COVID-19**) pandemic crisis).

Greece's recovery has been interrupted by the outbreak of the COVID-19 pandemic since late February 2020 that led to a severe GDP contraction of 9.0% year-on-year in the 2020 fiscal year, due to the application of strict containment measures – that included extensive restrictions on mobility and economic activities in some periods – and high uncertainty (Source: EL.STAT., Annual National Accounts, 2020, Press Release, October 2021). However, the activation of a sizeable amount of fiscal measures (including employment allowances and subsidised employment schemes) in 2020-2021 limited the pandemic impact on the Greek

## Risk Factors

labour market and private sector disposable income, with the unemployment rate spiking temporarily to 17.6% in June 2020 – significantly lower than the previous peak of 27.9% in 2013 – and then returning to a steady downward trend. Most notably, the labour market has shown remarkable responsiveness to the gradual unwinding of the extraordinary State support measures over the course of 2021, with the unemployment rate dropping to an 11-year low of 13.0% in September 2021, suggesting the temporary nature of the COVID-19 impact on the economy (Source: EL.STAT., Labour Force Survey database). Similarly, the private sector disposable income contracted by 9.3% year-on-year in 2020 and recovered strongly in the first semester of 2021 (+8.2% year-on-year, Source: EL.STAT., Quarterly Non-Financial Sector Accounts database).

### *The economy's transition to the "Post-programme" era*

In 2018, Greece successfully completed the Third Programme – following a precipitate termination of the first two Programmes in 2012 and 2015 respectively – and has been subjected to a post-programme monitoring framework since August 2018, which is based on the Enhanced Surveillance Framework directed by the European Commission (Sources: European Commission, Occasional Papers 94, "The Second Economic Adjustment Programme for Greece", March 2012, ESM Press Release, "EFSF programme for Greece expires today", 30 June 2015 and European Commission, "Commission implementing decision of 11.7.2018 on the activation of enhanced surveillance for Greece", 11 July 2018).

The Third Programme was activated on 19 August 2015 against a backdrop of severe economic uncertainty, intensifying liquidity tensions and capital flight that appeared to threaten the membership of the Hellenic Republic in the European Monetary Union and the European Union (EU), and gave rise to a new recessionary spiral, following a cumulative contraction in economic activity of 29.0% year-on-year between 2008 and 2014 (Source: EL.STAT., Quarterly National Accounts, Press Release, second Quarter 2021, September 2021). In this environment, the Greek government officially requested financial assistance from the EU on 10 July 2015 (Source: European Commission's proposal for a council implementation decision on granting short-term European Union financial assistance to Greece under a new programme from the ESM). On 19 August 2015, the Hellenic Republic entered into a Memorandum of Understanding (**MoU**) with the European Commission (**EC**) and the ESM for the provision of further stability support accompanied by the Third Programme.

The Third Programme was successfully completed on 20 August 2018. This completion was accompanied by a new agreement on the provision of additional debt relief, aimed at lowering Greece's gross financing needs (**GFNs**) in the medium-to-long term and the build-up of a sizeable cash buffer by the Hellenic Republic financed by Third Programme funding and new debt issuances. Moreover, for the long term, the Eurogroup of 21 June 2018 has recalled the agreement, that had been reached in the Eurogroup of May 2016, on a contingency mechanism on debt that could be activated in the case of an unexpectedly more adverse macroeconomic scenario, adjusting debt servicing costs to more sustainable levels if required and decided by the Eurogroup (Sources: Eurogroup Statements, 25 May 2016, 24 May 2018 and 22 June 2018). An enhanced surveillance framework (the **Enhanced Surveillance Framework**), under the existing mechanisms of fiscal coordination in the EU, supervised by the EC has been agreed and the Hellenic Republic has also committed to ensure the continuity and completion of reforms adopted under the Third Programme. Moreover, the official European lenders have committed to reassess the sustainability of Greek debt by 2032, or earlier if deemed necessary, after taking into account Greece's compliance with the targets of the post-Third Programme Enhanced Surveillance Framework and the potential role of adverse factors beyond the control of the Hellenic Republic's economic policy. Potential delays in the completion of remaining reforms adopted under the Third Programme or the inability to safeguard the objectives of the adopted reforms and/or the sustainability of the fiscal performance in the medium and longer term, due to endogenous or exogenous factors, could weigh on the markets' assessment of the risks surrounding the creditworthiness of the Hellenic Republic and, therefore, create uncertainty regarding its capacity to maintain a continuous access to market financing. Such a development could, in turn, have a material adverse impact on the Bank's liquidity position, business, results of operations, financial condition or prospects.

The aforementioned developments continue to inflict significant challenges for the Group, as the negative legacy effects of the Greek fiscal crisis in the period 2009 to 2017, combined with the negative effects of the COVID-19 pandemic, still impose significant risks, giving rise to persistent, direct and indirect, adverse effects on private sector income, the quality of private sector balance sheets and liquidity conditions in general. See also *“The Hellenic Republic’s commitment to achieve very demanding fiscal targets for a protracted period and legacy effects from the fiscal crisis and from the COVID-19 crisis may impose further constraints on economic activity in Greece”* and *“The COVID-19 pandemic, the economic policy response and the impact on the Hellenic Republic’s economy to date may materially and adversely affect the Group’s business, results of operations, prospects and financial condition”* below.

*The COVID-19 pandemic, the economic policy response and the impact on the Hellenic Republic’s economy to date may materially and adversely affect the Group’s business, results of operations, prospects and financial condition.*

The outbreak of the COVID-19 pandemic in February 2020 has inflicted high human costs worldwide, leading to a sharp deterioration in economic conditions. As a result, the European and global economies entered a sharp recession in the first semester of 2020, which continued, at a slower pace, until the end of the year. To counter the spread of COVID-19, strict containment measures were imposed around the world, including Greece, voluntarily shutting down large parts of the economy. The enforcement of protective restrictions, along with elevated uncertainty, weighed heavily on economic conditions, interrupting Greece’s recovery in a period when the economy had exhibited signs of further improvement.

Greek GDP suffered a decline of historical proportions in the second quarter of 2020 (-13.9% year-on-year and -13.0% quarter-on-quarter on a seasonally adjusted basis), against a backdrop of high uncertainty and the enforcement of restrictions on a wide range of activities aimed at limiting the spread of the pandemic (Source: EL.STAT., Quarterly National Accounts, Press Release, second Quarter 2021, September 2021). COVID-19 has adversely affected a broad range of indicators of economic activity and has resulted in a sharp drop in business turnover and corporate profitability (-13.2% and -6.8% year-on-year, respectively, in 2020, Sources: EL.STAT., Evolution of turnover of enterprises under suspension of operation due to the pandemic of the COVID-19, Press Release, November 2021 and Quarterly National Accounts, Press Release, second Quarter 2021, September 2021).

A sizeable fiscal expansion has been put in place by the Greek government aimed at addressing the effects of COVID-19 on the economy. The support included several fiscal and liquidity measures, which had been activated over the course of 2020 and 2021, mainly comprising social transfers, subsidies and deferrals of tax and social security contributions, as well as state loans and guarantees for new bank lending, amounting to about 19.0% of GDP or €33.0 billion (Sources: Ministry of Finance, MTFS 2022-2025, June 2021 and Budget 2022, November 2021, in Greek). These measures have been endorsed by the European Commission, which has suspended the Enhanced Surveillance primary surplus target for Greece since 2020 (3.5% of GDP in this year), as part of the activation of the general “escape clause” within the Stability and Growth Pact for all countries to allow the necessary increase in government spending in order to contain the coronavirus outbreak and mitigate its negative socio-economic effects (Source: European Commission, Coronavirus: Commission proposes activating fiscal framework’s general escape clause to respond to pandemic, Press Release, 20 March 2020). Although the fiscal response ameliorated the pandemic hit to the economy and strengthened the recovery in 2021, it has also led to a significant deterioration in the General Government balance, which recorded a sizeable deficit of 10.1% of GDP in 2020 and of 9.6% of GDP in 2021 from a surplus of 1.1% of GDP in 2019 (European System of Accounts (ESA) 2010 definition, Sources: EL.STAT., Fiscal Data, October 2021 and Ministry of Finance, Budget 2022, November 2021). The sizeable deficits in 2020-2021 and the sharp drop in 2020 GDP pushed public debt to a new high of 206.3% of GDP in 2020, which is estimated to decline to 197.1% of GDP in 2021, still 16.4% above the 2019 debt-to-GDP ratio.

Various measures announced by Greek and European authorities in response to the economic and market conditions resulting from the COVID-19 pandemic, with the most significant relating to the activation of the Next Generation EU (NGEU) on 21 July 2020 (which was approved by the European Parliament on 10

## Risk Factors

November 2020, Sources: Council of the European Union, European Council conclusions, 17-21 July 2020 and Council of the European Union, Next multiannual financial framework and recovery package: Council presidency reaches political agreement with the European Parliament, 10 November 2020) could provide support to Greece's medium-term growth. In particular, the NGEU is expected to speed up the reversal of activity losses in 2020 and bolster critical elements of activity, such as business and public investment. Greece is one of the top recipients among the EU countries, with grants under the Recovery and Resilience Facility (**RRF**), which is the main financing programme of the NGEU, for the period 2021 to 2026 amounting to €17.8 billion (10.8% of 2020 GDP) and increasing to €30.5 billion, if lending under the same mechanism is included (Source: European Commission, Factsheet: Greece's recovery and resilience plan, June 2021). The first tranche of the RRF financing was disbursed to Greece by the European Commission in August 2021 amounting to €4.0 billion – equivalent to 13% of the country's grant and loan allocation under the RRF – with about €5.0 billion expected in 2022 (Sources: European Commission, Press Release, NextGenerationEU: European Commission disburses €4 billion in pre-financing to Greece, August 2021 and Ministry of Finance, Budget 2022, November 2021). See further *“The effort to restore conditions of economic normalcy in the Hellenic Republic and enhance its long-term competitiveness, as well as to support the completion, delivery and continuity of reforms may not lead to the intended return of the economy to sustainable growth and the issue of the Hellenic Republic's debt sustainability may not be fully resolved, especially in view of further deterioration due to the COVID-19 crisis, which could have a material adverse impact on the Group's business, results of operations, financial condition or prospects”* below.

### *Greek asset valuations and market activity in 2018-2021*

Greek financial asset valuations had started to recover following the successful completion of the Third Programme, along with the broad-based improvement in economic conditions since 2018, with the yields of Greek Government Bonds (**GGBs**) following a broadly steady downward trend, which intensified in 2020-2021 due to the exceptional inclusion to the European Central Bank's (**ECB**) temporary Pandemic Emergency Purchase Programme (**PEPP**). Increasing government bond purchases under the PEPP (that reached €32.2 billion between March 2020 and September 2021), along with the relatively benign debt servicing profile of the Hellenic Republic, have contributed to the significant appreciation of Greek sovereign bonds. Specifically, the ten-year GGB yield dropped by 340 bps cumulatively in 2018-2019 and to an all-time low of 0.59% in August 2021. GGB yields peaked up slightly in October-November 2021 (with the ten-year GGB yield at 1.2% in mid-November 2021), against a backdrop of increasing market worries regarding the rapid acceleration in inflation pressures worldwide, which could lead to a faster unwinding of the very accommodative monetary policy. The future acceptance of securities issued by the Hellenic Republic in the ECB's asset purchase mechanisms, following the planned expiration of the PEPP (currently scheduled for March 2022), remains uncertain since the Hellenic Republic's rating is still non-investment grade. Nonetheless, Greece's sovereign assets will continue to benefit from PEPP reinvestments, which will continue at least until the end of 2023, whereas the ECB is reported to be investigating methods to ensure a smooth unwinding of the PEPP, which will not put stress on government bond yields.

Against this supportive backdrop, the Hellenic Republic accessed the markets several times in the period 2018-2021, at increasingly competitive terms, raising a total gross amount of €38 billion, through the issuance of GGBs with maturities ranging between five years and 30 years and an exchange offer between the Hellenic Republic and the Bank, who exchanged its three GGBs for a new GGB with a maturity of 30 years (Sources: Public Debt Management Agency, Announcements on the issuance of government bonds, 2018-2021 and National Bank of Greece, Announcement on the Exchange of Greek Government Bonds, 22 January 2020).

Similarly, equity and real estate valuations recorded significant cumulative gains in the last four years, starting from a very low basis, with the ASE General Index increasing by 16.7% between 2018 and the first ten months of 2021 – showing, however, high volatility during this period – and residential real estate prices up by 14.1% cumulatively in 2018-2020 and by 6.1% year-on-year in the nine months of 2021. Moreover, improved investors' confidence regarding Greece's economic prospects led to increasing inflows of foreign direct investment amounting to €14.6 billion, cumulatively, in the period between 2018 and the first nine



months of 2021 (Sources: Athens Exchange Group, Historic Information on Indices, Bank of Greece Real Estate database and Bank of Greece, Balance of Payments Statistics).

There are still considerable risks surrounding the Greek economy's prospects, including uncertainties regarding the near-term outlook for private consumption, as well as business investment and the private sector's capital spending and lending decisions, in view of (i) the protracted impact of the preceding crises, (ii) the required rebalancing of the fiscal position following the COVID-19 shock and (iii) the probability of a tightening in monetary policy due to rising inflation worldwide. The Group's business activities are dependent on the level of banking, finance and financial products and services it offers, as well as customers' capacity to repay their liabilities. In particular, the levels of savings and credit demand are heavily dependent on customer confidence, disposable income trends and the availability and cost of funding, each of which factors continues to show a relatively slow improvement in Greece. Moreover, the Group's customers may further decrease their risk tolerance to non-deposit investments such as stocks, bonds and mutual funds, which would continue to adversely affect the Group's fee and commission income. For related information, see *"The Hellenic Republic's commitment to achieve very demanding fiscal targets for a protracted period and legacy effects from the fiscal crisis and from the COVID-19 crisis may impose further constraints on economic activity in Greece"* and *"The effort to restore conditions of economic normalcy in the Hellenic Republic and enhance its long-term competitiveness, as well as to support the completion, delivery and continuity of reforms may not lead to the intended return of the economy to sustainable growth and the issue of the Hellenic Republic's debt sustainability may not be fully resolved, especially in view of further deterioration due to the COVID-19 crisis, which could have a material adverse impact on the Group's business, results of operations, financial condition or prospects"* below.

*The Hellenic Republic's commitment to achieve very demanding fiscal targets for a protracted period and legacy effects from the fiscal crisis and from the COVID-19 crisis may impose further constraints on economic activity in Greece.*

The significant increase in Greece's fiscal credibility, due to the overperformance *vis-à-vis* the fiscal targets under the Third Programme and the Enhanced Surveillance Framework, enabled the government to implement a significant amount of fiscal expansion measures in 2020-2021. In response to the COVID-19 pandemic, the government has put in place more than €30.0 billion of fiscal and liquidity support measures, engineering a sizable fiscal expansion (Sources: Ministry of Finance, MTFS 2022-2025, June 2021 and Budget 2022, November 2021). However, the requirement to restore a sustainable fiscal equilibrium in the medium term, as agreed under the Enhanced Surveillance Framework, following the lifting of the suspension in the EU of the "general escape clause" from fiscal rules due to the pandemic, poses the risk of (i) an increase in the effective burden from taxes (personal, corporate, indirect and consumption taxes), in the event that additional fiscal effort will be required to meet the fiscal targets, and/or (ii) a sharper-than-anticipated reduction in government spending, with a view to ensure the achievement of the agreed fiscal surpluses that permit a sustainable reduction in the public debt. The above factors could impose further constraints on economic activity and result in weaker than initially expected GDP growth outcomes in the coming years, while in conjunction with other fiscal measures could also exert additional pressure on private sector spending and liquidity.

The fiscal position of the Hellenic Republic deteriorated sharply in 2020, due to the extraordinary interventions to address the effects of COVID-19. The primary deficit in general government reached 7.9% of GDP in 2020, compared with a primary surplus of 3.2% of GDP in 2019. The 2022 Budget envisages a primary deficit of 7.3% of GDP in 2021, which is projected to decrease significantly in 2022 (-1.2% of GDP), since the burden of most extraordinary measures enacted during 2020-2021 will dissipate, while strong GDP growth (estimated at 6.9% year-on-year in 2021 and 4.5% year-on-year in 2022, according to the Ministry of Finance) is expected to support revenue (Sources: EL.STAT., Fiscal Data, October 2021 and Ministry of Finance, Budget 2022, November 2021). The Hellenic Republic's gross General Government debt is estimated to have spiked to 206.3% of GDP in 2020, a year earlier than previously anticipated, and is expected to decline to 197.1% of GDP in 2021 and to 189.6% of GDP in 2022, with the downward trend intensifying from 2023 onwards, supported by robust GDP growth and the use of about €10.0 billion of the

## Risk Factors

cash buffer in 2022 for earlier repayment of debt categories with higher servicing costs (Source: Ministry of Finance, Budget 2022, November 2021). Although the agreement with the European institutions and the extremely benign terms of official loans, along with the historically low Greek government bond yields, ensure a manageable path for the debt-servicing cost of the Hellenic Republic, nonetheless, there are some significant contingent liabilities for the State. These potential liabilities which are mainly related to the additional cost of liquidity measures – backed by €1.7 billion of government guarantees granted in 2020-2021, along with the €8.5 billion of guarantees provided by the Greek State for securitisations of bank's non-performing exposures (NPEs) under the Hellenic Asset Protection scheme until September 2021 (also known as “Hercules” – according to which the State provides a guarantee for the senior, less risky notes of the securitisation vehicle and in exchange receives a commission at market terms) could give rise to additional fiscal risks in the medium term and potentially cause a deterioration in leverage metrics and the debt servicing capacity of the private sector in the event that a part of these guarantees is called (Source: PDMA, Hellenic Republic Public Debt Bulletin, September 2021). Moreover, significant uncertainty surrounds the prospective pace of fiscal policy reversal required to restore a fiscal equilibrium and alignment with the EU's fiscal rules in the coming years – following the sharp widening in deficit due to the pandemic – and the subsequent drag on economic activity in the medium term.

### *Latest developments in 2021 and challenges*

In the first nine months of 2021, the performance of the Greek economy exceeded expectations, as reviving consumer spending and tourism boosted business activity and led to a stronger-than-expected rebound in GDP in the second quarter of 2021. Greece's GDP grew by 16.2% year-on-year in the second quarter of 2021 – compared with a 13.9% year-on-year contraction in the respective lockdown quarter in 2020 – against a backdrop of the reopening of economic activities, declining uncertainty, revived domestic and external demand, and accelerating production (Source: EL.STAT., Quarterly National Accounts, Press Release, second Quarter 2021, September 2021). GDP components related to business activity – such as fixed capital formation and corporate profitability – exceeded their pre-COVID levels. Moreover, high-frequency information from business surveys, business turnover, industrial production, mobility and tourism data indicate that the strong momentum has continued into the third quarter of 2021, with annual GDP growth remaining at a double-digit level. However, the pace of recovery following the end of the COVID-19 pandemic remains uncertain, with lagged effects from the pandemic shock being compounded by still significant pandemic risks for the remainder of the year in the presence of more infectious COVID-19 variants – since the vaccination coverage of the population remains lower than the EU average – and a faster-than-expected reflation of the global economy, accompanied by sharply increasing energy prices.

Greece's consumer price index (CPI) increased to an 11-year high of 3.4% year-on-year in October 2021, with an increasing number of firms starting to be affected by rising production costs and input shortages or delivery delays. CPI inflation is expected to accelerate further in the remainder of the year, as imported inflation (especially on energy products) and the potential pressure from disruptions in the global supply chain are expected to trickle down to consumer prices. The government is implementing a new set of fiscal measures to counteract the energy shock for households, but the business sector is likely to be significantly affected in the coming months. Moreover, the risk of a more persistent upsurge in inflation internationally starts to weigh on the markets' assessment of monetary policy developments after a prolonged period of ultra-expansionary stance. Government and private sector financing costs could rise in the event that major central banks and, especially the ECB, proceed to a more rapid unwinding of the extraordinary liquidity stimulus.

The intensity of the original COVID-19 shock, remaining health risks due to COVID-19 variants, insufficient immunisation of the population and the evolving energy shock could possibly lead to a persistent difference in the speed of the recovery among business sectors according to their characteristics. In addition, increased risks from the rapid reflation of the global economy and the sharp increase in energy prices could take a heavier toll on household disposable income and business activity, especially in the fourth quarter of 2021 and the first quarter of 2022, despite the activation of supportive fiscal measures. Potential downside risks from the above factors on the private sector's financial position and asset valuations could have an

adverse effect on the Group and the financial sector as a whole. For further information, see “*The effort to restore conditions of economic normalcy in the Hellenic Republic and enhance its long-term competitiveness, as well as to support the completion, delivery and continuity of reforms may not lead to the intended return of the economy to sustainable growth and the issue of the Hellenic Republic’s debt sustainability may not be fully resolved, especially in view of further deterioration due to the COVID-19 crisis, which could have a material adverse impact on the Group’s business, results of operations, financial condition or prospects*” below.

*The effort to restore conditions of economic normalcy in the Hellenic Republic and enhance its long-term competitiveness, as well as to support the completion, delivery and continuity of reforms may not lead to the intended return of the economy to sustainable growth and the issue of the Hellenic Republic’s debt sustainability may not be fully resolved, especially in view of further deterioration due to the COVID-19 crisis, which could have a material adverse impact on the Group’s business, results of operations, financial condition or prospects*

Over the past decade, the Hellenic Republic has undertaken significant structural measures intended to restore competitiveness and promote economic growth in Greece through the financial support programmes agreed with the IMF, the ECB, the ESM and the EC (the **Institutions**). A programme was initially agreed in May 2010 (the **First Programme**, Source: IMF Country Report No. 10/110, May 2010) and was renewed by way of a second economic adjustment programme in March 2012 and further amended pursuant to Eurogroup decisions of November 2012 (the **Second Programme**, Sources: IMF, Country Report No. 12/57, March 2012, European Commission, Occasional paper on Greece March 2012 and Eurogroup Statement on Greece, November 2012). The First Programme and the Second Programme established, through related financial facility agreements signed between the Hellenic Republic, the participating Eurozone countries, the European Financial Stability Facility (**EFSF**) and the IMF, financing intended to fully cover the Hellenic Republic’s external financing needs until the end of 2014, conditioned on the implementation of a number of fiscal adjustment policies and growth enhancing structural reforms. On 8 December 2014, the Eurogroup announced a “technical extension” of the EU side of the Second Programme to the end of February 2015 (Source: Eurogroup statement, 8 December 2014). On 20 February 2015, the Eurogroup agreed to a four month extension of the Master Financial Assistance Facility Agreement (**MFFA**) underpinning the Second Programme (Source: Eurogroup Statement, 20 February 2015).

On 19 August 2015, the Hellenic Republic entered into a MoU with the EC and the ESM for the provision of further stability support accompanied by the Third Programme. The Third Programme was designed to support a sustainable fiscal consolidation and promote key structural reforms (Source: ESM, Press Releases, 20 August, 2015). On 21 June 2018, the Eurogroup confirmed the successful conclusion of the fourth review and, therefore, the effective completion of the Third Programme, and also welcomed the commitment of the Greek authorities to continue with and complete all key reforms adopted under the Third Programme (Source: Eurogroup Statement, 22 June 2018). On 11 July 2018, following the preceding Eurogroup agreement, the EC adopted the decision on the activation of enhanced surveillance for Greece, under Article 2(1) of the EU Regulation 472/2013, for a renewable period of six months. The Hellenic Republic officially concluded its three-year ESM financial assistance programme on 20 August 2018 (Source: ESM, Press Release, 20 August 2018). The Enhanced Surveillance Framework has entered into force, following the Third Programme completion on 20 August 2018, and has been designed to support the completion, delivery and continuity of reforms that Greece has committed to implement under the Third Programme, ensure a smooth transition of the economy to normalcy and maintain a high degree of credibility (Source: European Commission, Commission Implementing Decision of 11 July 2018 on the activation of enhanced surveillance for Greece).

These remaining reforms are mainly related to the areas of fiscal efficiency, structural reforms, social welfare, financial stability, labour and product markets efficiency, privatisation and public administration and could impose further constraints on economic activity and could result in weaker than initially expected GDP growth outcomes in future years. Despite the completion of the Third Programme, the stabilisation of economic activity and the improvement in economic sentiment, the financial position of the private sector

## Risk Factors

has been severely impaired by the multi-year recession and the COVID-19 pandemic, factors that are expected to continue to have an adverse impact on economic conditions in the Hellenic Republic. The eleven Enhanced Surveillance reports, released between 2018 and 2021, have acknowledged Greece's progress achieved in certain areas and specific commitments that have been completed. However, the latest report (released on 22 September 2021) has also stressed some risks related to the impact, especially on the private sector, of the COVID-19 crisis and the phasing out of the state support measures, as well as the need to step up certain remaining reforms, such as the target to clear the stocks of pension and non-pension arrears and the timely reduction of non-performing loans (NPLs), in conjunction with the efficient and complete application of the new legal and administrative framework that improves collateral recoveries and inhibits the creation of new NPLs. A new increase in uncertainty in the event that the regular progress reporting under the Enhanced Surveillance Framework indicates diversion from the agreed reforms, and/or further potential downside risks for economic activity from continuing fiscal pressure on the private sector's financial position and asset valuations imposed by the ongoing recession due to the pandemic could have a material adverse impact on the Bank's business, results of operations, financial condition or prospects.

Moreover, if the benefits from the significant economic adjustment and structural reforms to Greece's economic performance are smaller than initially expected, and/or the effects of the COVID-19 pandemic are more protracted than currently envisaged and extend beyond 2021, they could further weaken Greece's fiscal position, weigh on sovereign risk premia and on banking system performance, including the performance of the Group, and create uncertainties, bringing forward the need for additional interventions for public debt.

### *Conditions in the banking sector*

The Greek sovereign debt crisis had a substantial impact on the real economy and the Greek banking sector, leading to a multi-year deleveraging – in the period 2008-2017 credit private sector growth declined by 26.3% cumulatively – and a sharp contraction of private sector deposits (by €98.6 billion between 2008 and 2017). However, clear signs of improvement started to show from 2018 onwards, with credit growth entering positive territory and private sector deposits returning on an upward trend. Bank credit to corporations increased by 0.9% per annum, on average, in 2018-2019 and private sector deposits by €16.8 billion cumulatively in the same period. Notably, the banking system showed remarkable resilience to the COVID-19 outbreak in 2020. Bank lending to the private sector grew by 3.5% year-on-year in the 2020 fiscal year and continued to expand at a slower annual pace of 0.7% in the first nine months of 2021, on the back of increased lending to corporates (+10.0% year-on-year in the 2020 fiscal year and +2.8% year-on-year in the first nine months of 2021). Private sector deposits increased by another €10.1 billion in the first nine months of 2021 (with corporate deposits increasing by €4.5 billion and household deposits by €5.6 billion, in this period), following a €20.6 billion increase in 2020 (Source: Bank of Greece, Monetary and Banking Statistics). Notably, the increase in corporate deposits is, mainly, attributed to: i) the cash accumulation of the more competitive and resilient firms, which experience a rapid increase in their turnover, ii) lower outflows, due to the debt moratoria and the tax deferrals, and iii) the extension of credit lines to corporates; whereas the pick-up in household deposits in the same period, mainly, reflects precautionary savings, state subsidies and lower outflows for debt servicing.

NPLs rose sharply during the multi-year crisis, with the NPL ratio peaking at 49.1% in the first quarter of 2017 and starting to gradually decline in 2018-2021, on the back of synchronised bank efforts and government support through the provision of guarantees to loan securitisations. Greek banks have securitised or sold NPLs in recent years reducing total NPL ratio by about 29% from the 2017 peak, to 20.3% in the first semester of 2021. The progress has been supported by the activation of the state-sponsored Hellenic Asset Protection Scheme (“Hercules”), which provided government guarantees for the senior tranches of the bank's NPEs securitisations with an upper limit of guarantees of €12 billion on the senior tranches of securitisations. In April 2021, this Scheme was extended until October 2022, under the “Hercules II” programme, with the provision of another €12 billion of guarantees on the senior tranches of securitisations, in order to speed up the final phase of clearance of bank portfolios (Source: Hellenic Financial Stability Fund).

However, adverse legacy effects and the challenges surrounding the successful workout of the NPLs transferred to NPL-servicing companies will continue to affect banking activity. The financial position of a significant share of households and enterprises remains weak and has been further stressed by COVID-19, despite the significant State support. Although the impact of the COVID-19 crisis on the private sector's debt servicing behaviour remains limited, with most debtors – even those that take advantage of temporary relief schemes – servicing their debt in 2021, the legacy effects of the multi-year crisis continue to weigh on the financing position of a significant part of private sector entities. Despite the rapid pace of disposals of NPLs by Greek banks and the concomitant significant reduction of the NPL ratio, the amount of impaired assets and the number of overleveraged entities remain significantly higher than the euro area average at an economy-wide level. The above factors, in conjunction with the sizeable stock of private sector tax and social security contribution arrears, as well as the relatively low private saving rate – compared to other euro area countries – impose additional risks on banking activity and portfolio quality. All these entities are unlikely to face a rapid improvement in their creditworthiness and liquidity position in the near term and by delaying or cancelling potential spending decisions will continue to slow the recovery process of the economy and impede the recovery of asset valuations.

*A resurgence of default risks for the Hellenic Republic would have a material adverse effect on the Group's business and could lead to a higher cost of funding or the inability of the Bank to raise capital.*

The ability of the Hellenic Republic to service its outstanding debt depends on a variety of factors, including the overall health of the Greek economy, the GDP growth rate that can be achieved in future years, the maintenance of sound fiscal and current account positions and the provision by the official lenders of additional concessions for lowering debt-servicing costs. The extraordinary reversal of the fiscal position as a consequence of the COVID-19 pandemic and the resulting deep recession are expected to lead to a significant deterioration in Government deficit and debt figures in 2020. In the event of the re-emergence of the need for an additional restructuring of the Hellenic Republic's debt, owing to adverse conditions arising from the foregoing or other influences, the Bank's regulatory capital would be severely affected due to its direct exposure to Hellenic Republic debt as well as due to the indirect effects of the credit event on the Bank's borrowers (and thus asset quality) and on investor confidence, requiring the Bank to raise additional capital. In addition, if the Hellenic Republic were to default on its debt obligations to the Bank, the latter could suffer losses and require further capital. There can be no assurance that, under the above described stress conditions, the Bank could raise any or all of the required additional capital on acceptable terms.

*The Bank's wholesale borrowing costs and access to liquidity and capital may be negatively affected by, and there may be further material adverse consequences to the Group of, any future downgrades of the Hellenic Republic's credit rating.*

The capacity of the Hellenic Republic to maintain continuous access to market financing at competitive costs is an important element of Greece's economic and financial recovery and will be closely related to the financial conditions of the private sector in the coming years. The terms of this access remain also dependent on international economic conditions and sources of financial risk, as well as on the prospective path of domestic disposable income and Greek asset valuations. In response to the significant progress in fiscal adjustment and macroeconomic recovery, major rating agencies upgraded the Hellenic Republic's rating to two to three notches below investment grade. In particular, Moody's upgraded Greece's long-term sovereign rating to "Ba3" on 6 November 2020, with a stable outlook, citing the country's successful steps towards a sustainable improvement in institutional strength (including tax administration and compliance and the fight against corruption) and favourable growth prospects coupled with inflows of the NGEU as the key factors of this decision. In addition, S&P Ratings upgraded Greece's sovereign bond rating to "BB" with a positive outlook on 23 April 2021, while Fitch Global Ratings affirmed Greece's sovereign rating at "BB" with a stable outlook on 16 July 2021, recognising the substantial benefit the Greek economy will receive from available facilities under the NGEU agreement. (Sources: S&P Ratings, Fitch Global Ratings and Moody's press releases on Greek Sovereign outlook). Nevertheless, there are still considerable uncertainties surrounding the prospective pace of improvement in the country's sovereign rating, which is also closely related to the private sector's creditworthiness.

## Risk Factors

The rating agencies note that the probability of new downgrades of the Hellenic Republic's rating could reappear in the event of an emergence of doubts about the country's commitment to maintaining a sound fiscal position and in case of the country's failure to reduce government debt as a percentage of GDP over the short term, in the event of, for example, a more pronounced and longer period of fiscal easing and weak economic performance. A stabilisation or even a downgrade of the Hellenic Republic's rating may also occur if official sector lenders waiver from their commitment to conditionally provide further relief to the Hellenic Republic's debt servicing costs, if needed, in the future, as the activation or not of this package is conditional to the debt sustainability review planned at the end of the extended grace period on the specific part of the EFSF loans in 2032 (Source: Eurogroup Statement, 24 May 2018). Moreover, in their latest assessment of the Greek economy, following the eruption of the COVID-19 pandemic, the rating agencies refer to the considerable uncertainty surrounding the macroeconomic and fiscal impact of the pandemic on Greece's future credit profile, and the probability of adverse developments in the banking sector – via the crystallisation of contingent liabilities on the sovereign's balance sheet and/or an inability to undertake new lending to support economic growth – that could increase risks to public finances and the real economy.

Should any downgrades occur or rating outlooks turn negative, the financing costs of the Hellenic Republic would increase and its access to market financing could be disrupted, with negative effects on the cost of capital for Greek banks (including the Bank) and the Bank's business, financial condition and results of operations. Downgrades of the Hellenic Republic's credit rating could also result in a corresponding downgrade in the Bank's credit rating and, as a result, increase wholesale borrowing costs and the Bank's access to liquidity.

*High outflows of funds from customer deposits could cause an increase in the Group's costs of funding and if such outflows were to continue it could have a material adverse effect on the Group's operating results, financial condition and liquidity prospects.*

Historically, the Group's principal source of funds has been customer deposits, the majority of which are from the Group's Greek depositor base. However, during the first half of 2015, the Bank suffered significant deposit outflows, which were stopped by the imposition of the bank holiday and the capital controls as from 28 June 2015. Since the Group relies on customer deposits for the majority of its funding, if its depositors withdraw their funds at a rate faster than the rate at which borrowers repay their loans, or if the Group is unable to obtain the necessary liquidity by other means, it may be unable to maintain its current levels of funding without incurring significantly higher funding costs or having to liquidate certain of its assets, or without increasing access to the ECB and the Bank of Greece under their exceptional terms. Although the Group's domestic deposits stabilised in 2016, followed by an increasing trend from 2017 to 2020 there can be no assurance that outflows will not recur following the lifting of the capital controls effective 1 September 2019. Furthermore, deposit levels in Greece may be adversely affected as a result of the transposition of the BRRD in Greece, which, *inter alia*, requires the participation of a financial institution's unsecured depositors (of any amounts exceeding insured limits) in case of resolution proceedings of such institution. For information about resolution proceedings and tools available, see “*Regulation and Supervision of Banks in Greece – Bank Recovery and Resolution Directive*” below.

The on-going availability of customer deposits to fund the Group's loan portfolio is subject to changes due to factors outside its control, such as depositors' concerns relating to the economy in general, the financial services industry or the Bank specifically, significant further deterioration in economic conditions in Greece reducing the availability of funds for deposits and the availability and extent of deposit guarantees. Unusually high levels of withdrawals could have the result that the Bank or another member of the Group may not be in a position to continue to operate without additional funding support, which it may be unable to secure. Any of these factors separately or in combination could lead to a sustained reduction in the Group's ability to access customer deposit funding on appropriate terms in the future, which would impact the Group's ability to fund its operations and meet its minimum liquidity requirements and have a material adverse effect on the Group's results of operations, financial condition and prospects.

*If additional ECB or ELA funding is needed in the future it will be subject to ECB rules relating to the eligibility and valuation of collateral used for funding such as Greek government bonds.*

The economic crisis in Greece has adversely affected the Group's credit risk profile, which has from time to time prevented the Group from obtaining funding in the capital markets, and increased the cost of such funding and the need for additional collateral requirements in repo contracts and other secured funding arrangements, including those with the ECB. Although the Group's access to capital markets has gradually been reinstated over recent years, concerns relating to the on-going impact of current economic conditions and potential delays in the completion by the Greek government of key structural reforms initiated under the Third Programme and subjected to the post-programme Enhanced Surveillance Framework may restrict the Group's ability to obtain funding in the capital markets in the near and medium term.

The Bank's principal sources of liquidity are (i) its deposit base, (ii) Eurosystem funding via the Main Refinancing Operations (**MROs**) and the Targeted Longer term Refinancing Operations (**TLTROs**) with the ECB and (iii) repurchase securities agreements (repos) with major foreign financial institutions. ECB funding and repos with financial institutions are collateralised by high quality liquid assets, such as EU sovereign bonds, Greek government bonds and Treasury Bills (**T Bills**), as well as by other assets, such as highly rated corporate loans, covered bonds and asset backed securities issued by the Bank.

Although the Group's Eurosystem funding has decreased significantly, with zero dependence on ELA as of 30 June 2019, there can be no assurance that the Group's funding needs will continue to be met by, or that the Group will continue to have access to, Eurosystem funding in the future. In addition, following the Greek government's decision to lift the capital controls, deposit outflows could have a material adverse impact on the Group's deposit base and on the amount of the Group's ECB and ELA eligible collateral, which could have a material adverse impact on the Group's liquidity and the Group's ability to access Eurosystem funding in the future, which may in turn threaten the Group's ability to continue as a going concern (see also "*There is uncertainty about the Bank's ability to continue as a "going concern"*").

Furthermore, the liquidity the Group is able to access from the ECB or ELA may be adversely affected by changes in ECB and Bank of Greece rules relating to collateral. If the ECB or the Bank of Greece were to revise their respective collateral standards, remove asset classes from being accepted, or increase the rating requirements for collateral securities such that certain instruments were not eligible to serve as collateral with the ECB or the Bank of Greece, the Group's access to these facilities could be diminished and the cost of obtaining such funds could increase. In addition the amount of funding available from the ECB or the Bank of Greece is tied to the value of the collateral the Group has provided, which may decline. If the value of the Group's assets decline, then the amount of funding the Group can obtain from the ECB or the Bank of Greece will be proportionally limited. Increases in past due loans will also negatively affect the available collateral used for funding purposes (see also "*Deteriorating asset valuations may adversely affect the Group's business, results of operations and financial condition and may limit its ability to post collateral for Eurosystem funding purposes.*" below).

In March 2019 the ECB announced a new series of quarterly targeted longer-term refinancing operations (**TLTRO III**) to be launched between September 2019 and March 2021, each with a maturity of two years. It is not possible to predict the duration and extent of such liquidity support in the future, assuming it is not withdrawn completely. If such support were to be withdrawn or reduced, the Group would need to seek alternative sources of funding, which it may not succeed in doing, whether on equally favourable cost terms, or at all.

*Deteriorating asset valuations may adversely affect the Group's business, results of operations and financial condition and may limit its ability to post collateral for Eurosystem funding purposes.*

The Group is a large provider of loans in Greece and it has significant exposure to the financial performance and creditworthiness of companies and individuals mainly in Greece. The mixed global economic recovery

## Risk Factors

and economic crisis in Greece has resulted in an increase in the Group's past due loans and significant changes in the fair values of the Group's financial assets.

A substantial portion of the Group's loans and advances to corporate and individual borrowers are secured by collateral such as real estate, securities, vessels, term deposits and receivables. In particular, as mortgage loans are one of the Group's principal assets, the Group is currently highly exposed to developments in the real estate markets, especially in Greece. Significant adjustment in residential valuations started in 2009 and continued at a rapid pace from 2010 to the end of 2017 (with prices having fallen by 42.2% by the end of 2017 compared to their peak in 2008, Sources: Bank of Greece, Bulletin of Conjunctural Indicators, September-October 2021 and Bank of Greece, Real Estate database). The Greek real estate market has shown increasing signs of revival since 2018, with residential valuations increasing by 14.1% in the period between 2018 and 2020, while prices of prime commercial spaces (average of retail and office prices) increased by 13.2% in the same period (Sources: Bank of Greece, Bulletin of Conjunctural Indicators, September-October 2021 and Bank of Greece, Real Estate database). In this vein, construction activity has also picked up, with residential construction increasing by 22.8% year-on-year in 2018, for the first time since 2007, and by 7.5%, on average, in 2019-2020 (Source: EL.STAT., Quarterly gross fixed capital formation, 2nd Quarter 2021). Nonetheless, the absolute number of domestic market transactions remains significantly lower compared with the period 2000-2008, whereas the role of foreign demand related to short-term online rental activity, as well as to secondary home purchases by non-residents, is significant. Accordingly, downside risks remain considerable in view of a still sizeable backlog of unsold houses and relatively high effective tax burden, despite a 22% weighted average reduction in the unified property tax (ENFIA) applied in 2019 and a suspension of the VAT rate on new buildings and of the capital gains tax rate on property for the next three years included in the Draft Budget for 2020 (Sources: Hellenic Parliament, L. 4621, (in Greek), 31 July 2019 and Ministry of Finance, Draft Budget for 2020 (in Greek)).

The residential market exhibited a high degree of resilience in 2020 and the first nine months of 2021, despite the negative effects of the COVID-19 pandemic. House prices rose by 4.5% year-on-year in 2020 and by 6.1% year-on-year in the first nine months of 2021. In 2021 residential prices increased for a 15<sup>th</sup> consecutive quarter on a year-on year basis (7.9% in the third quarter from 6.2% in the second quarter and 4.5% in the first quarter). The Athens area continued to outperform the market average (9.8% year-on-year in the third quarter of 2021 from 7.5% year-on-year in the first semester of 2021). House prices have appreciated by 24.2% from their lowest point in the third quarter of 2017, while prices in the region of Athens have risen by 35.8% from their bottom in the first quarter of 2017 (Source: Bank of Greece, Bulletin of Conjunctural Indicators, September-October 2021 and Bank of Greece, Real Estate database). The resilience of the real estate market reflects the support from pent-up demand and limited supply of new buildings, which offset the compression of the demand from abroad through short-term rental platforms and outright purchases by non-residents, including the golden visa programme (e.g. transactions related to the golden visa programme declined by 73.5% year-on-year in 2020, and remained low during 2021 as well, with 750 licenses issued in the first ten months of 2021 and 940 in the 2020 fiscal year compared with 3,540 in the 2019 fiscal year, Source: Greek Ministry of Migration and Asylum, General Secretariat for Migration Policy database). Construction activity started to respond to rising demand, increasing by 10.5% year-on-year in 2020 and by 5.7% year-on-year in the first semester of 2021, on the back of higher residential construction and public works activity (Source: EL.STAT., Quarterly National Accounts, second Quarter 2021, September 2021). The number of residential building permits issued in 2020 exceeded by 13.2% their 2019 level, increasing further by 51.2% year-on-year in the first seven months of 2021 (Source: EL.STAT., Building Activity Survey database).

Downside risks mainly related to scarring effects of the pandemic and remaining health risks due to COVID-19, as well as to the evolving energy shock, which could possibly lead to a persistent difference in the speed of the recovery, could weigh on the private sector's financial position and economic sentiment and, thus, lead to a deterioration of economic and business conditions in sectors and activities that the Group's borrowers operate, or in the market of the collateral, which may result in the value of collateral falling below the outstanding principal balance for some loans, particularly those disbursed in the years prior to the crisis. A decline in the value of collateral or the Group's ability to obtain additional collateral, may require the



Group to establish additional allowance for loan losses. The value of assets collateralising the Group's secured loans, including residential and other real estate, remains highly sensitive in the event of re-emergence of pressure on real estate valuations. Such a decline could result in further impairment of the value of the Group's loan assets or an increase in the level of the Group's past due loans, either of which will limit the Group's ability to post collateral to obtain ELA and ECB funding. Furthermore, the very protracted period of poor economic conditions and the effects of the COVID-19 pandemic have materially and adversely affected the liquidity, business activity and financial condition of the Group's borrowers, which in turn has led to sharp increases in the Group's past due loan ratios, impairment charges on loans and other financial assets, and decreased demand for borrowings in general, while the additional pressure on financial and real estate asset valuations could translate into a further deterioration of the economy. In the adverse scenario of a re-emergence of pressure on real estate market activity and valuations, the financial performance and creditworthiness of the Group's borrowers could worsen further or stagnate, while the quality of the Group's loan portfolio could start to deteriorate again, having a material adverse impact on the Group's financial condition and results of operations.

An increase in financial market volatility or adverse changes in the marketability of the Group's assets could impair the Group's ability to value certain of its assets and exposures. The value the Group ultimately realises will depend on the fair value determined at that time and may be materially different from current value. Any decrease in the value of such assets and exposures could require the Group to realise additional impairment charges, which could adversely affect the Group's financial condition and results of operations, as well as its capital adequacy.

*There can be no assurance that the Bank's capital will be sufficient, in particular if economic conditions in Greece do not improve or if they deteriorate further.*

There can be no assurance that the Bank will not require further capital in future periods in order to continue to meet its capital adequacy requirements (see “*Regulation and Supervision of Banks in Greece – EU-wide stress test 2020*” below).

The potential deterioration in the credit quality of the Group's assets as result of the economic implications from the COVID-19 crisis, may exceed current expectations, lead to additional impairments in the future which may result in higher losses than currently anticipated, or the regulators may otherwise increase their Supervisory Review and Evaluation Process (**SREP**) asset quality requirements for the Group. Any of these consequences may in turn generate the need for the Group to raise additional capital.

Further to the above, the four systemic Banks in Greece (Alpha Bank, the Bank, Eurobank and Piraeus Bank) on 31 July 2018 entered into a servicing agreement with a credit institution specialised on servicing of NPLs, doBank S.p.A (**doBank**). This agreement is part of the strategic framework of the Greek systemic banks to reduce their NPEs by protecting the viability of small and medium sized enterprises (**SMEs**) and supporting the recovery of the Greek economy.

To the extent that part of the NPE decrease is achieved through sales of loans at prices below their net carrying amount, the Group may recognize additional charges in such periods. If the levels of additional charges are significant, the Group could be required to raise additional capital to absorb any losses.

Furthermore, the Group anticipates that stress tests or other supervisory exercises analysing the strength and resilience of the European banking sector will continue to be carried out by national and supranational supervisory authorities in future periods. (See also “*Regulation and Supervision of Banks in Greece – EU-wide stress test 2020*” below).

Loss of confidence in the European banking sector following the announcement of any future stress tests, a market perception that any such tests are not sufficiently rigorous or capital shortfalls identified by such stress tests or by any other supervisory exercises that assess the classification and provisioning practices applied by the Group could also have a negative effect on the Group's operations and financial condition.

## **Risk Factors**

Furthermore, the results of any stress tests or other supervisory exercises may result in a requirement for the Group to raise additional capital.

*There is uncertainty about the Bank's ability to continue as a "going concern".*

The going concern basis of the Bank is dependent on access to the Eurosystem facilities, the Bank's and the Group's CET1 ratio exceeding the OCR and recent developments regarding the Greek economy, including the latest estimates regarding macroeconomic indicators and measures that have been adopted from 2020 in order to provide support to the European banking system and to the Greek economy in dealing with COVID-19. Management concluded that the Bank is a going concern and that the application of the going concern principle for the preparation of the interim financial statements as at 30 September 2021 is appropriate after considering (a) the current level of ECB funding solely from the TLTROs and the current access to the Eurosystem facilities with significant collateral buffer and Liquidity Coverage Ratio (**LCR**) and Net Stable Funding Ratio (**NSFR**) well above 100%, (b) the Group's CET1 ratio at 30 September 2021 which exceeded the OCR, and (c) the extensive and continuous fiscal and monetary support of the European and Greek authorities in response to the unprecedented COVID-19 crisis (see Note 20 "*Risks related to the COVID-19 Outbreak - Response to COVID-19 crisis from Greek and European authorities*").

Looking forward, economic activity is expected to remain on an upward path with GDP exceeding its pre-COVID-19 level until the first half of 2022, assuming that: a) the pandemic remains under control for the rest of the year and in 2022 through additional progress in vaccination, with no significant recurrence of the disease due to virus mutations; b) the persistent positive effect of fiscal and monetary easing, in conjunction with pent-up demand, will continue to assist the recovery in most sectors of economic activity in the near term; c) the rally in energy prices and supply-side pressures worldwide will peak at the end of 2021 or in the first quarter of 2022 and then will start to fade over; and d) sizeable inflows of EU funds, following the activation of the EU Recovery Fund, will increasingly support the country's economic performance in 2022. On that note, the first inflows of funding from the EU Recovery Fund amounting to €4.0 billion were disbursed in August 2021 – with more than €6.0 billion expected in the first semester of 2022 – providing additional impetus to public investment and business activity.

However, downside risks to the baseline scenario of continued robust recovery are mainly related to scarring effects of the pandemic and remaining health risks due to COVID-19 variants and insufficient immunisation of the population, as well as to the evolving energy shock, which could lead to a persistent difference in the speed of the recovery among business sectors according to their characteristics. In this respect, increased risks from the rapid reflation of the global economy and the sharp increase in energy prices could take a heavier than currently anticipated toll on household disposable income and business activity, especially in the fourth quarter of 2021 and the first quarter of 2022, despite the activation of additional fiscal support measures. Each of these considerations may create uncertainty about the Bank's ability to continue as a going concern.

For additional information on the going concern analysis carried out by the Bank, please refer to "Note 2.2: Going concern" of the 2020 Annual Financial Statements, "Note 2.2: Going concern" of the June 2021 Interim Financial Statements and "Note 2.2: Going concern" of the September 2021 Interim Financial Statements, each of which is incorporated by reference herein.

If the Bank were to assess that the upcoming financial statements could not be prepared on a going-concern basis, whether as a result of the considerations discussed above, or due to new considerations or risks, such event would have a material adverse effect on the Group's results of operations, financial condition and prospects and the ability of the Bank to meet its payment obligations under the Notes.

### **Risks relating to the Bank's Recapitalisation and Receipt of State Aid**

*As a recipient of state aid, the Bank's operational autonomy is constrained.*

As a result of recapitalisations in 2013 and 2015, each of which included State Aid within the meaning of applicable EU legislation, and in order for the HFSF to fulfil its objectives under the HFSF Law (as defined below), exercise its rights and obligations and comply with the commitments undertaken through the Financial Assistance Facility Agreement (**FFA**) signed on 19 August 2015 by and between the ESM, the Hellenic Republic, the Bank of Greece and the HFSF and the MoU signed on 19 August 2015 between the ESM, on behalf of the European Commission, the Hellenic Republic and the Bank of Greece, the HFSF and the Bank entered to a revised Relationship Framework Agreement dated 3 December 2015 (the **Amended Relationship Framework Agreement**), which amended the initial Relationship Framework Agreement dated 10 July 2013 between the Bank and the HFSF (the **Relationship Framework Agreement**). (See “*Regulation and Supervision of Banks in Greece – The Hellenic Financial Stability Fund – The Greek Recapitalisation Framework – Amended Relationship Framework Agreement*” below).

Under European State Aid rules, the Bank has undertaken certain commitments (the **Commitments**) and in 2015 submitted a Revised Restructuring Plan which was approved by the Directorate General for Competition on 4 December 2015 (the **2015 Revised Restructuring Plan**). In line with the Commitments undertaken, among others, the Bank is not permitted to acquire any stake in any undertaking unless the purchase price is below certain thresholds or the acquisition takes place in the ordinary course of business or following relevant approval by the European Commission, according to the particular provisions of the Commitments. The Commitments also provide for certain procedures that the Bank has to follow with respect to lending towards connected borrowers and risk monitoring requirements that the Bank must fulfil.

On 10 May 2019, the Directorate General for Competition of the European Commission approved the Bank’s 2019 Revised Restructuring Plan (as defined in “*Description of the Group – History and Development of the Group - Revised Restructuring Plan as approved by the Directorate General for Competition on 10 May 2019 (the 2019 Revised Restructuring Plan)*” below and, together with the 2015 Revised Restructuring Plan, the **Revised Restruturing Plans** and each a **Revised Restructuring Plan**).

The Bank is already in the closing phase of the Ethniki Insurance – NIC transaction. With regard to NBG Cyprus Ltd and the branch network operating in Egypt, the sales and/or run-offs contemplated by the 2019 Revised Restructuring Plan, are in the process of being effected. In case of any sales these may be undertaken by the Bank at unattractive valuations or during unfavourable market conditions. The Bank may not succeed in complying with the remaining 2019 Revised Restructuring Plan Commitments given by the Hellenic Republic. The remaing steps to be taken are being closely monitored by the European Commission. In case the European Commission decides that the remaining Restructuring Commitments have not been satisfactorily met, the European Commission could open an in-depth investigation (so-called “misuse of aid proceedings”) at the end of which it may find that additional or restructuring measures are required in order to find the State Aid received compatible with the internal market. In addition, it may result in the HFSF exercising full voting rights in respect of its shares in the Bank, for which the relevant rights are currently restricted (see “*The HFSF, as shareholder, has certain rights in relation to the operation of the Bank and has and will continue to have the ability to exercise significant influence over the Group’s operations*” below).

The implementation of the Revised Restructuring Plans by the Bank has had and will continue to have a significant impact on the Group’s business activity, operating results and financial position. Specifically, as part of the Revised Restructuring Plans and under European State Aid rules, the Bank has undertaken a number of Commitments, both structural (such as the disposal of certain assets and subsidiaries, many of which have been completed) and behavioural, towards the Directorate General of the European Commission.

Furthermore, the Commitments of the Hellenic Republic towards the European Commission also provide for the appointment of a monitoring trustee (the **Monitoring Trustee**) for each bank under restructuring, including the Bank. The Monitoring Trustee acts on behalf of the European Commission and aims to ensure the compliance of the Bank with such Commitments, and oversees the implementation of restructuring plans and the Bank’s compliance with the applicable State Aid rules. See “*Regulation and Supervision of Banks in Greece – Monitoring Trustee*” below. Grant Thornton was appointed as the Bank’s Monitoring Trustee on 16 January 2013. The Monitoring Trustee’s powers affect management’s discretion by imposing further

## **Risk Factors**

supervision on the Bank, which may affect business decisions and development strategies and limit the operational flexibility of the Group.

*The HFSF, as shareholder, has certain rights in relation to the operation of the Bank and has and will continue to have the ability to exercise significant influence over the Group's operations.*

Under the Amended Relationship Framework Agreement governing the relationship between the Bank and the HFSF, the HFSF, as shareholder, has certain rights in relation to the operation of the Bank. Although the Amended Relationship Framework Agreement provides that the Bank's decision making bodies will continue to determine independently, among other things, the Bank's commercial strategy and policy, the monitoring and veto powers held by the HFSF representative appointed to the Board of Directors (appointed since June 2012 pursuant to Greek Law 3864/2010) restrict the discretion of the Bank's management. Accordingly, as a result of the Bank's participation in recapitalization programmes, the HFSF is able to exercise significant influence over the operations of the Bank.

Pursuant to the provisions of the HFSF Law, the HFSF's appointed representative has enumerated powers to veto key corporate decisions of the Bank and exercise other powers relating to corporate governance.

In addition to the provisions of the HFSF Law, and pursuant to the Amended Relationship Framework Agreement, the HFSF has a series of information rights with respect to matters pertaining to the Bank. Additionally, as prescribed by the Amended Relationship Framework Agreement, the HFSF representative shall be appointed as member in all Board Committees, while the HFSF observer (participates in the Board without voting rights) will also be appointed in all Committees. Finally, the Bank is obliged to obtain the prior approval of the HFSF on a number of material matters, determined in detail within the Amended Relationship Framework Agreement.

Consequently, there is a risk that the HFSF may exercise the rights it has to exert influence over the Bank and may disagree with certain of the Bank's decisions relating to Board of Directors or other management appointments, dividend distributions, benefits policies and other commercial and management decisions which will ultimately limit the Group's operational flexibility.

As at 18 November 2021, the HFSF holds 355,986,916 common shares having full voting rights, representing 38.92% of the Bank's share capital, while it also holds 13,481,859, representing 1.47% of the Bank's share capital consisting of common shares with restrictions on the exercise of the voting rights as per Article 7a of the HFSF Law as in force, which could be lifted upon certain conditions, for example if the HFSF General Council concludes that there is a breach of material obligations which are included in the restructuring plan or which promote its implementation or which are described in the Amended Relationship Framework Agreement. See "*Description of the Group – Major Shareholders – Common Shares*" below.

Furthermore, the HFSF also has interests in other Greek financial institutions and an interest in the health of the Greek banking industry and other industries generally, and those interests may not always be aligned with the commercial interests of the Group or those of its shareholders.

## **Risks relating to the Group's Business**

*The high level of NPEs has had and may continue to have in the future a negative impact on the Group's operations.*

NPEs, post to Project "Frontier" classified as Held for Sale represented 13.9% of the Group's loans as at 30 June 2021 (compared to 15.0% as at 31 December 2020 and 31.3% as at 31 December 2019). The effect of the economic crisis in Greece and of the COVID-19 pandemic (see "*The Group is subject to risks related to the future evolution of and response to the COVID-19 pandemic that may materially and adversely affect its*

*business, results of operations, prospects and financial condition.”* below), as well as adverse macroeconomic conditions in the countries in which the Group operates may result in adverse effects on the credit quality of the Group’s borrowers, leading to delinquencies and defaults. More specifically, NPE reduction continued in the first half of 2021, with the stock of domestic NPEs reduced further by €0.1 billion to €4.0 billion, reflecting organic actions, mainly through restructurings/debt forgiveness and liquidations. Payment performance of ex moratoria performing clients remains far better than expected, with only approximately 3% of performing moratoria beneficiaries in default as of June 2021 and just 1% currently in early arrears (>30 days past due (“dpd”)). Moreover, approximately 60% of performing moratoria clients remain low risk and have thus received no subsequent payment relief. Pursuant to the previously applicable regime under Greek Law 3869/2010, as amended and in force, individuals who were in a state of permanent inability to pay their debts not attributable to wilful misconduct, had the ability to adjust their debts and could be released from a portion of such debts through filing of an application to the competent court. Greek Law 4738/2020 has established, *inter alia*, a special regime for protecting main residences of eligible individuals who are considered to be vulnerable distressed debtors and a business debt settlement mechanism (see “*Settlement of Amounts Due by Indebted Individuals*” and “*Restrictions on Enforcement of Granted Collateral*” within “*Regulation and Supervision of Banks in Greece*” below). At 31 December 2020 and 30 June 2021, 48.666 and 46.953 customers that had applied to the court under the provisions of Greek Law 3869/2010 had outstanding balances of €2,728 million and €2.570 million, respectively. In addition, the Group may not be able to enforce certain collateral in enforcement proceedings for real estate used as the main residence of the debtors, subject to certain conditions as described in “*Regulation and Supervision of Banks in Greece – Restrictions on Enforcement of Granted Collateral*”. Future provisions for NPEs could have a materially adverse effect on the Group’s profitability.

*The Group is subject to risks related to the future evolution of and response to the COVID-19 pandemic that may materially and adversely affect its business, results of operations, prospects and financial condition.*

The recent outbreak of a new strain of coronavirus causing coronavirus disease (**COVID-19**), with effects including potentially deadly respiratory tract infections, has disrupted and is expected to continue disrupting financial markets and the operations of businesses worldwide. In the first quarter of 2020, the World Health Organisation declared the outbreak of COVID-19 a pandemic. COVID-19 has caused a significant global economic downturn which has adversely affected, and is expected to continue to adversely affect, the Group’s business and results of operations. The future impacts of the COVID-19 pandemic on the Greek and the global economies and the Group’s business, results of operations, prospects and financial condition remain uncertain. The COVID-19 pandemic has resulted in authorities in affected areas implementing numerous restrictive measures attempting to contain the spread and impact of COVID-19, such as travel bans and restrictions, quarantines, shelter in place orders, and limitations on business activity, including closures. While many of these measures have been gradually lifted or partially relaxed, especially in Europe, significant restrictions on international travel and certain types of business activity remain and certain restrictions that had been relaxed are being re-imposed in some countries in response to increasing infection rates. These measures have negatively impacted, and could continue to negatively impact, businesses, market participants, the Group’s counterparties and customers as well as the Greek and the global economies for a prolonged period of time. If the Group’s customers are unable to repay their loans due to the pandemic, this could increase default rates and result in increased credit impairments. The COVID-19 pandemic led to the activation of the Group’s Crisis Management Committee in February 2020 with the aim of dealing with increased measures regarding the health and safety of the Group’s employees, business continuity through remote working and customer support in response to the COVID-19 pandemic. The Group continues to manage the increased operational risk relating to the execution of its business continuity plans in accordance with the Group’s Risk Framework Operational Risk Management Programme and its Business Continuity Management Systems.

The deterioration of financial conditions has increased the Group’s impairment charges for expected credit losses (**ECL**) and has led to loan modification programmes. The Group has offered, and continues to offer, a number of COVID-19 related relief measures to its customers within the context of EBA guidelines and government and sector initiatives. Such measures include the option to defer the payment of principal

## Risk Factors

instalments on loans for the period 1 March 2020 to 31 December 2020. See further “*Description of the Group – COVID-19 outbreak – Response to COVID-19 crisis from Greek and European authorities*”. The Group also evaluated its assets, including intangibles and equity investments, for potential impairment, and reviewed fair values of financial instruments that are carried at fair value. Based upon the Group’s review as of 30 September 2020, no significant impairments have been recorded for the Group and the Bank with the exception of the impairment charge for ECL relating to loans and advances to customers at amortised cost, and there have been no significant changes in fair values and in fair value hierarchy classifications.

The COVID-19 outbreak is a new emerging risk and the Bank is unable to predict the ultimate impact from COVID-19 on the results of operations, prospects, financial condition and business of the Group. The financial strains caused by the COVID-19 pandemic have been and are expected to continue to be extensive in the Group’s markets, and deteriorating financial conditions in Greece have led to an increase, and will likely lead to further increases, in the Group’s credit impairments. Furthermore, uncertainty remains with regards to the extent and timing of the Greek and/or global economic recovery to pre-COVID-19 levels. The situation caused by COVID-19 is unique and difficult to assess, and the situation is changing rapidly. Therefore, substantial uncertainty remains as to the full impact of the COVID-19 pandemic on the Group’s results of operations, prospects, financial condition and business in future periods. The ultimate impact, which may be material and adverse, will depend on ongoing developments in the pandemic, including the success of containment measures and other actions taken by the Greek and European authorities in response to the crisis, the possibility of further waves leading to the re-imposition of severe lockdown measures, the timing for effective containment of the virus, as well as the overall condition and outlook of the Greek and the global economies. See also “*Description of the Group - COVID-19 outbreak - Risks and responses related to the COVID-19 crisis*” and the risks set out in the section “*Risks relating to the Hellenic Republic’s economic crisis in the previous decade and during the COVID-19 outbreak*”.

*The Group’s loan portfolio may continue to contract.*

As the Greek economy has remained in recession, in the current economic environment, the Group’s domestic loan portfolio may continue to decline, and its foreign loan portfolio may also decline. Furthermore, there are a limited number of high credit quality customers in Greece to whom banking services may be provided in the Group’s target markets. Developments in the Group’s loan portfolio will be affected by, among other factors, the health of the Greek economy in light of the economic crisis, the lifting of capital controls imposed on Greek banks (effective 1 September 2019) and the post-programme surveillance following the completion of the Third Programme. The continuing decline in the Group’s loan portfolio, in combination with past due loans, could further reduce the Group’s net interest income, and this could have a material adverse effect on the Group’s business, results of operations, financial condition and prospects.

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

As a result of the Group’s activities, it is exposed to a variety of risks. Among the most significant of these risks are credit risk, market risk, liquidity risk, operational risk and insurance risk. Failure to control these risks could have a material adverse effect on the Group’s results of operations, financial condition, prospects and reputation.

- **Credit Risk.** Credit risk is the risk of financial loss relating to the failure of a borrower to honour its contractual obligations. It arises in lending activities as well as in various other activities where the Group is exposed to the risk of counterparty default, such as its trading, capital markets and settlement activities. Credit risk is the largest single risk the Group faces. See “*The Group is exposed to counterparty risk*” above.
- **Market Risk.** Market risk is the current or prospective risk to earnings and capital arising from adverse movements in interest rates, equity and commodity prices and exchange rates, and their levels of volatility. Changes in interest rate levels, yield curves and spreads may affect the Group’s

net interest margin. Changes in currency exchange rates affect the value of assets and liabilities denominated in foreign currencies and may affect income from foreign exchange dealing. The performance of financial markets or financial conditions generally may cause changes in the value of the Group's investment and trading portfolios. The Group has implemented risk management methods to mitigate and control these and other market risks to which its portfolios are also exposed. However, it is difficult to predict with accuracy changes in economic or market conditions and to anticipate the effects that such changes could have on the Group's financial performance and business operations. See "*Volatility in interest rates may negatively affect the Group's net interest income and have other adverse consequences*" and "*The Group is vulnerable to disruptions and volatility in the global financial markets*" above.

- *Liquidity Risk.* Liquidity risk is defined as the current or prospective risk to earnings and capital arising from an entity's inability to meet its liabilities when they come due without incurring significant losses. It reflects the potential mismatch of payment obligations to incoming payments, taking into account unexpected delays in repayments (term liquidity risk) or unexpectedly high payment outflows (withdrawal/call risk). Liquidity risk involves both the risk of unexpected increases in the cost of funding a portfolio of assets at appropriate maturities and rates, and the risk of being unable to liquidate a position in a timely manner on reasonable terms. The severity of pressure experienced by the Hellenic Republic in its public finances and credit downgrades has restricted the access to markets for the Bank (see "*If additional ECB or ELA funding is needed in the future it will be subject to ECB rules relating to the eligibility and valuation of collateral used for funding such as Greek government bonds.*" above).
- *Operational Risk.* Operational risk corresponds to the risk of loss due to inadequate or failed internal processes/systems, or due to external events, whether deliberate, accidental or natural occurrences. Internal events include, but are not limited to, fraud by employees, clerical and record keeping errors and information systems malfunctions or manipulations. External events include pandemics, floods, fires, earthquakes, riots or terrorist attacks, fraud by outsiders and equipment failures. Finally, the Group may also fail to comply with regulatory requirements or conduct of business rules.
- *Insurance Risk.* The principal risk that the Group may face is that the actual claims and benefit payments, or the timing thereof, differ from expectations. This could occur because the frequency or severity of claims is greater than estimated. Depending on the insurance product, this risk is influenced by macroeconomic changes, changes in customer behaviour, changes in public health, pandemics and catastrophic events such as earthquakes, industrial disasters, fires, riots or terrorism.

Although management believes that its risk management and risk mitigation policies are adequate, the Group's risk management processes may not prevent all instances of fraud or otherwise allow it to mitigate or fully manage the above risks. In addition, the weak Greek economy as well as continuing volatility as a result of market forces out of the Group's control could cause the Bank's liquidity position to deteriorate. Such deterioration would increase funding costs and limit the Bank's capacity to increase its credit portfolio and the total amount of its assets, which could have a material adverse effect on the Bank's business, results of operations and financial condition.

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

Interest rates are highly sensitive to many factors beyond the Group's control, including monetary policies, domestic and international economic and political conditions, as well as other factors. There can be no assurance that further events will not alter the interest rate environment in Greece and the other markets in which the Group operates. Cost of funding is especially at risk for the Bank.

## Risk Factors

In the current interest rate climate, central banks of the major developed economies (including the US Federal Reserve, the ECB, the Bank of England and the Bank of Japan, among others) are widely perceived to have a significant influence on the volatility and direction of short term rates. The method and rate at which central banks adjust their target rates cannot be predicted, nor can the effects that changes in such rates will have, be anticipated.

There are risks involved in both an increase of rates and a prolonged period of low or negative interest rates. Variations in short term interest rates could affect the Group's net interest income, reducing its growth rate and potentially resulting in losses. When interest rates rise, the Group may be required to pay higher interest on floating rate borrowings while interest earned on fixed rate assets does not rise as quickly, which could cause profits to grow at a reduced rate or decline.

Conversely, increases in interest rates may reduce the volume of loans the Group originates. Sustained high interest rates have historically discouraged customers from borrowing and have resulted in increased delinquencies in outstanding loans and deterioration in the quality of assets. Increases in interest rates may also reduce the propensity of the Group's customers to prepay or refinance fixed rate loans, reduce the value of its financial assets and reduce gains or require it to record losses on sales of loans or securities.

If interest rates decrease, although this is likely to reduce the Group's funding costs, it is likely to compress the Group's interest margin, as well as adversely impact income from investments in securities and loans with similar maturities, which could have a negative effect on the Group's operating results, financial condition and prospects.

Changes in market interest rates may affect the interest rates the Group charges on its interest earning assets differently from the interest rates it pays on its interest bearing liabilities. This difference could reduce the Group's net interest income. Since the majority of the Group's loan portfolio effectively re prices within a year, rising interest rates may also result in an increase in the Group's allowance for loan losses if customers cannot refinance in a higher interest rate environment. Further, an increase in interest rates may reduce the Group's clients' capacity to repay in the current economic circumstances.

*The Group faces significant competition from Greek and foreign banks.*

The general scarcity of wholesale funding since the onset of the economic crisis may lead to a significant increase in competition for retail deposits in Greece among the four largest banks (including the Bank) and other smaller banks, which means that the Bank may have to pay higher rates to attract equivalent levels of deposits. The Bank faces competition from foreign banks in its banking operations outside of Greece, some of which may have resources greater than that of the Bank. The Bank may not be able to continue to compete successfully with domestic and international banks in the future. These competitive pressures may have a material adverse effect on its business, financial condition and results of operations.

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

The United Kingdom (UK) left the European Union (EU) on 31 January 2020 at 11pm and the transition period ended on 31 December 2020 at 11pm. Therefore, the Treaty on the European Union and the Treaty on the Functioning of the European Union have ceased to apply to the UK. The European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) and secondary legislation made under it ensure there is a functioning statute book in the UK.

The EU-UK Trade and Cooperation Agreement (the **Trade and Cooperation Agreement**), which governs relations between the EU and UK following the end of the Brexit transition period and which had provisional application pending completion of ratification procedures, entered into force on 1 May 2021. The precise impact on the business of the Bank (including the Bank's UK branch) is difficult to determine. As such, no assurance can be given that such matters would not adversely affect the Bank's financial performance or the



ability of the Bank to satisfy its obligations under the Notes and/or the market value and/or the liquidity of the Notes in the secondary market.

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

The lifting of pandemic related restrictions, in view of the progress of vaccination against COVID-19, has led the global economy to a sharp recovery in the course of 2021, albeit growth momentum has slowed more recently due to, *inter alia*, supply chain disruptions. In the euro area, real GDP surged by +2.2% quarter-on-quarter in the third quarter of 2021 (+3.7% year-over-year), following an increase of +6.5% year-over-year in the first half of 2021. Growth is expected to be less robust in the fourth quarter of 2021, supported among other factors by elevated household savings, part of which is anticipated to be directed towards consumption. Overall, the full year 2021 euro area GDP growth is currently anticipated at +5.0%, followed by +4.3% in 2022, albeit the outlook remains highly dependent on factors linked to the path of the pandemic.

Principal risks for the euro area economy mainly relate to adverse pandemic developments, which would lead to a re-imposition of containment measures resulting in declining economic activity and higher unemployment, amid less supportive monetary and fiscal policies in 2022. More protracted supply chain constraints, as well as surging oil and electricity prices, could amplify inflationary pressures, bringing forward the exit from ultra accommodative monetary policies. In turn, a sudden tightening of financial conditions due to rising interest rates could exacerbate vulnerabilities stemming from elevated asset valuations in property and financial markets. Moreover, as a large part of the increase in European aggregate public investment is related to investment financed by the Recovery and Resilience Facility (**RRF**), delays in the disbursements of RRF funds have the potential to curb growth. These factors, among other things, may restrict the European economic recovery, with a corresponding adverse effect on the Group's business, results of operations and financial condition.

Financial market volatility could edge higher, with a corresponding material adverse effect on the Group's business, results of operations and financial condition, including the Group's ability to fund its operations.

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

Adverse developments could also be triggered by Eurozone sovereign and corporate debt stress as the massive fiscal and monetary policy measures employed to stem the negative economic repercussions from the pandemic suggest more strains for the balance sheets of sovereigns and corporates when the COVID-19 crisis ends. A rise in corporate defaults and subsequently of non-performing loans could also induce banking stress, combined with the challenging low to negative interest rate operating environment, as well as a potentially weaker than expected performance of the Greek economy. Finally, a protracted slowdown in Chinese economic activity amidst authorities' efforts to contain leverage in the property sector, could intensify downside European economic growth risks.

These developments could:

- further directly impact the carrying amount of the Group's portfolio of Greek government debt;
- further directly impact the impairment losses for receivables relating to the Hellenic Republic;
- severely affect the Group's ability to raise capital and meet minimum regulatory capital requirements; and

## Risk Factors

- severely limit the Group's ability to access liquidity.

*The Group's economic hedging may not prevent losses.*

If any of the variety of instruments and strategies that the Group uses to economically hedge its exposure to market risk is not effective, the Group may incur losses. The Group does not economically hedge all of its risk exposure in all market environments or against all types of risk. In the Group's view, the principal market risk to which it is exposed, which is not fully economically hedged, is the sovereign credit risk of the Hellenic Republic, in respect of which the Group does not maintain any hedging positions (such as, for example, credit default swaps).

*The Group has incurred and may continue to incur significant losses on its trading and investment activities due to market fluctuations and volatility.*

The Group maintains trading and investment positions in debt, currency, equity and other markets. These positions could be adversely affected by continuing volatility in financial and other markets, creating a risk of losses. Significant decline in perceived or actual values of the Group's assets has resulted from previous market events.

Continuing volatility and further dislocation affecting certain financial markets and asset classes could further impact the Group's results of operations, financial condition and prospects. In the future these factors could have an impact on the mark to market valuations of assets in the Group's Hold to Collect and Sell (HTCS) measured at fair value through other comprehensive income (FVTOCI) bond portfolios, trading portfolios and financial assets and liabilities for which the fair value option has been elected. In addition, any further deterioration in the performance of the assets in the Group's investment securities portfolios could lead to additional impairment losses, including the Group's holdings of Greek government bonds.

*The Group could be exposed to significant future pension and post-employment benefit liabilities.*

The employees of the Bank and certain of its subsidiaries participate in employee-managed pension schemes, retirement and medical benefit plans. The Bank and certain of the Bank's subsidiaries make significant defined contributions to these schemes. In addition, the Bank and several of its subsidiaries offer certain defined benefit plans. The Group's consolidated retirement benefit obligations under these plans is determined by reference to a number of critical assumptions. These include assumptions about movements in interest rates which may not be realised. Potential variations may cause the Group to incur significantly increased liability in respect of these obligations.

*The Group, like any other credit institution, is exposed to the risk of fraud and illegal activities of any form, which, if not dealt with in a timely manner and successfully, could have negative effects on its business, financial condition, results of operations and prospects.*

The Group is subject to rules and regulations related to combating money laundering and terrorism financing in the jurisdictions where it operates. Compliance with anti-money laundering and anti-terrorist financing rules entails significant cost and effort. Non-compliance with these rules may have serious consequences, including adverse legal and reputational consequences. Although the Group believes that its current anti money laundering and anti-terrorism financing policies and procedures are adequate to ensure compliance with applicable legislation, it cannot guarantee that they will comply at all times with all rules applicable to money laundering and terrorism financing as extended to the entire Group and applied to its staff in all circumstances. A possible violation, or even any suspicion of a violation of these rules, may have serious adverse legal and financial impacts, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

*The Group's operational systems and networks have been, and will continue to be, exposed and possibly vulnerable to an increasing risk of continually evolving cybersecurity or other technological risks which*

*could result in the unavailability of IT services or in the disclosure of confidential client or customer information, damage to its reputation, additional costs to it, regulatory penalties and financial losses.*

A significant portion of the Group's operations rely heavily on the secure processing, storage and transmission of confidential and other information as well as the monitoring of a large number of complex transactions on a minute-by-minute basis. The Group stores an extensive amount of personal and client-specific information for its retail, corporate and governmental customers and clients and must accurately record and reflect their extensive account transactions. Furthermore, the Group has seen an increase recently in remote working for employees as well as an increase in digital transactions and remote access to the Group's products by clients in view of current conditions resulting from the COVID-19 pandemic. In particular, since 2020, COVID-19 has affected and will continue to affect the global cybersecurity landscape. Advanced social engineering attacks and targeted phishing attacks used by attackers for stealing credentials as well as advanced techniques for malware concealment were some of the most common malicious activities identified by the Bank since 31 December 2020. Whereas the Bank has successfully identified and addressed the cybersecurity risk since the beginning of the pandemic, the Bank's activities will continue to be subject to an increasing risk of cyber-attacks, the nature of which is continually evolving.

The Group endeavours to safeguard its systems and processes and strives to continuously monitor and develop them to protect its technology infrastructure and data from misappropriation. The Bank's cybersecurity systems continued to be improved by strengthening detection, response and protection mechanisms, in order to ensure adequate customer service and correct performance of the Bank's services and business operations. However, its computer systems, software and networks have been and will continue to be exposed and possibly vulnerable to unauthorised access, loss or destruction of data (including confidential client information), account takeovers, unavailability of service, computer viruses or other malicious code, cyber-attacks and other external attacks or events, as well as internal breaches. These threats may derive from human error, fraud or malice on the part of employees or third parties or may result from accidental technological failure. If one or more of these events occur, it could result in the disclosure of confidential client information, damage to the Group's reputation with its clients and in the market, additional costs (such as repairing systems or adding new personnel or protection technologies), regulatory penalties and financial losses to both the Group and its clients. Such events could also cause interruptions or malfunctions in the Group's operations (such as the lack of availability of its online banking systems) or otherwise hinder its operational effectiveness, as well as the operations of its clients, customers or other third parties. Given the volume of its transactions, certain errors or actions may be repeated or compounded before they are discovered and rectified, which would further increase these costs and consequences.

In addition, third parties with which the Group does business may also be sources of cybersecurity or other technological risks. The Group outsources a limited number of supporting functions, such as printing of customer credit card statements, which results in the storage and processing of customer information. Although the Group adopts a range of actions to eliminate the exposure resulting from outsourcing, such as not allowing third party access to the production systems and operating a highly controlled IT environment, unauthorised access, loss or destruction of data or other cyber incidents could occur, resulting in similar costs and consequences to the Group as those discussed above.

The EU General Data Protection Regulation has been directly applicable in Greece as of 25 May 2018 and penalties in the case of personal data leakage could impact the Bank and the Group.

While the Group maintains insurance coverage that may, subject to policy terms and conditions, cover certain aspects of cyber risks such as fraud and financial crime, such insurance coverage may be insufficient to cover all losses.

## Risk Factors

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

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

*The loss of senior management may adversely affect the Group's ability to implement its strategy.*

The Group's current senior management team includes a number of experienced executives the Group believes contribute significant experience and expertise to its management in the banking sectors in which the Bank operates. The continued performance of the Group's business and its ability to execute its business strategy will depend, in large part, on the efforts of the senior management of the Group. Furthermore, a potential change in share ownership percentages and shareholders rights or a situation of effective control by the HFSF could lead to the departure of certain senior managers. If a substantial number of the Group's senior management team leave the Group, its business may be materially adversely affected.

*The Group may be unable to recruit or retain experienced and/or qualified personnel.*

The Group's competitive position depends, in part, on its ability to continue to attract, retain and motivate qualified and experienced banking and management personnel. Competition in the Greek and South-eastern European banking industries for personnel with relevant expertise is intense due to the relatively limited availability of qualified individuals. To recruit qualified and experienced employees and to minimise the possibility of their departure, the Group provides compensation packages consistent with evolving standards in the relevant labour markets.

The HFSF representative has the right to veto any decision of the Board of Directors regarding the distribution of dividends and the benefits and bonus policy concerning the Chairman, the Chief Executive Officer and the other members of the Board of Directors, as well as whoever exercises the general manager's powers and their deputies, while consent of the HFSF must be sought regarding the abovementioned decisions. Moreover, consent of the HFSF must also be sought regarding the remuneration of the Group and benefits policies and any amendment, extension, revision or deviation thereof, or decisions/policies affecting the above policies, including any voluntary retirement/separation schemes.

Additionally, restrictions on variable remuneration under CRD IV (as defined below) have been implemented into Greek Law.

## Legal, Regulatory and Compliance Risks

*The Group's business is subject to increasingly complex regulation which may increase its compliance costs and capital requirements.*

The Group is subject to financial services laws, regulations, administrative actions and policies in each jurisdiction in which it operates. All of these regulatory requirements have changed, are continuing to change, and are subject to further change following the unprecedented levels of government intervention and changes to the regulations governing financial institutions, as a result of the financial crisis. In response to the global financial crisis, national governments as well as supranational groups, such as the EU, have implemented significant changes to the existing regulatory frameworks for financial institutions, including those pertaining to supervision, capital adequacy, liquidity, resolution and the scope of banks' operations and those pertaining to investors' protection and financial products' governance requirements.

Since 4 November 2014, the Group has been a significant entity in the Eurozone supervised by SSM and is subject to continuous evaluation of its capital adequacy, and could be requested to operate with higher than minimum regulatory capital and/or liquidity ratios. The supervisory regime applicable to European banks is undergoing a period of change since the SSM took responsibility for the prudential supervision of banks in the Eurozone in November 2014. Competent Authorities will continue to be responsible for supervisory matters not conferred on the ECB, such as consumer protection, money laundering, payment services, and branches of third country banks, besides supporting ECB in day to day supervision. In light of the new supervision legal framework the ECB and the competent national authorities shall carry out a SREP at least on an annual basis. In this view the EBA published on 19 December 2014 the final guidelines for common procedures and methodologies in respect of the SREP (EBA Guidelines). Such EBA Guidelines draw a common approach to determining the amount and composition of additional Pillar 2 own funds requirement implemented since 1 January 2016. On 31 October 2017, the EBA launched a public consultation to review, among others, the EBA 2014 Guidelines with the aim to further enhance an institution's risk management and the convergence among national regulators of their supervisory role in the SREP. The latest revised SREP guidelines were issued on 19 July 2018. They reflect the on-going policy initiatives related to Pillar 2/SREP, which include, among other things, the introduction of Pillar 2 capital guidance (**P2G**), the integration of supervisory stress testing requirements and supervisory assessment of banks' stress testing from the EBA Consultation Paper on Guidelines on stress testing and supervisory stress testing 2, clarification of certain aspects of scoring, further details on the articulation of total SREP capital requirements (**TSCR**) and overall capital requirements (**OCR**), and various consistency checks with relevant EBA standards and guidelines that came into force after the publication of the original SREP Guidelines in 2014.

Following the completion of the 2019 SREP cycle, in December 2019 the Bank received the final SREP Decision letter from the ECB which established the capital requirements for 2020. In particular based on 2019 SREP letter, the Pillar 2 Requirement rate for 2020 remained stable at 3%, but OCR increased to 14% (from 13.75% in 2019) due to the phase-in of the Other Systemically Important Institutions (**O-SII**) buffer (0.25%). The OCR increased to 16% due to the application of the P2G (2%) as of 2020. However, on 12 March 2020, ECB provided temporary capital and operational relief to EU banks in reaction to COVID-19. In particular, the ECB is allowing banks to operate temporarily (until the end of 2022) below the level of capital defined by the P2G, the capital conservation buffer (**CCB**) and the countercyclical capital buffer (**CcyB** - not applicable for Greece). In addition, the banks can partially cover the P2R with the use of AT1 (18.75% of P2R) and/or Tier 2 (25% of P2R) capital instruments (effective immediately vs. original phase-in date of January 2021). On that basis, and taking into account that a) the ECB is not issuing a SREP decision for the 2020 SREP cycle and P2R and P2G requirements remain unchanged and b) BoG suspended the phase-in of the O-SII for 2021, the OCR for the rest of 2020 reduced to 11.5% and will remain at the same level for 2021 as well.

The SSM might impose new compliance, governance or system and control mandates that will increase compliance costs for the Bank. As a result of these and other on-going and possible future changes in the

## Risk Factors

financial services regulatory framework (including requirements imposed by virtue of the Group's participation in any Greek government or regulator led initiatives, such as the Hellenic Republic's Bank Support Plan), the Group will face greater regulation in the Hellenic Republic and SEE. Current and future regulatory requirements may be different across each of these locations and even requirements with EEA wide application may be implemented or applied differently in different jurisdictions.

Compliance with these new requirements will increase the Group's regulatory capital and liquidity requirements and may increase its compliance costs and disclosure requirements, restrict certain types of transactions, affect its strategy and limit or require the modification of rates or fees that it charges on certain loans and other products, any of which could lower the return on the Group's investments, assets and equity. The Group may also face increased compliance costs and limitations on its ability to pursue certain business opportunities. The Group cannot predict the effect of any such changes on its business, financial condition, cash flows or future prospects.

*The Group may need additional capital and liquidity as a result of regulatory changes.*

The Bank and the Group are required by the SSM and the regulators in the Hellenic Republic and other countries in which they undertake regulated activities to maintain minimum levels of capital and liquidity. The Bank, its regulated subsidiaries and its branches may be subject to the risk of having insufficient capital resources to meet the minimum regulatory capital and/or liquidity requirements. In addition, those minimum regulatory capital requirements may increase in the future, or the methods of calculating capital resources may change. Likewise, liquidity requirements are under heightened scrutiny, and may place additional stress on the Group's liquidity demands in the jurisdictions in which it operates. Changes in regulatory requirements may require the Group to raise additional capital. Directive 2013/36/EU (the **CRD IV Directive**) and the EU Regulation 575/2013 (the **Capital Requirements Regulation** or **CRR** and, together with the CRD IV Directive, the **CRD IV**) which incorporate the key amendments that were adopted by the Basel Committee on Banking Supervision (known as **Basel III**) have been directly applicable in all EU member states (the **EU Member States**) since 1 January 2014, with particular elements being phased in over a period of time (the requirements are largely fully effective and some minor transitional provisions provide for phase-in until 2024) but it is possible that in practice implementation under national laws may be delayed. Additionally, it is possible that EU member states may introduce certain provisions at an earlier date than that set out in the CRD IV. In addition, on 23 November 2016, the European Commission published legislative proposals for amendments to the CRR, CRD IV Directive, the BRRD and the SRM Regulation (together, the **EC Proposals**), which proposals were subsequently amended during the approval process prior to formal approval of the final text by the European Council in May 2019. Amendments to the BRRD to introduce a new asset class of "non-preferred" senior debt entered into force on 28 December 2017 and were transposed into Greek law on 18 December 2018 by Greek law 4583/2018. The final text of the EC Proposals was published in the Official Journal of the European Union on 7 June 2019 and entered into force on 27 June 2019. Among other things, these proposals aim to implement a number of new Basel standards (such as the leverage ratio, the net stable funding ratio, market risk rules and requirements for own funds and eligible liabilities) into European law. CRR II (as defined below) is directly applicable to the Bank and applies from 28 June 2021, subject to certain exceptions. The Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 (**CRD V Directive** as defined below) has been transposed into Greek law by Greek law 4799/2021 which amended to this effect Greek Law 4335/2015 (the law that has initially transposed into Greek law the BRRD, the **BRR Law**) and Greek law 4261/2014 (the law that has initially transposed into Greek law the CRD IV, the **CRD Law**).

Greek law 4583/2018, implementing certain provisions of Directive 2017/2399/EU and Greek law 4799/2021, transposing into Greek law the BRRD II Directive, has amended the ranking of claims from unsecured debt instruments in the insolvency hierarchy, introducing, inter alia, senior non-preferred notes, as debt instruments that meet the following conditions: (a) the original contractual maturity of the debt instruments is at least one year; (b) they do not contain any embedded derivatives and they are not themselves derivatives; and (c) the relevant contractual documentation and, where applicable, the prospectus related to the issuance explicitly refer to the lower ranking as provided for by Article 145A of Greek law

4261/2014 (see further “*Regulation and Supervision of Banks in Greece – Bank Recovery and Resolution Directive*” below). Senior Non-Preferred Notes issued under the Programme are expected to fall into this category of liabilities.

The Capital Requirements Regulation defines the minimum capital requirements (Pillar 1 requirements) and the CRD IV Directive defines the combined buffer requirements for EU institutions. In addition, the CRD IV Directive provides (Articles 97 *et seq.*) that Competent Authorities regularly carry out the SREP, to assess and measure risks not covered, or not fully covered, under Pillar 1 and determine additional capital and liquidity requirements (Pillar 2 requirements). SREP is conducted under the lead of the ECB. The SREP decision is tailored to each bank’s individual profile. Implementing regulations in Greece under the CRD IV or higher SREP requirements may impose higher capital requirements, such as higher prudential buffers, which may require the Group to raise further capital. See “*Regulation and Supervision of Banks in Greece – Single Supervisory Mechanism (SSM)*” below.

Furthermore, on 20 March 2017, the ECB published its final “Guidance to banks on non-performing loans”, setting out expectations in relation to strategy, governance, and operations. On 15 March 2018, the ECB launched the final addendum to the aforementioned ECB guidance on NPLs. The addendum sets out supervisory expectations for minimum levels of prudential provisioning for new NPLs and reinforces the guidance with regards to fostering timely provisioning and write off practices, and may be amended from time to time.

On 14 March 2018, the European Commission presented a package of measures to tackle high NPL ratios in Europe. On 31 October 2018 the European Banking Authority published its final guidelines on management of non-performing and forborne exposures (the **EBA Guidelines**). The EBA Guidelines applied from 30 June 2019. They are developed in accordance with the European Council Action Plan, aim to ensure that credit institutions have adequate prudential tools and frameworks in place to manage effectively their NPEs and to achieve a sustainable reduction on their balance sheets. To this end, the EBA Guidelines require institutions to establish NPE reduction strategies and introduce governance and operational requirements to support them. The EBA Guidelines specify sound risk management practices for credit institutions in their management of NPEs and forborne exposures (**FBEs**), including requirements on NPE reduction strategies, governance and operations of NPE workout framework, internal control framework and monitoring. The EBA Guidelines also set out requirements for processes to recognise NPEs and FBEs, as well as a forbearance granting process with a focus on the viability of forbearance measures. In particular, the EBA Guidelines specify that institutions should grant forbearance measures only with the view to return the borrower to a sustainable performing repayment status and are thus in the borrower's interest. The EBA Guidelines introduce a threshold of 5% of gross NPL ratio as a trigger for developing NPE strategies and applying associated governance and operational arrangements. Finally, the EBA Guidelines outline requirements for competent authorities' assessment of credit institutions' NPE management activity as part of the SREP.

The above measures and guidelines will have an impact on the Group’s risk management, governance or control systems as these relate to its management of NPEs and FBEs, as well as on how the SSM assesses the Group’s capital requirements for NPEs and FBEs.

If the Bank or the Group does not satisfy the minimum capital requirements (taking into account relevant combined buffer requirements) in the future, it may be subject to the measures that the SSM can take pursuant to the CRD Law and Regulation 1024/2013, including appointment of a commissioner to the Bank (see “*Regulation and Supervision of Banks in Greece – Bank Recovery and Resolution Directive*” below).

If the Bank is required to raise further capital but is unable to do so on acceptable terms, the Group may be required to further reduce the amount of the Bank’s risk weighted assets and thus engage in further disposal of core and other non-core businesses, which may not occur on a timely basis or achieve prices which would otherwise be attractive to the Bank. Any failure to maintain minimum regulatory capital ratios could result in administrative actions or other sanctions, which in turn may have a material adverse effect on the Bank’s

## Risk Factors

operating results, financial condition and prospects. If the Bank is required to strengthen its capital position, it may not be possible for the Bank to raise additional capital from the financial markets or to dispose of marketable assets. That could potentially lead to further requests for State Aid pursuant to the provisions of Greek Law 3864/2010, as amended and in force (the **HFSF Law**) in the circumstances permitted under Greek Law 4335/2015 (the **BRR Law**) and the HFSF Law, which could result in the application of Burden Sharing Measures (as described in “*Description of the Group –History and Development of the Group–2015 Recapitalisation– Burden Sharing Measures*” below).

*The Group is subject to the European resolution framework which has been implemented and may result in additional compliance or capital requirements and will dictate the procedure for the resolution of the Group (which may include the Notes being subject to the bail-in resolution tool by the Relevant Resolution Authority, resulting in their full or partial write-down or conversion).*

The BRRD provides for the establishment of an EU wide framework for the recovery and resolution of credit institutions and investment firms. The BRRD is designed to provide authorities with a credible set of resolution tools and powers to intervene sufficiently early and quickly to avoid a significant adverse effect on the financial system, to prevent threats to market infrastructures, to protect depositors and investors and to minimise reliance on public financial support. On 23 November 2016, the European Commission published the Proposals (see “*The Group may need additional capital and liquidity as a result of regulatory changes*” above), including a proposal to amend certain provisions of the BRRD (the **BRRD Reforms**).

The BRRD’s broad range of resolution tools and powers may be used alone or in combination where the Relevant Resolution Authority (as defined in the Terms and Conditions of the Notes) considers that certain required conditions are met.

Directive (EU) 2019/879 amending Directive 2014/59/EU (**BRRD**) as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms was formally approved by the European Council in May 2019 and published in the Official Journal of the European Union on 7 June 2019. Regulation (EU) 2019/877 (**SRM II Regulation or SRMR II**) amended Regulation (EU) No 806/2014 (**SRM Regulation or SRMR**) as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms. This Regulation applies from 28 December 2020. Directive (EU) 2019/879 (**BRRD II**) amended Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and has been transposed into Greek legislation by Greek law 4799/2021 amending to this effect the BRR Law and the CRD Law. See “*The Group may need additional capital and liquidity as a result of regulatory changes*” and see also below “*Regulation and Supervision of Banks in Greece – Bank Recovery and Resolution Directive*”.

In addition to the bail in tool which is available for an institution in resolution, the BRRD provides the Relevant Resolution Authority with pre resolution powers to permanently write down or convert into equity capital instruments and eligible liabilities of the financial institution, including CET1 instruments (which includes ordinary shares), Additional Tier 1 instruments and Tier 2 instruments (each as defined under the CRD IV) at the point of non-viability of the institution and before any other resolution action is taken, with losses taken in accordance with the priority of claims under normal insolvency proceedings (**Non-Viability Loss Absorption**), as further described under “*Regulation and Supervision of Banks in Greece – Bank Recovery and Resolution Directive*” below. For the purposes of the application of any Non-Viability Loss Absorption measure, the point of non-viability under the BRRD is the point at which the Relevant Resolution Authority determines that the institution meets the conditions for resolution (but no resolution action has yet been taken) or that the institution or, in certain circumstances, its group, will no longer be viable unless the relevant capital instruments (such as Subordinated Notes) and eligible liabilities are written down/converted or extraordinary public support is to be provided and without such support the appropriate authority determines that the institution and/or, as appropriate, its group, would no longer be viable.

The capital instruments and eligible liabilities write down and conversion power may be exercised independently of, or in combination with, the exercise of other resolution tools. These measures could be



applied to certain of the Group's instruments; the occurrence of circumstances in which write down or conversion powers would need to be exercised (or any perceived risk of such powers being exercised) would be likely to have a material adverse impact on the Group's business, financial condition and results of operations. Furthermore, in circumstances where capital instruments are converted into equity securities by application of the mandatory conversion tool, those equity securities may be subjected to the bail in powers in resolution, resulting in their cancellation, significant dilution or transfer away from the investors therein.

EBA Guidelines on "the interpretation of the different circumstances when an institution shall be considered as failing or likely to fail" provide clarifications on the cases where an institution is assessed as "failing or likely to fail".

Although there are pre-conditions for the exercise of the bail in power, there remains uncertainty regarding the specific factors which the Relevant Resolution Authority would consider in deciding whether to exercise the bail-in power with respect to the relevant financial institution and/or securities issued by that institution.

Given the final discretion provided to the Relevant Resolution Authority, it may be difficult to predict when, if at all, the exercise of any bail in power by the Relevant Resolution Authority, may occur which would result in a principal write off or conversion to equity. Accordingly, the threat of bail in or exercise of the write down or conversion power in respect of the Notes may affect trading behaviour, including prices and volatility, of the securities of any institution which the market perceives to be potentially considered as failing or likely to fail by the Relevant Resolution Authority.

The BRRD also provides for a Member State as a last resort, after having assessed and exploited the above resolution tools (including the general bail in tool) to the maximum extent practicable whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the burden sharing requirements of the EU state aid framework and the BRRD.

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. As such, it is too early to anticipate the full impact of the BRRD, and there can be no assurance that creditors, shareholders and potential investors will not be adversely affected by actions taken under it. In addition, there can be no assurance that its application will not have a significant impact on the Group's results of operations, business, assets, cash flows and financial condition, as well as on its funding activities and the products and services offered. In addition, the SRM Regulation establishes uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism (**SRM**) and a Single Resolution Fund (the **Fund**).

The SRM Regulation, which will complement the SSM (as discussed under "*The Group may need additional capital and liquidity as a result of regulatory changes*" above), applies to all banks supervised by the SSM, including the Bank. These uniform rules and uniform procedures established under the SRM Regulation will be applied by a single resolution board (the **Single Resolution Board** or the **SRB**) together with the EU Council and the European Commission and the national resolution authorities within the framework of the SRM.

On 11 October 2017, the European Commission urged the European Parliament and Council to progress quickly in the adoption of additional measures to tackle the remaining risks in the banking sector and suggested new actions to reduce NPLs and to help banks diversify their investment in sovereign bonds.

The Group could be subject to any such additional measures or actions adopted which may result in additional compliance or capital requirements, and such measures or actions could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

## Risk Factors

*Application of the Minimum Requirements for Own Funds and Eligible Liabilities under the BRRD may affect the Group's profitability.*

Since 2016, European banks have had to comply with the rules under the BRRD, which, *inter alia*, introduced the Minimum Requirement for Own Funds and Eligible Liabilities (**MREL**). MREL aims to facilitate the orderly resolution of financial institutions by requiring them to hold at all times sufficient loss absorbing instruments to ensure that shareholders, subordinated creditors and senior unsecured creditors primarily bear losses in the event of resolution. MREL includes own funds (including, for the avoidance of doubt, ordinary shares) as well as eligible liabilities (as defined in the BRRD) and is expressed as a percentage of either risk weighted assets or total liabilities and own funds, as contemplated by the BRRD. The BRRD does not mandate a minimum threshold for MREL, but instead provides for a case by case assessment of the MREL for each institution or group, against a minimum set of criteria prescribed by the rules made under the BRRD and applied by the Single Resolution Board in the case of financial institutions which are located in the Banking Union, such as the Group. Article 45 of the BRRD, as amended by BRRD II, sets out a procedure for the determination of MREL. Commission Delegated Regulation 2016/1450 further defines the way in which resolution authorities, including the SRB, are to determine MREL.

In June 2019, the SRB published an update to its 2018 MREL policy in light of the publication of the banking package (comprising CRR II, CRD V Directive, BRRD II and SRM II Regulation) in the Official Journal of the EU on 7 June 2019. This was followed by an overall updated MREL policy under the banking package (BRRD II and SRMR II Regulation) published on 20 May 2020. The Single Resolution Board has set binding MREL targets (at consolidated level) for the Bank for 1 January 2022 and for the end of the transitional period which is the 31 December 2025.

The CRD IV Directive has subsequently been amended by the the CRD V Directive and the CRR has subsequently been amended by the publication of Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 (**CRR II**). The CRD V Directive and CRR II were both published in the Official Journal of the European Union on 7 June 2019. The CRR II applies from 28 June 2021 subject to certain exceptions and the CRD V Directive has been transposed into Greek law by law 4799/2021 which amended to this effect the BRR Law and the CRD Law.

The SRM II Regulation amended the SRM Regulation as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms. The SRM II Regulation is valid as of the date of its publication in the Official Journal of the European Union and applies from 28 December 2020. Directive (EU) 2019/879 amended Directive 2014/59/EU, among others, as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms. Member States were supposed to bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by 28 December 2020. Directive (EU) 2019/879 was transposed into Greek law by law 4799/2021, coming into force as of 17 May 2021, with few exceptions.

The BRRD Reforms contain a new Article 16a that clarifies the stacking order between the combined buffer and the MREL Requirement. Pursuant to this new provision the Relevant Resolution Authority has the power to prohibit an entity from distributing more than the Maximum Distributable Amount (as defined below) for the MREL where the combined buffer requirement and the MREL Requirement are not met.

Should the Single Resolution Board not provide an adequate transition period, issuance of MREL eligible liabilities in a short timeframe could be very costly having thus a material adverse effect on Group's financial condition and results of operations.

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

The Group currently includes DTAs in calculating the Group's capital and capital adequacy ratios. As at 30 June 2021, the Group's DTAs, excluding the amount of the DTA that was classified as non-current assets held for sale, amounted to €4.9 billion (31 December 2020: €4.9 billion).

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

Under applicable capital requirements regulations, DTAs recognized for IFRS purposes that rely on future profitability and arise from temporary differences of a credit institution and exceed certain thresholds must be deducted from its CET1 capital.

EU Regulation 575/2013 provides that DTAs recognised for IFRS purposes that rely on future profitability and arise from temporary differences of a credit institution and exceed certain thresholds must be deducted from its CET1 capital.

The deduction would have a significant impact on Greek credit institutions, including the Bank. However, as a measure to mitigate the effects of the deduction, Article 27A of Greek Law 4172/2013, (**DTC Law**), as currently in force, allows credit institutions, under certain conditions, and from 2017 onwards, to convert DTAs arising from (a) private sector initiative (**PSI**) losses, (b) accumulated provisions for credit losses recognised as at 30 June 2015, (c) losses from final write-off or the disposal of loans and (d) accounting write-offs, which will ultimately lead to final write-offs and losses from disposals, to a receivable (**Tax Credit**) from the Greek State. Items (c) and (d) above were added by Greek Law 4465/2017 enacted on 29 March 2017. The same Greek Law 4465/2017 provided that the total tax relating to cases (b) to (d) above cannot exceed the tax corresponding to accumulated provisions recorded up to 30 June 2015 less (a) any definitive and cleared Tax Credit which arose in the case of accounting loss for a year according to the provisions of par. 2 of Article 27A, which relate to the above accumulated provisions, (b) the amount of tax corresponding to any subsequent specific tax provisions, which relate to the above accumulated provisions, and (c) the amount of tax corresponding to the annual amortisation of the debit difference that corresponds to the above provisions and other losses in general arising due to credit risk.

Furthermore, Greek Law 4465/2017 amended Article 27 "Carry forward losses" by introducing an amortisation period of 20 years for losses due to loan write-offs as part of a settlement or restructuring and losses that crystallise as a result of a disposal of loans.

As at 30 June 2021, the Group's eligible DTAs amounted to €4.2 billion (31 December 2020: €4.3 billion). The main condition for the conversion of DTAs to a Tax Credit is the existence of an accounting loss at Bank level of a respective year, starting from accounting year 2016 and onwards. The Tax Credits will be calculated as a ratio of IFRS accounting losses to net equity (excluding the year's losses) on a solo basis and such ratio will be applied to the remaining Eligible DTAs in a given year to calculate the Tax Credit that will be converted in that year, in respect of the prior tax year. The Tax Credit may be offset against income taxes payable. The non-offset part of the Tax Credit is immediately recognised as a receivable from the Greek State. The Bank is obliged to issue conversion rights to the Greek State for an amount of 100% of the Tax Credit in favour of the Greek State and will create a specific reserve for an equal amount. Common shareholders have pre-emption rights on these conversion rights. The reserve will be capitalised with the issuance of common shares in favour of the Greek State. This legislation allows credit institutions to treat such DTAs as not "relying on future profitability" according to Capital Requirement Directive (**CRD**) IV, and as a result such DTAs are not deducted from CET1, hence improving a credit institution's capital position.

## Risk Factors

On 7 November 2014, the Bank convened an extraordinary General Shareholders' Meeting which resolved to include the Bank in the DTC Law. An exit by the Bank from the provisions of the DTC Law requires regulatory approval and a General Shareholders' Meeting resolution.

If the regulations governing the use of Deferred Tax Credits (DTCs) as part of the Group's regulatory capital change, this may affect the Group's capital base and consequently its capital ratios. As at 30 June 2021, 71.9% of the Group's CET1 capital (including the profit for the period) was comprised of DTA eligible for DTC. Additionally, there can be no assurance that any final interpretation of the amendments described above will not change or that the European Commission will not rule the treatment of the DTCs under Greek law illegal and as a result Greek credit institutions will ultimately not be allowed to maintain certain DTCs as regulatory capital. If any of these risks materialise, this could have a material adverse effect on the Group's ability to maintain sufficient regulatory capital, which may in turn require the Group to issue additional instruments qualifying as regulatory capital, to liquidate assets, to curtail business or to take any other action, any of which may have a material adverse effect on the Group's operating results and financial condition and prospects.

*Laws governing the bankruptcy of individuals or otherwise settlement of debts owed by individuals and regulations governing creditors' rights in Greece and various SEE countries may limit the Group's ability to receive payments on past due loans, and anticipated changes to such laws may not have the desired effect.*

Laws governing the bankruptcy of individuals or otherwise settlement of debts owed by individuals (including Greek Law 4738/2020 (into force from 1 March or 1 June 2021 depending on the provisions), which regulates the settlement of debts and other laws and regulations governing creditors' rights generally vary significantly within the region in which the Group operates. See further "*Regulation and Supervision of Banks in Greece - Settlement of Amounts Due by Indebted Individuals*" for a description of Greek laws governing the bankruptcy of individuals or otherwise settlement of debts owed by individuals. In some countries, the laws offer significantly less protection for creditors than the bankruptcy regimes in Western Europe. In Greece, foreclosures and auctions of all properties were prohibited until 31 October 2015. Although the Greek suspension of every enforcement action due to capital controls was lifted by the 29 October 2015 official announcement of Ministry of Justice, Transparency and Human Rights on 2 November 2015, a prolonged abstention by lawyers', bailiffs and notaries that commenced in January 2016 and ended in November 2017 for all parties, restrained the Bank from proceeding to enforcement, seizures and auctions of any real estate during that period. Further to the above, there are certain interest groups organizing demonstrations previously at physical auctions and currently at electronic auctions which hinder their execution and sometimes result in violence. Consequently, the pace at which auctions of residential properties occur is often delayed.

Although measures undertaken in the context of the Third Programme are in principle designed to address certain of the foregoing concerns in respect of creditors' rights in Greece, and reduce legal impediments to, and the tax consequences of, the enforcement of such rights, these measures may not be enacted as proposed or may not provide any of the protections to creditors that are hoped for. As a consequence, the Bank may continue to encounter difficulties recovering or enforcing collateral on past due loans, and such difficulties may be exacerbated in light of COVID-19, which could have a material adverse effect on its financial condition and results of operations.

If the current economic conditions persist or worsen, including as a result of the COVID-19 pandemic, bankruptcies could intensify, or applicable bankruptcy protection laws and regulations may change to limit the impact of the recession on corporate and retail borrowers. Such changes may have an adverse effect on the Group's business, results of operations and financial condition.

## FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

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

*The Notes issued under the Programme may be subject to the general bail-in tool under the BRRD (and/or, in the case of Subordinated Notes, Non-Viability Loss Absorption) and to the mandatory burden sharing measures for the provision of precautionary capital support, which may result in their write-down in full*

The BRRD, as implemented in Greece by the BRR Law, contemplates that the Notes may be subject to the general bail-in tool, which gives resolution authorities the power to write-down certain claims of unsecured creditors of a failing institution and/or to convert certain unsecured debt claims, including the Notes, to equity, which equity could also be subject to any future application of the general bail-in tool. Holders of Notes subject to write-down or conversion into equity on any application of the general bail-in tool may result in such holders losing some or all of their investment. The bail-in tool may be imposed either as a sole resolution measure or in combination with the rest of the resolution tools that may be imposed by the Relevant Resolution Authority in case of the resolution of a failing Greek credit institution and/or if the credit institution receives state-aid in the form of Government Financial Support Tool pursuant to Articles 56-58 of the BRRD and Article 6b of Greek law 3864/2010 on the operation of the Hellenic Financial Stability Fund (the **HFSF**). Liabilities that are excluded from the bail-in tool, include, inter alia, covered deposits, secured liabilities (including covered bonds) and, under Greek law in force as at the date of this Base Prospectus, certain senior preferred liabilities (see further “*Regulation and Supervision of Banks in Greece – Bank Recovery and Resolution Directive*” below). If the Bank is subjected to resolution measures in the future or receives state aid in the form of the Government Financial Support Tool pursuant to Articles 56-58 of the BRRD and Article 6b of Greek law 3864/2010 on the operation of the HFSF, then the value of the Notes subjected to such measures may be written down (up to zero) as a result of the imposition of the bail-in tool by the Relevant Resolution Authority. In addition to the general bail-in tool, the BRRD contemplates that, *inter alia*, Subordinated Notes may be subject to Non-Viability Loss Absorption, which may result in such holders losing some or all of their investment in respect of Subordinated Notes. Moreover, the conditions for the HFSF granting precautionary recapitalisation support include, among others, the imposition by virtue of a Cabinet Act, pursuant to Article 6a of Greek law 3864/2010, of mandatory burden sharing measures on the holders of instruments of capital and other liabilities of the credit institution receiving such support (the **Mandatory Burden Sharing Measures**). The Mandatory Burden Sharing Measures include the absorption of losses by existing subordinated creditors by the writing down of the nominal value of their claims. Absorption of loss by shareholders of the credit institution, so that the equity position of the credit institution becomes zero, is implemented by way of a resolution of the competent corporate body of the credit institution which provides for the decrease of the nominal value of the shares. Notes issued under the Programme may be subject to the above provisions of Article 6a of the HFSF. Therefore, if the Bank were to receive precautionary capital support from the HFSF in the future and its equity position is negative, there can be no assurance that such Notes will not be subjected to write-down as a result of the Mandatory Burden Sharing Measures.

The exercise of any power under the BRRD or any suggestion of such exercise could also materially adversely affect the rights of Noteholders, the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under any Notes.

See further “*Factors that may affect the ability of the Bank to fulfil their obligations under Notes issued under the Programme – The Group is subject to the European resolution framework which has been implemented and may result in additional compliance or capital requirements and will dictate the procedure for the resolution of the Group.*”.

## **Risk Factors**

*The circumstances in which the Relevant Resolution Authority may exercise the bail-in tool or other resolution tools pursuant to Greek law 4335/2015 or other future statutes or regulatory acts are vague and such uncertainty may have an impact on the value of the Notes*

The conditions for the submission of a credit institution to resolution and the respective activation of the relevant powers of the Relevant Resolution Authority, are set in Article 32 of the BRRD and Greek transposing law 4335/2015. Such conditions include the determination by the Relevant Resolution Authority that (a) the credit institution is failing or is likely to fail; (b) no reasonable prospect exists that any alternative private sector measures (including the write-down) would prevent the failure; and (c) a resolution action is necessary in the public interest, whilst the resolution objectives would not be met to the same extent by the special liquidation of the credit institution pursuant to normal insolvency.

Such conditions, however, are not further specified in the applicable law and so their satisfaction is left to the determination and discretion of the Relevant Resolution Authority, although Guidelines of the EBA on the circumstances under which an institution shall be considered as “failing or likely to fail” have been published. Such uncertainty may impact on the market perception as to whether a credit institution meets or not such conditions and as such it may be subjected to resolution tools. This may have a material adverse impact on the present value of the Notes and other securities of the Issuer listed on organised markets.

In addition, if any Greek bail-in action is taken, interested parties, such as creditors or shareholders, may raise legal challenges. If any litigation arises in relation to Greek bail-in actions (whether actually, or purported to be taken) and such actions are annulled and additional actions need to be taken, including reversal of any Greek bail-in action that is challenged, this may negatively affect liquidity and valuation, and increase the price volatility of the Issuer’s securities (including the Notes).

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

*The Issuer’s obligations under Subordinated Notes are subordinated*

The Issuer’s obligations under Subordinated Notes will be unsecured and subordinated and will rank junior in priority of payment to Senior Creditors. Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated (or, are non-preferred senior such as Senior Non-Preferred Notes), there is a real risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent.

*Regulatory classification of the Subordinated Notes*

The intention of the Bank is for Subordinated Notes to qualify on issue as “Tier 2 capital” of the Group and/or the Bank for regulatory capital purposes.

Although it is the Bank's expectation that such Notes will qualify as “Tier 2 capital” of the Group and/or the Bank, there can be no assurance that this is or will remain the case during the life of the Notes. If there is a change in the regulatory classification of any Series of Subordinated Notes that would be likely to result in their exclusion, in whole or in part, from “Tier 2 capital” of the Group and/or the Bank, the Issuer will have the right to redeem such Notes in accordance with Condition 10.6 (*Redemption of Subordinated Notes for regulatory reasons*) (subject as set out in such Condition and Condition 10.13 (*Conditions to Substitution, Variation, Early Redemption, Purchase and Modification of Subordinated Notes*)). There can be no assurance that holders of such Notes will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in the relevant Notes. In addition, the occurrence of such event could result in a decrease in the market price of the Notes.

*Early redemption or purchase or substitution or variation or modification of the Unsubordinated MREL Notes, Senior Non-Preferred Notes or Subordinated Notes may be restricted*

Any early redemption or purchase or substitution or variation or modification of Unsubordinated MREL Notes and Senior Non-Preferred Notes is subject to compliance by the Issuer with any conditions to such redemption or repurchase or substitution or variation or modification prescribed by MREL Requirements at the relevant time, including any requirements applicable to such redemption or purchase or substitution or variation or modification due to the qualification of such Unsubordinated MREL Notes or Senior Non-Preferred Notes at such time as eligible liabilities available to meet the MREL Requirements, as provided in Condition 10.12 (*Conditions to Substitution, Variation, Early Redemption, Purchase and Modification of Unsubordinated MREL Notes and Senior Non-Preferred Notes*).

In addition, under the CRD IV Package, the early redemption or purchase or substitution or variation or modification of Unsubordinated MREL Notes and Senior Non-Preferred Notes which qualify as eligible liabilities available to meet MREL Requirements is subject to the prior approval of the Relevant Resolution Authority where applicable from time to time under the applicable laws and regulations. The CRD IV Package states that the Relevant Resolution Authority would approve an early redemption of Unsubordinated MREL Notes and Senior Non-Preferred Notes where any of the following conditions is met:

- on or before such early redemption or purchase or substitution or variation or modification of Unsubordinated MREL Notes or Senior Non-Preferred Notes, the Issuer replaces the Unsubordinated MREL Notes or Senior Non-Preferred Notes with own funds instruments or eligible liabilities of an equal or higher quality on terms that are sustainable for the income capacity of the Issuer;
- the Issuer has demonstrated to the satisfaction of the Relevant Resolution Authority that its own funds and eligible liabilities would, following such redemption or purchase or substitution or variation or modification, exceed the requirements for own funds and eligible liabilities set out in the Applicable Banking Regulations by a margin that the Relevant Resolution Authority, in agreement with the Competent Authority, considers necessary; or
- the Issuer has demonstrated to the satisfaction of the Relevant Resolution Authority that the partial or full replacement of the eligible liabilities with own funds instruments is necessary to ensure compliance with the own funds requirements laid down in the Applicable Banking Regulations for continuing authorisation.

Any early redemption or purchase or substitution or variation or modification of Subordinated Notes is subject to (i) the Issuer giving notice to the relevant Competent Authority and such Competent Authority granting prior permission to redeem or purchase or substitute or vary or modify the relevant Subordinated Notes, in each case to the extent and in the manner required by the relevant Applicable Banking Regulations, including Articles 77 and 78 of the CRD IV Regulation, and (ii) compliance by the Issuer with any alternative or additional pre-conditions to redemption or purchase or substitution or variation or modification, as applicable, set out in the relevant Applicable Banking Regulations at such time, as provided in Condition 10.13 (*Conditions to Substitution, Variation, Early Redemption, Purchase and Modification of Subordinated Notes*).

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

## Risk Factors

*The Issuer's obligations under Senior Non-Preferred Notes rank junior to unsubordinated preferred obligations of the Issuer, such as Unsubordinated Notes and Unsubordinated MREL Notes*

The Issuer's obligations under Senior Non-Preferred Notes will be direct, unconditional, unsubordinated and unsecured obligations and will rank junior to Unsubordinated Notes and Unsubordinated MREL Notes (and all other present and future obligations of the Issuer which rank, or are expressed to rank by their terms, *pari passu* with Unsubordinated Notes and Unsubordinated MREL Notes) and claims arising from the excluded liabilities within the meaning of Article 72a(2) of the CRD IV Regulation and any other unsubordinated obligations which rank or are expressed to rank senior to Senior Non-Preferred Notes, including deposits of the Bank. Although Senior Non-Preferred Notes may pay a higher rate of interest than comparable Notes which rank senior to the Senior Non-Preferred Notes, there is a real risk that an investor in Senior Non-Preferred Notes will lose all or some of his investment should the Issuer become insolvent.

*Notes subject to optional redemption by the Issuer*

An optional redemption feature of Notes is likely to limit their market value. During any period when the 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 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.

The Issuer may, at its option, redeem Notes for tax reasons in the circumstances described in, and in accordance with, Condition 10.2 (*Redemption for tax reasons*) or, if so specified in the applicable Final Terms, in accordance with Condition 10.3 (*Redemption at the option of the Issuer*) or, in respect of Subordinated Notes only and if so specified in the applicable Final Terms, following a change of the regulatory classification of the relevant Subordinated Notes in the circumstances described in, and in accordance with Condition 10.6 (*Redemption of Subordinated Notes for regulatory reasons*) or, in respect of Unsubordinated MREL Notes and Senior Non-Preferred Notes only and if so specified in the applicable Final Terms, in the circumstances described and in accordance with Condition 10.7 (*Issuer Call due to MREL Disqualification Event*).

Any redemption of the Unsubordinated MREL Notes or Senior Non-Preferred Notes is subject to compliance by the Issuer with any conditions to such redemption prescribed by MREL Requirements at the relevant time (including any requirements applicable to such redemption due to the qualification of such Unsubordinated MREL Notes or Senior Non-Preferred Notes at such time as eligible liabilities available to meet the MREL Requirements). See "*Early redemption or purchase or substitution or variation or modification of the Unsubordinated MREL Notes and Senior Non-Preferred Notes may be restricted*" below for further information.

Any redemption of the Subordinated Notes is subject to the prior approval of the relevant Competent Authority to the extent and in the manner required by applicable laws and regulations, including Articles 77 and 78 of the CRD IV Regulation. See "*Early redemption or purchase or substitution or variation of the Subordinated Notes may be restricted*" above for further information.

*The redemption at the option of the Issuer feature is exercisable in whole or, if so specified in the applicable Final Terms, in part and such exercise by the Issuer in respect of certain Notes may affect the liquidity of the Notes in respect of which such option is not exercised*

The redemption at the option of the Issuer provided in Condition 10.3 (*Redemption at the option of the Issuer*) is exercisable in whole or, if so specified in the applicable Final Terms, in part. If the Issuer decides



to redeem certain Notes in part only, such partial redemption may affect the liquidity of the Notes of the same Series in respect of which such option is not exercised. Depending on the number of the Notes of the same Series in respect of which the Issuer's optional redemption is exercised, any trading market in respect of those Notes in respect of which such option is not exercised may become illiquid.

*Notes may be subject to substitution and variation without Noteholder consent*

If Substitution or Variation is specified as being applicable in the relevant Final Terms (i) in respect of Unsubordinated MREL Notes or Senior Non-Preferred Notes, at any time a MREL Disqualification Event occurs in relation to any Series of Unsubordinated MREL Notes or Senior Non-Preferred Notes or (ii) in respect of Subordinated Notes, at any time a Regulatory Event occurs in relation to any Series of Subordinated Notes or (iii) in respect of any Notes, in order to ensure the effectiveness and enforceability of Condition 26 (*Statutory Loss Absorption Powers*) of the Terms and Conditions of the Notes, then the Issuer may, subject to giving any notice required to be given to, and receiving any consent required from, the Competent Authority and/or as appropriate the Relevant Resolution Authority (without any requirement for the consent or approval of the Holders of the relevant Notes of that Series), at any time either substitute all (but not some only) of such Notes, or vary the terms of such Notes so that they remain or, as appropriate, become, Qualifying Unsubordinated Notes, Qualifying Unsubordinated MREL Notes, Qualifying Senior Non-Preferred Notes or Qualifying Subordinated Notes, as applicable, provided that such variation or substitution does not itself give rise to any right of the Issuer to redeem the varied or substituted securities.

Qualifying Unsubordinated Notes, Qualifying Unsubordinated MREL Notes, Qualifying Senior Non-Preferred Notes or Qualifying Subordinated Notes, as applicable, are securities issued by the Issuer that, other than in respect of the effectiveness and enforceability of Condition 26 (*Statutory Loss Absorption Powers*) of the Terms and Conditions of the Notes, have terms not materially less favourable to the Noteholders of the relevant Notes as a class (as reasonably determined by the Issuer) than the terms of the relevant Unsubordinated Notes, Unsubordinated MREL Notes, Senior Non-Preferred Notes or Subordinated Notes, as applicable. However, no assurance can be given as to whether any of these changes will negatively affect any particular Noteholder. In addition, the tax and stamp duty consequences of holding such substituted or varied notes could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding the notes prior to such substitution or variation.

*Unsubordinated MREL Notes and Senior Non-Preferred Notes could be subject to a MREL Disqualification Event redemption*

If at any time a MREL Disqualification Event occurs and is continuing in relation to any Series of Unsubordinated MREL Notes or Senior Non-Preferred Notes, and the applicable Final Terms for the Unsubordinated MREL Notes or Senior Non-Preferred Notes of such Series specify that Issuer Call due to MREL Disqualification Event is applicable, the Issuer may redeem all, but not some only, of the Notes of such Series at the price set out in the applicable Final Terms together with any outstanding interest. Unsubordinated MREL Notes or Senior Non-Preferred Notes may only be redeemed by the Issuer subject to compliance by the Issuer with any conditions to such redemption prescribed by the MREL Requirements at the relevant time (including any requirements applicable to such redemption due to the qualification of such Unsubordinated MREL Notes or Senior Non-Preferred Notes at such time as eligible liabilities available to meet the MREL Requirements). A MREL Disqualification Event shall be deemed to have occurred if, at any time, all or part of the aggregate outstanding nominal amount of such Series of Unsubordinated MREL Notes or Senior Non-Preferred Notes are, or (in the opinion of the Issuer, the Competent Authority or the Relevant Resolution Authority) are likely to be, excluded fully or partially from the eligible liabilities available to meet the MREL Requirements, subject to certain exceptions.

If the Unsubordinated MREL Notes or Senior Non-Preferred Notes are to be so redeemed, there can be no assurance that Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investment in the Unsubordinated MREL Notes or Senior Non-

## Risk Factors

Preferred Notes. In addition, the occurrence of a MREL Disqualification Event could result in a decrease in the market price of the Notes.

*The events of default under the Unsubordinated MREL Notes, the Senior Non-Preferred Notes and the Subordinated Notes are limited to Enforcement Events*

The “*Terms and Conditions of the Notes*” applicable to the Unsubordinated MREL Notes, the Senior Non-Preferred Notes and the Subordinated Notes do not provide for events of default allowing acceleration of such Notes if certain events occur, except in the event of winding up, dissolution, liquidation and/or bankruptcy of the Issuer (otherwise than for the purposes of a reconstruction or amalgamation on terms previously approved by an Extraordinary Resolution of Noteholders) as set out in Condition 13.2 (*Enforcement Events—Unsubordinated MREL Notes, Senior Non-Preferred Notes and Subordinated Notes*) (an **Enforcement Event**). Accordingly, except in the case of an Enforcement Event, if the Issuer fails to meet any obligations under the Unsubordinated MREL Notes, the Senior Non-Preferred Notes or the Subordinated Notes, including the payment of any interest, investors will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest on the Unsubordinated MREL Notes, the Senior Non-Preferred Notes or the Subordinated Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Bank will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

In the case of any Unsubordinated MREL Notes, Senior Non-Preferred Notes or Subordinated Notes which are issued as Green Bonds, Social Bonds or Sustainable Bonds, please also see Risk Factor “*In respect of any Notes issued with a specific use of proceeds, such as a “Green Bond”, “Social Bond” and “Sustainable Bond”, the application of the net proceeds of such Notes (or an amount equal thereto) might not meet investor expectations or be (or remain) suitable for an investor’s investment criteria*”.

### *Waiver of set-off*

Under Condition 5 (*Status of the Notes*), each holder of an Unsubordinated MREL Note or a Senior Non-Preferred Note or a Subordinated Note unconditionally and irrevocably waives any right of set-off, netting, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Unsubordinated MREL Note, Senior Non-Preferred Note or Subordinated Note, as the case may be.

### *Limitation on gross-up obligation under Unsubordinated MREL Notes, Senior Non-Preferred Notes or Subordinated Notes*

The obligation under Condition 12 (*Taxation*) to pay additional amounts in the event of any withholding or deduction in respect of taxes on any payments under the terms of Unsubordinated MREL Notes, Senior Non-Preferred Notes or Subordinated Notes applies only to payments of interest due and paid under the Unsubordinated MREL Notes, Senior Non-Preferred Notes or Subordinated Notes and not to payments of principal or premium (as applicable). As such, the Issuer would not be required to pay any additional amounts under the terms of the Unsubordinated MREL Notes, Senior Non-Preferred Notes or Subordinated Notes to the extent any withholding or deduction applied to payments of principal or premium (as applicable). Accordingly, if any such withholding or deduction were to apply to any payments of principal or premium (as applicable) under any Unsubordinated MREL Notes, Senior Non-Preferred Notes or Subordinated Notes, Noteholders may receive less than the full amount of principal or premium (as applicable) due under such Unsubordinated MREL Notes, Senior Non-Preferred Notes or Subordinated Notes, and the market value of such Notes may be adversely affected.

### *The regulation and reform of benchmarks may adversely affect the value of Floating Rate Notes or Fixed Reset Notes linked to or referencing such benchmarks*

Interest rates and indices which are deemed to be “benchmarks”, (including the euro interbank offered rate (**EURIBOR**)) are the subject of national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a “benchmark”, such as Floating Rate Notes and Fixed Reset Notes. Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**) applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of “benchmarks” of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK Benchmarks Regulation**) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

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

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

The euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should be aware that, if an IBOR were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes or Fixed Reset Notes which reference such IBOR will be determined for the relevant period by the fall-back provisions applicable to such Notes. Depending on the manner in which the relevant IBOR rate is to be determined under the “*Terms and Conditions of the Notes*”, this may (i) if ISDA Determination applies, be reliant upon the provision by reference banks of offered quotations for the relevant IBOR rate which, depending on market circumstances, may not be available at the relevant time or (ii) if Screen Rate Determination applies, result in the effective application of a fixed rate based on the rate which applied in the previous period when the relevant IBOR was available. Any of the foregoing could have an

## Risk Factors

adverse effect on the value or liquidity of, and return on, any Floating Rate Notes or Fixed Reset Notes which reference the relevant IBOR.

The “*Terms and Conditions of the Notes*” provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Rate determined by an Independent Adviser in consultation with the Issuer or failing that, by the Issuer, and that such Successor Rate or Alternative Rate may be adjusted (if required) by an Adjustment Spread. In certain circumstances the ultimate fallback of interest for a particular Interest Period or Reset Period (as applicable) may result in the rate of interest for the last preceding Interest Period or Reset Period (as applicable) being used. This may result in the effective application of a fixed rate for Floating Rate Notes or Fixed Reset Notes (as applicable) based on the rate which was last observed on the Relevant Screen Page or Reset Relevant Screen Page (as applicable). In addition, due to the uncertainty concerning the availability of Successor Rates and Alternative Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time. If the Independent Adviser or, as applicable, the Issuer determines that amendments to the “*Terms and Conditions of the Notes*” and the Agency Agreement are necessary to ensure the proper operation of any Successor Rate or Alternative Rate and/or Adjustment Spread, then the necessary amendments shall be made to vary the “*Terms and Conditions of the Notes*” and the Agency Agreement without any requirement for the consent or approval of Noteholders, as provided by Condition 9.4 (*Benchmark Amendments*).

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or Fixed Reset Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes or Fixed Reset Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms and the possible application of the benchmark replacement provisions of Notes in making any investment decision with respect to any Floating Rate Notes or Fixed Reset Notes linked to or referencing a benchmark.

*In respect of any Notes issued with a specific use of proceeds, such as a “Green Bond”, “Social Bond” and “Sustainable Bond”, the application of the net proceeds of such Notes (or an amount equal thereto) might not meet investor expectations or be (or remain) suitable for an investor’s investment criteria*

The applicable Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer’s intention to apply the net proceeds from an offer of those Notes (or an amount equal thereto) towards the financing and/or refinancing of projects specifically for projects and activities that promote climate-friendly and other environmental purposes, as further described below in the “*Use of Proceeds*” within the “*General Information*” section of this Base Prospectus (**Green Projects**) and/or that promote access to labour market and accomplishment of general interest initiatives, as further described below in the “*Use of Proceeds*” within the “*General Information*” section of this Base Prospectus section (**Social Projects**) and/or that promote both Green Projects and Social Projects (respectively, **Green Bonds**, **Social Bonds** and **Sustainable Bonds**). The Issuer may request, on an annual basis, starting one year after the issuance of any such Notes and until full allocation, annual post-issuance review of the allocation of an amount equivalent to the net proceeds to the Green Bonds, Social Bonds and/or Sustainable Bonds, provided by a qualified external party. Prospective investors should have regard to the information in the “*Use of Proceeds*” within the “*General Information*” section of this Base Prospectus and the applicable Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary (including the then applicable National Bank of Greece Green Bond Framework, as defined below). In particular, no assurance is given by the Issuer or the Dealers that the use of such proceeds for any Green Projects and for

any Social Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations (including, amongst others, Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment and the Sustainable Finance Taxonomy Regulation Delegated Acts for climate change mitigation and adaption (the **Sustainable Finance Taxonomy Regulation Delegated Acts**) (together, the **EU Taxonomy Regulation**) or by its own by-laws or other governing rules or investment portfolio mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of, or related to, the relevant Green Projects or the relevant Social Projects).

Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a “green” or “social” or “sustainable” or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as “green” or “social” or “sustainable” or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time or that any prevailing market consensus will not significantly change. In addition, the EU Taxonomy Regulation has only recently been enacted and a first Sustainable Finance Taxonomy Regulation Delegated Act was formally adopted for scrutiny on 4 June 2021. The EU Taxonomy Regulation is subject to further development by way of the implementation by the European Commission through the Taxonomy Regulation Delegated Acts. Accordingly, no assurance can be given that the Issuer's Green and/or Social Projects will meet any or all investor expectations regarding such “green” or “social” (or other equivalently labelled) performance objectives (including those set out under the EU Taxonomy Regulation and the Taxonomy Regulation Delegated Acts) or that any adverse social or green and/or other impacts will not occur during the implementation of any green or social project. Moreover, in light of the continuing development of legal, regulatory and market conventions in the green and positive social impact markets, there is a risk that the legal frameworks and/or definitions may (or may not) be modified to adapt any update that may be made to the ICMA’s Green Bond Principles and/or the EU framework standard. Such changes may have a negative impact on the market value and the liquidity of any Green Bond or Social Bond issued prior to their implementation.

In April 2020, the Issuer published a framework relating to investments in Green Projects, which may be amended or updated from time to time, (the **National Bank of Greece Green Bond Framework**) which is available on the Bank’s website (<https://www.nbg.gr/en/the-group/investor-relations/dept-investors/globalmediumtermnoteprogramme>), together with a second-party opinion on the National Bank of Greece Green Bond Framework (the **Second-Party Opinion**). The most recent version of the National Bank of Greece Green Bond Framework will be available on the Issuer’s website. For the avoidance of doubt, neither the National Bank of Greece Green Bond Framework nor the Second-Party Opinion is, or shall be deemed to be, incorporated in and/or form part of this Base Prospectus.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer, and including for the avoidance of doubt the Second-Party Opinion) which may or may not be made available in connection with the issue of any Green Bonds, Social Bonds or Sustainable Bonds and in particular with any Green Projects or any Social Projects, as appropriate, to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold any Green Bonds, Social Bonds or Sustainable Bonds. Any such opinion or certification is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in Green Bonds, Social Bonds or Sustainable Bonds. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

## Risk Factors

In addition, a withdrawal of any such opinion or certification may affect the value of such Green Bonds, Social Bonds or Sustainable Bonds and/or may have consequences for certain investors with portfolio mandates to invest in green or social assets. The withdrawal of any opinion or certification as described above, attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is reporting, assessing, opining or certifying on, and/or any such Green Bonds, Social Bonds or Sustainable Bonds no longer being listed or admitted to trading on any stock exchange or securities market, as aforesaid, may have a material adverse effect on the value of Green Bonds, Social Bonds or Sustainable Bonds and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

In the event that any Green Bonds, Social Bonds or Sustainable Bonds are listed or admitted to trading on any dedicated “green”, “social”, “sustainable” or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Projects and to any Social Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Green Bonds, Social Bonds or Sustainable Bonds or, if obtained, that any such listing or admission to trading will be maintained during the life of the Green Bonds, Social Bonds or Sustainable Bonds.

While it is the intention of the Issuer to apply the proceeds of any Green Bonds, Social Bonds or Sustainable Bonds so specified, respectively, for Green Projects and/or Social Projects in, or substantially in, the manner described in the National Bank of Greece Green Bond Framework (with respect to the Green Bonds only), this Base Prospectus and/or the applicable Final Terms, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Green Projects and any Social Projects, as appropriate, will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally disbursed for the specified Green Projects and/or the specified Social Projects, as applicable. Nor can there be any assurance that such Green Projects or such Social Projects, will be completed within any specified period or at all or with the results or outcome (whether or not related to the environmental goals, social goals, sustainability goals or similar goals) as originally expected or anticipated by the Issuer.

Any such event or failure by the Issuer (including to comply with reporting obligations or to obtain any assessment, opinion or certification in relation to Green Bonds, Social Bonds or Sustainable Bonds, or any such report, assessment, opinion or certification concluding that the Issuer is not complying in whole or in part with any matters for which such report, assessment, opinion or certification is obtained, and/or such Notes no longer being listed or admitted to trading on any securities exchange or market, or any such failure to apply the proceeds of such Notes (or an amount equal thereto) for any Green Projects or Social Projects or to obtain and publish any such reports, assessments, opinions and certifications and irrespective of the results or outcome or otherwise of any Green Project or Social Project), will not (i) give rise to any claim of a Noteholder against the Issuer; (ii) constitute an event of default under the relevant Notes; (iii) lead to an obligation of the Issuer to redeem such Notes or be a relevant factor for the Issuer in determining whether or not to exercise any optional redemption rights in respect of any Notes; (iv) affect the qualification of such Notes as Unsubordinated Notes, Unsubordinated MREL Notes, Senior Non-Preferred Notes or Subordinated Notes or as eligible liabilities instruments (as applicable); or (v) prevent the applicability of the bail-in powers or, as appropriate, Non-Viability Loss Absorption. Neither the proceeds of any Green Bonds, Social Bonds or Sustainable Bonds nor any amount equal to such proceeds or asset financed with such proceeds will be segregated by the Issuer from its capital and other assets. For the avoidance of doubt, payments of principal and interest (as the case may be) on the relevant Green Bonds, Social Bonds or Sustainable Bonds

shall not depend on the performance of the relevant project nor have any preferred or any other right against the green, social or sustainable assets towards which proceeds of the Notes are to be applied.

Any such event or failure (as described in the paragraph above) and/or any such report, assessment, opinion or certification concluding that the Issuer is not complying in whole or in part with any matters for which such report, assessment, opinion or certification is obtained, and/or such Green Bonds, Social Bonds or Sustainable Bonds no longer being listed or admitted to trading on any stock exchange or securities market may have a material adverse effect on the value of such Green Bonds, Social Bonds or Sustainable Bonds and also potentially the value of any other Green Bonds, Social Bonds or Sustainable Bonds which are intended to finance, as appropriate, Green Projects and to finance Social Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

In addition, Green Bonds, Social Bonds or Sustainable Bonds may also qualify as own funds or eligible liabilities. Among the risks applicable to the Notes, the Issuer's Green Bonds, Social Bonds or Sustainable Bonds may be subject to mandatory write-down or conversion to equity in the event a resolution procedure is initiated in respect of the Group (including the Issuer) and, with respect to Green Bonds, Social Bonds or Sustainable Bonds qualifying as Tier 2 capital, even before the commencement of any such procedure if certain conditions are met, in which cases the fact that such Notes are designated as Green Bonds, Social Bonds or Sustainable Bonds does not provide their holders with any priority compared to other Notes, nor are the risks related to their level of subordination affected.

Investors should refer to the National Bank of Greece Green Bond Framework (as further described in “*Use of Proceeds*” below) for further information with respect to the Green Bonds only.

None of the Dealers will verify or monitor the proposed use of proceeds of Notes issued under the Programme.

### *Fixed Reset Notes*

Fixed Reset Notes will initially bear interest at the Initial Interest Rate until (but excluding) the First Reset Date. On the First Reset Date, the Second Reset Date (if applicable) and each Subsequent Reset Date (if any) thereafter, the interest rate will be reset to the sum of the applicable Mid-Swap Rate or the applicable Reference Bond Rate, as specified in the relevant Final Terms, and the Reset Margin as determined by the Calculation Agent on the relevant Reset Determination Date (each such interest rate, a **Fixed Reset Rate of Interest**). The Fixed Reset Rate of Interest for any Reset Period could be less than the Initial Interest Rate or the Fixed Reset Rate of Interest for prior Reset Periods and could affect the market value of an investment in the Fixed Reset Notes. See “*The regulation and reform of “benchmarks” may adversely affect the value of Floating Rate Notes or Fixed Reset Notes linked to or referencing such “benchmarks”*” below for further information.

### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer of such Notes has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than the 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 Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than the then prevailing rates on its Notes.

## **Risk Factors**

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

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

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

*Notes issued at a substantial discount or premium*

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

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

*Change of law*

The “Terms and Conditions of the Notes” are based on English law (or, in respect of Condition 5.2 (Status – Senior Non-Preferred Notes), Condition 5.3 (Status — Subordinated Notes) and Condition 26 (Statutory Loss Absorption Powers), the laws of the Hellenic Republic) in effect as at the date of this Base Prospectus. 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 Base Prospectus.

*Greek tax laws are uncertain and the Notes may be subject to optional redemption by the Issuer in the event of changes in tax laws, including changes in application or official interpretation of such laws*

Greek tax laws are uncertain and subject to change. Greek Law 4172/2013 on income taxation (as amended and currently in force), which is applicable for tax years commencing from 1 January 2014 onwards, was enacted recently and certain of its provisions may not yet have been fully interpreted or clarified by the competent departments of the Greek Ministry of Finance in accordance with the Greek Ministry of Finance's past practice. Consequently, such law may be subject to contrary or differing future interpretations, guidelines or other form of instructions that may be issued by the Greek Ministry of Finance and the Independent Authority for Public Revenue in the form of circulars, ministerial decisions or other secondary legislation. It is also noted that provisions concerning taxation of interest were significantly amended in December 2019 and no guidelines or other form of instructions on the interpretation of the new provisions have yet been issued by the competent authorities.

If, as a result of any change in, or amendment to, the laws or regulations of the Hellenic Republic or any political subdivision or any authority thereof or therein having power to tax, or any change in the application



or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the most recent Tranche of the Notes, the Issuer would be required to pay additional amounts under the Notes, then the Issuer will have the option to redeem the Notes prior to their stated maturity pursuant to Condition 10.2 (*Redemption for tax reasons*) at a redemption price equal to the relevant Early Redemption Amount.

There is a risk that at the time of such redemption an investor may 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.

### *Modification, waivers and substitution*

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders (which need not be in a physical place and instead may be by way of conference call, including by use of a videoconference platform) to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

### *Reliance on DTC, Euroclear and Clearstream, Luxembourg procedures*

Notes issued under the Programme will be represented on issue by one or more Bearer Global Notes or Registered Global Notes (together, the **Global Notes**) that may be deposited with a common depository for Euroclear and Clearstream, Luxembourg or may be deposited with a nominee for DTC (each as defined under “*Forms of the Notes and Transfer Restrictions Relating to U.S. Sales*”). Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each of DTC, Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Notes, the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer will have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant.

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

### *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

## Risk Factors

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.

### *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease: (i) the Investor's Currency-equivalent yield on the Notes; (ii) the Investor's Currency-equivalent value of the principal payable on the Notes; and (iii) the Investor's Currency equivalent market value of the Notes.

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

### *Interest rate risks*

Investment in Fixed Rate Notes involves the risk that if market interest rates are subsequently increased above the rate paid on the Fixed Rate Notes, this will 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 Bank or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restrictions will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**). As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant

UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

## DOCUMENTS INCORPORATED BY REFERENCE

Information included in the following documents which have previously been published shall be incorporated by reference in, and form part of, this Base Prospectus as set out in the relevant cross-reference lists:

- (a) the Group and Bank Annual Financial Report 31 December 2020, which includes the Independent Auditor's Report and the Audited Consolidated Financial Statements for the Group as of and for the year ended 31 December 2020 (the **2020 Annual Financial Statements**), available at: [https://www.nbg.gr/english/the-group/investor-relations/financial-information/annual-interim-financial-statements/Documents/Annual%20and%20interim%20financial%20statements/Annual%20Financial%20Report%202020\\_EN.pdf](https://www.nbg.gr/english/the-group/investor-relations/financial-information/annual-interim-financial-statements/Documents/Annual%20and%20interim%20financial%20statements/Annual%20Financial%20Report%202020_EN.pdf);
- (b) the Group and Bank Annual Financial Report 31 December 2019, which includes the Independent Auditor's Report and the Audited Consolidated Financial Statements for the Group as of and for the year ended 31 December 2019 (the **2019 Annual Financial Statements**) (available at: <https://www.nbg.gr/english/the-group/investor-relations/annual-report-offering-circular/Documents/annual-report-2019.pdf>);
- (c) the Group and Bank Six-Month Financial Report as of 30 June 2021 and for the six-month period ended 30 June 2021, which includes the Independent Auditor's Review Report and the Unaudited Consolidated Financial Statements for the Group as of 30 June 2021 and for the six-month period ended 30 June 2021 (the **June 2021 Interim Financial Statements**), available at: [https://www.nbg.gr/english/the-group/investor-relations/financial-information/annual-interim-financial-statements/Documents/Annual%20and%20interim%20financial%20statements/Financial%20Statements%2030%2006%202021\\_EN.pdf](https://www.nbg.gr/english/the-group/investor-relations/financial-information/annual-interim-financial-statements/Documents/Annual%20and%20interim%20financial%20statements/Financial%20Statements%2030%2006%202021_EN.pdf); and
- (d) the Group and Bank Interim Financial Statements as of and for the period ended 30 September 2021 (the **September 2021 Interim Financial Statements**) (available at: [https://www.nbg.gr/english/the-group/investor-relations/financial-information/annual-interim-financial-statements/Documents/Annual%20and%20interim%20financial%20statements/Financial%20Statements%2030%2009%202021\\_EN.pdf](https://www.nbg.gr/english/the-group/investor-relations/financial-information/annual-interim-financial-statements/Documents/Annual%20and%20interim%20financial%20statements/Financial%20Statements%2030%2009%202021_EN.pdf)

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

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London and Luxembourg. Any non-incorporated parts of a document referred to herein (which, for the avoidance of doubt, means any parts not listed in the cross-reference list above) are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

The Bank will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes,

## **Documents Incorporated by Reference**

prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

**CROSS-REFERENCE LIST RELATING TO THE GROUP AND BANK 2019 ANNUAL  
FINANCIAL STATEMENTS AND 2020 ANNUAL FINANCIAL STATEMENTS**

| <b>Information Incorporated</b>               | <b>31 December 2020</b> | <b>31 December 2019</b> |
|---|-------------------------|-------------------------|
| Appendix for alternative performance measures | p. 135-137              | pp. 117-119             |
| Independent Auditor's Report .....            | p. 144-149              | pp. 127-132             |
| Statement of Financial Position.....          | p. 151                  | p. 134                  |
| Income Statement .....                        | p. 152                  | p. 135                  |
| Statement of Comprehensive Income.....        | p. 153                  | p. 136                  |
| Statement of Changes in Equity – Group .....  | p. 154                  | p. 137                  |
| Statement of Changes in Equity – Bank.....    | p. 155                  | p. 138                  |
| Cash Flow Statement.....                      | p. 156                  | p. 139                  |
| Notes to the Financial Statements .....       | p. 157-278              | p. 140-258              |

**CROSS-REFERENCE LIST RELATING TO THE GROUP AND BANK JUNE 2021 INTERIM  
FINANCIAL STATEMENTS**

| <b>Information Incorporated</b>   | <b>30 June 2021</b> |
|---|---------------------|
| Board of Directors Report – Key Highlights - Response to COVID-19 crisis  | p. 9                |
| Board of Directors Report – Key Highlights – Key achievements and significant developments of NBG Group in the first half of 2021 |                     |
| <ul style="list-style-type: none"> <li>• Large scale Transformation Program</li> </ul>  | p. 10               |
| <ul style="list-style-type: none"> <li>• NPE reduction plan</li> </ul>  | p. 10-11            |
| <ul style="list-style-type: none"> <li>• Divestments</li> </ul>   | p. 11-12            |
| Board of Directors Report – Response to COVID-19 crisis   | pp. 15-17           |
| Board of Directors Report – ESMA Alternative Performance Measures (“APMs”), definition of financial data and ratios used          | pp. 43-45           |
| Independent Auditor's Review Report   | p. 47               |
| Statement of Financial Position   | p. 49               |
| Income Statement – 6-month period   | p. 50               |
| Statement of Comprehensive Income – 6-month period  | p. 51               |
| Income Statement – 3-month period   | p. 52               |
| Statement of Comprehensive Income – 3 month period  | p.53                |
| Statement of Changes in Equity - Group  | p. 54               |
| Statement of Changes in Equity – Bank   | p. 55               |
| Cash Flow Statement   | p. 56               |
| Notes to the Financial Statements   | pp. 57-85           |

**CROSS-REFERENCE LIST RELATING TO THE GROUP AND BANK SEPTEMBER 2021  
INTERIM FINANCIAL STATEMENTS**

| <b>Information Incorporated</b>                          | <b>30 September 2021</b> |
|--|--------------------------|
| Statement of Financial Position.....                     | p. 3                     |
| Income Statement – 9 month period.....                   | p. 4                     |
| Statement of Comprehensive Income – 9 month period ..... | p. 5                     |
| Income Statement – 3 month period.....                   | p. 6                     |

## Documents Incorporated by Reference

| <b>Information Incorporated</b>                          | <b>30 September 2021</b> |
|--|--------------------------|
| Statement of Comprehensive Income – 3 month period ..... | p. 7                     |
| Statement of Changes in Equity - Group.....              | p. 8                     |
| Cash Flow Statement.....                                 | p. 9                     |
| Notes to the Financial Statements .....                  | p. 10-38                 |

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus may be inspected, free of charge, at specified offices of the Paying Agents and will be available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on or incorporated by reference in each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “Forms of the Notes and Transfer Restrictions Relating to U.S. Sales - Conditions applicable to Bearer Global Notes and Registered Global Notes”.*

### 1. Introduction

#### 1.1 Programme

National Bank of Greece S.A. (the **Bank** or the **Issuer**) is the issuer under a Global Medium Term Note Programme (the **Programme**) for the issuance of notes (the **Notes**).

#### 1.2 Final Terms

Notes issued under the Programme are issued in series (each a **Series**) and each Series may comprise one or more tranches (each a **Tranche**) of Notes. Each Tranche is the subject of a Final Terms (the **Final Terms**) which completes these terms and conditions (the **Conditions**). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms.

#### 1.3 Agency Agreement

The Notes are the subject of an amended and restated agency agreement dated 17 December 2021 (as amended or supplemented from time to time, the **Agency Agreement**) between the Bank, The Bank of New York Mellon acting through its London branch as fiscal agent (the **Fiscal Agent**, which expression includes any successor Fiscal Agent appointed by the Bank from time to time in connection with the Notes), The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar (the **Registrar**, which expression includes any successor registrar appointed from time to time in connection with the Notes) and the transfer and paying agents named therein (together with the Fiscal Agent and the Registrar, the **Agents**, which expression includes any successor or additional agents appointed from time to time in connection with the Notes).

#### 1.4 Deed of Covenant

The Notes are entitled to the benefit of a deed of covenant dated 17 December 2021 (as amended, supplemented or restated from time to time, the Deed of Covenant) made by the Issuer.

#### 1.5 The Notes

The Notes are in bearer form (**Bearer Notes**) or in registered form (**Registered Notes**) as specified in the relevant Final Terms and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the relevant Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

The Notes may be Fixed Rate Notes, Fixed Reset Notes, Floating Rate Notes or Zero Coupon Notes, or a combination of any of the foregoing, depending upon the Interest Basis shown in the relevant Final Terms.



The Notes may be Unsubordinated Notes, Unsubordinated MREL Notes, Senior Non-Preferred Notes or Subordinated Notes as indicated in the relevant Final Terms.

All subsequent references in these Conditions to **Notes** are to the Notes of one Series only which are the subject of the relevant Final Terms, not to all Notes that may be issued under the Programme. References in these Conditions to Notes means the instruments (*ομολογίες* in Greek) issued by the Bank under Articles 59 *et seq* of Greek Law 4548/2018 and Article 14 of Greek Law 3156/2003, each as applicable from time to time. Copies of the relevant Final Terms are obtainable during normal business hours at the Specified Office of the Fiscal Agent or, in the case of Registered Notes (as defined in Condition 2 (*Interpretation*)) the Registrar and, in any event, at the Specified Office of the Paying Agent in Luxembourg.

### 1.6 Summaries

Certain provisions of these Conditions are summaries of the Agency Agreement and are subject to their detailed provisions. Noteholders and Couponholders, if any, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection or collection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents or may be provided by email to a Noteholder following their prior written request to any Paying Agent and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent).

## 2. Interpretation

Definitions:

In these Conditions the following expressions have the following meanings:

**Accrual Yield** has the meaning given in the relevant Final Terms;

**Additional Business Centre(s)** means the city or cities specified as such in the relevant Final Terms;

**Additional Financial Centre(s)** means the city or cities specified as such in the relevant Final Terms;

**Adjustment Spread** means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (b) the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner), is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); (or if the Issuer determines that no such industry standard is recognised or acknowledged); or

## Terms and Conditions of the Notes

- (c) the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

**Alternative Rate** means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) in accordance with Condition 8.2 (*Successor Rate or Alternative Rate*) is customary in market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes;

**Amortised Face Amount** has the meaning given in Condition 10.9 (*Early redemption of Zero Coupon Notes*);

**Applicable Banking Regulations** means at any time any requirements contained in the laws, regulations, rules, guidelines and policies of the Competent Authority, or of the European Parliament and Council then in effect in the Hellenic Republic, relating to capital adequacy and applicable to the Bank and/or the Group from time to time including any applicable transitional provisions, including, but not limited to, as at the Issue Date of the relevant Series of Notes, the rules contained in, or implementing, the CRD IV Package and the BRRD, and delegated or implementing acts adopted by the European Commission and guidelines issued by the European Banking Authority in connection with the CRD IV Package and/or the BRRD;

**Bearer Note** means a Note in bearer form;

**Benchmark Amendments** has the meaning given to it in Condition 8.4 (*Benchmark Amendments*);

**Benchmark Event** means:

- (a) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (b) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (c) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (d) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes, in each case within the following six months; or
- (e) it has become unlawful for any Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate; or
- (f) a public statement by the supervisor of the administrator of the Original Reference Rate that such Original Reference Rate is no longer representative or may no longer be used;

**BRRD** means Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended or replaced from time to time (including by BRRD II);

**BRRD II** means Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC, as amended or replaced from time to time;

**Business Day** means a day which is both:

- (a) a day (other than a Saturday, Sunday or a public holiday) 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 each Additional Business Centre specified in the applicable Final Terms; and
- (b) either (i) in relation to any sum payable in a currency other than euro, a day (other than a Saturday, Sunday or a public holiday) on which commercial banks and foreign exchange markets settle payments in such currency and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the Principal Financial Centre of the relevant currency or (ii) in relation to any sum payable in euro, a TARGET Settlement Day;

**Business Day Convention**, in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) **Following Business Day Convention** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) **Modified Following Business Day Convention** or **Modified Business Day Convention** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) **Preceding Business Day Convention** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) **FRN Convention, Floating Rate Convention** or **Eurodollar Convention** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:
  - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

## Terms and Conditions of the Notes

- (e) **No Adjustment** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

**Calculation Agent** means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

**Calculation Amount** has the meaning given in the relevant Final Terms;

**Competent Authority** means the Bank of Greece or other governmental authority in the Hellenic Republic (or other country in which the Bank is then domiciled) and/or to the extent applicable in any relevant situation, the European Central Bank or any successor or replacement entity to either, or other authority having primary responsibility for the prudential oversight and supervision of the Bank or the Group;

**Coupon** means an interest coupon pertaining to a Bearer Note;

**Coupon Sheet** means, in respect of a Bearer Note, a coupon sheet relating to such Note;

**Couponholder** means the holder of a Coupon;

**Covered Bond** means any bond, note or other security (however defined) designated by the Bank as a covered bond and secured on a defined pool of assets;

**CRD IV Directive** means the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, as amended or replaced from time to time (including by the CRD V Directive);

**CRD V Directive** means the Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures, as amended or replaced from time to time;

**CRD IV Package** means, taken together (i) the CRD IV Directive and (ii) the CRD IV Regulation;

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

**CRD V Regulation** means Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012, as amended or replaced from time to time;

**Day Count Fraction** means (subject as provided in Condition 6 (*Fixed Rate Note and Fixed Reset Note Provisions*)), in respect of the calculation of an amount of interest on any Note in accordance with these Conditions:

- (a) if **Actual/Actual (ICMA)** is specified in the applicable Final Terms,

- (i) 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 (i) the number of days in such Determination Period and (ii) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
- (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
  - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (i) the number of days in such Determination Period and (ii) the number of Determination Dates that would occur in one calendar year; and
  - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (i) the number of days in such Determination Period and (ii) the number of Determination Dates that would occur in one calendar year;
- (b) if **Actual/Actual** or **Actual/Actual (ISDA)** 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 (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (c) if **Actual/365 (Fixed)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (d) 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;
- (e) if **Actual/360** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (f) if **30/360**, **360/360** or **Bond Basis** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

## Terms and Conditions of the Notes

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

**Determination Date** has the meaning given in the relevant Final Terms;

**Determination Period** means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or 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);

**Early Redemption Amount** means (i) in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms, or (ii) in respect of Zero Coupon Notes, the Amortised Face Amount;

**Early Redemption Date** means a date prior to the scheduled Maturity Date on which the Issuer, in accordance with Condition 10 (*Redemption and Purchase*), redeems the Notes;

**Exchange Rate** means the exchange rate specified in the applicable Final Terms;

**Extraordinary Resolution** has the meaning given in the Agency Agreement;

**Final Redemption Amount** means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

**First Reset Date** has the meaning given in the relevant Final Terms;

**First Reset Rate** means the sum of the Reset Margin and the Reset Rate in respect of the First Reset Period and subject to Condition 6.2(a) (*Accrual of interest*);

**Fixed Coupon Amount** has the meaning given in the relevant Final Terms;

**Fixed Reset Rate of Interest** has the meaning given in Condition 6.2 (*Fixed Reset Note Provisions*);

**Floating Leg Reference Rate** has the meaning given in the relevant Final Terms;

**Floating Leg Screen Page** has the meaning given in the Relevant Final Terms;

**Group** means the Bank and each entity within the prudential consolidation of the Bank pursuant to the Applicable Banking Regulations;

**Group Entity** means the Bank or any entity that is part of the Group;

**Guarantee** means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness;

**Holder** means a Registered Holder or, as the context requires, the holder of a Bearer Note;

**Indebtedness** means any indebtedness of any Person for money borrowed or raised;

## Terms and Conditions of the Notes

**Independent Adviser** means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 8.1 (*Independent Adviser*);

**Initial Interest Rate** has the meaning given in the relevant Final Terms;

**Initial Mid-Swap Rate** has the meaning given in the relevant Final Terms;

**Interest Amount** means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

**Interest Commencement Date** means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

**Interest Determination Date** has the meaning given in the relevant Final Terms;

**Interest Payment Date** means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**Interest Period** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

**Issue Date** has the meaning given in the relevant Final Terms;

**Loss Absorption Power** means any statutory write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under any laws, regulations, rules or requirements, whether relating to the resolution or independent of any resolution action of credit institutions, investment firms and/or Group Entities incorporated in the relevant Member State or, if appropriate, a third country (not or no longer being a Member State) in effect and applicable in the relevant Member State or, if appropriate, third country (not or no longer being a Member State) to the Bank or other Group Entities, including (but not limited to), the bail-in powers provided for by Articles 43 and 44 of Greek law 4335/2015 which has transposed BRRD, the write-down powers provided for by Articles 59 and 60 of Greek law 4335/2015, the general resolution powers provided for by Article 63 of Greek law 4335/2015 including the power to reduce (which reduction may be to zero) the principal amount of or outstanding amount due, the power to convert eligible liabilities into ordinary shares or other instruments of ownership, the power to cancel debt instruments and the power to amend or alter the maturity of debt instruments and other eligible liabilities or amend the amount of interest payable under such instruments and other eligible liabilities, or the date on which the interest becomes payable, including by suspending payment for a temporary period, and any other such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of any European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and/or within the context of a relevant Member State resolution regime or



otherwise, pursuant to which liabilities of a credit institution, investment firm and/or Group Entities can be reduced, cancelled, modified and/or converted into shares or other obligations of the obligor or any other person (or suspended for a temporary period);

**Margin** has the meaning given in the relevant Final Terms;

**Maturity Date** has the meaning given in the relevant Final Terms;

**Maximum Rate of Interest** has the meaning given in the relevant Final Terms;

**Maximum Redemption Amount** has the meaning given in the relevant Final Terms;

**Mid-Swap Rate** means, in relation to a Reset Determination Date and subject to Condition 6.2 (*Fixed Reset Note Provisions*), the rate for the Reset Determination Date of, in the case of semi-annual or annual Interest Payment Dates, the semi-annual or annual swap rate, respectively (with such semi-annual swap rate to be converted to a quarterly rate in accordance with market convention, in the case of quarterly Interest Payment Dates) for swap transactions in the Specified Currency with a term equal to the relevant Reset Period and commencing on the relevant Reset Date, expressed as a percentage, which appears on the Reset Relevant Screen Page as of approximately 11.00 a.m. in the Principal Financial Centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent. If such rate does not appear on the Reset Relevant Screen Page (other than in circumstances provided for in Condition 8 (*Benchmark Discontinuation*)), the Mid-Swap Rate for the Reset Date will be the Reset Reference Bank Rate for the Reset Period;

**Minimum Rate of Interest** has the meaning given in the relevant Final Terms;

**Minimum Redemption Amount** has the meaning given in the relevant Final Terms;

**MREL Disqualification Event** shall be deemed to occur if, at any time, all or part of the aggregate outstanding nominal amount of such Series of Notes are, or (in the opinion of the Issuer, the Competent Authority or the Relevant Resolution Authority) are likely to be, excluded fully or partially from the eligible liabilities available to meet the MREL Requirements; provided that a MREL Disqualification Event shall not occur where (a) the exclusion of a Series of Unsubordinated MREL Notes or Senior Non-Preferred Notes from the MREL Requirements is due to (i) the remaining maturity of such Notes being less than any period prescribed thereunder, or (ii) the relevant Notes being bought back by or on behalf of the Issuer or (b) the exclusion of all or some of a Series of Unsubordinated MREL Notes from the MREL Requirements is solely due to (i) such Unsubordinated MREL Notes failing to meet a requirement in relation to their ranking on insolvency of the Issuer or (ii) there being insufficient headroom for such Unsubordinated MREL Notes within a prescribed exception to the otherwise applicable general requirements for eligible liabilities, if any;

**MREL Requirements** means, at any time, the laws, regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss-absorbing capacity instruments applicable to the Bank and/or the Group at such time (including any applicable transitional provisions), including, without limitation to the generality of the foregoing, any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and any regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments adopted by the Hellenic Republic, a Competent Authority or a Relevant Resolution Authority from time to time (whether or not such requirements, guidelines or policies are applied generally or specifically to the Bank and/or the Group), as any of the preceding laws, regulations, requirements, guidelines, rules, standards, policies or interpretations may be amended, supplemented, superseded or replaced from time to time;

## Terms and Conditions of the Notes

**Non-Greek Legal Person** means a legal person which under Greek law is not resident in the Hellenic Republic for tax purposes and does not have a permanent establishment in Greece for tax purposes, does not hold the Notes through a custodian established in Greece and does not receive payment of interest under the Notes in the Hellenic Republic;

**Note Certificate** means a certificate issued to each Registered Holder in respect of its registered holding;

**Noteholder** means a holder of a Bearer Note or, as the context requires, a Registered Holder;

**Optional Redemption Amount (Call)** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

**Optional Redemption Amount (Put)** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

**Optional Redemption Date (Call)** has the meaning given in the relevant Final Terms;

**Optional Redemption Date (Put)** has the meaning given in the relevant Final Terms;

**Original Reference Rate** means the originally specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) or a Fixed Reset Rate of Interest (or any component part thereof) on the Notes;

**Payment Business Day** means any day (other than a Saturday, Sunday or a public holiday) which (subject to Condition 14 (*Prescription*)) is:

- (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:
  - (i) in the case of Notes in definitive form only, the relevant place of presentation;
  - (ii) each Additional Financial Centre specified in the applicable Final Terms; and
- (b) either (i) in relation to any sum payable in 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 relevant currency or (ii) in relation to any sum payable in euro, a TARGET Settlement Day;

**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;

**Postponed Early Redemption Date** means the tenth Business Day following the Early Redemption Date (if any);

**Postponed Interest Payment Date** means the tenth Business Day following the originally scheduled Interest Payment Date;

**Postponed Maturity Date** means the tenth Business Day following the originally scheduled Maturity Date;

**Principal Financial Centre** means, in relation to any currency, the principal financial centre for that currency provided, however, that:

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (b) in relation to Australian dollars, it means Sydney and, in relation to New Zealand dollars, it means Auckland;

**Put Option Notice** means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**Put Option Receipt** means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**Rate of Interest** means the rate or rates (expressed as a percentage *per annum*) of interest payable in respect of the Notes specified in relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

A **Rating Downgrade** shall be deemed to have occurred if (i) the surviving entity assuming the obligations of the Issuer does not benefit from a credit rating equal to or higher than the credit rating assigned to the Issuer or the Notes (to the extent any such Notes are rated) prior to the amalgamation, merger or reconstruction; or (ii) any rating agency, having been notified of the proposed amalgamation, merger or reconstruction, shall have stated within 30 days thereafter that, as a result of such amalgamation, merger or reconstruction, the credit rating of the Issuer or the surviving entity assuming the obligations of the Issuer or any Notes issued by the Issuer (to the extent any such Notes are rated) would be downgraded;

**Redemption Amount** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount (Call), the Optional Redemption Amount (Put) or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms;

**Reference Banks** means, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market;

**Reference Bond** means (a) the security specified in the relevant Final Terms or (b) if, at the Reference Bond Quotation Time on the third business day in Athens preceding the Optional Redemption Date (Call) the Reference Bond is no longer outstanding, such other central bank or government security that, in the majority opinion of three Reference Dealers (i) has a maturity comparable to the remaining term of the Notes and (ii) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes. In the event that each such Reference Dealer selects a different central bank or government security, the Issuer shall approach a fourth Reference Dealer and, from the three different central bank or government securities selected by the other Reference Dealers, such fourth Reference Dealer shall select as the Reference Bond the central bank or government security which, in its opinion (i) has a maturity comparable to the remaining term of the Notes and (ii) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes. The central bank or government security so selected by the fourth Reference Dealer shall then be the Reference Bond.

## Terms and Conditions of the Notes

**Reference Bond Price** means, with respect to any Reset Determination Date, (i) the arithmetic average of the Reset Reference Dealer Quotations for such Reset Determination Date, after excluding the highest and lowest such Reset Reference Dealer Quotations, or (ii) if fewer than five such Reset Reference Dealer Quotations are received, the arithmetic average of all such quotations, or (iii) if only one Reset Reference Dealer Quotation is received or if no Reset Reference Dealer Quotations are received, the First Reset Rate shall be the Initial Interest Rate and any Subsequent Reset Rate shall be determined to be the Fixed Reset Rate of Interest as at the last preceding Reset Date;

**Reference Bond Quotation Time** has the meaning given in the relevant Final Terms;

**Reference Bond Rate** means, (i) in the case of a redemption pursuant to Condition 10.3 (*Redemption at the option of the Issuer*) if Make-whole Amount is specified in the relevant Final Terms, with respect to the Reference Dealers and the Optional Redemption Date (Call), the rate per annum equal to the average of the five quotations of, in the case of semi-annual or annual Interest Payment Dates, the mid-market semi-annual or annual yield to maturity (with such mid-market yield to maturity to be converted to a quarterly mid-market yield to maturity in accordance with market convention, in the case of quarterly Interest Payment Dates) of the Reference Bond at the Reference Bond Quotation Time on the third business day in Athens preceding the Optional Redemption Date (Call) quoted in writing to the Issuer by the Reference Dealers or, (ii) in the case of the calculation of interest in respect of a Reset Period, with respect to the Reference Dealers and the Reset Determination Date, the rate per annum equal to the yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reset Reference Bond at the Reset Determination Time on the Reset Determination Date assuming a price for the Reset Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Reset Determination Date;

**Redemption Margin** has the meaning given in the relevant Final Terms;

**Reference Dealers** means five (or, in the circumstances set out in the definition of Reference Bond and Reset Reference Bond below, three or four) credit institutions or financial services institutions that regularly deal in bonds and other debt securities as selected by the Issuer;

**Reference Price** has the meaning given in the relevant Final Terms;

**Reference Rate** means EURIBOR, as specified in the relevant Final Terms;

**Register** means the register maintained by the Registrar in respect of Registered Notes in accordance with the Agency Agreement;

**Registered Holder** means the person in whose name a Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof);

**Registered Note** means a Note in registered form;

A **Regulatory Event** will occur if at any time there is a change in the regulatory classification of the Subordinated Notes that occurs on or after the Issue Date of the most recent Tranche of Subordinated Notes that results, or would be likely to result, in their exclusion, in whole or in part, from the Tier 2 Capital of the Group and/or the Bank and both of the following conditions are met: (i) the Competent Authority considers such a change to be sufficiently certain and (ii) the Bank demonstrates to the satisfaction of the Competent Authority that the change in the regulatory classification of the Subordinated Notes was not reasonably foreseeable as at the Issue Date of the most recent Tranche of the relevant Subordinated Notes;

**Relevant Date** means, in relation to any payment, 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 in the Principal Financial Centre of the currency of payment by the Fiscal 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 Noteholders;

**Relevant Indebtedness** means any Indebtedness having an original maturity of more than one-year which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other note, but excluding any Covered Bond, which, with the consent of the issuer of such security, is or is intended to be listed, quoted or traded on any stock exchange, over the-counter or other organised market for securities (whether or not initially distributed by way of private placement);

**Relevant Nominating Body** means, in respect of a benchmark or screen rate (as applicable):

- (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof;

**Relevant Resolution Authority** means the resolution authority of the Hellenic Republic, the Single Resolution Board (SRB) established pursuant to the SRM Regulation and/or any other authority entitled to exercise or participate in the exercise of any Resolution Power or Loss Absorption Power from time to time;

**Relevant Screen Page** means the page, section or other part of a particular information service (or any successor or replacement page, section or other part of a particular information service, including, without limitation Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**Relevant Settlement Currency Amount** means the Specified Currency amount per Specified Denomination which would have been payable on the Relevant Date if the Settlement Disruption Event had not occurred;

**Relevant Time** means 11.00 a.m. (Brussels time), in the case of EURIBOR;

**Representative Amount** means an amount that is representative for a single transaction in the relevant market at the relevant time;

**Reserved Matter** means, *inter alia*, any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to cancel or reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

## Terms and Conditions of the Notes

**Reset Date** means the First Reset Date, the Second Reset Date and each Subsequent Reset Date, as applicable;

**Reset Determination Date** means, unless otherwise specified in the relevant Final Terms, the second Business Day immediately preceding the relevant Reset Date;

**Reset Determination Time** means in relation to a Reset Determination Date, 11.00 a.m. in the Principal Financial Centre of the Specified Currency on such Reset Determination Date or such other time as may be specified in the relevant Final Terms;

**Reset Margin** has the meaning given in the relevant Final Terms;

**Reset Period** means the First Reset Period or any Subsequent Reset Period, as the case may be;

**Reset Period Mid-Swap Rate Quotations** means for any Reset Period the arithmetic mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (calculated on the day count basis customary for fixed rate payments in the Specified Currency, such day count basis as determined by the Calculation Agent), of a fixed-for-floating interest rate swap transaction in the Specified Currency with a term equal to the relevant Reset Period and commencing on the relevant Reset Date and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg (calculated on the day count basis customary for floating rate payments in the Specified Currency, such day count basis as determined by the Calculation Agent), is equivalent to the Rate of Interest that would apply in respect of the Notes if (a) Screen Rate Determination was specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, (b) the Reference Rate was the Floating Leg Reference Rate and (c) the Reset Relevant Screen Page was the Floating Leg Screen Page;

**Reset Rate** means (a) if Mid-Swap Rate is specified in the relevant Final Terms, the relevant Mid-Swap Rate or (b) if Reference Bond Rate is specified in the relevant Final Terms, the relevant Reference Bond Rate;

**Reset Reference Bank Rate** means, in relation to a Reset Determination Date and subject to Condition 6.2 (*Fixed Reset Note Provisions*), the percentage determined on the basis of the Reset Period Mid-Swap Rate Quotations provided by the Reset Reference Banks at approximately 11.00 a.m. in the Principal Financial Centre of the Specified Currency on such Reset Determination Date. The Calculation Agent will request the principal office of each of the Reset Reference Banks to provide a quotation of its rate. If at least five quotations are provided, the Reset Reference Bank Rate for the Reset Date will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, it will be the arithmetic mean of the quotations provided. If only one quotation is provided, it will be the quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be the last observable rate (as determined by the Calculation Agent) for, in the case of semi-annual or annual Interest Payment Dates, the semi-annual or annual swap rate, respectively (with such semi-annual swap rate to be converted to a quarterly rate in accordance with market convention, in the case of quarterly Interest Payment Dates) for swap transactions in the Specified Currency with a term equal to the relevant Reset Period and commencing on the relevant Reset Date, expressed as a percentage, which appeared on the Reset Relevant Screen Page prior to 11.00 a.m. in the Principal Financial Centre of the Specified Currency on the relevant Reset Determination Date or if none, the Mid-Swap Rate for the immediately preceding Reset Period or, if none, the Initial Mid-Swap Rate, provided that the Reset Reference Bank Rate will not be the last observable rate if and to the extent that, in the determination of the Bank, the same could reasonably be expected to prejudice the qualification of the relevant Series of Subordinated Notes as Tier 2 Capital of the Group and/or the Bank and/or

result in the exclusion of the relevant Series of Unsubordinated MREL Notes or Senior Non-Preferred Notes from the eligible liabilities available to meet the MREL Requirements;

**Reset Reference Banks** means five leading banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate in the Specified Currency with an equivalent maturity to the Reset Period as selected by the Bank on the advice of an investment bank of international repute;

**Reset Reference Bond** means for any Reset Period a central bank or government security issued by the government of the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be Germany) that, in the majority opinion of three Reference Dealers (i) has the nearest actual or interpolated maturity comparable with the relevant Reset Period and (ii) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the relevant Reset Period. In the event that each such Reference Dealer selects a different central bank or government security, the Issuer shall approach a fourth Reference Dealer and, from the three different central bank or government securities selected by the other Reference Dealers, such fourth Reference Dealer shall select as the Reset Reference Bond the central bank or government security which, in its opinion (i) has the nearest actual or interpolated maturity comparable with the relevant Reset Period and (ii) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the relevant Reset Period. The central bank or government security so selected by the fourth Reference Dealer shall then be the Reset Reference Bond.

**Reset Reference Dealer Quotations** means, with respect to each Reference Dealer and any Reset Determination Date, the arithmetic average, as determined by the Calculation Agent, of the bid and offered prices for the Reset Reference Bond (expressed in each case as a percentage of its principal amount) as at the Reset Determination Time and quoted in writing to the Calculation Agent by such Reference Dealer;

**Reset Relevant Screen Page** means the page, section or other part of a particular information service (or any successor or replacement page, section or other part of a particular information service, including, without limitation Reuters) as specified as the Reset Relevant Screen Page in the applicable Final Terms or such other page, section or other part as may replace it on that information service, or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Mid-Swap Rate;

**Resolution Power** means any statutory write-down, transfer and/or conversion power existing from time to time under any laws regulations, rules or requirements relating to the resolution of the Bank or any other Group entity, including but not limited to any laws, regulations, rules or requirements implementing the BRRD and/or the SRM Regulation;

**Second Reset Date** has the meaning given in the relevant Final Terms;

**Security Interest** means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

**Senior Creditors** means creditors of the Bank (a) who are unsubordinated creditors of the Bank, including Holders of Unsubordinated Notes and/or Unsubordinated MREL Notes, (b) who are Holders of Senior Non-Preferred Notes or holders of other obligations of the Bank which rank or are expressed to rank *pari passu* with Senior Non-Preferred Notes, or (c) who are subordinated creditors of the Bank whose claims rank or are expressed to rank in priority (whether only in the winding up,

## Terms and Conditions of the Notes

dissolution, liquidation and/or bankruptcy of the Bank or otherwise) to the claims of the Holders of Subordinated Notes

**Senior Non-Preferred Notes** has the meaning given in Condition 5.2 (*Status – Senior Non-Preferred Notes*);

**Settlement Determination Period** means (a) in relation to any Interest Payment Date, the period which falls between ten and three Business Days (inclusive) preceding any relevant Interest Payment Date, as adjusted in accordance with the Following Business Day Convention; (b) in relation to the Maturity Date, the period which falls between ten and three Business Days (inclusive) preceding the Maturity Date, as adjusted in accordance with the Following Business Day Convention; and (c) in relation to any Early Redemption Date, as adjusted in accordance with the Following Business Day Convention, the period which falls between ten and three Business Days (inclusive) preceding any Early Redemption Date, as the case may be;

**Settlement Disruption Event** means, as determined by the Issuer in its sole discretion acting in good faith and in a commercially reasonable manner, the imposition of laws or regulations by the central banking authority or other legislative, governmental or regulatory authority of the jurisdiction of the Specified Currency which (a) require non-residents of such jurisdiction to obtain permission from such central banking authority or other authority to obtain the Specified Currency, or (b) otherwise restrict a non-resident's ability to obtain the Specified Currency or (c) otherwise regulate the purchase or holding of the Specified Currency by non-residents of such jurisdiction such that costs are imposed on obtaining the Specified Currency which would not be imposed in the absence of such regulations, or (d) has the direct or indirect effect of hindering, limiting or restricting the transfer of the Specified Currency between non-residents of such jurisdiction;

**Specified Currency** has the meaning given in the relevant Final Terms;

**Specified Denomination(s)** has the meaning given in the relevant Final Terms;

**Specified Office** has the meaning given in the Agency Agreement;

**Specified Period** has the meaning given in the relevant Final Terms;

**SRM Regulation** means Regulation (EU) No 806/2014 of the European Parliament and Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010, as amended or replaced from time to time (including by the SRM II Regulation);

**SRM II Regulation** means Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 806/2014 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms, as amended or replaced from time to time;

**Subordinated Notes** has the meaning given in Condition 5.3 (*Status — Subordinated Notes*);

**Subsequent Reset Rate** means the sum of the Reset Margin and the Reset Rate for the relevant Subsequent Reset Period;

**Subsidiary** means, in relation to the Bank at any particular time, any entity:



- (a) whose affairs and policies the Bank controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of such entity or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the Bank;

**Successor Rate** means the rate that the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) is a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

**Talon** means a talon for further Coupons;

**TARGET Settlement Day** means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor thereto is open;

**Tier 2 Capital** means capital that is treated as constituting tier 2 capital under Applicable Banking Regulations from time to time (and shall also include any successor or substitute term applicable pursuant to Applicable Banking Regulations) for regulatory capital purposes;

**Zero Coupon Note** means a Note specified as such in the relevant Final Terms;

**Unsubordinated MREL Notes** has the meaning given in Condition 5.1 (*Status — Unsubordinated Notes and Unsubordinated MREL Notes*); and

**Unsubordinated Notes** has the meaning given in Condition 5.1 (*Status — Unsubordinated Notes and Unsubordinated MREL Notes*).

**Interpretation:**

In these Conditions:

- (a) if the Notes are Zero Coupon Notes, references to interest (other than in relation to interest due after the Maturity Date), Coupons and Couponholders are not applicable;
- (b) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (c) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (d) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (e) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (f) references to Notes being “outstanding” shall be construed in accordance with the Agency Agreement; and

## Terms and Conditions of the Notes

- (g) if an expression is stated in this Condition 2 to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Notes.

### 3. Form, Denomination and Title

The Notes are Bearer Notes or Registered Notes, as specified in the relevant Final Terms.

#### 3.1 Notes in Bearer Form

Bearer Notes are issued in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination. Title to Bearer Notes and Coupons will pass by delivery. The Holder of any Bearer Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder.

#### 3.2 Notes in Registered Form

Registered Notes are issued in the Specified Denominations and may be held in holdings at least equal to the Specified Denomination (an **Authorised Holding**). The Holder of each Registered Note in whose name such Registered Note is for the time being registered in the Register shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Note Certificate relating thereto (other than the endorsed form of transfer) or any previous loss or theft of such Note Certificate) and no person shall be liable for so treating such Holder.

### 4. Register and Transfers of Registered Notes

#### 4.1 Register

The Registrar will maintain the Register in accordance with the provisions of the Agency Agreement. A Note Certificate will be issued to each Registered Holder in respect of its holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register.

#### 4.2 Transfers

Subject to Conditions 4.5 (*Closed periods*) and 4.6 (*Regulations concerning transfers and registration*), a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer, provided however, that a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Notes not transferred are Authorised Holdings. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.

#### 4.3 Registration and delivery of Note Certificates

Within five business days of the surrender of a Note Certificate in accordance with Condition 4.2 (*Transfers*), the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each Registered Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Registered Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such Registered Holder. In this Condition, **business day** means a day on which commercial banks are open for business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

#### 4.4 No charge

The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

#### 4.5 Closed periods

Registered Holders may not require transfers to be registered (i) during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes or (ii) during the period of 15 days before the Notes may be called for redemption by the Issuer pursuant to Condition 10.3 (*Redemption at the option of the Issuer*) or (iii) after any such Note has been called for redemption or (iv) during the period of 7 days ending on (and including) any Record Date.

#### 4.6 Regulations concerning transfers and registration

All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Bank with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Registered Holder who requests in writing a copy of such regulations.

### 5. Status of the Notes

#### 5.1 Status — Unsubordinated Notes and Unsubordinated MREL Notes

Condition 5.1(a) is applicable in relation to Notes specified in the Final Terms as being Unsubordinated Notes (**Unsubordinated Notes**) and in relation to Notes specified in the Final Terms as being Unsubordinated MREL Notes (**Unsubordinated MREL Notes**). Condition 5.1(b) is applicable in relation to Unsubordinated MREL Notes only.

- (a) The Unsubordinated Notes and the Unsubordinated MREL Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer which will at all times rank (i) *pari passu* without any preference among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer which rank or are expressed to rank *pari passu* with Unsubordinated Notes and Unsubordinated MREL Notes, (ii) junior to present and future unsecured obligations of the Issuer which are preferred by mandatory provisions of law (and which rank in priority to the Unsubordinated Notes and the Unsubordinated MREL Notes) and (iii) in priority to present and future obligations of the Issuer in respect of (A) Senior Non-Preferred Notes (and all other present and future unsecured obligations of the Issuer which rank or are expressed to rank *pari*

## Terms and Conditions of the Notes

*passu* with Senior Non-Preferred Notes), Subordinated Notes (and all other present and future unsecured obligations of the Issuer which rank or are expressed to rank *pari passu* with Subordinated Notes) and any other subordinated obligations of the Issuer and (B) the share capital of the Issuer.

- (b) Each Holder of Unsubordinated MREL Notes unconditionally and irrevocably waives any right of set-off, netting, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of the Unsubordinated MREL Notes. To the extent that any set-off takes place, whether by operation of law or otherwise, between: (y) any amount owed by the Issuer to a Noteholder or Couponholder arising under or in connection with the Unsubordinated MREL Notes issued by the Issuer or the Coupons relating thereto and (z) any amount owed to the Issuer by such Noteholder or, as the case may be, Couponholder, such Noteholder or, as the case may be, Couponholder will immediately transfer such amount which is set-off to the Issuer or, in the event of its winding up or dissolution or liquidation and/or bankruptcy, the liquidator, administrator or other relevant insolvency official of the Issuer.

For the avoidance of doubt, there is no negative pledge provision in these Conditions.

### 5.2 Status – Senior Non-Preferred Notes

This Condition 5.2 is applicable in relation to Notes specified in the Final Terms as being Senior Non-Preferred Notes (**Senior Non-Preferred Notes**).

- (a) The Senior Non-Preferred Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer which will rank at all times (i) *pari passu* without any preference among themselves and *pari passu* with all other present and future unsubordinated and unsecured obligations of the Issuer which rank or are expressed to rank *pari passu* with the Senior Non-Preferred Notes, (ii) junior to present and future obligations of the Issuer in respect of Unsubordinated Notes and Unsubordinated MREL Notes (and all other present and future obligations of the Issuer which rank or are expressed to rank *pari passu* with Unsubordinated Notes and Unsubordinated MREL Notes) and any other unsubordinated obligations which rank or are expressed to rank senior to the Senior Non-Preferred Notes, including deposits of the Bank (including, for the avoidance of doubt, claims arising from excluded liabilities within the meaning of Article 72a(2) of the CRD IV Regulation) and (iii) in priority to present and future subordinated and unsecured obligations of the Issuer in respect of (A) Subordinated Notes (and all other present and future unsecured obligations of the Issuer which rank or are expressed to rank *pari passu* with Subordinated Notes) and any other subordinated obligations of the Issuer which rank or are expressed to rank junior to the Senior Non-Preferred Notes and (B) the share capital of the Issuer.
- (b) Each Holder of Senior Non-Preferred Notes unconditionally and irrevocably waives any right of set-off, netting, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of the Senior Non-Preferred Notes. To the extent that any set-off takes place, whether by operation of law or otherwise, between: (y) any amount owed by the Issuer to a Noteholder or Couponholder arising under or in connection with the Senior Non-Preferred Notes issued by the Issuer or the Coupons relating thereto; and (z) any amount owed to the Issuer by such Noteholder or, as the case may be, Couponholder, such Noteholder or, as the case may be, Couponholder will immediately transfer such amount which is set-off to the Issuer or, in the event of its winding up or dissolution or liquidation and/or bankruptcy, the liquidator, administrator or other relevant insolvency official of the Issuer.

For the avoidance of doubt, there is no negative pledge provision in these Conditions.

### 5.3 Status — Subordinated Notes

This Condition 5.3 is applicable in relation to Notes specified in the Final Terms as being Subordinated Notes (**Subordinated Notes**).

- (a) The Subordinated Notes constitute direct, unsecured and subordinated obligations of the Issuer and rank at all times (i) subject to mandatory provisions of law, *pari passu* without any preference among themselves and *pari passu* with all other present and future subordinated and unsecured obligations of the Issuer which rank or are expressed to rank *pari passu* with the Subordinated Notes, (ii) junior to present and future obligations of the Issuer in respect of Unsubordinated Notes and Unsubordinated MREL Notes (and all other present and future obligations of the Issuer which rank or are expressed to rank *pari passu* with Unsubordinated Notes and Unsubordinated MREL Notes) and Senior Non-Preferred Notes (and all other present and future obligations of the Issuer which rank or are expressed to rank *pari passu* with Senior Non-Preferred Notes) and any other obligations of the Issuer (including subordinated obligations, if relevant) which rank or are expressed to rank senior to the Subordinated Notes, including deposits of the Bank and (iii) in priority to present and future subordinated and unsecured obligations of the Issuer (A) which rank or are expressed to rank junior to the Subordinated Notes and (B) in respect of the share capital of the Issuer.

The claims of the Holders will be subordinated to the claims of Senior Creditors, in that, subject as set out in (b) below, payments of principal and interest in respect of the Subordinated Notes (whether in the winding up, dissolution, liquidation and/or bankruptcy 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 Subordinated Notes (whether in the winding up, dissolution, liquidation and/or bankruptcy 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 Subordinated Notes issued by the Issuer and still be able to pay its outstanding debts to the Senior Creditors which are due and payable.

- (b) Notwithstanding (a) above, Holders will have a claim against the Issuer in the case of winding-up, dissolution, liquidation and/or bankruptcy of the Issuer, but the Holders will only be paid by the Issuer after all Senior Creditors have been paid in full and the Holders irrevocably waive their right to be treated equally with the Senior Creditors in such circumstances.
- (c) Each Holder of Subordinated Notes unconditionally and irrevocably waives any right of set-off, netting, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of the Subordinated Notes. To the extent that any set-off takes place, whether by operation of law or otherwise, between: (y) any amount owed by the Issuer to a Noteholder or Couponholder arising under or in connection with the Subordinated Notes issued by the Issuer or the Coupons relating thereto and (z) any amount owed to the Issuer by such Noteholder or, as the case may be, Couponholder, such Noteholder or, as the case may be, Couponholder will immediately transfer such amount which is set-off to the Issuer or, in the event of its winding up or dissolution or liquidation and/or bankruptcy, the liquidator, administrator or other relevant insolvency official of the Issuer.

For the avoidance of doubt, there is no negative pledge provision in these Conditions.

## Terms and Conditions of the Notes

### 6. Fixed Rate Note and Fixed Reset Note Provisions

#### 6.1 Fixed Rate Note Provisions

This Condition 6.1 is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(a) Accrual of interest

The Notes bear interest from, and including, the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). Each Note will cease to bear interest from (and including) the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6.1 (as well after as before judgment) until (and including) whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(b) Fixed Coupon Amount

The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(c) Calculation of interest amount

The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a **sub-unit** means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

#### 6.2 Fixed Reset Note Provisions

This Condition 6.2 is applicable to the Notes only if the Fixed Reset Note Provisions are specified in the relevant Final Terms as being applicable.

(a) Accrual of interest

Each Fixed Reset Note bears interest:

- (i) from (and including) the Interest Commencement Date to (but excluding) the First Reset Date at the rate *per annum* equal to the Initial Interest Rate;

- (ii) from (and including) the First Reset Date to (but excluding) the Second Reset Date or, if none, the Maturity Date (the **First Reset Period**) at the rate *per annum* equal to the First Reset Rate; and
- (iii) if applicable, from (and including) the Second Reset Date to (but excluding) the first Subsequent Reset Date (if any), and each successive period from (and including) any Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date (if any) (each a **Subsequent Reset Period**) at the rate *per annum* equal to the relevant Subsequent Reset Rate,

(in each case rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) (each a **Fixed Reset Rate of Interest**) payable, in each case, in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date.

(b) Calculation of interest amount

The provisions of Condition 7.2 (*Screen Rate Determination*) shall apply, as applicable, in respect of any determination by the Calculation Agent of the Rate of Interest for a Reset Period in accordance with this Condition 6.2 as if the Fixed Reset Notes were Floating Rate Notes. The Fixed Reset Rate of Interest for each Reset Period shall otherwise be determined by the Calculation Agent on the relevant Reset Determination Date in accordance with the provisions of this Condition 6.2. Once the Fixed Reset Rate of Interest is determined for a Reset Period, the provisions of Condition 6.1 (*Fixed Rate Note Provisions*) shall apply to Fixed Reset Notes, as applicable, as if the Fixed Reset Notes were Fixed Rate Notes.

## 7. Floating Rate Note Provisions

This Condition 7 is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.

### 7.1 Accrual of interest

The Notes bear interest from, and including, the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). Each Note will cease to bear interest from (and including) the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until (and including) whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

### 7.2 Screen Rate Determination

If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will (subject to Condition 8 (*Benchmark Discontinuation*) below) be determined by the Calculation Agent on the following basis:

- (a) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

## Terms and Conditions of the Notes

- (b) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (c) if, in the case of (a) above, such rate does not appear on that page or, in the case of (b) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
  - (i) request each of the Reference Banks to provide its quotation (expressed as a percentage rate *per annum*) of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Euro Zone inter-bank market (if the Reference Rate is EURIBOR) in an amount that is representative for a single transaction in that market at that time; and
  - (ii) determine the arithmetic mean of such quotations; and
- (d) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time, and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

### 7.3 ISDA Determination

If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where **ISDA Rate** in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating (i) if “2006 ISDA Definitions” is specified in the applicable Final Terms, the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. (**ISDA**) and as amended and updated as at the Issue Date of the first Tranche of the Notes; or (ii) if “2021 ISDA Definitions” is specified in the applicable Final Terms, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions as published by ISDA and as amended and updated as at the Issue Date of the first Tranche of the Notes; (together, the **ISDA Definitions**) and under which:

- (a) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
- (b) the Designated Maturity, if applicable, (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and



- (c) the relevant Reset Date (as defined in the ISDA Definitions) is the day specified in the relevant Final Terms.

#### **7.4 Maximum or Minimum Rate of Interest**

If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

#### **7.5 Calculation of Interest Amount**

The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a **sub-unit** means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

#### **7.6 Publication**

The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Issuer, the Paying Agents and each stock exchange (if any) on which the Notes are then listed as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

#### **7.7 Notifications etc**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be final and binding on the Bank, the Paying Agents, the Noteholders and the Couponholders and no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

#### **7.8 Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the

## Terms and Conditions of the Notes

period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Issuer shall determine such rate at such time and by reference to such sources as it determines appropriate.

**Designated Maturity** means, (i) in relation to Screen Rate Determination, the period of time designated in the Reference Rate and (ii) in relation to ISDA Determination, as defined in the ISDA Definitions.

### 8. Benchmark Discontinuation

This Condition 8 is applicable to Notes only if the Floating Rate Note Provisions or the Fixed Reset Note Provisions are specified in the relevant Final Terms as being applicable.

#### 8.1 Independent Adviser

Notwithstanding the provisions above in Condition 8 (*Floating Rate Note Provisions*) or Condition 6.2 (*Fixed Reset Note Provisions*), if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) or Fixed Reset Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 8.2 (*Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread if any (in accordance with Condition 8.3 (*Adjustment Spread*)) and any Benchmark Amendments (in accordance with Condition 8.4 (*Benchmark Amendments*)).

An Independent Adviser appointed pursuant to this Condition 8 shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of bad faith, fraud and gross negligence, the Independent Adviser shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agent, the Calculation Agent, the Noteholders or the Couponholders for any determination made by it pursuant to this Condition 8.

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 8.1 prior to the relevant Interest Determination Date or Reset Determination Date, as the case may be, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, failing which, an Alternative Rate, provided however that if the Issuer is unable or unwilling to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 8.1 prior to the relevant Interest Determination Date or Reset Determination Date, as the case may be, (i) in the case of the Rate of Interest on Floating Rate Notes, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period or (ii) in the case of the First Reset Rate on Fixed Reset Notes, the Fixed Reset Rate of Interest shall be equal to the Initial Interest Rate or (iii) in the case of the Subsequent Reset Rate on Fixed Reset Notes, the Fixed Reset Rate of Interest shall be equal to the Subsequent Reset Rate last determined in relation to the Notes in respect of the immediately preceding Reset Period or if the immediately preceding Reset Period is the First Reset Period, the First Reset Rate. If there has not been a first Interest Payment Date or First Reset Date, the Rate of Interest for Floating Rate Notes shall be the initial Rate of Interest and the Fixed Reset Rate of Interest for Fixed Reset Notes shall be the Initial Interest Rate (as applicable). Where a different Margin or Maximum or Minimum Rate of Interest or Reset Margin is to be applied to the relevant Interest Period or Reset Period (as applicable) from that which applied to the last preceding Interest Period or Reset Period

(as applicable), the Margin or Maximum or Minimum Rate of Interest or Reset Margin relating to the relevant Interest Period or Reset Period (as applicable) shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest or Reset Margin relating to that last preceding Interest Period or Reset Period (as applicable). For the avoidance of doubt, this Condition 8.1 shall apply to the relevant next succeeding Interest Period or Reset Period (as applicable) only and any subsequent Interest Periods or Reset Periods (as applicable) are subject to the subsequent operation of, and to adjustment as provided in, this Condition 8.1.

## 8.2 Successor Rate or Alternative Rate

If the Independent Adviser or the Issuer (if it is unable to appoint an Independent Adviser or if the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 8.1 (*Independent Adviser*) prior to the relevant Interest Determination Date or Reset Determination Date, as the case may be) acting in good faith and in a commercially reasonable manner determines that:

- (a) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 8.3 (*Adjustment Spread*)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) or the Fixed Reset Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 8); or
- (b) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 8.3 (*Adjustment Spread*)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) or the Fixed Reset Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 8).

## 8.3 Adjustment Spread

If the Independent Adviser or the Issuer (if it is unable to appoint an Independent Adviser or if the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 8.1 (*Independent Adviser*) prior to the relevant Interest Determination Date or Reset Determination Date, as the case may be) acting in good faith and in a commercially reasonable manner determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

## 8.4 Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 8 and the Independent Adviser or the Issuer (if it is unable to appoint an Independent Adviser or if the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 8.1 prior to the relevant Interest Determination Date or Reset Determination Date, as the case may be) acting in good faith and in a commercially reasonable manner determines (i) that amendments to these Conditions and the Fiscal Agency Agreement, including but not limited to Relevant Screen Page, Relevant Time, Reset Relevant Screen Page, are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 8.5 (*Notices*), without any requirement for the consent or approval of

## Terms and Conditions of the Notes

Noteholders, vary these Conditions and the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 8.4, the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 8 (*Benchmark Discontinuation*), no Successor Rate, Alternative Rate or Adjustment Spread will be adopted, nor will any other amendment to the terms and conditions of any Series of Notes be made to effect the Benchmark Amendments, if and to the extent that, in the determination of the Bank, the same could reasonably be expected to prejudice the qualification of the relevant Series of Subordinated Notes as Tier 2 Capital of the Group and/or the Bank and/or result in the exclusion of the relevant Series of Unsubordinated MREL Notes or Senior Non-Preferred Notes from the eligible liabilities available to meet the MREL Requirements.

### 8.5 Notices

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 8 will be notified promptly by the Issuer to the Calculation Agent, the Fiscal Agent and the Paying Agent and, in accordance with Condition 19 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

### 8.6 Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 8.1 (*Independent Adviser*) to 9.4 (*Benchmark Amendments*), the Original Reference Rate and the fallback provisions provided for in Condition 7.2 (*Screen Rate Determination*) will continue to apply unless and until a Benchmark Event has occurred.

## 9. Zero Coupon Note Provisions

This Condition 9 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.

### 9.1 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 Condition 10.1 (*Scheduled redemption*), 10.2 (*Redemption for tax reasons*), 10.3 (*Redemption at the option of the Issuer*) or 10.5 (*Redemption at the option of the Noteholders*) below or upon its becoming due and repayable as provided in Condition 13.1 (*Events of Default — Unsubordinated Notes*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 10.9 (*Early redemption of Zero Coupon Notes*) as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 19 (*Notices*).

**10. Redemption and Purchase**

**10.1 Scheduled redemption**

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 1 (*Payments*).

**10.2 Redemption for tax reasons**

The Notes may be redeemed at the option of the Issuer (but subject, in the case of Unsubordinated MREL Notes and Senior Non-Preferred Notes, to Condition 10.12 (*Conditions to Substitution, Variation, Early Redemption, Purchase and Modification of Unsubordinated MREL Notes and Senior Non-Preferred Notes*) and, in the case of Subordinated Notes, to Condition 10.13 (*Conditions to Substitution, Variation, Early Redemption, Purchase and Modification of Subordinated Notes*), in whole, but not in part:

- (a) at any time (if the Floating Rate Note Provisions are not specified in the relevant Final Terms as being applicable); or
- (b) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than the minimum period nor more than the maximum period of notice specified in the relevant Final Terms to the Fiscal Agent and, in accordance with Condition 19 (*Notices*), to Noteholders (which notice shall, subject to Condition 10.12 (*Conditions to Substitution, Variation, Early Redemption, Purchase and Modification of Unsubordinated MREL Notes and Senior Non-Preferred Notes*) and Condition 10.13 (*Conditions to Substitution, Variation, Early Redemption, Purchase and Modification of Subordinated Notes*), if applicable, be irrevocable), at their Early Redemption Amount, together with interest accrued (if any) to (but excluding) the date fixed for redemption, if:

- (i) on occasion of the next payment due under the Notes (in the case of Unsubordinated MREL Notes, Senior Non-Preferred Notes and Subordinated Notes, in respect of payments of interest only): (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Relevant Taxing Jurisdiction applicable to it, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the most recent Tranche of the Notes (provided that, in the case of any redemption of Subordinated Notes pursuant to this Condition 10.2 proposed to be made prior to the fifth anniversary of such Issue Date, if and to the extent then required under the Applicable Banking Regulations, the Issuer has demonstrated to the satisfaction of the Competent Authority that the applicable change or amendment is material and was not reasonably foreseeable as at the Issue Date of the most recent Tranche of the relevant Subordinated Notes); and (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or
- (ii) in the case of Subordinated Notes only, interest payments under or with respect to the Subordinated Notes issued by the Issuer are no longer (partly or fully) deductible for tax purposes in the Relevant Taxing Jurisdiction applicable to the Issuer (provided that, in the case of any redemption of Subordinated Notes pursuant to this Condition 10.2 proposed to be made prior to the fifth anniversary of such Issue Date, if and to the extent then required under the Applicable Banking Regulations, the Issuer has demonstrated to the satisfaction of the Competent Authority that the applicable change or amendment is material and was not reasonably foreseeable as at such Issue Date,

## Terms and Conditions of the Notes

provided, however, that, in the case of (i) above, no such notice of redemption shall be given earlier than:

- (A) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or
- (B) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

For the purposes of this Condition 10.2 and Condition 12 (*Taxation*), the **Relevant Taxing Jurisdiction** means the Hellenic Republic or any political subdivision or any authority thereof or therein having power to tax.

### 10.3 Redemption at the option of the Issuer

If Issuer Call is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer (but subject, in the case of Unsubordinated MREL Notes and Senior Non-Preferred Notes, to Condition 10.12 (*Conditions to Substitution, Variation, Early Redemption, Purchase and Modification of Unsubordinated MREL Notes and Senior Non-Preferred Notes*) and, in the case of Subordinated Notes, to Condition 10.13 (*Conditions to Substitution, Variation, Early Redemption, Purchase and Modification of Subordinated Notes*)) in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) plus accrued interest (if any) to (but excluding) such date on the Issuer giving not less than the minimum period nor more than the maximum period of notice specified in the relevant Final Terms to the Noteholders (which notice shall, subject to Condition 10.12 (*Conditions to Substitution, Variation, Early Redemption, Purchase and Modification of Unsubordinated MREL Notes and Senior Non-Preferred Notes*) and Condition 10.13 (*Conditions to Substitution, Variation, Early Redemption, Purchase and Modification of Subordinated Notes*), if applicable, be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to (but excluding) such date.

The Optional Redemption Amount (Call) will either be the specified percentage of the principal amount of the Notes stated in the relevant Final Terms or, if Make-whole Amount is specified in the relevant Final Terms, will be an amount equal to the higher of the following (the **Make-Whole Amount**), together with interest accrued to but excluding the Optional Redemption Date (Call):

- (a) the principal amount of the Notes to be redeemed; and
- (b) the sum of the then current values of the remaining scheduled payments of principal and interest on the Notes to be redeemed, up to but not including the scheduled Maturity Date, discounted to the Optional Redemption Date (Call) on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) by 366) at the Reference Bond Rate (as defined below) plus the Redemption Margin (if any) specified in the relevant Final Terms, in each case as determined by the Issuer.

## 10.4 Partial redemption

### Partial redemption of Bearer Notes:

If Bearer Notes are to be redeemed in part only on any date in accordance with Condition 10.3 (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law and the rules of each stock exchange on which the Notes are then listed, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), and the notice to Noteholders referred to in Condition 10.3 (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

### Partial Redemption of Registered Notes:

If Registered Notes are to be redeemed in part only on any date in accordance with Condition 10.3 (*Redemption at the option of the Issuer*), each Registered Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Registered Notes to be redeemed on the relevant Option Redemption Date (Call) bears to the aggregate principal amount of outstanding Registered Notes on such date provided always that the amount redeemed or purchased in respect of each Note shall be equal to the minimum denomination thereof, or an integral multiple thereof.

## 10.5 Redemption at the option of the Noteholders

This Condition 10.5 is applicable (if so specified in the relevant Final Terms) only in relation to Notes specified in the relevant Final Terms as being Unsubordinated Notes and references to “Notes” and “Noteholders” shall be construed accordingly.

If the Put Option is specified in the relevant Final Terms as being applicable, upon the Holder of any Note giving to the Issuer no less than the minimum period nor more than the maximum period of notice specified in the relevant Final Terms, the Issuer shall, at the option of the Holder of any Note, redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to (but excluding) such date. No Series of Subordinated Notes shall contain the Put Option. In order to exercise the option contained in this Condition 10.5, the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Agent or the Registrar (in the case of Registered Notes) such Note together, in the case of Bearer Notes, with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Agent. The Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Holder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 10.5, may be withdrawn; provided, however, that if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by an Agent in accordance with this Condition 10.5, the depositor of such Note and not such Agent shall be deemed to be the Holder of Note for all purposes.

## Terms and Conditions of the Notes

### 10.6 Redemption of Subordinated Notes for regulatory reasons

This Condition 10.6 is applicable (if so specified in the relevant Final Terms) only in relation to Notes specified in the relevant Final Terms as being Subordinated Notes and references to “Notes” and “Noteholders” shall be construed accordingly.

If Regulatory Call is specified as being applicable in the relevant Final Terms, then the Issuer may (subject to Condition 10.13 (*Conditions to Substitution, Variation, Early Redemption, Purchase and Modification of Subordinated Notes*)):

- (a) at any time (if the Floating Rate Note Provisions are not specified in the relevant Final Terms as being applicable); or
- (b) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than the minimum period nor more than the maximum period of notice specified in the relevant Final Terms to the Fiscal Agent and, in accordance with Condition 19 (*Notices*), to Noteholders (which notice shall, subject to Condition 10.13 (*Conditions to Substitution, Variation, Early Redemption, Purchase and Modification of Subordinated Notes*), be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes then outstanding at any time at their Early Redemption Amount as specified in the applicable Final Terms with interest accrued to (but excluding) the date fixed for redemption, if a Regulatory Event has occurred and is continuing.

### 10.7 Issuer Call due to MREL Disqualification Event

This Condition 10.7 is applicable (if so specified in the relevant Final Terms) only in relation to Notes specified in the relevant Final Terms as being Unsubordinated MREL Notes or Senior Non-Preferred Notes and references to “Notes” and “Noteholders” shall be construed accordingly.

If Issuer Call due to MREL Disqualification Event is specified as being applicable in the relevant Final Terms, then the Issuer may (subject to Condition 10.12 (*Conditions to Substitution, Variation, Early Redemption, Purchase and Modification of Unsubordinated MREL Notes and Senior Non-Preferred Notes*)):

- (a) at any time (if the Floating Rate Note Provisions are not specified in the relevant Final Terms as being applicable); or
- (b) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than the minimum period nor more than the maximum period of notice specified in the relevant Final Terms to the Fiscal Agent and, in accordance with Condition 19 (*Notices*), to Noteholders (which notice shall, subject to Condition 10.12 (*Conditions to Substitution, Variation, Early Redemption, Purchase and Modification of Unsubordinated MREL Notes and Senior Non-Preferred Notes*), be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes then outstanding at any time at their Early Redemption Amount as specified in the applicable Final Terms with interest accrued to (but excluding) the date fixed for redemption, if a MREL Disqualification Event has occurred and is continuing.



## 10.8 No other redemption

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 10.1 (*Scheduled redemption*) to 10.7 (*Issuer Call due to MREL Disqualification Event*) (as may be applicable to the Notes).

## 10.9 Early redemption of Zero Coupon Notes

The Early Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

**RP** means the Reference Price;

**AY** means the Accrual Yield expressed as a decimal; and

**y** is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

## 10.10 Purchase

The Issuer or any of its Subsidiaries may (subject, in the case of Unsubordinated MREL Notes and Senior Non-Preferred Notes, to Condition 10.12 (*Conditions to Substitution, Variation, Early Redemption, Purchase and Modification of Unsubordinated MREL Notes and Senior Non-Preferred Notes*) and, in the case of Subordinated Notes, to Condition 10.13 (*Conditions to Substitution, Variation, Early Redemption, Purchase and Modification of Subordinated Notes*)) purchase Notes in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased therewith.

## 10.11 Cancellation

All Notes redeemed or purchased by the Issuer or any of its Subsidiaries under Condition 10.10 (*Purchase*) above, and any unmatured Coupons attached to or surrendered with them, may be held or resold or surrendered for cancellation.

### 10.12 Conditions to Substitution, Variation, Early Redemption, Purchase and Modification of Unsubordinated MREL Notes and Senior Non-Preferred Notes

Any redemption or purchase or modification pursuant to Condition 17.2 (*Modification*) or substitution or variation pursuant to Condition 17.3 (*Substitution and Variation*) of Unsubordinated MREL Notes and Senior Non-Preferred Notes qualifying as eligible liabilities instruments according to the MREL Requirements is subject to compliance by the Issuer with any conditions to such redemption or repurchase or modification or substitution or variation prescribed by the MREL Requirements at the relevant time including, as relevant, the condition that the Issuer has obtained prior permission of the Relevant Resolution Authority in accordance with Article 78a of the CRD IV Regulation, where one of the following conditions is met:

- a) on or before such redemption, purchase, modification, substitution or variation (as applicable), the Issuer replaces the relevant Unsubordinated MREL Notes and Senior Non-Preferred Notes with own funds instruments or eligible liabilities instruments of equal or higher quality at terms that are sustainable for its income capacity; or
- b) the Issuer has demonstrated to the satisfaction of the Relevant Resolution Authority that its own funds and eligible liabilities would, following such redemption, purchase, modification, substitution or variation (as applicable), exceed the requirements for own funds and eligible liabilities laid down in the Applicable Banking Regulations by a margin that the Relevant Resolution Authority, in agreement with the Competent Authority, considers necessary; or
- c) the Issuer has demonstrated to the satisfaction of the Relevant Resolution Authority that the partial or full replacement of the relevant Unsubordinated MREL Notes and/or Senior Non-Preferred Notes with own funds instruments is necessary to ensure compliance with the own funds requirements laid down in the Applicable Banking Regulations for continuing authorisation, subject in any event to any different conditions or requirements as may be applicable from time to time under the Applicable Banking Regulations.

The Relevant Resolution Authority may grant a general prior permission, for a specified period which shall not exceed one year, to redeem or purchase (including for market making purposes) Unsubordinated MREL Notes or Senior Non-Preferred Notes, in the limit of a predetermined amount, subject to criteria that ensure that any such redemption or purchase will be in accordance with the conditions set out in sub-paragraphs (a) or (b) of the preceding paragraph.

### 10.13 Conditions to Substitution, Variation, Early Redemption, Purchase and Modification of Subordinated Notes

Any redemption or purchase or modification pursuant to Condition 17.2 (*Modification*) or substitution or variation pursuant to Condition 17.3 (*Substitution and Variation*) of Subordinated Notes is subject to:

- (a) the Issuer giving notice to the Competent Authority and the Competent Authority granting prior permission to redeem or purchase or modify or substitute or vary the relevant Subordinated Notes, in each case to the extent and in the manner required by the then relevant Applicable Banking Regulations, including Articles 77 and 78 of the CRD IV Regulation; and
- (b) compliance by the Issuer with any alternative or additional pre-conditions to redemption or purchase or modification or substitution or variation, as applicable, set out in the relevant Applicable Banking Regulations at such time.

## 11. Payments

### 11.1 Payments under Bearer Notes

#### (a) *Principal*

Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London).

#### (b) *Interest*

Payments of interest shall, subject to Condition 11.1(h) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 11.1(a) above.

#### (c) *Payments in New York City*

If any Bearer Notes are denominated in U.S. dollars, payments of principal or interest may be made at the Specified Office of an Agent in New York City if (i) the Issuer has appointed Agents outside the United States with the reasonable expectation that such Agents will be able to make payment of the full amount of the interest on the Bearer Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law without involving adverse tax consequences to the Issuer.

#### (d) *Payments subject to fiscal laws*

All payments in respect of the Bearer Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Issuer or its Agents are subject, but without prejudice to the provisions of Condition 12 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

#### (e) *Deductions for unmatured Coupons*

If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:

- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment, provided however, that if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons

## Terms and Conditions of the Notes

which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the **Relevant Coupons**) being equal to the amount of principal due for payment, provided however, that where this subparagraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment, provided however, that if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in Condition 11.1(a) above against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.

(f) *Unmatured Coupons void*

If the relevant Final Terms specifies that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 10.2 (*Redemption for tax reasons*), Condition 10.3 (*Redemption at the option of the Issuer*), Condition 10.5 (*Redemption at the option of the Noteholders*), Condition 10.7 (*Issuer Call due to MREL Disqualification Event*), Condition 10.6 (*Redemption of Subordinated Notes for regulatory reasons*) or Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(g) *Payments on business days*

If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) *Payments other than in respect of matured Coupons*

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Agent outside the United States (or in New York City if permitted by Condition 11.1(c) above).

(i) *Partial payments*

If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(j) *Exchange of Talons*

On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (*Prescription*)). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

## 11.2 Payments under Registered Notes

### (a) *Principal*

Payments of principal in respect of each Registered Note will be made against presentation and surrender of the Registered Note at the Specified Office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the Registered Holder appearing in the Register at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the Specified Office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (a) a Registered Holder does not have a Designated Account or (b) the principal amount of the Notes held by a Registered Holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non resident of Japan, shall be a non resident account) maintained by a Registered Holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the Principal Financial Centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro.

### (b) *Interest*

Payments of interest in respect of each Registered Note will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the Specified Office of the Registrar is located immediately preceding the relevant due date to the Registered Holder appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**) at his address shown in the Register on the Record Date and at his risk. Upon application of the Registered Holder to the Specified Office of the Registrar not less than three business days in the city where the Specified Office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Registered Notes which become payable to the Registered Holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such Registered Holder. Payment of the interest due in respect of each Registered Note on redemption will be made in the same manner as payment of the principal amount of such Registered Note.

### (c) *Payments subject to fiscal laws*

All payments in respect of the Registered Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise

## Terms and Conditions of the Notes

imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Registered Holders in respect of such payments.

(d) *Payments on business days*

Where payment is to be made by transfer to an account, payment instructions (for value the due date or, if the due date is not a Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of an Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Registered Holder shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition arriving after the due date for payment or being lost in the mail.

## 12. Taxation

### 12.1 Gross up

All payments of principal (in respect of Unsubordinated Notes only) and interest in respect of the Notes and the Coupons (if any) by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the Relevant Taxing Jurisdiction, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts in respect of principal and interest or, in respect of Unsubordinated MREL Notes, Senior Non-Preferred Notes and Subordinated Notes, interest only, as will result in the receipt by the Noteholders and the Couponholders (if relevant) of such amounts as would have been received by them if no such withholding or deduction had been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

- (a) in the Hellenic Republic; or
- (b) by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with a Relevant Taxing Jurisdiction other than the mere holding of such Note or Coupon; or
- (c) more than 30 days after the Relevant Date except to the extent that the relevant Holder would have been entitled to such additional amounts if it had presented such Note or Coupon on the last day of such period of 30 days; or
- (d) by or on behalf of a Holder who would not be liable or subject to such withholding or deduction if it were to comply with a statutory requirement or to make a declaration of non-residence or other similar claim for exemption but fails to do so.

If Extended Gross-Up is specified as being applicable in the relevant Final Terms, notwithstanding the above, exceptions (a), (b) and (d) shall not apply to any Noteholder or Couponholder regarding interest payments under the Notes, if such payments to Non-Greek Legal Persons, at the time of the relevant interest payment, are subject to income tax withholding under the laws of the Hellenic Republic.

## 12.2 Taxing jurisdiction

If the Bank becomes subject at any time to any taxing jurisdiction other than or in addition to the Relevant Taxing Jurisdiction, references in the Conditions to the Hellenic Republic shall be construed as references to the Hellenic Republic and/or such other jurisdiction.

## 13. Events of Default

### 13.1 Events of Default — Unsubordinated Notes

This Condition 13.1 is applicable only in relation to Unsubordinated Notes and references to “Notes” and “Noteholders” shall be construed accordingly. If any of the following events occurs, and is continuing (each an **Event of Default**):

(a) *Non-payment:*

the Issuer fails to pay any amount of principal in respect of the Notes within seven days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 14 days of the due date for payment thereof; or

(b) *Breach of other obligations:*

the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes issued by it and such default remains unremedied for 30 days after written notice thereof requiring the same to be remedied and addressed to the Issuer by any Noteholder has been delivered to the Issuer; or

(c) *Cross-default/cross-acceleration:*

- (i) any Indebtedness of the Issuer is not paid when due or within any originally applicable grace period;
- (ii) the repayment of any such Indebtedness is accelerated by reason of default and such acceleration has not been rescinded or annulled; or
- (iii) the Issuer fails to pay when due or within any originally applicable grace period any amount payable by it under any Guarantee of any Indebtedness;

provided that the amount of Indebtedness referred to in subparagraph (i) and/or subparagraph (ii) above and/or the amount payable under any Guarantee referred to in subparagraph (iii) above individually or in the aggregate exceeds €15,000,000 (or its equivalent in any other currency or currencies); or

(d) *Unsatisfied judgment:*

one or more judgment(s) or order(s) from which no further appeal or judicial review is permissible under applicable law for the payment of an aggregate amount in excess of €15,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer and continue(s) unsatisfied and unstayed for a period of 60 days after the date(s) thereof or, if later, the date therein specified for payment; or

(e) *Security enforced:*

## Terms and Conditions of the Notes

a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a substantial part of the undertaking, assets and revenues of the Issuer and in any of the foregoing cases it shall not be stayed or discharged within 60 days; or

(f) *Insolvency etc:*

(x) the Issuer shall be declared insolvent by a court of competent jurisdiction or is unable to pay its debts as they fall due, (y) an administrator or liquidator of the Issuer or over half of the assets and revenues of the Issuer is appointed (or application for any such appointment is made), (z) the Issuer makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it or (zz) the Issuer ceases to carry on all or substantially all of its business (other than for the purpose of an amalgamation, merger or reconstruction (i) with another company and such company assumes all the obligations of the Issuer under the Notes, *provided that* no Rating Downgrade occurs following such amalgamation, merger or reconstruction or (ii) on terms approved by an Extraordinary Resolution of the Noteholders); or

(g) *Winding up etc:*

an order is made or an effective resolution is passed for the winding up, liquidation, dissolution and/or bankruptcy of the Issuer (other than (i) if such order or resolution is in connection with an amalgamation, merger or reconstruction while solvent of the Issuer with another company and such company assumes all obligations of the Issuer under the Notes, *provided that* no Rating Downgrade occurs following such amalgamation, merger or reconstruction or (ii) for the purpose of amalgamation, merger or reconstruction on terms approved by an Extraordinary Resolution of the Noteholders); or

(h) *Analogous Event:*

any event occurs which under the laws of the Hellenic Republic has an analogous effect to any of the events referred to in paragraphs (d) to (g) inclusive above,

then any Note may, by written notice addressed to the Issuer and delivered to the Issuer be declared immediately due and payable, whereupon it shall become immediately due and payable at its Early Redemption Amount together with accrued interest (if any) to (but excluding) the date of payment without further action or formality.

### 13.2 Enforcement Events—Unsubordinated MREL Notes, Senior Non-Preferred Notes and Subordinated Notes

This Condition 13.2 is applicable only in relation to Unsubordinated MREL Notes, Senior Non-Preferred Notes and Subordinated Notes and any references to “Notes” or “Noteholders” shall be construed accordingly.

If, otherwise than for the purposes of a reconstruction or amalgamation on terms previously approved by Extraordinary Resolution of the Noteholders, an order is made or an effective resolution is passed for the winding up, dissolution, liquidation and/or bankruptcy of the Issuer (an **Enforcement Event**), any Noteholder may, by written notice to the Fiscal Agent, declare such Note(s) 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 accrued interest to (but excluding) the date of redemption unless such Enforcement Event shall have been remedied prior to receipt of such notice by the Fiscal Agent. No Enforcement Event shall occur other than in the context of any insolvency proceedings or



liquidation proceedings in respect of the Issuer (and, for the avoidance of doubt, resolution proceeding(s) or moratoria imposed by a resolution authority in respect of the Issuer shall not constitute an Enforcement Event for any purpose).

**14. Prescription**

Claims against the Issuer for payment of principal and interest in respect of the Notes will be prescribed and become void unless made, in the case of principal, within ten years or, in the case of interest, five years after the Relevant Date.

**15. Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent or, in the case of Registered Notes, the Registrar (and, if the Notes are then listed on any stock exchange which requires the appointment of an Agent in any particular place, the Paying Agent having its Specified Office in the place required by such stock exchange), subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

**16. Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor Fiscal Agent or Calculation Agent and additional or successor paying agents or, in relation to Registered Notes only, Registrar or Transfer Agents, provided, however, that:

- (a) the Issuer shall at all times maintain a Fiscal Agent and, in relation to Registered Notes only, a Registrar and Transfer Agents; and
- (b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and
- (c) if and for so long as the Notes are listed on any stock exchange which requires the appointment of an Agent in any particular place, the Issuer shall maintain an Agent having its Specified Office in the place required by such stock exchange; and
- (d) the Issuer shall at all times maintain a paying agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated; and
- (e) if and for so long as any Bearer Notes are denominated in U.S. dollars, the Issuer shall at all times maintain an Agent with a Specified Office in New York.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders in accordance with Condition 19 (*Notices*).

## **Terms and Conditions of the Notes**

### **17. Meetings of Noteholders; Modification and Waiver; Substitution and Variation**

#### **17.1 Meetings of Noteholders**

The Agency Agreement contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Bank, and shall be convened by it upon the request in writing signed by Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing at least half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; provided, however, that the Reserved Matters, described in the Agency Agreement, may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing at least three-quarters or, at any adjourned meeting, one-quarter of the aggregate nominal amount of the outstanding Notes form a quorum. In addition, the Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than 75 per cent. of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than 75 per cent. of the votes cast on such poll, (ii) a resolution in writing signed by or on behalf of not less than 75 per cent. of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders and/or (iii) a resolution passed by way of electronic consents given by Noteholders through the relevant Clearing System(s) by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes for the time being outstanding, will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders. Any Extraordinary Resolution duly passed by the Noteholders will be binding on all the Noteholders and Couponholders, whether present or not and whether or not they voted on the resolution. For the avoidance of doubt, any variation of the Conditions and the Agency Agreement to give effect to the Benchmark Amendments in accordance with Condition 8 (*Benchmark Discontinuation*) shall not require the consent or approval of Noteholders.

#### **17.2 Modification**

The Notes and these Conditions may be amended, without the consent of the Noteholders or the Couponholders, to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or to comply with mandatory provisions of law or it is, in the opinion of the Issuer, not materially prejudicial to the interests of the Noteholders. The Unsubordinated MREL Notes and Senior Non-Preferred Notes shall only be capable of such modification if the Issuer complies with Condition 10.12 (*Conditions to Substitution, Variation, Early Redemption, Purchase and Modification of Unsubordinated MREL Notes and Senior Non-Preferred Notes*) and the Subordinated Notes shall only be capable of such modification if the Issuer complies with Condition 10.13 (*Conditions to Substitution, Variation, Early Redemption, Purchase and Modification of Subordinated Notes*).

#### **17.3 Substitution and Variation**

With respect to:

- (a) any Series of Unsubordinated MREL Notes or Senior Non-Preferred Notes, if at any time a MREL Disqualification Event occurs, and if Substitution or Variation is specified as being applicable in the relevant Final Terms; or
- (b) any Series of Subordinated Notes, if at any time a Regulatory Event occurs, and if Substitution or Variation is specified as being applicable in the relevant Final Terms; or
- (c) all Notes, if Substitution or Variation is specified as being applicable in the relevant Final Terms, in order to ensure the effectiveness and enforceability of Condition 26 (*Statutory Loss Absorption Powers*),

the Issuer may, subject to, in the case of Unsubordinated MREL Notes or Senior Non-Preferred Notes, compliance with Condition 10.12 (*Conditions to Substitution, Variation, Early Redemption, Purchase and Modification of Unsubordinated MREL Notes and Senior Non-Preferred Notes*) and, in the case of Subordinated Notes, compliance with Condition 10.13 (*Conditions to Substitution, Variation, Early Redemption, Purchase and Modification of Subordinated Notes*) (without any requirement for the consent or approval of the Holders of the relevant Notes of that Series) and having given not less than 30 nor more than 60 days' notice to the Fiscal Agent and the Holders of the Notes of that Series (or such other notice periods as may be specified in the form of Final Terms), at any time either substitute all (but not some only) of such Notes, or vary the terms of such Notes so that they remain or, as appropriate, become, Qualifying Unsubordinated Notes, Qualifying Unsubordinated MREL Notes, Qualifying Senior Non-Preferred Notes or Qualifying Subordinated Notes, as applicable, provided that such variation or substitution does not itself give rise to any right of the Issuer to redeem the varied or substituted securities.

Prior to the publication of any notice of substitution or variation pursuant to this Condition 17.3, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such substitution or variation and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to substitute or vary the relevant Notes have occurred.

In these Conditions:

**Qualifying Senior Non-Preferred Notes** means securities issued by the Issuer that:

- (a) other than in respect of the effectiveness and enforceability of Condition 26 (*Statutory Loss Absorption Powers*), have terms not materially less favourable to Holders of the Senior Non-Preferred Notes as a class (as reasonably determined by the Issuer) than the terms of the Senior Non-Preferred Notes and they shall also (A) contain terms which will result in such securities being eligible to count towards fulfilment of the Bank's and/or the Group's (as applicable) minimum requirements for own funds and eligible liabilities under applicable MREL Requirements; (B) have a ranking at least equal to that of the Senior Non-Preferred Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Senior Non-Preferred Notes; (D) have the same redemption rights and obligations as the Senior Non-Preferred Notes; (E) preserve any existing rights under the Senior Non-Preferred Notes to accrued interest; (F) do not contain terms which provide for interest cancellation or deferral; and (G) in the event the Notes carry a rating immediately prior to such variation or substitution, are assigned (or maintain) the same solicited credit ratings as were assigned to the Senior Non-Preferred Notes immediately prior to such variation or substitution, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 26 (*Statutory Loss Absorption Powers*); and

## Terms and Conditions of the Notes

- (b) are listed on a recognised stock exchange if the Senior Non-Preferred Notes were listed immediately prior to such variation or substitution.

**Qualifying Unsubordinated Notes** means securities issued by the Issuer that:

- (a) other than in respect of the effectiveness and enforceability of Condition 26 (*Statutory Loss Absorption Powers*), have terms not materially less favourable to Holders of the Unsubordinated Notes as a class (as reasonably determined by the Issuer) than the terms of the Unsubordinated Notes, and they shall also (A) have a ranking at least equal to that of the Unsubordinated Notes; (B) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Unsubordinated Notes; (C) have the same redemption rights and obligations as the Unsubordinated Notes; (D) preserve any existing rights under the Unsubordinated Notes to accrued interest; (E) do not contain terms which provide for interest cancellation or deferral; and (F) in the event the Notes carry a rating immediately prior to such variation or substitution, are assigned (or maintain) the same solicited credit ratings as were assigned to the Unsubordinated Notes immediately prior to such variation or substitution, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 26 (*Statutory Loss Absorption Powers*); and
- (b) are listed on a recognised stock exchange if the Unsubordinated Notes were listed immediately prior to such variation or substitution.

**Qualifying Unsubordinated MREL Notes** means securities issued by the Issuer that:

- (a) other than in respect of the effectiveness and enforceability of Condition 26 (*Statutory Loss Absorption Powers*), have terms not materially less favourable to Holders of the Unsubordinated MREL Notes as a class (as reasonably determined by the Issuer) than the terms of the Unsubordinated MREL Notes, and they shall also (A) contain terms which will result in such securities being eligible to count towards fulfilment of the Bank's and/or the Group's (as applicable) minimum requirements for own funds and eligible liabilities under applicable MREL Requirements; (B) have a ranking at least equal to that of the Unsubordinated MREL Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Unsubordinated MREL Notes; (D) have the same redemption rights and obligations as the Unsubordinated MREL Notes; (E) preserve any existing rights under the Unsubordinated MREL Notes to accrued interest; (F) do not contain terms which provide for interest cancellation or deferral; and (G) in the event the Notes carry a rating immediately prior to such variation or substitution, are assigned (or maintain) the same solicited credit ratings as were assigned to the Unsubordinated MREL Notes immediately prior to such variation or substitution, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 26 (*Statutory Loss Absorption Power*); and
- (b) are listed on a recognised stock exchange if the Unsubordinated MREL Notes were listed immediately prior to such variation or substitution.

**Qualifying Subordinated Notes** means securities issued by the Issuer that:

- (a) other than in respect of the effectiveness and enforceability of Condition 26 (*Statutory Loss Absorption Powers*), have terms not materially less favourable to Holders of the Subordinated Notes as a class (as reasonably determined by the Issuer) than the terms of the Subordinated Notes and they shall also (A) comply with the then-current requirements of the Applicable Banking Regulations in relation to Tier 2 capital, (B) have a ranking at least equal to that of the Subordinated Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Subordinated Notes; (D)

have the same redemption rights and obligations as the Subordinated Notes; (E) preserve any existing rights under the Subordinated Notes to accrued interest; (F) do not contain terms which provide for interest cancellation or deferral; and (G) in the event the Notes carry a rating immediately prior to such variation or substitution, are assigned (or maintain) the same solicited credit ratings as were assigned to the Subordinated Notes immediately prior to such variation or substitution, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 26 (*Statutory Loss Absorption Power*); and

- (b) are listed on a recognised stock exchange if the Subordinated Notes were listed immediately prior to such variation or substitution.

## **18. Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

## **19. Notices**

### **To Holders of Bearer Notes**

Notices required to be given to the Holders of Bearer Notes pursuant to the Conditions shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*). In addition, so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that Exchange so require, notices required to be given to Holders of Bearer Notes pursuant to the Conditions will be published in a daily newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

### **To Registered Holders**

Notices required to be given to the Registered Holders pursuant to the Conditions will be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. In addition, so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that Exchange so require, notices required to be given to Registered Holders pursuant to the Conditions will be published in a daily newspaper of general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Registered Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules.

## Terms and Conditions of the Notes

### 20. Substitution of the Issuer

**20.1** The Bank may, without the consent of any Noteholder or Couponholder (but subject, other than in respect of Unsubordinated Notes, to compliance with the relevant Applicable Banking Regulations and/or MREL Requirements), 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 Bank and the Substituted Debtor to be given in accordance with Condition 19 (*Notices*), provided that:

- (a) the Bank is not in default in respect of any amount payable under the Notes;
- (b) the Bank and the Substituted Debtor have entered into such documents (the **Substitution 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 Bank (or of any previous substitute under this Condition 20.2);
- (c) 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;
- (d) if the Substituted Debtor is resident for tax purposes in a territory (the **New Bank Residence**) other than that in which the Bank prior to such substitution was resident for tax purposes (the **Former Bank Residence**), the Substitution 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 12 (*Taxation*), covering the New Bank Residence as well as the Former Bank Residence;
- (e) the Substituted Debtor and the Bank have obtained all necessary governmental approvals and consents for such substitution and for the performance by the Substituted Debtor of its obligations under the Substitution Documents;
- (f) such substitution shall not give rise to a right to redeem the Notes pursuant to Condition 10.2, 10.6 or 10.7;
- (g) legal opinions shall have been delivered to the Fiscal Agent from lawyers of recognised standing in the jurisdiction of incorporation of the Substituted Debtor and in England and the Hellenic Republic as to matters of law relating to the fulfilment of the requirements of this Condition 20.2 and that the Notes and any Coupons and/or Talons are legal, valid and binding obligations of the Substituted Debtor;
- (h) in respect of any Notes issued or to be issued under the Programme that have been assigned a credit rating by any rating agency, such rating agency, 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;
- (i) 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
- (j) if applicable, the Substituted Debtor has appointed a process agent in England to receive service of process on their behalf in relation to any legal proceedings arising out of or in connection with the Notes and any Coupons.

- 20.2** Upon such substitution pursuant to Condition 20.1, the relevant 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 Bank shall be released from its obligations under the Notes, any Coupons and/or Talons, the Deed of Covenant and the Agency Agreement.
- 20.3** After a substitution pursuant to Condition 20.1, the Substituted Debtor may, without the consent of any Noteholder or Couponholder, effect a further substitution. All the provisions specified in Conditions 20.1 and 20.3 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.
- 20.4** After a substitution pursuant to Condition 20.1 or 20.3 any Substituted Debtor may, without the consent of any Noteholder or Couponholder, reverse the substitution, *mutatis mutandis* (but subject, for the avoidance of doubt, in all cases (other than in respect of Unsubordinated Notes), to compliance with the relevant Applicable Banking Regulations and/or MREL Requirements).
- 20.5** The Substitution Documents shall be delivered to, and kept by, the Fiscal Agent. Copies of the Substitution Documents will be available free of charge during normal business hours at the Specified Office of each of the Paying Agents.

**21. Provision of Information**

The Issuer shall, during any period in which it is not subject to and in compliance with the reporting requirements of Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the **Exchange Act**) nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, duly provide to any Registered Holder of a Note which is a “restricted security” within the meaning of Rule 144(a)(3) under the United States Securities Act of 1933, as amended (the **Securities Act**) or to any prospective purchaser of such securities designated by such Holder, upon the written request of such Holder or (as the case may be) prospective Holder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Registrar, the information specified in Rule 144A(d)(4) under the Securities Act.

**22. Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005%, being rounded up to 0.00001%), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

**23. Settlement Disruption Event and Fallback Provisions**

- 23.1** If Settlement Disruption Event is specified as applicable in the relevant Final Terms, all payments in respect of the Notes will be made in the Specified Currency subject to the occurrence of a Settlement Disruption Event and will in all cases be subject to any fiscal or other laws and regulations applicable thereto.

## Terms and Conditions of the Notes

**23.2** If the Issuer determines that a Settlement Disruption Event has occurred and is subsisting during the Settlement Determination Period:

- (a) the Issuer shall notify the Fiscal Agent of its determination as soon as practicable after making such determination (but in no event later than one (1) Business Day thereafter) and as soon as practicable thereafter notify the Noteholders thereof, and Noteholders will not be entitled to any amounts in respect of the Notes until the earlier to occur of (a) the day falling two Business Days after the day on which it notifies the Fiscal Agent that a Settlement Disruption Event no longer subsists and (b) the Postponed Interest Payment Date, the Postponed Maturity Date, or the Postponed Early Redemption Date, as the case may be.
- (b) upon the Settlement Disruption Event ceasing to subsist, the Issuer shall notify the Fiscal Agent thereof as soon as practicable on or after the Business Day on which the Settlement Disruption Event no longer subsists (but in no event later than one (1) Business Day thereafter) whereupon the Issuer shall as soon as practicable thereafter notify the Noteholders thereof.
- (c) if any amount is to be paid on a Postponed Interest Payment Date, Postponed Maturity Date or Postponed Early Redemption Date (as the case may be), payment shall instead be made in euro or such other currency as may be specified in the applicable Final Terms and shall be calculated by the Issuer (and promptly notified to the Fiscal Agent (but in no event later than 10:00 a.m. (London time) two Business Days before the Postponed Interest Payment Date, Postponed Maturity Date or Postponed Early Redemption Date (as the case may be)) in an amount per Specified Denomination which shall be equal to the greater of zero and the amount produced by the following calculation, such amount to be rounded to the nearest whole cent (with 0.5 cent being rounded upwards):

Relevant Settlement Currency Amount  $\times$  Exchange Rate

**23.3** For the avoidance of doubt, no additional amounts shall be payable by the Issuer in respect of any delay in payment resulting from the operation of the provisions of this Condition 23. Any postponement of payment in accordance with this Condition 23 will not constitute an Event of Default or Enforcement Event.

## **24. Governing Law and Submission to Jurisdiction**

### **24.1 Governing law**

The Agency Agreement, the Deed of Covenant, the Notes, the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes and the Coupons are governed by, and shall be construed in accordance with, English law except that Conditions 5.2 (*Status – Senior Non-Preferred Notes*) and 5.3 (*Status – Subordinated Notes*) and 26 (*Statutory Loss Absorption Powers*) are governed by and shall be construed in accordance with the laws of the Hellenic Republic.

### **24.2 Submission to Jurisdiction of the Issuer**

- (a) Subject to Condition 24.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons (a **Dispute**) and accordingly the Issuer and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.



- (b) For the purposes of this Condition 24.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

#### **24.3 Appointment of Process Agent**

The Issuer irrevocably appoints Law Debenture Corporate Services Limited at 8th Floor, 100 Bishopsgate, London, EC2N 4AG as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of Law Debenture Corporate Services Limited being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing in this clause 24 shall affect the right to serve process in any other manner permitted by law.

#### **25. Third Parties**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999.

#### **26. Statutory Loss Absorption Powers**

By the acquisition of the Notes, each Noteholder acknowledges and agrees to be bound by the exercise of any Loss Absorption Power by the Relevant Resolution Authority that may result in (i) the write-down or cancellation of all or a portion of the principal amount of, or interest on, the Notes and/or (ii) the conversion of all or a portion of the principal amount of, or interest on, the Notes into ordinary shares or other obligations of the Issuer or another person and/or (iii) any amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable (including by suspending payment for a temporary period), in each case including by means of a variation to the terms of the Notes to give effect to the exercise by the Relevant Resolution Authority of such Loss Absorption Power. Each Noteholder further agrees that the rights of the Noteholders are subject to, and will be varied if necessary so as to give effect to, the exercise of any Loss Absorption Power by the Relevant Resolution Authority.

Upon the Issuer being informed and notified by the Relevant Resolution Authority of the actual exercise the Loss Absorption Power is effective with respect to the Notes, the Issuer shall notify the Noteholders without delay in accordance with Condition 19 (*Notices*). Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Loss Absorption Power nor the effects on the Notes described in this Condition.

The exercise of the Loss Absorption Power by the Relevant Resolution Authority with respect to the Notes shall not constitute an Event of Default or, as applicable, Enforcement Event and the terms and conditions of the Notes shall continue to apply in relation to the residual principal amount of, or outstanding amount payable with respect to, the Notes subject to any modification of the amount of interest payable to reflect the reduction of the principal amount, and any further modification of the terms that the Relevant Resolution Authority may decide in accordance with applicable laws and regulations relating to the resolution of credit institutions, investment firms and/or Group Entities incorporated in the relevant Member State or, if appropriate, third country (not or no longer being a Member State).

## **Terms and Conditions of the Notes**

Each Noteholder also acknowledges and agrees that this provision is exhaustive on the matters described herein to the exclusion of any other agreements, arrangements or understandings relating to the application of any Loss Absorption Power to the Notes.

## FORMS OF THE NOTES AND TRANSFER RESTRICTIONS RELATING TO U.S. SALES

### **Bearer Notes**

Each Tranche of Bearer Notes will initially be in the form of either a temporary global note (the **Temporary Global Note**), without interest coupons, or a permanent global note (the **Permanent Global Note**), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a **Bearer Global Note**) which is not intended to be issued in NGN form as specified in the relevant Final Terms will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Bearer Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

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

The relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for the purposes of Section 4701 of the United States Internal Revenue Code of 1986, as amended (the **Code**)) (the **TEFRA C Rules**) or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for the purposes of Section 4701 of the Code) (the **TEFRA D Rules**) are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

### ***Temporary Global Note exchangeable for Permanent Global Note***

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for a Permanent Global Note”, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than the date (the **Exchange Date**) which is the later of (i) 40 days after the Issue Date and (ii) the expiry of the period that ends 40 days after completion of the distribution of this Tranche of Notes as certified by the relevant Dealer(s) to the Issuer and the Fiscal Agent, upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note on or after the Exchange Date unless exchange of such Temporary Global Note for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes prior to the Exchange Date cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (a) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Fiscal Agent (as defined in the **Terms and Conditions of the Notes**); and

## Forms of the Notes and Transfer Restrictions Relating to U.S. Sales

- (b) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership, within seven days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership, provided, however, that in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

If:

- (a) a Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of a Temporary Global Note has requested the exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note;
- (b) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Temporary Global Note has requested exchange of the Temporary Global Note for Definitive Notes; or
- (c) a Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of a Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note or increase the principal amount thereof or deliver Definitive Notes, as the case may be) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such thirtieth day (in the case of (b) above) or at 5.00 p.m. (London time) on such due date (in the case of (c) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under a deed of covenant dated 17 December 2021 (as amended, supplemented or restated from time to time) (the **Deed of Covenant**) executed by the Bank). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

### ***Temporary Global Note exchangeable for Definitive Notes***

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

## Forms of the Notes and Transfer Restrictions Relating to U.S. Sales

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange. The form of Bearer Notes “Temporary Global Note exchangeable for Definitive Notes” should not be expressed to be applicable in the applicable Final Terms if the Notes are issued with a minimum Specified Denomination such as €100,000 (or its equivalent in another currency) plus one or more higher integral multiples of another smaller amount such as €1,000 (or its equivalent in another currency).

### *Permanent Global Note exchangeable for Definitive Notes*

If the relevant Final Terms specifies the form of Notes as being “Permanent Global Note exchangeable for Definitive Notes”, then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (a) if an Event of Default or Enforcement Event, as the case may be, has occurred and is continuing; or
- (b) if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or in fact does so; or
- (c) if the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the relevant Permanent Global Note in definitive form.

If:

- (a) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Permanent Global Note has duly requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) a Permanent Global Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Permanent Global Note in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Permanent Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the Holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

### *Clearing System Accountholders*

In relation to any Tranche of Notes represented by a Bearer Global Note, references in the Terms and Conditions of the Notes to “**Noteholder**” are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a

## Forms of the Notes and Transfer Restrictions Relating to U.S. Sales

common safekeeper, in the case of an NGN, for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as the Holder of a particular nominal amount of the Notes of the Series (each an **Accountholder**) must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Bearer Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under any Bearer Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Bearer Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the relevant Notes and such obligations of the Bank will be discharged by payment to the bearer of the Bearer Global Note.

### *Legend concerning United States persons*

In the case of any Tranche of Bearer Notes, the Notes in global form (other than Temporary Global Notes), the Notes in definitive form and any Coupons and Talons appertaining thereto where the TEFRA D Rules are specified in the applicable Final Terms will bear a legend to the following effect:

“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 in such legend provide that a United States person who holds a Note, Coupon or Talon will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note, Coupon or Talon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

### *Registered Notes*

Each Tranche of Registered Notes will be represented by:

- (a) interests in an Unrestricted Global Note (in the case of Notes initially sold to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act) (**Unrestricted Notes**); and/or
- (b) interests in a Restricted Global Note (in the case of Notes initially sold to QIBs in reliance on Rule 144A or another exemption from registration under the Securities Act) (**Restricted Notes**).

In relation to Unrestricted Notes, prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in Unrestricted Notes may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 4 (*Register and Transfers of Registered Notes*) and may not be held otherwise than through Euroclear or Clearstream, Luxembourg, and such Unrestricted Notes will bear a legend regarding such restrictions on transfer.

Each Unrestricted Global Note will either (i) be registered in the name of Cede & Co. (or such other entity as is specified in the applicable Final Terms) as nominee for DTC and be deposited on or about the relevant issue date with the custodian for DTC (the **DTC Custodian**) specified in the applicable Final Terms; or (ii) be deposited with a common depositary or common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg, and registered in the name of a common nominee of, Euroclear and Clearstream,

## Forms of the Notes and Transfer Restrictions Relating to U.S. Sales

Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Each Restricted Global Note will be registered in the name of Cede & Co. (or such other entity as is specified in the applicable Final Terms) as nominee for DTC and will be deposited on or about the issue date with the DTC Custodian as custodian for DTC. The Restricted Global Note (and any Definitive Registered Notes issued in exchange therefor) will be subject to certain restrictions on transfer as described below under “*Transfer Restrictions*”.

### ***Transfer Restrictions***

On or prior to the 40th day after the relevant issue date, Notes represented by an interest in an Unrestricted Global Note may be transferred to a person who wishes to hold such Notes in the form of an interest in a Restricted Global Note (if issued in respect of a particular Series of Notes) only upon receipt by the Registrar of a written certification from the transferor (in the form set out in Schedule 4 (*Form of Certificate for Exchange or Transfer from Unrestricted Global Note to Restricted Global Note*) to the Agency Agreement) to the effect that such transfer is being made to a person whom the transferor reasonably believes is a qualified institutional buyer within the meaning of Rule 144A, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States. After such 40th day, such certification requirements will no longer apply to such transfers, but such transfers will continue to be subject to the transfer restrictions contained in the legend appearing on the face of such Global Note, as described below under “*Exchange of Interests in Registered Global Notes for Definitive Registered Notes*”.

Notes represented by an interest in a Restricted Global Note may also be transferred to a person who wishes to hold such Notes in the form of an interest through an Unrestricted Global Note, but only upon receipt by the Registrar of a written certification from the transferor (i) while the Note is a restricted security, (in the form set out in Schedule 5 (*Form of Certificate for Exchange or Transfer from Restricted Global Note to Unrestricted Global Note while the Note is a “Restricted Security” within the meaning of Rule 144 under the Securities Act*) to the Agency Agreement) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act and that such interest will be held immediately thereafter only through Euroclear or Clearstream, Luxembourg; or (ii) after the Note is no longer a restricted security (in the form set out in Schedule 6 (*Form of Certificate for Exchange or Transfer from Restricted Global Note to Unrestricted Global Note when the Note is no longer a “Restricted Security” Within the Meaning of Rule 144 under the Securities Act*) to the Agency Agreement) to the effect that such transfer or exchange is being made in accordance with Regulation S under the Securities Act, or that the Note being exchanged or transferred is not a restricted security (as defined in Rule 144 under the Securities Act).

Transfer restrictions will terminate one year after the relevant issue date provided that any Notes purchased by or on behalf of the Issuer or any of its affiliates have been cancelled in accordance with Condition 10.11 (*Cancellation*) or resold solely in reliance on Regulation S.

Any interest in either a Restricted Global Note or an Unrestricted Global Note that is transferred to a person who takes delivery in the form of an interest in the other Registered Global Note will, upon transfer, cease to be an interest in such Registered Global Note and become an interest in the other Registered Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to an interest in such other Registered Global Note.

**Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions as set out below.**

The Notes are being offered and sold in the United States only to qualified institutional buyers within the meaning of Rule 144A in transactions exempt from the registration requirements of the Securities Act.

***As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.***

Each purchaser of Registered Notes (other than a person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or vice versa, will be required to acknowledge, represent and agree, and each person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note will be deemed to have acknowledged, represented and agreed, as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (a) that either: (i) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware, and each beneficial owner of such Notes has been advised, that any sale to it may be made in reliance on Rule 144A or (ii) it is purchasing in an offshore transaction in reliance on Regulation S and is not a U.S. person or purchasing for the account or benefit of a U.S. person;
- (b) that, unless it holds an interest in an Unrestricted Global Note and is a person located outside the United States and is not a U.S. person or purchasing for the account or benefit of a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the date which is one year after the later of the last Issue Date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only (i) to the Issuer or any affiliate thereof, (ii) inside the United States to a person whom the seller and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (iii) in an offshore transaction in compliance with Rule 903 or Rule 904 of Regulation S under the Securities Act, (iv) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (v) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws;
- (c) it will, and will require each subsequent Holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (b) above, if then applicable;
- (d) that Notes initially offered to QIBs will be represented by one or more Restricted Global Notes and that Notes offered in an offshore transaction to non-U.S. persons in reliance on Regulation S will be represented by one or more Unrestricted Global Note;
- (e) it understands that the Restricted Global Note and any Restricted Definitive Registered Note (as defined below) will bear a legend to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

THE NOTES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 AS AMENDED (THE **SECURITIES ACT**) OR ANY SECURITIES LAW OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THE NOTES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES REPRESENTED HEREBY MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND



## Forms of the Notes and Transfer Restrictions Relating to U.S. Sales

OTHER APPLICABLE LAWS AND ONLY (1) PURSUANT TO RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR A PERSON PURCHASING FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE RE-OFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (4) TO THE ISSUER OR THEIR RESPECTIVE AFFILIATES OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A FOR RESALES OF THE NOTE.

THIS NOTE AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH NOTES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS NOTE SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS NOTE AND ANY NOTES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).

- (f) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of the Notes), it will do so only (i)(A) in an offshore transaction in compliance with Rule 903 or 904 of Regulation S under the Securities Act or (B) if the Notes are part of a Series that included a tranche represented by Restricted Global Notes on issue, to a QIB in compliance with Rule 144A and (ii) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Unrestricted Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

“THE NOTES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE

## Forms of the Notes and Transfer Restrictions Relating to U.S. Sales

COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART.”; and

- (g) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Upon the transfer, exchange or replacement of a Restricted Global Note or a Restricted Definitive Registered Note bearing the above legend, or upon specific request for removal of the legend, the Issuer will deliver only Definitive Registered Notes that bear such legend (**Restricted Definitive Registered Notes**) or will refuse to remove such legend, unless there is delivered to the Issuer and the Registrar such satisfactory evidence (which may include a legal opinion) as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act. Such transfer restrictions will terminate one year after the relevant issue date provided that any Notes purchased by or on behalf of the Issuer or any of its affiliates have been cancelled in accordance with Condition 10.11 (*Cancellation*) or resold solely in reliance on Regulation S.

### Exchange of Interests in Registered Global Notes for Definitive Registered Notes

Registration of title to Notes initially represented by the Registered Global Notes in a name other than DTC, Euroclear and Clearstream, Luxembourg, as applicable, or any successor depository or one of their respective nominees will not be permitted unless:

- (a) an Event of Default has occurred and is continuing, or
- (b) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act and no alternative clearing system is available;
- (c) in the case of Notes registered in the name of a nominee for a common depository or common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of legal holidays) or have announced an intention permanently to cease business or have in fact done so; or
- (d) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by Definitive Registered Notes.

In such circumstances, the Issuer shall procure the delivery of Definitive Registered Notes in exchange for the Unrestricted Global Note and/or the Restricted Global Note. A person having an interest in a Registered Global Note must provide the Registrar (through DTC, Euroclear or Clearstream, Luxembourg, as applicable) with (a) such information as the Issuer and the Registrar may reasonably require to complete and deliver Definitive Registered Notes (including the name and address of each person in which the Definitive Registered Notes are to be registered and the principal amount of each such person's holding) and (b) (in the case of the Restricted Global Note only) a certificate given by or on behalf of the Holder of each beneficial interest in the Restricted Global Note stating either (i) that such Holder is not transferring its interest at the time of such exchange or (ii) if the notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, that the transfer or exchange of such interest has been made in compliance with the transfer restrictions applicable to the Notes and that the person transferring such interest reasonably believes

## Forms of the Notes and Transfer Restrictions Relating to U.S. Sales

that the person acquiring such interest is a qualified institutional buyer and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A.

Definitive Registered Notes issued in exchange for interests in the Restricted Global Note will bear the legends and be subject to the transfer restrictions set out above under “*Transfer Restrictions*”. Such transfer restrictions will terminate one year after the relevant issue date, provided that any Notes purchased by or on behalf of the Issuer or any of their respective affiliates have been cancelled in accordance with Condition 10.11 (*Cancellation*) or resold solely in reliance on Regulation S.

Whenever a Registered Global Note is to be exchanged for Definitive Registered Notes, such Definitive Registered Notes will be issued within five business days of the delivery to the Registrar of the information and any required certification described in the preceding paragraph against the surrender of the relevant Registered Global Note at the Specified Office of the Registrar. Such exchange shall be effected in accordance with the regulations concerning the transfer and registration from time to time relating to the Notes and shall be effected without charge, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If (a) Definitive Registered Notes have not been delivered by 5.00 p.m. (London time) on the 30th day after the due date for their delivery in exchange for interests in a Registered Global Note or (b) any of the Notes represented by a Registered Global Note has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the registered Holder of such Registered Global Note in accordance with its terms on the due date for payment, then such Registered Global Note (including the obligation to deliver Definitive Registered Notes) will become void at 5.00 p.m. (London time) on such 30th day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the registered Holder will have no further rights under such Registered Global Note (but without prejudice to the rights which the Holder of the Notes represented by such Registered Global Note or others may have under a deed of covenant dated 17 December 2021 (as amended, supplemented or restated from time to time) (the **Deed of Covenant**) executed by the Issuer). Under the Deed of Covenant, persons shown in the records of DTC, Euroclear or Clearstream, Luxembourg, as applicable, as being entitled to an interest in the Notes represented by a Registered Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before such Registered Global Note became void, they had been the registered Holders of Notes represented by Definitive Registered Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of DTC, Euroclear or Clearstream, Luxembourg, as applicable.

Neither the Registrar nor the Transfer Agent will register the transfer of or exchange of interests in a Registered Global Note for Definitive Registered Notes for a period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes, or register the transfer or exchange of any Notes previously called for redemption.

### Book-Entry System

#### *DTC*

The Issuer will make an application to DTC for acceptance in its book-entry settlement system of each relevant Tranche of Unrestricted Notes and each Tranche of Restricted Notes. Restricted and Unrestricted Notes accepted in the book-entry settlement system of DTC will have a CUSIP number.

The DTC Custodian and DTC will record electronically the principal amount of the Notes represented by an Unrestricted Global Note and a Restricted Global Note held within the DTC system. Up to and including the 40th day after the later of the commencement of the offering and the relevant issue date, investors may hold

## **Forms of the Notes and Transfer Restrictions Relating to U.S. Sales**

their interests in an Unrestricted Global Note held within the DTC system only through Clearstream, Luxembourg or Euroclear. Thereafter, investors may additionally hold such interests directly through DTC, if they are participants in DTC. Clearstream, Luxembourg and Euroclear will hold interests in the Unrestricted Global Note on behalf of their account holders through customers' securities accounts in Clearstream, Luxembourg's or Euroclear's respective names on the books of their respective depositories, which in turn will hold such interests in the Unrestricted Global Note in customers' securities accounts in the depositories' names on the books of DTC. Investors may hold their interests in the Restricted Global Note directly through DTC, if they are participants in DTC, or indirectly through organisations which are participants in DTC.

Payments of the principal of, interest on and any other amounts payable under each Registered Global Note registered in the name of DTC's nominee will be made to, or to the order of, its nominee as the registered Holder of such Registered Global Note. The Issuer expects that the nominee, upon receipt of any such payment, will immediately credit DTC participants' accounts with payments in amounts proportionate to their respective interests in the principal amount of the relevant Registered Global Note as shown on the records of DTC or the nominee. The Issuer also expects that payments by DTC participants to owners of interests in such Registered Global Note held through such DTC participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC participants. None of the Issuer, the Registrar, the Fiscal Agent, any Transfer Agent or any Paying Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such ownership interests.

While a Registered Global Note is lodged with DTC or its custodian, Notes represented by Definitive Registered Notes will not be eligible for clearing or settlement through DTC, Clearstream, Luxembourg or Euroclear.

### ***Euroclear and Clearstream, Luxembourg***

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

### **Transfers of Interests in Registered Global Notes**

Transfers of interests in Registered Global Notes will be in accordance with the usual rules and operating procedures of DTC, Euroclear and Clearstream, Luxembourg, as applicable.

The laws of some states of the United States require that certain persons receive individual certificates in respect of their holdings of Notes. Consequently, the ability to transfer interests in a Registered Global Note to such persons will be limited. Because DTC only acts on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Registered Global Note to pledge such interest to persons or entities which do not participate in the relevant clearing system, or otherwise take

## Forms of the Notes and Transfer Restrictions Relating to U.S. Sales

actions in respect of such interest, may be affected by the lack of an Definitive Registered Note representing such interest.

Subject to compliance with the transfer restrictions applicable to the Notes described above and under “*Subscription and Sale*”, cross-market transfers between DTC participants, on the one hand, and Clearstream, Luxembourg or Euroclear account holders, on the other, will be effected in DTC in accordance with DTC rules and procedures and on behalf of Clearstream, Luxembourg or (as the case may be) Euroclear by its respective depository. However, such cross-market transactions will require delivery of instructions to Clearstream, Luxembourg or (as the case may be) Euroclear by the counterparty in such system in accordance with its rules and procedures and within its established deadlines. Clearstream, Luxembourg or (as the case may be) Euroclear will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf by delivering or receiving beneficial interests in the relevant Registered Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream, Luxembourg account holders and Euroclear account holders may not deliver instructions directly to the depositories for Clearstream, Luxembourg or Euroclear.

Because of time zone differences, credits of Notes received in Clearstream, Luxembourg or Euroclear, as a result of a transaction with a DTC participant, will be made during the securities settlement processing day dated the business day following the DTC settlement date and such credits of any transactions in such securities settled during such processing will be reported to the relevant Clearstream, Luxembourg or Euroclear account holder on such business day. Cash received in Clearstream, Luxembourg or Euroclear as a result of sales of Notes by or through a Clearstream, Luxembourg account holder or a Euroclear account holder to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream, Luxembourg or Euroclear cash account only as of the business day following settlement in DTC. Settlement between Euroclear or Clearstream, Luxembourg account holders and DTC participants cannot be made on a delivery versus payment basis. The arrangements for transfer of payments must be established separately from the arrangements for transfer of Notes, the latter being effected on a free delivery basis. The customary arrangements for delivery versus payment between Euroclear and Clearstream, Luxembourg account holders or between DTC participants are not affected.

For a further description of restrictions on the transfer of Notes, see “*Subscription and Sale*” below.

DTC has advised the Issuer that it will take any action permitted to be taken by a Holder of Notes (including, without limitation, the presentation of Registered Global Notes for exchange as described above) only at the direction of one or more participants in whose account with DTC interests in Registered Global Notes are credited, and only in respect of such portion of the aggregate principal amount of the Registered Global Notes as to which such participant or participants has or have given such direction.

However, in certain circumstances, DTC, Euroclear and Clearstream, Luxembourg, as applicable will exchange the Registered Global Notes for Definitive Registered Notes (which will, in the case of Restricted Notes, bear the legend set out above under “*Transfer Restrictions*”).

Although DTC, Clearstream, Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of interests in the Registered Global Notes among participants and account holders of DTC, Clearstream, Luxembourg and Euroclear, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Registrar, the Fiscal Agent, any Transfer Agent and any Paying Agent will have any responsibility for the performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their respective operations.

## Forms of the Notes and Transfer Restrictions Relating to U.S. Sales

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under “*Terms and Conditions of the Notes*” above and the provisions of the relevant Final Terms which complete those terms and conditions.

### Conditions applicable to Bearer Global Notes and Registered Global Notes

Each Bearer Global Note and Registered Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Bearer Global Note and the Registered Global Note. The following is a summary of certain of those provisions:

#### Bearer Global Notes

*Payments.* All payments in respect of the Bearer Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Bearer Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Bearer Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered *pro-rata* in the records of Euroclear and Clearstream, Luxembourg.

*Exercise of Investor put option.* In order to exercise the option contained in Condition 10.5 (*Redemption at the option of the Noteholders*), the bearer of the Permanent Global Note must, within the period specified in the Terms and Conditions of the Notes for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

*Partial exercise of Issuer call option.* In connection with an exercise of the option contained in Condition 10.3 (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Terms and Conditions of the Notes and the Notes to be redeemed will not be selected as provided in the Terms and Conditions of the Notes but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

*Notices.* Notwithstanding Condition 19 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 19 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in addition, for so long as any Notes are admitted to trading on the Luxembourg Stock Exchange and it is a requirement of applicable law or regulation, such notices shall be published in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and for so long as any Notes are listed on any other stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to relevant Accountholders on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

## Forms of the Notes and Transfer Restrictions Relating to U.S. Sales

### Registered Global Notes

*Partial exercise of Issuer call option.* In connection with an exercise of the option contained in Condition 10.3 (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Registered Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Terms and Conditions of the Notes and the Notes to be redeemed will not be selected as provided in the Terms and Conditions of the Notes but in accordance with the rules and procedures of DTC, Euroclear and Clearstream, Luxembourg, as applicable.

*Exercise of Investor put option.* In order to exercise the option described in Condition 10.5 (*Redemption at the option of the Noteholders*), the Holder of a Registered Global Note must, within the period specified in the Terms and Conditions of the Notes for the deposit of the relevant Note Certificate and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

*Payments in respect of Registered Notes.* So long as the Notes are represented by a Registered Global Note, any reference in Condition 11.2 (*Payments under Registered Notes*) to Registered Holder, shall be to the Registered Holder as at the close of the business day (being for this purpose a day on which DTC, Euroclear and Clearstream, Luxembourg and banks located in the city where the specified office of the Registrar is located are open for business) before the relevant due date.

*Notice.* Notwithstanding Condition 19 (*Notices*), so long as a Registered Global Note is held on behalf of DTC, Euroclear and Clearstream, Luxembourg or any other clearing system (an **Alternative Clearing System**), notices to Holders of Notes represented by such Registered Global Note may be given by delivery of the relevant notice to DTC, Euroclear and Clearstream, Luxembourg, as applicable or (as the case may be) such Alternative Clearing System, *provided, however, that*, so long as the Notes are listed on the Luxembourg Stock Exchange and its rules so require, notices will also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and, in addition, for so long as any Notes are listed on any other stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules.

## FORM OF FINAL TERMS

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]<sup>1</sup>

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]<sup>2</sup>

**MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)]**[MiFID II]**; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

**[UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as

---

<sup>1</sup> Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared in the EEA or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

<sup>2</sup> Legend to be included on the front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared in the UK or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".



## Form of Final Terms

defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are [prescribed capital markets products] / [capital markets products other than prescribed capital markets products] (as defined in the CMP Regulations 2018) and are [Excluded]/[Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.)<sup>3</sup>

[Date]

### NATIONAL BANK OF GREECE S.A.

**Legal entity identifier (LEI): 5UMCZOEYKCVFAW8ZLO05**

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

Under the €5,000,000,000

**Global Medium Term Note Programme**

## PART A—CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the **Conditions**) set forth in the Base Prospectus dated 17 December 2021 [and the supplement[s] to the Base Prospectus dated [ ]] which [together] constitute[s] a base prospectus (the **Base Prospectus**) for the purposes of Regulation (EU) 2017/1129 (the **Prospectus Regulation**). This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus.

Full information on the Issuer and the offer of the Notes is only available on the basis of a combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and copies may be obtained from the registered offices of the Issuer and the specified office of the Principal Paying Agent.

---

<sup>3</sup> For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

*[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 guidance for completing the Final Terms.]*

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

1.

- |     |  |   |
|-----|--|---|
| (a) | Series Number:   | [ ]   |
| (b) | Tranche Number:  | [ ]   |
| (c) | Date on which the Notes will be consolidated and form a single Series: | [The Notes will be consolidated and form a single Series with <i>[provide issue amount/ISIN/maturity date of earlier Tranches]</i> on <i>[[insert date]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 26 below, which is expected to occur on or about [date]]</i> ][Not Applicable] |

2. Specified Currency or Currencies: [ ]

3. Aggregate Nominal Amount of Notes:

[(a)] Series: [ ]

[(b)] Tranche: [ ]

4. Issue Price: [ ]% of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]

5. (a) Specified Denominations: [ ]

*(N.B. Notes must have a minimum denomination of €100,000 (or equivalent))*

*(Note—where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:*

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

(b) Calculation Amount: [ ]

*(If only one Specified Denomination, insert the Specified Denomination.*

## Form of Final Terms

*If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*

6. (a) Issue Date: [ ]

(b) Interest Commencement Date: [*Specify*]/Issue Date/Not Applicable]

*(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*

7. Trade Date<sup>4</sup>: [●]/[Not Applicable]

8. Maturity Date: [*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]

*(N.B. In the case of Subordinated Notes, this must be at least five years from the Issue Date)*

9. Interest Basis: [[ ]% Fixed Rate]

[Fixed Reset Notes]

[[ ] month [EURIBOR] +/- [ ]% Floating Rate]

[Zero Coupon]

(further particulars specified below)

10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [ ]% of their nominal amount.

*(N.B. In respect of Notes for which a prospectus is required to be published under the Prospectus Regulation, the redemption amount will be 100 per cent. of the nominal amount of the Notes)*

11. Change of Interest Basis: [*Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 15 and 17 below and identify there*][Not Applicable]

12. Put/Call Options: [Issuer Call]

---

<sup>4</sup> The 'Trade Date' constitutes the date of completion of the book-building and pricing of the Notes.

[Regulatory Call]

*(N.B. Only relevant in the case of Subordinated Notes)*

[Issuer Call due to MREL Disqualification Event]

*(N.B. Only relevant in the case of Unsubordinated MREL Notes or Senior Non-Preferred Notes)*

[Put Option]

*(N.B. Only relevant in the case of Unsubordinated Notes)*

[Not Applicable]

[(further particulars specified below)]

13. (a) Status of the Notes: [Unsubordinated Notes/Unsubordinated MREL Notes/Senior Non-Preferred Notes/Subordinated Notes]

(b) [Date [Board] approval for issuance of Notes obtained: [ ] [and [ ], respectively]]

*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

(c) Extended Gross-Up: [Applicable/Not Applicable]

14. Exchange Rate: [[ ]/[Not Applicable]]

15. Settlement Disruption Event: [Applicable/Not Applicable]

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

16. **Fixed Rate Note Provisions:** [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(a) Rate[(s)] of Interest: [ ]% *per annum* payable in arrear on each Interest Payment Date

(b) Interest Payment Date(s): [ ] in each year up to and including the Maturity Date *(Amend appropriately in the case of irregular coupons)*

(c) Fixed Coupon Amount[(s)]: [ ] per Calculation Amount

(d) Broken Amount(s): [ ] per Calculation Amount payable on the Interest

## Form of Final Terms

Payment Date falling [in/on] [ ] [Not Applicable]

(e) Day Count Fraction: [30/360 or Actual/Actual (ICMA)]

(f) Determination Date(s): [[ ] in each year][Not Applicable]

*(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*

17. **Fixed Reset Note Provisions:** [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(a) Initial Interest Rate: [ ]% *per annum* [payable [annually/semi-annually/quarterly] in arrear on each Interest Payment Date]

(b) Interest Payment Date(s): [ ] in each year up to and including the Maturity Date

(c) Fixed Coupon Amount to (but excluding) the First Reset Date: [[ ] per Calculation Amount/Not Applicable]

(d) Broken Amount(s): [[ ] per Calculation Amount payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]

(e) Day Count Fraction: [30/360 or Actual/Actual (ICMA)]

(f) Determination Date(s): [[ ] in each year][Not Applicable]

*(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*

(g) First Reset Date: [ ]

(h) Second Reset Date: [ ]/[Not Applicable]

(i) Subsequent Reset Date(s): [ ] [and [ ]]

(j) Reset Determination Date: [ ]/[as specified in the Conditions]

(k) Calculation Agent responsible for calculating the Interest Rate and/or Interest Amount(s) (if not the Fiscal Agent): [ ]

- (l) Reset Rate: [Mid-Swap Rate][Reference Bond Rate]  
*[(if Mid-Swap Rate is selected, include the following items of this subparagraph, if not delete)]*
- (i) Reset Relevant Screen [ ]  
 Page:
- (i) Floating Leg Reference [ ]  
 Rate:
- (ii) Floating Leg Screen [ ]  
 Page:
- (iii) Initial Mid-Swap Rate: [ ]% *per annum* (quoted on a[n annual/semi-annual basis])  
*[(if Reference Bond Rate is selected, include the following items of this subparagraph, if not delete)]*
- (iv) Reset Reference Bond: [Insert applicable Reset Reference Bond]
- (v) Reset Determination [ ]/[as specified in the Conditions]  
 Time:
- (m) Reset Margin: [+/-][ ]% *per annum*

18. **Floating Rate Note Provisions** [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (a) Specified Period(s): *(Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")*
- (b) Specified Interest Payment Dates: *(Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")*
- (c) First Interest Payment Date: [ ]
- (d) Business Day Convention: [Floating Rate Convention/Following Business Day

## Form of Final Terms

- Convention/Modified Following Business Day  
Convention/Preceding Business Day Convention][Not  
Applicable]
- (e) Additional Business Centre(s): ☐ ☐
- (f) Manner in which the Rate(s) of Interest is/are to be determined: ☐ [Screen Rate Determination/ISDA Determination]
- (g) Calculation Agent responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent): ☐ ☐
- (i) Screen Rate Determination: ☐ [Applicable/Not Applicable]
- (If not applicable, delete the remaining items of this subparagraph)*
- Reference Rate: ☐ Reference Rate: ☐ month [EURIBOR]
- Interest Determination Date(s): ☐ ☐
- (Second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR)*
- Relevant Screen Page: ☐ ☐
- (In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- (h) ISDA Determination: ☐ [Applicable/Not Applicable]
- (If not applicable, delete the remaining items of this subparagraph (h))*
- [(If applicable, and “2021 ISDA Definitions” is selected below, note that “Administrator/Benchmark Event”, “Generic Fallbacks” and “Calculation Agent Alternative Rate Determination” are not workable in a notes context. Amendments will therefore need to be made to the Conditions which will require a PR drawdown prospectus for the issue)]*
- ISDA Definitions: ☐ [2006 ISDA Definitions]/[2021 ISDA Definitions]
- Floating Rate Option: ☐ ☐

*(If “2021 ISDA Definitions” is selected, ensure this is a Floating Rate Option included in the Floating Rate Matrix (as defined in the 2021 ISDA Definitions))*

Designated Maturity: [ ]/[Not Applicable]

*(A Designated Maturity period is not relevant where the relevant Floating Rate Option is a risk-free rate)*

Reset Date: [ ]

*(In the case of a EURIBOR based option, the first day of the interest period)*

(i) Linear Interpolation: [Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]

(j) Margin(s): [+/-][ ]% per annum

(k) Minimum Rate of Interest: [[ ]% per annum/[Not Applicable]]

(l) Maximum Rate of Interest: [[ ]% per annum/[Not Applicable]]

(m) Day Count Fraction: [[Actual/Actual (ISDA)],[Actual/Actual]  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
[30/360][360/360][Bond Basis]  
[30E/360][Eurobond basis]  
30E/360 (ISDA)]

19. **Zero Coupon Note Provisions:** [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(a) Accrual Yield: [ ]% per annum

(b) Reference Price: [ ]

(c) Day Count Fraction in relation to Early Redemption Amounts: [30/360]  
[Actual/360]  
[Actual/365]

## PROVISIONS RELATING TO REDEMPTION

20. **Notice periods for Condition 10.2** Minimum period: [ ] days



## Form of Final Terms

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

Maximum period: [ ] days

### **21. Issuer Call:**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(a) Optional Redemption Date(s): [ ]

*(N.B. In the case of Subordinated Notes, this must be at least five years from the Issue Date)*

(b) Optional Redemption Amount: [[ ] per Calculation Amount][Make-whole Amount]

*[(if Make-whole Amount is selected, include the following items of this subparagraph)*

(i) Reference Bond: [Insert applicable Reference Bond]

(ii) Reference Bond Quotation Time: [ ]

(iii) Redemption Margin: [[ ]%][Not Applicable]

(c) If redeemable in part:

(i) Minimum Redemption Amount: [ ] per Calculation Amount

(ii) Maximum Redemption Amount: [ ] per Calculation Amount

(d) Notice periods:

Minimum period: [15] days

Maximum period: [30] days

*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)*

### **22. Regulatory Call:**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph.)*

*(N.B. Only relevant in the case of Subordinated Notes)*

- (a) Early Redemption Amount payable on redemption for regulatory reasons (in the case of Subordinated Notes only and subject to the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77 and 78 of the CRD IV Regulation) as contemplated by Condition 10.6 (*Redemption of Subordinated Notes for regulatory reasons*) and/or the method of calculating the same (if required): ☐ per Calculation Amount

- (b) Notice periods: Minimum period: [15] days  
Maximum period: [30] days

*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)*

23. **Issuer Call due to MREL Disqualification Event:** ☐ [Applicable]/☐ [Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

*(N.B. Only relevant in the case of Unsubordinated MREL Notes or Senior Non-Preferred Notes)*

- (a) Early Redemption Amount: ☐ per Calculation Amount
- (b) Notice periods: Minimum period: [15] days  
Maximum period: [30] days

## Form of Final Terms

*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)*

### 24. Put Option:

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

*(N.B. Only relevant in the case of Unsubordinated Notes)*

- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount: [ ] per Calculation Amount
- (c) Notice period: Minimum period: [ ] days  
Maximum period: [ ] days

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

### 25. Final Redemption Amount:

[ ] per Calculation Amount

### 26. Early Redemption Amount:

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons, for regulatory reasons or on event of default:

*[Not Applicable if the Early Redemption Amount is the principal amount of Notes/specify the Early Redemption Amount if different from the principal amount of the Notes]*

*(N.B. If the final Redemption Amount is 100% of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100% of the nominal value, consideration should be given as to what the Early Redemption Amount should be).*

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

27. **Form of Notes:** **[Bearer Notes:**
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
- [Temporary Global Note exchangeable for Definitive Notes on [ ] days' notice]
- [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]]
- (N.B. The option for an issue of Notes to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 above includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].".)*
- [Registered Notes:**
- [Unrestricted Global Note registered in the name of a nominee for DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]
- [Restricted Global Note registered in the name of a nominee for DTC]]
28. **New Global Note:** [Yes][No]
29. **Additional Financial Centre(s):** [Not Applicable/give details. Note that this item relates to the date and place of payment, and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which item 17(e) relates]
30. **Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):** [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
31. **Relevant Benchmarks:** [[specify benchmark] is provided by [administrator legal name]][repeat as necessary]. As at the date hereof,

## Form of Final Terms

[[*administrator legal name*][appears]/[does not appear]][*repeat as necessary*] in the register of administrators and benchmarks established and maintained by ESMA under Article 36 of the EU Benchmarks Regulation]/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of the Benchmark Regulation]/[Not Applicable]

32. **Substitution or Variation of Notes:** [Not Applicable] / [Applicable] / [Applicable [only] [in relation to MREL Disqualification Event] [and] [in relation to Regulatory Event][and]/[in order to ensure the effectiveness and enforceability of Condition 26 (*Statutory Loss Absorption Powers*)]]

(a) Notice period: [ ]

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

**SIGNED** on behalf of National Bank of Greece S.A.

By: \_\_\_\_\_  
Duly authorised

## PART B—OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (a) Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the regulated market of the Luxembourg Stock Exchange with effect from [ ].]  
[Application will be made by the Issuer (or on its behalf) for the Notes to be admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the regulated market of the Luxembourg Stock Exchange with effect from [ ].][Not Applicable]

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

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

### 2. RATINGS

Ratings: [The Notes to be issued [[have been]/[are expected to be]/[have not been]] rated:

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

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

*(The above disclosure should reflect the rating allocated to Notes which have been specifically rated.)*

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

## Form of Final Terms

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

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

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

### 4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

(a) Reasons for the offer: [[The net proceeds from the issue of the Notes will be used to [meet part of the Group's general financing requirements][finance or refinance [Green Projects][and/or][Social Projects] (as defined in "*Use of Proceeds*" within the "*General Information*" section of the Base Prospectus)].] /Give details]

*[Provide details of Green Projects and/or Social Projects, as applicable.]*

(b) Estimated net proceeds: [ ]

### 5. YIELD (Fixed Rate Notes only)

Indication of yield: [[ ]/[Not Applicable]]

### 6. OPERATIONAL INFORMATION

ISIN: [ ]

Common Code: [ ]

[CUSIP: [ ]]

CFI: [[ ]/Not Applicable]

FISN [ ]/Not Applicable]

*(If the CFI and/or FISN is not required, requested or available, it/they should be specified to be "Not Applicable")*

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

number(s):

Delivery: Delivery [against/free of] payment

Names and addresses of initial Paying Agent(s): [ ]

Names and addresses of additional Paying Agent(s) (if any): [ ]

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

## 7. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/*give names*]
- (iii) Date of [Subscription] Agreement: [ ]
- (iv) Stabilisation Manager(s) (if any): [Not Applicable/*give name*]
- (v) If non-syndicated, name of relevant [Not Applicable/*give name*]



## Form of Final Terms

Dealer:

- (vi) U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]] [Rule 144A]
- (vii) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
- (If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared in the EEA, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*
- (viii) Prohibition of Sales to UK Retail Investors [Applicable/Not Applicable]
- (If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared in the UK, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*

## DESCRIPTION OF THE GROUP

### Introduction

National Bank of Greece S.A. (the **Bank**) is one of the four systemic banks in Greece and one of the largest financial institutions in Greece by market capitalisation, holding a significant position in Greece's retail banking sector, with, as at 30 September 2021, 340 branches and one private banking unit and 1,482 Automated Teller Machines (ATMs). The Bank and its consolidated subsidiaries (the **Group**) provide a wide range of financial services, including retail (such as mortgage lending and consumer lending), corporate and investment banking services, NPE management (Troubled Asset Units), global transaction services, leasing, factoring, brokerage, real estate and asset management, through the Group's network of branches and subsidiaries in Greece and abroad. The Group's principal sources of income historically have been interest earned on customer loans and debt securities and income from fees and commissions. The Group funds its lending activities and its securities portfolio principally through (i) customer deposits in its branch network, (ii) funding from the Eurosystem through the TLTROs with the ECB and (iii) repurchase agreements (repos) with major foreign financial institutions.

### History and Development of the Group

The Bank was founded in 1841 and incorporated as a *société anonyme* pursuant to Greek law as published in the Greek Government Gazette No. 6 on 30 March 1841 (registered number G.E.MI 237901000). The Bank's current corporate form will expire on 27 February 2053, but may be further extended by a shareholder resolution passed at a General Meeting (as defined below). The Bank is domiciled in Greece. The Bank's headquarters and its registered office are located at 86 Eolou Street, 10559 Athens, Greece. The telephone number of the Bank is 181818 or +30 210 48 48 484 from abroad.

The Bank has operated a commercial banking business for 180 years. Until the establishment of the Bank of Greece as the central bank of Greece in 1928, the Bank, in addition to commercial banking activities, was responsible for issuing currency in Greece.

### *Development of the Group*

Since 2014, principally in connection with regulatory capital shortfalls identified by comprehensive assessments performed by the Single Supervision Mechanism (SSM), the Group has developed capital plans, and raised capital through recapitalisation, restructurings or offerings to address such shortfalls. On 3 November 2015, the Board of Directors of the Bank approved the Capital Plan (as defined below, see "*The Capital Plan*"), which included the disposal of the Group's entire stake in its Turkish subsidiary, Finansbank A.S. (Finansbank) together with its stake in Finans Leasing, thereby disposing of all of its operations in Turkey. This transaction was completed on 15 June 2016, on which date control of Finansbank passed to Qatar National Bank S.A.Q. (QNB). The detail of various plans or actions undertaken by the Bank since 2014 are described below.

### *2014 Comprehensive Assessment*

Since 1 November 2014, all systemic Eurozone banks, including the Bank, have been under the direct supervision of the ECB (the SSM). Before the ECB assumed its supervisory responsibilities, the Bank, as with all systemic European banks, was subject to an EU-wide comprehensive assessment including an Asset Quality Review (AQR) and Stress Test (**Stress Test**).

## Description of the Group

### *Comprehensive Assessment*

In accordance with the Euro Summit Statement of 12 July 2015 and the ECB decision of 5 August 2015, the ECB conducted a comprehensive assessment of the four systemic Greek banks, including the Bank, the results of which were announced on 31 October 2015 (the **2015 Comprehensive Assessment**).

Under the baseline scenario (including AQR adjustments), the Stress Test generated an additional negative impact on the Bank's regulatory capital, resulting in a stressed CET1 ratio of 6.8% relative to the minimum CET1 ratio threshold set by the ECB at 9.5% for the baseline scenario, implying a capital shortfall of €1,576 million (reduced to €1,456 million (the **Baseline Scenario Shortfall**) taking into account the positive impact stemming from the 2015 third quarter results). Under the adverse scenario, the Stress Test (including AQR adjustments) identified a capital shortfall of €4,482 million (the **Adverse Scenario Shortfall**).

### *The Capital Plan*

To address these capital shortfalls, the Bank undertook a number of capital actions to raise its CET1 capital. These capital actions were set out in a capital action plan (the **Capital Plan**). The following actions were completed in December 2015 (see "2015 Recapitalisation" below):

- the Liability Management Offers (**LME Offers**) to eligible holders of seven series of outstanding debt and capital securities (**Target Securities**);
- the International Offering (as defined below) and;
- the Greek Public Offer (as defined below).

Additionally, the Capital Plan included the sale to QNB of the Group's 99.81% stake in Finansbank A.S., together with the Bank's 29.87% direct stake in Finans Leasing (although the sale was not required to be and the Bank did not expect it to be completed by 11 December 2015 (the date by which the LME Offers, the International Offering and the Greek Public Offer were required to be completed).

### *2015 Recapitalisation*

The 2015 recapitalisation (comprising the Capital Plan actions, the HFSF Subscription (as defined below) and the Burden Sharing Measures (as defined below)), enabled the Bank to raise the capital required to satisfy the Adverse Scenario Shortfall of €4,482 million through the issuance of an aggregate of 8,911,608,218 new ordinary shares of the Bank and the issuance of 20,292 CoCos (the **2015 Recapitalisation**).

### *Burden Sharing Measures*

As described above, the Capital Plan actions in the aggregate did not fully address the Adverse Scenario Shortfall, and therefore the Bank made a formal application for EU State aid on 3 December 2015. This EU State aid consisted of the subscription by the HFSF of CoCos (in a principal amount equal to 75% of the amount of EU State aid provided) and newly issued ordinary shares of the Bank (in respect of the remaining 25%) (the **HFSF Subscription**). Consistent with EU State aid rules, EU State aid was provided by the HFSF after the application of the Burden Sharing Measures (as described below).

Since EU State aid was requested by the Bank following the completion of the above-mentioned measures as part of the Capital Plan, prior to the receipt of such EU State aid, the HFSF Bail-in Tool was required to be applied to convert into ordinary shares outstanding classes of the Bank's hybrid capital instruments, all subordinated liabilities and certain senior unsecured liabilities which were not mandatorily preferred by law (together, the **Burden Sharing Measures**). These Burden Sharing Measures were applied to the securities issued by the Bank not subject to the LME Offers, and the Target Securities that were not purchased by the Bank pursuant to the terms of the LME Offers.

### **2019 Revised Restructuring Plan**

The Group is subject to European Commission rules on EU State aid in light of the aid received from the HFSF and the Hellenic Republic. These rules are administered by the Directorate General for the Competition of the European Commission (the **DG Competition**). Under these rules, the Bank's operations are monitored and limited to the operations included in the 2019 Revised Restructuring Plan, which aims to ensure the Bank's return to long-term viability.

The 2019 Revised Restructuring Plan was approved on 10 May 2019, by the European Commission.

The 2019 Revised Restructuring Plan includes a number of commitments to implement certain measures and actions that have to be completed during the period 2019-2020 (the **2019 Revised Restructuring Plan Commitments**). The 2019 Revised Restructuring Plan Commitments relate both to domestic and foreign operations of the Group. Differentiations to the 2015 Restructuring Plan which expired on 31 December 2018 relate to the deepening of the Bank's operational restructuring, some amendments on the commitments and deadlines, as well as a commitment to sell the remaining stake (32.66%) in NBG Pangaea REIC (currently Prodea Investments S.A. (**Prodea**)) in substitution for the commitment to dispose of its banking subsidiary in the SEE, Stopanska Banka A.D. – Skopje.

For domestic operations, the 2019 Revised Restructuring Plan Commitments relate to constraining operating expenses, including the number of personnel and branches. In particular, the Commitments include the following:

- (a) a further reduction of the number of branches in Greece to 420 (by the end of 2019) and 390 (by the end of 2020). As at 31 December 2020, the Bank had reduced its branches to 365;
- (b) a further reduction of the number of employees in Greece to 8,600 as at 31 December 2019 and 8,000 as at 31 December 2020. As at 31 December 2020, the Bank had reduced the number of employees at domestic level to 7,762<sup>5</sup> (excluding NIC); and
- (c) a further reduction of total operating costs in Greece to €845 million for the year ended 31 December 2019 and €800 million for the year ended 31 December 2020. For the year ended 31 December 2020, the operating expenses amounted to €768<sup>1</sup> million.

The aforementioned Commitments have been fulfilled.

**Divestment of domestic non-banking activities:** In May 2019, the Bank had completed the sale of its remaining stake in Prodea and had to dispose of at least 80% of Ethniki Insurance Company S.A. (**Ethniki Insurance** or **NIC**). See below "*Sale of a majority equity holding in Ethniki Hellenic General Insurance*

---

<sup>5</sup> Excluding Ethniki Hellenic General Insurance S.A.

## Description of the Group

S.A.” for a description of the status of this Commitment. On 21 April 2021, the Extraordinary General Meeting approved the sale to CVC of 90% of Ethniki Insurance. The sale is subject to approval by antitrust and regulatory authorities.

**Divestment from international operations:** The Bank reduced its international activities, by disposing of certain subsidiaries in the period from 2016 to 2019. The only incomplete divestment from international operations relates to the subsidiary NBG Cyprus Ltd. As for the branch network in Egypt, in May 2021, an official approval was received from the Central Bank of Egypt to downsize and ultimately cease the Bank’s operations in Egypt (see below “*Divestments-Planned disposals of subsidiaries under 2019 Revised Restructuring Plan commitments*”).

Lastly, the 2019 Revised Restructuring Plan provides for prolongation of the 2015 Restructuring Plan’s Commitments on corporate governance, commercial practices and risk monitoring, acquisitions and advertising.

The implementation of the 2019 Revised Restructuring Plan Commitments is monitored by the Monitoring Trustee.

### *Divestments of subsidiaries*

#### *Planned disposals of subsidiaries under 2019 Revised Restructuring Plan commitments*

##### Sale of a majority equity holding in Ethniki Hellenic General Insurance S.A.

On 24 March 2021, the Bank’s Board of Directors approved the sale of the 90.01% out of 100.00% stake in NIC and authorised the Bank’s Management to proceed with the signing of the Share Sale and Purchase Agreement (**SPA**) with CVC Capital Partners (**CVC**) on 26 March 2021.

The equivalent nominal consideration corresponding to 100.00% of NIC would be €505 million, including an “earn-out” payment of up to €120 million, which will be subject to meeting agreed upon performance targets for the bancassurance channel of NBG by 2026. The transaction includes a 15-year bancassurance partnership. NIC has been classified as held for sale and discontinued operations.

Furthermore, on 21 April 2021, the extraordinary General Meeting of the Bank’s shareholders approved the aforementioned transaction.

Closing of the transaction is expected in the second quarter of 2022 as it is subject to customary ongoing regulatory approvals, including from antitrust and regulatory authorities.

##### National Bank of Greece (Cyprus) Ltd

On 26 November 2019, the Bank signed a definitive agreement with AstroBank Limited for the sale of its 100.00% stake in National Bank of Greece (Cyprus) Ltd (**NBG Cyprus**). However, on 26 November 2020, which was the last date (**Longstop Date**) for AstroBank Limited to fulfil certain condition precedents specified in the SPA entered into between NBG and AstroBank Limited, the Bank took note that such condition precedents were not fulfilled and henceforth decided to terminate the SPA on 27 November 2020.

The Bank remains committed to implementing all options of compliance with its Commitments under its 2019 Revised Restructuring Plan (see above “*2019 Revised Restructuring Plan*”). NBG Cyprus has been classified as held for sale and discontinued operations.

### National Bank of Greece – Egyptian Branch Network

As of 31 December 2018, the Branch Network in Egypt (**NBG Egypt**) had been classified as held for sale and discontinued operations.

On 2 May 2019, the Bank signed a definitive agreement to sell certain assets and liabilities of NBG Egypt to Bank Audi S.A.E. (**Bank Audi Egypt**). Closing of the Egypt transaction was subject to the approval of the Central Bank of Egypt (**CBE**), as the Central Bank of Lebanon approved the transaction in June 2019. Given that the CBE approval was still pending six months after the signing of the definitive agreement, Bank Audi SAE issued an agreement termination notice in November 2019.

On 11 May 2020, Bank Audi Egypt informed the Bank that it will not continue to pursue the potential acquisition of NBG’s operations in Egypt. As a result, the financial statements of the Bank and the Group were amended retrospectively, as if NBG Egypt never qualified as held for sale and discontinued operations. Furthermore, in May 2021, an official approval was received from the Central Bank of Egypt for it to downsize and ultimately cease its operations in Egypt.

The divestment of NBG Egypt is an obligation of the Bank under its 2019 Revised Restructuring Plan (see above “*2019 Revised Restructuring Plan*”).

### *Other divestments*

### Planned divestment of CAC Coral Ltd

On 16 October 2020, the Bank announced that it has entered into a definite agreement with Bain Capital for the disposal of its 100% stake in a Cypriot Credit Acquiring Company, CAC Coral Ltd (**Project Marina**), which contains a portfolio of non-performing corporate, SME and consumer and mortgage loans with a total Gross Book Value of approximately €325 million (€200 million of allocated collateral value). The portfolio consists predominantly of legacy non-performing loans. The transaction is being implemented in the context of NBG's NPE deleveraging strategy and in accordance with the Operational Targets submitted to the SSM.

The transaction is currently expected to be concluded in early 2022 after approval is received from the competent regulatory authorities.

CAC Coral Ltd has been classified as held for sale and discontinued operations.

### **2018 EU-wide Stress Test**

For information relating to the 2018 EU-wide stress test, including the results for the Bank, see “*Regulation and Supervision of Banks in Greece - EU-wide stress test 2020*”.

### **2020 EU-wide Stress Test**

On 31 January 2020, the European Banking Authority (**EBA**) announced the launch of the 2020 EU-wide stress test, to be conducted on a sample of 51 EU banks. Similar to the 2018 exercise, it was intended to be a bottom-up exercise with constraints, including a static balance sheet assumption. The aim of the EU-wide

## Description of the Group

stress test was to assess the resilience of EU banks to a common set of adverse economic developments in order to identify potential risks, inform supervisory decisions and increase market discipline.

However, in the light of the operational pressure on banks due to COVID-19, on 12 March 2020 the EBA announced its decision to postpone the EU-wide stress test exercise to 2021, in order to allow banks to focus on and ensure the continuity of their core operations.

See “*Regulation and Supervision of Banks in Greece - EU-wide stress test 2020*”.

### **2021 EU-wide Stress Test**

On 29 January 2021, the EBA launched the 2021 EU-wide stress test exercise following the postponement of the 2020 EU-wide stress test exercise, due to the COVID-19 pandemic. The exercise was led by the ECB, under the common methodological rules defined by the EBA and the macroeconomic and market scenario assumptions published on the same date.

The ECB published on 30 July 2021 the results of the 2021 stress test, which showed that the euro area banking system is resilient to adverse economic developments. The stress test is not a pass or fail exercise and no threshold is set to define the failure or success of banks for the purpose of the exercise. Instead, the findings of the stress test will be part of the ongoing supervisory dialogue.

The stress test exercise was based on a static balance sheet approach, thus factoring in the Group’s financial and capital position as at 31 December 2020 as a starting point, conducting a three-year horizon stress simulation (2021-2023), under a baseline and an adverse scenario.

Under the baseline scenario the Fully Loaded (FL) CET1 ratio, reached to 15.5% in 2023 from 12.8% in 2020 (starting point), while, under the adverse scenario, the FL CET1 ratio, reached to 6.4% in 2023.

Given the static balance sheet methodology, the 2021 SSM stress test does not incorporate capital accretive results post 31 December 2020.

See “*Regulation and Supervision of Banks in Greece - EU-wide stress test 2021*”.

## **COVID-19 outbreak**

### ***Risks and responses related to the COVID-19 crisis***

In the first quarter of 2020, the World Health Organization (WHO) declared the outbreak of COVID-19 a pandemic. The COVID-19 pandemic has caused a significant global economic downturn which has adversely affected, and is expected to continue to adversely affect, the Group’s business and results of operations. The future impacts of the COVID-19 pandemic on the Greek and/or global economy and the Group’s business, results of operations and financial condition remain uncertain. See “*The Group is subject to risks related to the future evolution of and response to the COVID-19 pandemic that may materially and adversely affect its business, results of operations, prospects and financial condition.*”

Due to the COVID-19 pandemic, authorities implemented numerous measures attempting to contain the spread and impact of COVID-19, such as travel bans and restrictions, quarantines, shelter-in-place orders, and limitations on business activity, including closures. These measures severely restricted economic activity, businesses, market participants, the Bank’s counterparties and customers as well as the Greek and/or global economy for a prolonged period of time. These restrictions took place in March 2020, with the

restrictions slowly being eased in May 2020. However, deteriorating epidemic trends in October-November 2020 led to a reintroduction of protective restrictions on economic and social activities at a national level, starting on 7 November 2020 up to early May 2021. This poses significant downside risks to Gross Domestic Product (**GDP**) growth in 2021 and could amplify the recessionary hit on households and businesses. These risks are partly offset by a set of measures provided in 2020 and continued in 2021. Please refer to section “*Response to COVID-19 crisis - Customers support measures in response to COVID-19 crisis*” and “*Response to COVID-19 crisis - Response to COVID-19 crisis from Greek and European authorities*” of the Board of Directors Report in the Annual Financial Report for the year ended 31 December 2020 (incorporated by reference herein) and to the additional measures announced after the approval of the 31 December 2020 Annual Financial Statements on 24 March 2021, as described below (“*Customers support measures in response to COVID-19 crisis in 2021*” and “*Response to COVID-19 crisis from Greek and European authorities in 2021*”).

The Group also evaluated its assets, including intangibles and equity investments, for potential impairment and assessed fair values of financial instruments that are carried at fair value. Based upon the Bank’s assessment as of 30 September 2021, no significant impairments have been recorded for the Group and there have been no significant changes in fair values and in fair value hierarchy classifications.

### *Customers support measures in response to COVID-19 crisis in 2021*

#### COVID-19 moratoria

Extension of moratoria, offered to NBG’s customers within the context of the EBA’s guidelines, governmental and sector initiatives, for capital or instalment payments for:

- performing Small Businesses;
- businesses with performing exposures as at 30 September 2020 and not included, so far, in moratoria for capital or instalment payments that have been proven to be affected by the COVID-19 pandemic, were eligible to apply for their inclusion in a relevant programme by 31 March 2021 and for a maximum duration of up to nine months from the date of inclusion in the moratoria; and
- businesses affected by the COVID-19 pandemic and have already been included in moratoria for capital or instalment payments, were eligible to apply by 31 March 2021 for an extension of their instalment suspension programme, provided that their total participation in the programme does not exceed the period of nine months.

#### COVID-19 support schemes

- **Interest subsidy programme II** offered by the Ministry of Development for the period 1 January 2021 to 31 March 2021, applicable to SMEs: (i) holding a loan or revolving credit line prior to 1 January 2021 and being less than 90 days in arrears by 30 September 2020 or by the day of the application to the programme; and (ii) with a turnover decline of more than 20% in 2020 compared to 2019.
- “**Gefyra II**” programme, initiated in April 2021, aims to support small and medium-sized enterprises that have been proven to be affected by the COVID-19 pandemic, i.e., suffered a 20% reduction in turnover in 2020 compared to 2019. It also provides a State subsidy of up to 90% of the loan instalments for business loans, for a period of eight months.
- **State guarantee working capital programme** with the participation of Hellenic Development Bank S.A. (**HDB**), exclusively for very small businesses with a turnover of up to €200,000: 80% of the loan is guaranteed by HDB, with a total duration of up to five years, and the amount can reach the lesser of the following, €50,000 or 25% of 2019 turnover.



## Description of the Group

Starting from 15 October 2021, the perimeter of the programme was expanded to include small businesses with turnover of up to €1 million while the amount currently can reach the lesser of the following: €250,000 or 25% of 2019 turnover (other terms remain the same).

- **Loan guarantee programme – EaSI COVID-19** for very small businesses with the participation of the European Investment Fund (EIF) of up to €50,000 with 68.8% of the loan being guaranteed by the EIF.
- **Loan guarantee Programme – COSME COVID-19** with the participation of the EIF for up to €150,000: 80% is guaranteed by EIF, up to 10 years' total duration.
- **Co-financing working capital loans with interest rate subsidy** with the HDB for working capital financing of up to €50,000 to small and very small businesses, operating in the Western Macedonia region (Development Fund of Western Macedonia or TADYM).
- **State guarantee working capital programme** with the participation of HDB through the "Guarantee Fund HDB – Engineers and Public Works Contractors Fund (EPWCF), applicable to SMEs: 80% of the loan is guaranteed by HDB, with a total duration of up to five years, and the amount can reach the lesser of the following, €200,000 or 25% of 2019 turnover or two times the total annual payroll of 2019.
- **Extension of 30 days according to emergency legislation for cheques.** The said measure addressed cheques of qualifying entities maturing from 1 April 2021 to 30 April 2021.

These measures form part of NBG's actions in line with the respective initiative by Greek banks, emergency legislation and relevant Ministerial Decisions of the Greek government aiming at addressing the impact of the crisis.

### ***Response to COVID-19 crisis from Greek and European authorities in 2021***

In response to the economic and market conditions resulting from the COVID-19 pandemic as continued in 2021, the Greek government and European authorities have further provided, among others, the following measures:

#### **Greek authorities**

##### **Financial state aid measures**

The measures for the qualifying businesses include:

- The granting of a new State loan (**Repayable Advance**) which is conditional upon turnover loss from March until August 2020, where the total amount that was granted for the first three phases amounted to €3.5 billion. Phase 4 took place during November and December 2020 and amounted to €2.2 billion. Phases 5 and 6 took place during the first quarter of 2021 and amounted to approximately €0.8 billion. Phase 7 took place during May 2021 and amounted to €0.2 billion.

##### **Tax measures**

The additional measures for the qualifying businesses and the individuals that were affected by the COVID-19 crisis include:

- Extension of tax obligation payments until 31 December 2021.
- Extension of Value Added Tax (VAT) payments due from November 2020 until 30 April 2021.
- Reduction of the VAT on certain goods and services from a rate of 24% to a rate of 13% for the period from 1 June 2020 to 30 April 2021 and reduction of the VAT to 6%, from 24%, for sanitary products (masks, gloves, etc.) until 31 December 2021.
- Relief from import duties and VAT exemption on importation granted for goods needed to combat the effects of COVID-19 until 31 December 2021 for legal persons or individuals, provided, however, that

such items shall be made available free of charge to beneficiaries specified in such decision.

- Extension of payment of tax and Social Security Contributions (SSC) due in April 2021 for qualifying businesses.
- Subsidy of fixed costs incurred from 1 April 2020 to 31 December 2020 for qualifying businesses, which can be used to repay tax or SSC obligations for 2021 due from 1 July to 31 December 2021.
- Extension of tax obligation payments settlement instalments due on 31 May 2021, 30 June 2021 and 31 July 2021, for qualifying businesses and qualifying employees.
- Extension of one month for the deadlines of all monthly instalments of SSC settlements for qualifying businesses due on 30 June 2021 onwards.

### Labour protection measures

- Special allowance: (a) given to tour guides for March, April and May 2021; (b) extended for artists for May, June and July 2021; and (c) increased for qualifying small and very small businesses for April 2021.
- Special allowance of €400 for self-employed and freelance scientists, such as engineers, lawyers, economists, etc., meeting specified criteria announced in April 2021.
- Extension of unemployment benefit for April 2021 and May 2021. Financial aid of €25 million to qualifying aquaculture businesses.
- Providing public service contracts of up to €50 million to qualifying short sea shipping companies affected by COVID-19 from 23 December 2020 to 30 May 2021.
- Financial aid of €20 million to qualifying businesses relating to pigs, black pigs, and honey.
- Financial aid of €24 million to qualifying agricultural businesses.

### The European Central Bank

The following prudential measures have also been implemented by the ECB:

- The ECB's Governing Council issued an opinion confirming that exceptional circumstances warranting leverage ratio relief still exist. Banks may exclude central bank exposures from leverage ratio as exceptional macroeconomic circumstances continue. Banks benefit from relief measure until the end of March 2022. Banks which decide to exclude central bank exposures must recalibrate this 3% leverage ratio requirement in such a way that only the central bank exposures newly accumulated since the beginning of the pandemic effectively benefit from the leverage ratio relief. (18 June 2021).
- The ECB decided not to extend, beyond September 2021, its recommendation to banks to not distributing any cash dividends, or conducting share buy-backs, or to limit such distributions. Instead, supervisors will assess the capital and distribution plans of each bank, as part of the regular supervisory process. (23 July 2021).

### The European Commission

The European Commission announced the following additional measures:

- The European Commission issued a €17 billion inaugural social bond under the EU Support to mitigate Unemployment Risks in an Emergency (SURE) instrument to help protect jobs and keep people employed. SURE has an overall firepower of up to €100 billion to help protect jobs and workers affected by the pandemic. The European Commission has already proposed a total of €87.8 billion in financial support under SURE to 17 Member States. (21 October 2020). Overall, the Commission has proposed that 19 EU countries will receive €94.3 billion in financial support under

## Description of the Group

SURE, which includes a total of €5.2 billion to Greece. (30 March 2021).

- The European Commission has taken steps to ensure that borrowing under the temporary recovery instrument NextGenerationEU will be financed on the most advantageous terms for EU Member States and their citizens. The European Commission will use a diversified funding strategy to raise up to around €800 billion in current prices until 2026. This approach, which will be in line with the best practices of sovereign issuers, will enable the Commission to raise the needed volumes in a smooth and efficient way. This will also attract investors to Europe and strengthen the international role of the euro. (14 April 2021).
- The European Commission has approved, under EU State aid rules, a €500 million Greek support scheme to support food service companies affected by the coronavirus outbreak. The scheme was approved under the State aid Temporary Framework. The scheme is co-financed by the European Regional Development Fund (**ERDF**) and will be open to companies of all sizes that experienced a turnover decline of more than 30% in 2020, compared to 2019. The aid will take the form of direct grants, with each grant amounting to up to 7% of the beneficiary's annual turnover. (11 May 2021).
- The European Commission has disbursed €14.1 billion to 12 EU Member States in the seventh instalment of financial support under the SURE instrument. As part of these operations, Greece has received €2.5 billion. (25 May 2021).
- The European Commission has approved, under EU State aid rules, a €800 million Greek scheme to support companies active in tourism affected by the coronavirus outbreak. The scheme was approved under the State aid Temporary Framework. (1 June 2021).
- Following the approval of the Own Resources Decision by all EU Member States, the Commission can start raising resources to finance Europe's recovery through NextGenerationEU. To that end, the European Commission announced its estimates to issue approximately €80 billion of long-term bonds in 2021, to be topped up by tens of billions of euros of short-term EU-Bills to cover the remaining financing requirements. The exact amount of both EU-Bonds and EU-Bills will depend on the precise funding needs, and the Commission will revise today's assessment in the autumn. In this way, the Commission will be able to fund, over the second half of the year, all planned grants and loans to Member States under the Recovery and Resilience Facility, as well as cover the needs of the EU policies that receive NextGenerationEU funding. (1 June 2021).
- The European Commission has, in its first NextGenerationEU transaction, raised a €20 billion via a ten-year bond due on 4 July 2031 to finance Europe's recovery from the COVID-19 crisis and its consequences. This is the largest-ever institutional bond issuance in Europe, the largest-ever institutional single tranche transaction and the largest amount the EU has raised in a single transaction. (15 June 2021).
- The European Commission endorsed Greece's €30.5 billion recovery and resilience plan. The European Commission adopted a positive assessment of Greece's recovery and resilience plan. This is an important step towards disbursing €17.8 billion in grants and €12.7 billion in loans under the Recovery and Resilience Facility (**RRF**) over the period 2021-2026. This financing will support the implementation of the crucial investment and reform measures outlined in Greece's recovery and resilience plan. It will play a key role in enabling Greece to emerge stronger from the COVID-19 pandemic. (17 June 2021).
- The European Commission has disbursed €800 million in payments under NextGenerationEU, the temporary instrument to finance Europe's recovery and foster a greener, more digital and resilient economy after the pandemic. The payments are going to 41 national and regional programmes in 16 Member States including Greece. The funds under the REACT-EU constitute additional resources for existing Cohesion policy programmes. (28 June 2021).

- The European Commission has, in its second NextGenerationEU transaction, raised €15 billion to finance Europe's recovery from the coronavirus crisis and its consequences. This was a dual-tranche transaction, consisting of a €9 billion five-year bond due on 6 July 2026 and a €6 billion 30-year bond due on 6 July 2051. (29 June 2021).
- The European Commission issued a further €10 billion to support Europe's recovery from the coronavirus crisis and its consequences, in a third NextGenerationEU bond since the start of the programme in mid-June. The European Commission issued a 20-year bond due on 4 July 2041, which was welcomed by the market with a very strong interest, with books close to €100 billion. (13 July 2021).
- The European Commission has disbursed €4 billion to Greece in pre-financing, equivalent to 13% of the country's grant and loan allocation under the RRF. Greece is one of the first countries receiving a pre-financing payment under the RRF. The pre-financing will help to kick-start the implementation of the crucial investment and reform measures outlined in Greece's recovery and resilience plan. (9 August 2021).
- The European Commission has approved a Greek scheme to support the uncovered fixed costs of companies affected by the coronavirus outbreak. The scheme was approved under the State aid Temporary Framework and has an estimated budget of up to €500 million. (27 August 2021).
- Since the outbreak of COVID-19 in early 2020, the EU, EU Member States and European financial institutions, as Team Europe, have disbursed €34.0 billion in support to partner countries in addressing the pandemic and its consequences, delivering on its promises with concrete results. This disbursement already exceeds by far the initial €20 billion Team Europe support package pledged in spring 2020, which has now increased to €46 billion. (16 September 2021).
- The European Commission took stock of the implementation of the Recovery Assistance for Cohesion and the Territories of Europe (**REACT-EU**). With €34.1 billion approved and €3.5 billion already paid out in just four months, REACT-EU was the very first instrument of NextGenerationEU to make payments for the recovery of Member States. (11 October 2021).
- The European Commission adopted its 2022 Work Programme, setting out the next steps in its bold and transformative agenda towards a post-COVID-19 Europe that is greener, fairer, more digital and more resilient. This European Commission's Work Programme contains 42 new policy initiatives across all six headline ambitions of President von der Leyen's Political Guidelines, building on her 2021 State of the Union speech. It also reflects the lessons learnt from the unprecedented crisis caused by the pandemic, while paying particular attention to young generation thanks to the proposed European Year of Youth 2022. (19 October 2021).
- The European Commission has adopted a review of EU banking rules (the **Capital Requirements Regulation** and the **Capital Requirements Directive**). These new rules will ensure that EU banks become more resilient to potential future economic shocks, while contributing to Europe's recovery from the COVID-19 pandemic and the transition to climate neutrality. (27 October 2021).

Similar initiatives have been taken by other countries and central banks where the Group operates.

See further “*Response to COVID-19 crisis from Greek and European authorities in 2021*” in “*Note 20: Risks Related to the COVID-19 Outbreak*” of the September 2021 Interim Financial Statements and in “*Response to COVID-19 Crisis*” in the Board of Directors Report in the six-month Financial Report for the period ended 30 June 2021, each of which is incorporated by reference herein.

## Description of the Group

### Major Shareholders

By resolution of the Bank's Annual General Meeting of 26 July 2018, it was decided to simultaneously (i) increase the share capital by €0.90, due to capitalisation of an equal part of the Bank's special reserve of Article 4.4a of Codified Law 2190/1920, and (ii) increase the nominal value of each common registered voting share of the Bank from €0.30 to €3.00 and reduce the aggregate number of the Bank's old common registered shares from 9,147,151,527 to 914,715,153 new common registered shares with voting rights by means of a reverse split at a rate of ten (10) old common shares of the Bank to one (1) new common share of the Bank.

Further to the above, the Bank's outstanding issued share capital consisted of 914,715,153 common shares of a nominal value of €3.00 each.

By resolution of the Bank's Annual General Meeting of 30 July 2021, it was decided to reduce the Bank's share capital by €1,829,430,306 through reduction of the nominal value of each common registered share from €3.00 to €1.00, for the purpose of setting off equal cumulative accounting losses of previous years. As a result, the Bank's share capital would stand at €914,715,153.00 divided into 914,715,153 common shares of a nominal value of €1.00 each.

Following the above resolution and the required approvals by competent authorities, on 18 November 2021, the Bank announced the aforementioned share capital decrease by reduction of the nominal value of its shares, determining 22 November 2021 as the date of change of the nominal value of the Bank's shares to €1.00.

### Common Shares

The following table sets forth certain information regarding holders of the Bank's common shares, based on information known to or ascertainable by the Bank as at 18 November 2021:

|  | 18 November 2021        |                    |
|--|-------------------------|--------------------|
|  | Number of common shares | Percentage holding |
| HFSF (with restricted voting rights).....                                | 13,481,859              | 1.47 %             |
| HFSF (with full voting rights).....                                      | 355,986,916             | 38.92%             |
| Legal entities and individuals outside of Greece .....                   | 408,046,765             | 44.61%             |
| Legal entities and individuals in Greece.....                            | 131,846,918             | 14.41%             |
| Domestic pension funds .....   | 4,735,159               | 0.52%              |
| Other domestic public sector related legal entities and Church of Greece | 616,099                 | 0.07%              |
| Other.....   | 1,437                   | 0.00%              |
| Private placement by investors .....                                     | —                       | —                  |
| <b>Total common shares .....</b>   | <b>914,715,153</b>      | <b>100.00%</b>     |

The Bank's ordinary shares are listed for trading on the Athens Exchange (ATHEX).

Other than the above, the Bank does not know of any other persons who, directly or indirectly, jointly or individually, exercise or could exercise control over the Bank.

Other than the HFSF, no single shareholder beneficially owns 5.00% or more of the Bank's common shares.

### ***State Interests***

In the context of the recapitalisation in December 2015, the HFSF acquired 40.39% or 3,694,687,756 (369,468,775 respectively after the reverse split, as mentioned herein above) of the Bank's share capital though holding shares of which 134,818,596 (13,481,859 respectively after the reverse split) fall under the restrictions of Article 7a paragraph 2 of the HFSF Law.

### **Relationship with the Hellenic Republic**

#### ***Hellenic Republic as Shareholder***

As at 18 November 2021 and following completion of the recapitalisation in December 2015, the HFSF owns 40.39% of the Bank's common share capital. Also, various domestic pension funds own in total 0.52% of the Bank's common share capital, and other domestic public sector related legal entities and the Church of Greece own in total 0.07% of the Bank's common share capital. See also "*Risk Factors – Risks relating to the Bank's Recapitalisation and Receipt of State aid*" and "*Major Shareholders*" above.

As the Bank no longer benefits from any support under the Hellenic Republic's Bank Support Plan, the Bank is no longer subject to the provisions of Greek Law 3723/2008 (governing the Hellenic Republic Bank Support Plan) and the representation of the Hellenic Republic on the Bank's Board of Directors has been ceased.

Moreover, for powers vested in the HFSF as it participates in the Bank, please also see "*Regulation and Supervision of Banks in Greece — The Hellenic Financial Stability Fund – The Greek Recapitalisation Framework*" below.

#### ***Hellenic Republic as Customer***

The Hellenic Republic, including state related entities, is a large customer of the Bank in terms of loans and deposits. As at 31 December 2020, 1.7% of the Bank's outstanding loans were to the Hellenic Republic and state related entities, and 5.5% of the Bank's deposits were from the Hellenic Republic and state related entities. The commercial relationship between the Bank, the Hellenic Republic and other state owned enterprises is conducted on a normal "arm's length" basis. The Bank believes that the commercially oriented strategy currently being implemented will continue for the foreseeable future.

#### ***Hellenic Republic as Regulator***

Through various agencies, including the Bank of Greece, the Hellenic Republic is also the regulator of the Group's business activities. For more information see "*Regulation and Supervision of Banks in Greece*" below.

### **Organisational Structure**

Set forth below is a chart indicating the individual companies within the Group and the Group's participation (direct and indirect) in each company as at 30 September 2021.

| <b>Primary Operating Area</b>             | <b>Country of incorporation</b> | <b>Direct</b> | <b>Indirect</b> | <b>Total</b> |
|---|---------------------------------|---------------|-----------------|--------------|
| <b>Corporate &amp; Investment Banking</b> |                                 |               |                 |              |
| Ethniki Leasing S.A. ....                 | Greece                          | 100.00%       | —               | 100.00%      |

## Description of the Group

| Primary Operating Area   | Country of incorporation | Direct  | Indirect | Total   |
|--|--------------------------|---------|----------|---------|
| Ethniki Factors S.A. ....  | Greece                   | 100.00% | —        | 100.00% |
| Probank Leasing S.A. ....  | Greece                   | 100.00% | —        | 100.00% |
| <b>International</b>   |                          |         |          |         |
| National Bank of Greece (Cyprus) Ltd <sup>(3)</sup> .....        | Cyprus                   | 100.00% | —        | 100.00% |
| National Securities Co (Cyprus) Ltd <sup>(2)</sup> .....         | Cyprus                   | —       | 100.00%  | 100.00% |
| NBG Management Services Ltd .....                                | Cyprus                   | 100.00% | —        | 100.00% |
| Stopanska Banka A.D. (Skopje) .....                              | North Macedonia          | 94.64%  | —        | 94.64%  |
| Bankteco E.O.O.D. ....   | Bulgaria                 | 100.00% | —        | 100.00% |
| NBG Leasing S.R.L. ....  | Romania                  | 100.00% | —        | 100.00% |
| NBG (Malta) Holdings Ltd .....                                   | Malta                    | —       | 100.00%  | 100.00% |
| NBG Bank Malta Ltd .....   | Malta                    | —       | 100.00%  | 100.00% |
| CAC Coral Limited <sup>(3)</sup> .....                           | Cyprus                   | 100.00% | —        | 100.00% |
| <b>Global Markets &amp; Asset Management</b>                     |                          |         |          |         |
| National Securities S.A. ....                                    | Greece                   | 100.00% | —        | 100.00% |
| NBG Asset Management Mutual Funds S.A. ....                      | Greece                   | 100.00% | —        | 100.00% |
| I-Bank Direct S.A. ....  | Greece                   | 99.90%  | 0.10%    | 100.00% |
| NBG Greek Fund Ltd .....   | Cyprus                   | 100.00% | —        | 100.00% |
| NBG Finance Plc .....  | UK                       | 100.00% | —        | 100.00% |
| NBG Finance (Dollar) Plc <sup>(2)</sup> .....                    | UK                       | 100.00% | —        | 100.00% |
| NBG Finance (Sterling) Plc <sup>(2)</sup> .....                  | UK                       | 100.00% | —        | 100.00% |
| NBG International Ltd .....                                      | UK                       | 100.00% | —        | 100.00% |
| NBGI Private Equity Ltd <sup>(2)</sup> .....                     | UK                       | —       | 100.00%  | 100.00% |
| NBG Asset Management Luxembourg S.A. ....                        | Luxembourg               | 94.67%  | 5.33%    | 100.00% |
| <b>Insurance</b>   |                          |         |          |         |
| Ethniki Hellenic General Insurance S.A. <sup>(3)</sup> .....     | Greece                   | 100.00% | —        | 100.00% |
| NBG Insurance Brokers S.A. ....                                  | Greece                   | 99.90%  | 0.10%    | 100.00% |
| Ethniki Insurance (Cyprus) Ltd <sup>(3)</sup> .....              | Cyprus                   | —       | 100.00%  | 100.00% |
| Ethniki General Insurance (Cyprus) Ltd <sup>(3)</sup> .....      | Cyprus                   | —       | 100.00%  | 100.00% |
| National Insurance Agents & Consultants Ltd <sup>(3)</sup> ..... | Cyprus                   | —       | 100.00%  | 100.00% |
| S.C. Garanta Asigurari S.A. <sup>(3)</sup> .....                 | Romania                  | —       | 94.96%   | 94.96%  |
| <b>Other</b>   |                          |         |          |         |
| NBG Property Services S.A. ....                                  | Greece                   | 100.00% | —        | 100.00% |
| Pronomiouhos Single Member S.A. Genikon Apothikon Hellados ..... | Greece                   | 100.00% | —        | 100.00% |
| KADMOS S.A. ....   | Greece                   | 100.00% | —        | 100.00% |
| DIONYSOS S.A. ....   | Greece                   | 99.91%  | —        | 99.91%  |
| EKTENEPOL Construction Company S.A. ....                         | Greece                   | 100.00% | —        | 100.00% |
| Mortgage, Touristic Prottypos Single Member S.A. ....            | Greece                   | 100.00% | —        | 100.00% |
| Hellenic Touristic Constructions S.A. ....                       | Greece                   | 78.14%  | —        | 78.14%  |
| Ethniki Ktimatiki Ekmetalefsis Single Member S.A. ....           | Greece                   | 100.00% | —        | 100.00% |
| NBG International Holdings B.V. ....                             | The Netherlands          | 100.00% | —        | 100.00% |
| ARC Management One SRL <sup>(1)</sup> .....                      | Romania                  | —       | 100.00%  | 100.00% |
| ARC Management Two EAD <sup>(1)</sup> .....                      | Bulgaria                 | —       | 100.00%  | 100.00% |

(1) Special Purpose Entity in which the Bank is the primary beneficiary.

(2) Companies under liquidation.

(3) NIC and its subsidiaries, National Bank of Greece (Cyprus) Ltd. and CAC Coral Limited have been reclassified to non-current assets held for sale.

## Business Overview

### Introduction

The Bank is one of the four systemic banks in Greece and it holds a significant position in Greece's retail banking sector, with as at 30 June 2020, 389 branches, one private banking unit and 1,488 ATMs.

- Group main activities at a glance are:

**Continuing operations:****In Greece**

Retail banking  
 Corporate and investment banking  
 NPE management (Troubled Asset Units)

**Other**

Global Transaction Services  
 Leasing  
 Factoring  
 Brokerage  
 Asset management  
 Real estate

**Outside of Greece:****Two banking subsidiaries**

- Stopanska Banka A.D. – Skopje (Stopanska Banka) and  
 - NBG Bank (Malta) Ltd. (NBG Malta)

**Discontinuing operations:****In Greece**

One subsidiary in the insurance sector - NIC

**Outside of Greece:**

Banking activities in Cyprus (NBG Cyprus)  
 Credit acquiring subsidiary in Cyprus CAC Coral Ltd

The Bank is the principal operating company of the Group, representing 95.4% of the Group's total assets, excluding non-current assets held for sale, as at 30 June 2021. The Bank's liabilities represent 97.6% of the Group's total liabilities, excluding liabilities associated with non-current assets held for sale, as at 30 June 2021. While the Bank conducts most of the Group's banking activities, it is supported by two non-Greek banking subsidiaries: Stopanska Banka A.D. – Skopje (**Stopanska Banka**) and NBG Bank (Malta) Ltd. (**NBG Malta**).

The Bank holds significant positions in many financial services products in Greece. Based on internal analysis, as at 30 June 2021, of the Bank's published financial statements based on IFRS regarding the Bank's outstanding amounts and the total market based on the Bank of Greece's Statistical Bulletin of Conjunctural Indicators, the Bank had significant market share of mortgage loans in Greece, with a share of 21.0% (source: Bank of Greece, Statistical Bulletin of Conjunctural Indicators, Table IV.18 Domestic MFI Credit to domestic individuals and private non-profit institutions by loan type) and holds a significant position in core deposits (which consist of sight deposits and savings accounts and exclude repos and time deposits), with a market share of 30.8% (source: Bank of Greece, Statistical Bulletin of Conjunctural Indicators, Table IV.11.1 Deposits by domestic enterprises and households with OMFIs). See also below the table with the Group's estimated market shares "*Banking Activities in Greece—Retail Banking*" below.

**NBG's Transformation Programme**

Building upon its long-lasting tradition of trust and service to society, the Bank embarked on a large-scale transformation programme in the second half of 2018, in response to the challenges and tapping the business opportunities presented by the rapidly changing economic and banking landscape, committing to the delivery of aspiring financial and operational targets (the **Transformation Programme**).

Three years into its implementation, the Transformation Programme has delivered positive results in terms of core profitability – fully in line with the Bank's financial and business targets up to 2023 – and tangible improvements to NBG's business and operating model. The Transformation Programme has been designed and is being delivered across Workstreams, each led by a senior executive of the Bank.



## Description of the Group

### *Strategic Priorities for 2021-23*

Between 2021 and 2023 the Bank will pursue the following strategic priorities:

1. achieving a material reduction in NPEs to less than 5% of gross loans by 2023 while retaining best-in-class capital ratios, driven by inorganic securitisation transactions, and continued organic efforts to address issues faced by customers temporarily impacted by the COVID-19 pandemic as well as issues in legacy NPE portfolios. Further improvements in the quality of the Bank's assets will be achieved through the internal Real Estate Owned (**REO**) platform that supports liquidation targets and the commercialisation of repossessed assets;
2. further enhancing efficiency with a lower headcount and cost base, as well as enhanced productivity through material further improvements in the Bank's business and operating model. Such improvements include optimising the Bank's branch network and head office capacity, maintaining a best-in-class centralised demand management and procurement function to manage non-staff operating expenses, and reducing areas of high external spend such as real estate, factoring in a more flexible and partially remote working model;
3. further boosting revenue generation through an increased focus on cross-selling and fee generation opportunities in Retail banking and through deepening large client relationships and broadening the SME base in Corporate banking. In the case of Retail banking, this is achieved through segment-focused relationship managers (primarily for the Small Business and Premium segments), a stronger focus on fee-generating products and further enhancement of sales through third party partnerships (e.g. with retailers). In the case of Corporate banking, this is achieved through an increase in relationship managers' capacity and time spent on sales, enhanced service levels, and a drive to increase sales of ancillary products and fees through the Bank's Corporate Transaction Banking (**CTB**) unit. Across segments, digital channels are playing an increasingly important role in onboarding, engaging and selling to customers, a trend which has accelerated significantly since the outbreak of COVID-19;
4. modernising the Bank's technology and centralised operations. In terms of technology, the Bank's key priorities include replacing the core banking system to enable revenue generation and cost efficiencies in the medium term, enhancing digital and data infrastructure, as well as migrating to a cloud-enabled environment. On the operations front, the Bank's key focus remains on optimising core processes (both customer-facing and internal) through simplification, centralisation and automation levers;
5. mobilising the Bank's human resources and attracting new talent through the roll-out of a new performance management system (**PMS**) and a new incentive scheme across the Bank that reward performance and align individual objectives to strategic goals. Improvements in terms of talent development include the offering of flagship leadership programmes as part of the NBG Academy platform, as well as launching a structure programme within NBG to enhance the Bank's corporate culture in line with the Bank's core values, and to sustain change;
6. modernising the credit policy and sanctioning frameworks for Retail and Corporate to enable sustainable growth across segments and deploying new analytics-driven credit risk scoring and rating models across segments. Enhancing risk awareness, internal controls, Anti-Money Laundering (**AML**) and Counter Terrorist Financing (**CTF**) practices across all lines of defence remains a priority; and

7. embedding a holistic Environment, Social and Governance (ESG) framework across the organisation, including addressing the business challenges and managing the risks emanating from climate change, delivering impact in society in areas of high priority (including, among others, diversity and inclusion, culture and creativity, and digital literacy), and adhering to the highest governance standards.

### The Bank's Purpose and Values

During the first half of 2021, the NBG Group launched a revamped Purpose Statement, and revisited its Core Values within the context of its Transformation Programme to guide its overall strategy, transformation, corporate culture and corporate communications.

**The Bank's Purpose Statement** is *"To create future together"*.

**The Bank's Core Values** are **Human centricity**, **Growth**, **Trustworthiness** and **Responsiveness**, as follows:



### Environment, Social and Governance

During the first half of 2021, NBG launched a holistic Environment, Social and Governance (ESG) effort ensuring compliance with evolving regulatory framework and implementation of ESG best practices across the organisation (covering management of credit and other types of risk, business strategy, products and services, procurement practices, real estate, etc.). Key initiatives relevant to the implementation of NBG's

## Description of the Group

strategy with respect to ESG have been incorporated into NBG's Transformation Programme, to ensure high level of focus and discipline in execution in this critical area.

### Banking Activities in Greece

In this section, financial information pertaining to the Bank relates to banking activities in Greece.

Most of the Bank's banking business is domestic and includes retail, corporate and investment banking. Banking activities in Greece include the Bank's domestic operations, Ethniki Leasing, Probank Leasing S.A. (**Probank Leasing**) and Ethniki Factors S.A. (**Ethniki Factors**). The Group's domestic banking operations accounted for 95.6% of its total lending activities as at 30 June 2021 (the **Domestic Banking Loans**) and for 97.1% of its deposits as at 30 June 2021 (the **Domestic Banking Deposits**).

The following table sets forth details of the domestic loans before allowance for impairment and deposits as at 31 December 2019, 31 December 2020 and 30 June 2021:

|                                     | As at 31 December |              |               |              | As at 31 December |               |               |               | As at 30 June |               |               |               |
|-------------------------------------|-------------------|--------------|---------------|--------------|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                     | 2019              |              |               |              | 2020              |               |               |               | 2021          |               |               |               |
|                                     | Loans             |              | Deposits      |              | Loans             |               | Deposits      |               | Loans         |               | Deposits      |               |
|                                     | Amount            | % of Total   | Amount        | % of Total   | Amount            | % of Total    | Amount        | % of Total    | Amount        | % of Total    | Amount        | % of Total    |
| (€ million, except for percentages) |                   |              |               |              |                   |               |               |               |               |               |               |               |
| Retail <sup>(1)</sup> .....         | 18,506            | 55.1%        | 32,485        | 76.9%        | 12,101            | 43.0%         | 35,237        | 75.0%         | 11,886        | 38.1%         | 36,720        | 74.1%         |
| Corporate .....                     | 14,651            | 43.6%        | 6,429         | 15.2%        | 15,544            | 55.3%         | 9,177         | 19.5%         | 18,810        | 60.3%         | 10,687        | 21.6%         |
| Public Sector                       | 438               | 1.3%         | 3,324         | 7.9%         | 480               | 1.7%          | 2,563         | 5.5%          | 484           | 1.6%          | 2,150         | 4.3%          |
| <b>Total .....</b>                  | <b>33,595</b>     | <b>100.0</b> | <b>42,238</b> | <b>100.0</b> | <b>28,125</b>     | <b>100.0%</b> | <b>46,977</b> | <b>100.0%</b> | <b>31,180</b> | <b>100.0%</b> | <b>49,557</b> | <b>100.0%</b> |

(1) Retail loans include consumer loans, personal loans, mortgages, automobile financing, loans to SMEs and credit cards

The Bank aims to attract domestic deposits from retail and corporate customers through:

- wide coverage of the Bank's domestic branch network;
- digital banking platforms to ensure nationwide service availability to our customers;
- the respected status of the Bank's brand name among a large segment of the population; and
- a broad range of services and products offered by the Bank.

Digital banking will continue to evolve rapidly. It will provide flexibility, speed and security to customers. Simple transactions and sales of simple products will shift to alternative delivery channels. Inevitably, the Bank is being driven to re-examine the operating model of its branch network, as COVID-19 has accelerated this trend.

More specifically, the Bank significantly improved its digital offering, by introducing new features and digital products (including debit and prepaid cards for retail customers and new loan applications for corporate), while always taking into account cyber risk. Digital transactions increased by 24% year-on-year

and digital subscribers reached 3.3 million in September 2021 (14% year-on-year). Additionally, NBG has offered payment moratoria to existing loans to both retail and corporate customers and has actively participated in all state driven liquidity support programmes. More specifically, the gross carrying amount of loans for which the moratoria expired during 2020 amounted to €3.9 billion (out of which €0.3 billion relates to moratoria that expired as at 30 September 2020 and €3.6 billion for moratoria that expired as at 31 December 2020), whereby 90.5% comprised performing loans as at 31 December 2020. Payment performance of ex moratoria performing clients remains far better than expected, with only approximately 3% performing moratoria beneficiaries in default as of June 2021 and just 1% currently in early arrears (>30 days past due (“dpd”)). Moreover, approximately 60% of performing moratoria clients remain low risk and have thus received no subsequent payment relief.

Following the expiry of moratoria on 30 September 2020 and 31 December 2020, the payment performance of moratoria beneficiaries remains reassuring, as less than 4% of ex-moratoria clients were in default as of mid-November 2021, 11 months post moratoria expiry. Moreover, NBG is actively pushing for step-up solutions provided to customers that continue to experience economic difficulties due to COVID-19, in order to avoid a “cliff effect” on their payments. These measures are complemented by the successful State subsidy programmes “Gefyra I & II”, where almost €2.2 billion of NBG clients have enrolled.

During 2020, the Bank disbursed new loans of €4.6 billion, in conjunction with governmental guarantee schemes, with total new disbursements expected to exceed the pre-COVID-19 target of €4 billion for the full year 2020.

In addition, the Bank has disbursed new loans for €2.8 billion in Greece in the first nine months of 2021, driving the domestic PE loan portfolio up by €0.8 billion year-on-year compared to the first nine months of 2020.

### *Greek Banking Distribution Channels*

As at 30 September 2021, the Bank operated in Greece through 341 branches (including one private banking Unit). As at 30 September 2021, the Bank operated 1,482 ATMs, 830 (offsite) of which were situated in key locations such as supermarkets, metro stations, shopping centres, hospitals and airports (54% of the Bank’s ATMs are equipped with cash deposit devices).

In 2011, the Bank created the first “i-bank store”, an innovative concept store which provides visitors with a true phygital (physical and digital) banking experience. As at 30 September 2020, the Bank operated 6 i-bank stores (three in Athens, one in Thessaloniki, one in Larissa and one in Xanthi).

In addition, since the end of 2014, the Bank has developed “i-bank Pay Spot”, an integrated payments service for retail stores that allows consumers to make payments (mostly bill payments) in non-banking, convenient locations around Greece.

With “i-bank Pay Spot”, consumers can pay in cash or by debit/credit card more than 300 bills (utilities, telecoms, insurance companies, etc.) in small retail stores in their neighbourhood (kiosks, newsstands, pharmacies, grocery stores, etc.). Consumers can also pay debts to public authorities (e.g. assessed tax debts, road tax for cars and motorcycles, etc.) and top up their fixed/mobile/internet connection. There are more than 2,000 i-bank Pay Spots already operating around Greece and the Bank aims to further expand the network.

## Description of the Group

The Bank's branches are located in almost every major city and town in Greece. Approximately 43% of the Bank's branches are located in the Attica and Thessaloniki prefectures, the major population centres in Greece. The Bank is engaged in a continuous process of rationalizing the organisation of its branch network in order to reduce costs, primarily by centralizing back office functions to free more employees to work on sales activities directly with customers. In addition, the Bank is continuing to consolidate redundant branches in order to maintain equivalent geographic coverage at a lower cost.

As at 30 September 2021, registered customers in digital channels reached 3.3 million, with 340,000 new customers registered since the beginning of the year, while the transactions performed through digital channels increased by 30% compared to the corresponding period last year.

### Retail Banking

All of the Group's retail banking activities in Greece are conducted by the Bank. The Bank offers retail customers a number of different types of deposit and investment products, as well as a wide range of traditional banking services and products.

The following table illustrates the Bank's estimated market share in Greece for certain categories of retail banking activities as at the dates indicated (source: Bank of Greece, Statistical Bulletin of Conjunctural Indicators):

|  | As at<br>31 December |       | As at<br>30 June |
|--|----------------------|-------|------------------|
|  | 2019                 | 2020  | 2021             |
| Mortgage lending (balances) .....                | 27.2%                | 19.4% | 21.0%            |
| Consumer loans and credit cards (balances) ..... | 13.9%                | 11.5% | 13.1%            |
| Core deposits <sup>(1)</sup> .....               | 32.8%                | 31.2% | 30.8%            |

(1) Core deposits consist of sight deposits and savings accounts and exclude repos and time deposits.

The Bank believes that its strong corporate image and brand recognition in Greece, its large customer base and its digital business, network of branches and ATMs are advantages that will facilitate the Bank's access to a diverse depositor base in Greece, providing the Bank with a large, stable and low-cost source of funding.

2020 was a challenging year for the Retail Banking Division due to unfamiliar territories formed mainly by the pandemic. The Bank had to overcome numerous impediments, demanding instant reaction and effective leadership to this aspiring race. Nonetheless, the Transformation Programme continued at its pace, with a broad range of tactical and strategic initiatives being delivered. Hence, in 2020, the Retail Banking Division displayed solid growth, supported by the implementation of the following key initiatives:

**Customer-centric service model:** The customer-centric service model aiming to strengthen the customer's relationship with the Bank through increased product penetration and services usage, by featuring dedicated relationship managers for high-value customer segments, as well as targeted customer propositions based on advanced analytics was completed during 2020. The staffing model is redefined every year according to organisational business needs and decisions. Towards this direction, the "Go4More" programme was also significantly upgraded in order to increase customer loyalty and engagement.

**Mortgage lending:** The Bank launched new mortgage loan products with a first long-term fixed-rate loan period (Estia 10/ 15/ 20/ 25 or 30 Years Mixed Home Loan). Another mortgage loan product was introduced for the purchase of land without construction of property. Moreover, the Bank took significant steps towards boosting the mortgage lending business in 2020 through partnering with the main market brokers.

Application pre-approval procedure via i-bank Internet Banking for specific mortgage loan products without visiting a branch was implemented. Finally, the redesign and simplification of mortgage lending processes led to improvements in the end-to-end servicing and response times.

**Consumer lending:** The Bank has implemented Automated Approval Procedure (AAP) for applications through all channels for amounts up to €2,000, reducing operational costs and precipitating the decision process. Moreover, it expanded its lending business through new partnerships with market-leading retailers while continuing to grow existing key partnerships. Specifically:

- a) Through NBG channels: The Bank launched the new "Express" personal loan for instant cash up to €2,000, leveraging the new AAP to complete underwriting in just a few minutes. "Express" is also available via Internet/Mobile Banking to provide an end-to-end digital and user-friendly process (application – approval – disbursement) without visiting a branch.
- b) Through Merchants: The Bank expanded and enhanced the tools provided to its partners and customers to facilitate and make the entire financing experience user-friendly:
  - ✓ faster time-to-yes for applications subject to AAP (within up to three minutes), improving the overall experience for both merchants and their customers;
  - ✓ digital loan application for purchase of consumer goods via merchant's e-shop without visiting the physical retail shop; and
  - ✓ new method of financing instalment payments, via electronic payment codes allowing customers to pay with debit/credit/prepaid cards.

**Small business lending:** A fast-track evaluation procedure was integrated resulting in reduced response times to the clients' financing application. A new financing programme "POS financing" was launched, up to €35,000, to cover businesses' working capital needs, and provide funding in relation to POS transactions. Small Business Lending includes customers with annual turnover up to €2.5 million and total exposure to the Bank up to €1 million, or initially originated from the Small Business Division.

**Cards (issuing & acquiring):** Cards' issuing performance was further enhanced with the launch of two new premium debit products addressing to Premium and Private clientele of the Bank and introduction of a fully digital process to apply for a credit card via Internet & Mobile Banking. On the acquiring side, the Bank reinforced its footprint on the e-Commerce market by introducing a new payment gateway platform and launching Key2pay service which targets to provide electronic payments acceptance solutions to merchants without e-shop.

**Deposits, Investments and Bancassurance:** The Bank:

- a) completed an optimisation project for a shorter and comprehensive list of available deposit products. By reducing to approximately one-third of the available products, the Bank was able to simplify branch network processes and assist in establishing an effective management monitoring system for management;
- b) expanded the capability to open a new savings or current account through Internet & Mobile Banking to existing customers, after the successful launching in 2019 for new customers; and

## Description of the Group

- c) increased investment product penetration by enabling open architecture capabilities (third party mutual funds, Undertaking for Collective Investment in Transferable Securities (UCITS) for the branch network).

Bancassurance showed strong results across the entire range of products offered (health, life, fire, auto, cards and loans insurance).

**Private banking:** Assets under management grew despite the operational difficulties incurred by the lockdowns, driven mainly by increased demand for Private Banking services, as a direct consequence of near zero deposit rates. Cross-selling initiatives with Retail and Corporate were interrupted to a large extent because of the lockdown-associated disruptions. In terms of revenue, the business managed to comfortably deliver revenue at the same levels as 2019, which was a year with significant market performance.

**Premium banking:** The Bank redesigned and launched an enhanced value proposition, including a branded debit card, a distinct loyalty programme, new pricing discounts and exclusive privileges.

**Mass segment:** The Bank:

- a) implemented the Campaign Management Process which streamlined collaboration between segments, products, channels, analytics and marketing into designing and implementing promotional campaigns. It resulted in higher campaign productivity, effectiveness, and efficiency through all available channels (branch, Below the Line, contact centres), and for all products and services.
- b) established a new channel for telemarketing sales in cooperation with third party providers, aiming to boost sales productivity for credit cards.
- c) designed methodology for end-to-end event-triggered communication across the product lifecycle to all individual customers (e.g. new customer welcome, credit card activation, etc.). Detailed flows and scenarios have been scripted, in order to ultimately achieve product lifecycle communication for all products.

**Branch network:** Optimisation of the branch network footprint and migration of transaction to ATM/APS continued, with targeted unit mergers, aiming to save on resources and rationalisation of its operation. In 2020, 63 Lobby ATMs and 340 APSs were operational in the branch network. Furthermore, Passbook Printer Units (PPU) have been successfully tested and installed, improving traditional customers' experience, within the prevailing regulative framework. At the same time, key business processes were re-engineered, in order to improve customer experience and allow staff to devote more time and attention towards customer-servicing activities. The branch network also contributed significantly to the restructuring of the retail NPE portfolios and provided support in all stages of the NPE portfolio sales initiatives, through a dedicated and specialised structure of "NPE Hubs".

**Digital business:** The Bank, in 2020, introduced a new Internet Banking service for business customers with advanced self-service functionalities (i.e. online legalisation, online disbursements and loan repayments), as well as online capabilities in applying COVID-19 customer support measures; more precisely, an online application for a loan payment holiday and cheque payment suspension were made available.

Furthermore, the Bank strengthened its digital sales offering by providing customers with the ability to acquire through internet and mobile banking credit products (e.g. instant consumer lending a market-first in the Greek market – and credit cards) as well as a bancassurance product, thereby expanding the Bank's sales

channels and amplifying customer digital engagement. The continued focus to migrate simple transactions to digital channels, which was and is expedited by COVID-19 restrictions, in combination with campaigns to promote digital channels' usage, led to a significant decrease in relevant branch teller transactional volumes.

Finally, the Retail Banking Division managed to further reduce its operating expenses, both through strategic initiatives (such as branch network unit mergers), as well as an exemplary expense discipline.

Finally, the Retail Banking Division:

- established the independent Segment Risk and Control sector headed by a Segment Risk and Control Officer with the aim to further strengthen the Bank's effort to effectively manage operational risks, design adequate and efficient controls and their operating effectiveness, as well as ensure adherence to the Bank's various internal and external regulatory obligations; and
- managed to further reduce operating expenses, both through strategic initiatives (such as branch network unit mergers), as well as an exemplary expense discipline.

The following table illustrates the domestic loan portfolio before any ECL allowance for impairment for retail lending as follows:

|  | As at<br>31 December |       | As at 30 June |
|--|----------------------|-------|---------------|
|  | 2019                 | 2020  | 2021          |
|  | In €000              |       |               |
| Consumer (auto financing, other, consumer lending and credit cards)..... | 2,245                | 1,639 | 1,593         |
| Mortgages .....  | 14,318               | 8,946 | 8,684         |
| SBL.....   | 1,943                | 1,516 | 1,609         |

### Consumer Lending Products

During the crisis period the Bank had mainly focused on effectively managing its existing loan portfolio. Due to the effects of the economic recession and as a result of targeted deleveraging, the balance of the domestic consumer loan portfolio (personal loans, auto financing, other consumer lending and credit cards) before any allowance for ECL impairment decreased from €2,245 million as at 31 December 2019 to €1,639 million, as at 31 December 2020, and further decreased to €1,593 million as at 30 June 2021.

However, the Bank during the last three years set the basis for the growth of new lending, mainly through loans for specific purposes (against documentation). Furthermore, in response to the COVID-19 pandemic and the reduction in economic activity and consequential slowdown in consumer lending, the Bank has introduced microlending consumer products.

With regard to new business development, apart from the promotion of the Bank's products through its branch network, the Bank is now in a position to cater for shifting market trends and support B2C and B2B products, car purchase and energy/eco solutions financing via strategic partnerships with retail chains, market places, car importing companies or dealers and energy trade and supply companies



## Description of the Group

Opting to support this, the Bank has been able to invest and capitalise on key collaborations, in order to expand its respective market shares and penetration rates, through innovative and advanced products that involve swift and safe processes, an extensive network of sales persons and one-stop-shop services. As a result, a significant proportion of the Bank's consumer lending disbursements currently takes place through these channels, with partners increasingly taking responsibility for delinquencies, partly or in total.

Modifications to the characteristics of consumer loan products (interest rate formation, duration) took place in order to enhance consumer lending and products' features homogenisation.

Additionally, in the past three years the Bank has continued focusing on "green" banking, by participating in the "Energy Efficiency at Household Buildings II" programme, providing loans with favourable terms and conditions for energy improvements at home. Moreover, financing the purchase of electric vehicles was introduced, through NBG's existing "Green Loan".

At the same time, the Bank is working on establishing alternative channels for new lending, as well as on the further growth of its debit, credit and prepaid cards portfolio. Additionally, the Bank is focused on gaining market share in the card acceptance market, an area with significant perspectives in Greece due to the economic environment and the obligatory use of cards due to tax regulations. Card acceptance in the Greek market is still low compared to the European average, therefore there is potential for further expansion in the penetration of card payments. The Bank has placed great emphasis in the transformation of the Bank's services towards more customer-orientated services, by adding new channels to the already established ones, including the promotion of the selling and servicing of cards, via digital and online banking (internet and mobile banking).

NBG Retail lending regulation in Greece was recently revised and to remain up to date with current market conditions, the Bank's underwriting criteria were adjusted accordingly. Risk based pricing, credit policy and rules are still embedded in the Bank's underwriting systems, to safeguard the new business expansion.

The optimisation and automation of the Bank's lending procedures, the digitalisation of customers' services and the exploitation of various cross selling initiatives, are a part of the Bank's Transformation Programme towards consumer lending.

### Mortgage Lending Products

Due to the recession, apartment prices in Greece declined for a prolonged period (from 2008 to 2017 cumulatively by 42.0% (in nominal values) (Source: Bank of Greece Governor Report for 2017, February 2018)), with a decelerating trend during the last two years before increasing 1.8% year-on-year in 2018. The recovery in the real estate market gained further momentum in the following years, with apartment prices increasing by 7.2% in 2019 and 4.4% in 2020 year-on-year (provisional data) (Source: Bank of Greece, Bulletin of Conjunctural Indicators, September-October 2021).

As at 30 June 2021, the residential mortgage loan portfolio, before any ECL allowance for impairment, was €8,684 million, compared to €8,946 million at 31 December 2020 and €14,318 million at 31 December 2019. The COVID-19 pandemic slowed down economic activity and consequently mortgage lending. However, improved macroeconomic outlook combined with low-cost mortgage lending, matured housing stock and favorable property related taxation, are expected to further fuel real estate transactions and demand for mortgages, for purchases as well as for renovation purposes.

During the past three years the Bank has focused on increasing its mortgage loans portfolio. Following last year's enrichment of mortgage loan products with mixed interest rate options (fixed interest rate for an initial duration of 10, 15, 20, 25 or 30 years and floating for the remaining term), significant flexibilities for new mortgage loans were introduced in mid-2021, i.e. skip payment of one instalment per year and interest only payment for the first one or two years, under specific conditions and criteria.

As part of the Bank's Transformation Programme, further automation of mortgage operations in order to minimise transaction time and provide an optimal customer experience as well as enhancement of the role of digital channels (loan application through Internet Banking) are under way.

### Small Business Lending Products

The Small Business & Retail Lending Division (SB & RL Division) is the unit responsible for managing credit provision to small businesses with annual turnover of up to €2.5 million and total exposure of up to €1.0 million, in accordance with the Bank's applicable Credit & Collection policy and approved authority levels. It operates through three credit centres in the main urban centres (Athens, Thessaloniki and Patra), which handle small business loan credit applications.

One of the main responsibilities is the development of the relative SBL products in order to offer a full range of financial solutions to the customers. Apart from the development of new products related to the standard types of loans offered by the Bank, the unit also cooperates with national and European bodies in order to offer special products and financial instruments, such as COSME, EaSI and TEPIX 2. The aim of these programmes is to provide SMEs with the necessary support for their growth funds, while reducing:

## Description of the Group

- the need for collateral (COSME, EaSI and EAFRD) thanks to the guarantee provided by the EFSI to the Bank with the support of the European Union;
- the cost of financing, since a zero interest rate is applied on 40% of the loan thanks to the non-interest-bearing portion of the financing supplied by HDB.

With the participation of HDB, the Bank launched:

- the State guarantee working capital programme, exclusively for very small businesses with turnover up to €200,000: 80% of the loan is guaranteed by HDB, with a total duration of up to five years, and the amount can reach the lesser of the following, €50,000 or 25% of 2019 turnover. Starting from 15 October 2021, the perimeter of the Programme has been expanded to include small businesses with turnover up to €1,000,000, while the amount can now reach the lesser of the following, €250,000 or 25% of 2019 turnover (other terms being the same).
- Co-financing working capital loans with interest rate subsidy with the HDB for working capital financing up to €50,000 to small and very small businesses, operating in the Western Macedonia region (Development Fund of Western Macedonia or TADYM).
- State guarantee working capital programme with the participation of HDB through the Guarantee Fund HDB – EPWCF (Engineers and Public Works Contractors Fund), applicable to SMEs: 80% of the loan is guaranteed by HDB, with a total duration of up to five years, and the amount can reach the lesser of the following, €200,000 or 25% of 2019 turnover or twice the total annual wage bill.
- Co-financing loans for investment plans with the HDB for loan amounts from €25,000 up to €1,500,000, applicable to SMEs (TEPIX 2 – BF1).

With the participation of EIF, the Bank offered:

- Loan Guarantee Program –EaSI COVID-19 for very small businesses with the participation of EIF up to €50,000. 68.8% of the loan is guaranteed by EIF.
- Loan Guarantee Programme - COSME COVID-19 with the participation of EIF for up to €150,000: 80% is guaranteed by EIF, up to 10 years total duration.

Moreover, the Bank will continue offering:

- Loan Guarantee Programme – ESIF EAFRD Greece under the rural development programme for loan amounts from €10,000 up to €5,000,000: 80% is guaranteed by EIF. The programme is applicable to SMEs which implement investments in agricultural holdings and processing, marketing and/or development of agricultural products.
- Loan Guarantee Programme – ESIF ERDF for loan amounts from €10,000 up to €1,875,000 and loan total duration from 12 months to ten years: 80% is guaranteed by EIF. The programme is applicable to microenterprises (including natural persons) and SMEs. The loan purpose may cover the following categories:
  - investment in tangible or intangible assets; and/or
  - working capital; and
  - transfer of propriety rights in enterprises.

Moreover, in the first quarter of 2021, the Bank launched the first digital end-to-end business loan, “Business Loan Express”. The loan is offered to new and existing customers, up to the amount of €35,000, starting from digital application to digital contract signing and disbursement, with no branch intervention

As at 30 June 2021, the domestic SBL gross outstanding portfolio, before any ECL allowance for impairment, was €1,609 million, compared to €1,516 million as at 31 December 2020 and €1,943 million as at 31 December 2019.

### Savings and Investment Products

Savings and investment products of the Bank are offered in euro and in other currencies. In addition to other products, the Bank offers investment products with yields that are higher than its basic deposit products, including capital-guaranteed principal products, Greek government bonds and other bonds from the Bank’s trading portfolio, repurchase agreements between the Bank and its clients and a wide range of mutual funds and unit trust products provided by NBG Asset Management Mutual Funds S.A. (**NBG Asset Management**), which is 100% owned by Group companies. See “*Global Investment & Asset Management*” below.

### *Corporate and Investment Banking*

2020 has proven to be one of the most challenging years in recent history, with the COVID-19 pandemic being the primary factor for economic development around the world. Within this environment, companies in most sectors proactively approach the banks for support and funding.

The main objective of the Corporate and Investment Banking (**CIB**) business is to provide its clients with tailor-made solutions, acting as their main partner bank to facilitate their growth plans, fully meet their needs in respect of credit and non-credit products and services, while generating value for both sides of the banking partnership, thereby ensuring sustainable revenues and profitability of the Bank.

The Bank offers corporate clients a wide range of products and services, including financial and investment advisory services, deposit accounts, loans denominated in euro and other currencies, foreign exchange services, standby letters of credit and financial guarantees, insurance products, custody arrangements and trade finance services.

The Bank extends financing to all sectors of the economy. As at 31 December 2020, domestic commercial lending amounted to €15,544 million and represented 55.3% of the total domestic loan portfolio of the Group, compared to €14,651 million as at 31 December 2019, representing 43.6% of the total domestic loan portfolio of the Group. As at 30 June 2021, domestic commercial lending amounted to €18,810 million and represented 60.3% of the total domestic loan portfolio of the Group.

The Bank lends primarily in the form of short-term credit lines and medium/long-term loans. Apart from financing, the Bank provides standby letters of credit and financial guarantees for its customers, which amounted to €3,418 million as at 30 June 2021 compared to €3,302 million as at 31 December 2020 and €3,364 million as at 31 December 2019.

Corporate banking includes the following divisions:

**Large Corporate:** The Large Corporate portfolio is being handled by two separate divisions with distinctly separate structure and clientele. One division deals with large groups and companies from €200 million

## Description of the Group

annual turnover and above (on a consolidated basis). The other division focuses mid-capitalisation companies (with €50 million to €200 million annual turnover) and other specialised categories (such as intragroups, Greek state related entities, etc.).

**Structured Financing:** The Structured Financing business has been established as a core growth arm of the CIB. Structured Financing focuses on origination, arrangement and execution of wholesale, primarily “event-driven” financings across four pillars:

- Energy Project Finance
- Real Estate Finance
- Concessions, Infrastructure & Advisory
- Leveraged Acquisition Finance

Transactions are mostly executed on a non-recourse basis, either in bilateral or syndicated format, mobilising the team’s in-house placement capabilities. Beyond customary support of local sponsors, Structured Financing is particularly focused on facilitating foreign direct investment (**FDI**) of diverse investors in Greece across the aforementioned financial sectors.

Through a dedicated team of 16 professionals with international structuring, financing and advisory background, Structured Financing represents a major budget carrier within CIB both from a net credit growth and a profitability perspective. In 2020, Structured Financing marked a net credit growth of approximately 40% year-on-year, supported by both FDI growth and increased domestic sponsors’ financing activity.

**Medium-Sized Businesses (SME):** This part of CIB’s portfolio (including businesses with annual turnover between €2.5 million and €50 million, or Small Businesses with total exposure to the Bank exceeding €1 million, or initially originated from the SME Division) was broadly affected by the ongoing pandemic and is in need of proper support. The timely and targeted actions of the Division are expected to assist our customers in weathering this new financial challenge and keep our focus in tapping the potential of the Greek economy.

Despite the deteriorated financial environment, the Bank’s long-term strategy is to ensure a steady flow of liquidity to businesses that continue to invest in competitiveness and innovation, while promoting extroversion is considered paramount in the business plan’s agenda. At the same time, the Bank participated in several favourable business financing programmes in cooperation with European organisations, such as the EIB and the EIF.

**Shipping Finance:** Greece is one of the world’s largest ship owning nations with a long standing tradition in shipping. Shipping has been one of the most important sectors of the Greek economy with the Bank being one of the key participants (including local and international Banks) in Greek shipping finance, the activities of which are carried out almost exclusively through its dedicated Piraeus-based unit.

The Bank has traditionally provided long-term financing, mainly to shipping companies trading in the dry bulk and wet bulk sectors and, to a lesser extent, to liner and ferry businesses, with a consistent view to minimising risk and enhancing the portfolio’s profitability.

During the course of the year, with a focus on asset quality and profitability, the Bank expanded its customer base by attracting new names in the Greek shipping industry, primarily in the markets of dry bulk and tankers. In addition, the Bank further leveraged the potential of its existing, high-quality clientele, expanding already successful partnerships.

Changes in the regulatory framework regarding the operation of vessels and environmental protection are still under way and are expected to impact the shipping markets over time. The Bank monitors closely the expected impact on the shipping industry from the imposed measures on reducing sulphur dioxide emissions as of 1 January 2020. Furthermore, the Bank is following technological developments regarding the gradual replacement of fossil fuels by more environment-friendly ones for ship propulsion.

### ***NPE and NPL management***

The Bank has established two dedicated and independent internal units, one responsible for the management of the Bank's retail loans (the Retail Collection Unit (**RCU**)) and the other for the Bank's corporate delinquent exposures (the Special Assets Unit (**SAU**)). The two units have the end-to-end responsibility for their respective troubled asset exposures. Regarding corporate governance, the units report to the General Manager – Head of Troubled Assets Group, as well as to a dedicated Arrears and Non-Performing Loans (**NPL**) Management Committee, which in turn reports to the Board Risk Committee of the Group. Furthermore, there are tangible Group initiatives regarding the management of real estate, related to workout actions (auctions, foreclosures and repossessions) with strong involvement of the Group's Real Estate Management experts and the monitoring by the Senior Executive Committee. Moreover, the Segment Risk and Control Officer was appointed with the aim to further strengthen the Bank's efforts to effectively manage operational risks, the design of adequate and efficient controls and their operating effectiveness, as well as to ensure adherence to the Bank's various internal and external regulatory obligations.

The Bank is continuously enhancing its NPL and NPE management strategies whilst augmenting its operational capabilities towards accomplishing the Bank's objective of reducing its NPL and NPE stock.

### Retail Collections

The RC was established in 2010 as the independent unit of the Bank responsible for the management of past due and troubled retail loans. It is a centralised function with an end-to-end responsibility for the management of past due loans, from the first day of delinquency all the way to the eventual write-off. As at 30 June 2021, the retail NPE loan portfolio (bank level) under RC management amounted to €6.7 billion compared to €7.0 billion as at 31 December 2020, and €7.5 billion as at 31 December 2019 (the figures include management of the Frontier portfolio).

RC's strategy for managing delinquent retail clients is performed through a combination of channels, such as the Internal Collections Centre (**ICC**), dedicated personnel in the Bank's branch network, external debt collection agencies and external law firms. The RC determines the strategy (i.e. collection, restructuring or legal) for each borrower in accordance with a framework that utilises available loan and borrower data. It makes extensive use of information technology, call strategy and monitoring tools in the ICC to perform rigorous collections in the early stages of delinquency, while outsourcing certain cases to external agencies which are given incentive-based remuneration. For restructuring, the RC utilises the ICC, the branch network and legal offices to communicate with borrowers. Factors, such as the income and living expenses of the borrower, the presence and amount of collateral and the days past due of the loan are utilised with the support of tools (such as the "Algorithm") to provide borrowers with viable modification solutions. The products employed by the RC in respect of restructurings include features such as the request for additional

## Description of the Group

collateral coverage, maturity extension, interest rate reduction, monthly payment reduction for up to six years, or partial debt forgiveness (split balance) that provides incentives to remain current (with provisional forgiveness at maturity). After mid-stage delinquency, legal action can be initiated in parallel, utilising legal offices (internal and external). The Bank's actions can escalate from denouncement up to collateral foreclosure and auction in order to achieve debt recovery.

### Special Assets Unit

The Bank has established the SAU, in order to effectively manage troubled and past due corporate loans and have full responsibility for managing such loans. Since the first quarter of 2015, the SAU has been reported as a separate segment and maintains a management structure independent of other Group businesses.

As at 30 June 2021, the Corporate NPE loan portfolio under SAU management amounted to €1.8 billion compared to € 1.9 billion as at 31 December 2020, and € 2.7 billion as at 31 December 2019. The SAU proposes customised loan modification and debt restructuring solutions to enterprises that are facing difficulties meeting their obligations and have operational and financial weaknesses.

There is a clear prioritisation strategy per portfolio managed, based on aging, size, collateralisation levels and status of legal actions. The SAU assesses the creditworthiness of the borrower using analytical tools and metrics, taking into consideration a number of factors, including but not limited to: cooperativeness of the borrower, the size of exposure, the borrower's viability and debt repayment capacity, collateral levels, market and competitive conditions and the industry in which it operates. Based on the results of its assessment, the SAU proposes customised loan modification and restructuring solutions for the borrowers' loans, also taking into consideration the results of a "net present value" tool. A number of restructuring products and debt settlement solutions for small customers respectively are also in place.

As at 30 June 2021, forbore exposures (forborne non-performing exposures and forbore performing exposures) amounting to €0.8 billion were under SAU management (31 December 2020: €0.9 billion and 31 December 2019: €1.3 billion).

### NPE reduction plan

From December 2015 to June 2021, the Group achieved a decrease of €17.8 billion of the NPE stock through a combination of organic and inorganic actions, with Group NPE stock as of 30 June 2021 at €4.1 billion (Bank: €3.9 billion). Similarly, the NPE ratio dropped from 46.8% to 13.9% post Project "Frontier" which was classified as Held for Sale (see below). More specifically, NPE reduction continued in the first half of 2021, with the stock of domestic NPEs reduced further by €0.1 billion to €4.0 billion, reflecting organic actions, mainly through restructurings/debt forgiveness and liquidations.

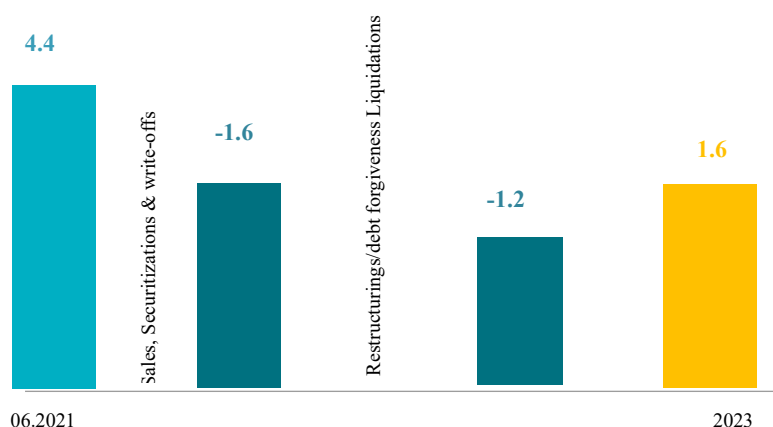
Payment performance of ex moratoria performing clients remains far better than expected, with only approximately 3% performing moratoria beneficiaries in default as of June 2021 and just 1% currently in early arrears (>30 days past due ("dpd")). Moreover, approximately 60% of performing moratoria clients remain low risk and have thus received no subsequent payment relief.

Domestic NPE ratio dropped by approximately 110 bps to 14.2% in the first half of 2021, with NPE coverage at 66.4% from 62.8% in the fourth quarter of 2020.

International NPE ratio and coverage in the first half of 2021 settled at 8.5% and 78.8%, respectively.

Furthermore, on 31 March 2021, as per the regular ECB calendar, post-COVID-19 revised targets were submitted to the SSM, based on which the NPE ratio is expected to be reduced to below 5% by 2023. More specifically, the NPE reduction targets for 2023 are as follows:

(GROUP, € billion)



### Disposal of NPE portfolios

As part of the implementation of the Bank's Transformation Programme, the Bank has entered into definitive agreements for the disposal of the following non-performing portfolios:

- On 29 July 2019, the Bank announced that it has entered into a definitive agreement with a consortium of funds (the **Consortium**) advised by affiliates of Centerbridge Partners, LLP and funds advised by Elliott Advisors (UK) Limited for the disposal of a portfolio of approximately 12,800 secured non-performing SBL and SME loans (approximately 8,300 properties distributed across Greece) with a total principal amount of €0.9 billion (**Project Symbol**). The transaction was completed on 9 December 2019 and the Consortium assigned the servicing of the portfolio to Cepal Hellas Financial Services S.A., which has been licensed by the Bank of Greece under Greek Law 4354/2015. The consideration of the transaction was equivalent to 28.3% of the principal amount of the portfolio and was capital accretive to NBG (based on the third quarter of 2019 CET1 ratio). This transaction was implemented in the context of NBG's NPE Strategy and Operational Targets, as submitted to the SSM.
- On 1 August 2019, the Bank announced that it has entered into a definitive agreement with CarVal Investors, for the disposal of a portfolio of unsecured non-performing portfolio of credit cards, consumer loans, SBL and SMEs loans with a total principal amount of €1.2 billion (**Project Mirror**). The transaction completed on 18 November 2019 and the servicing of the portfolio was assigned, by the investor, to QQuant Master Servicer S.A. which has been licensed and is regulated by the Bank of Greece under Greek Law 4354/2015. The consideration of the transaction amounted to more than 9.1% of the principal portfolio amount and was capital accretive to NBG. This transaction was implemented in the context of NBG's NPE Strategy and Operational Targets, as submitted to the SSM.
- On 16 October 2020, the Bank announced that it had entered into a definitive agreement with Bain Capital Credit for the disposal of a Cypriot Credit Acquiring Company (CAC Coral Ltd) which contains a portfolio of Cypriot-risk non-performing Corporate, SME and Retail/Consumer loans with a Gross Book Value (**GBV**) of approximately €325 million and approximately €200 million of allocated collateral value (**Project Marina**). The transaction is being implemented in the context of



## Description of the Group

NBG's NPE deleveraging strategy and in accordance with the Operational Targets submitted to the SSM. The closing of the transaction is subject to standard conditions precedent, including the approval of the competent regulatory authorities (see above "*Other divestments - Planned divestment of CAC Coral Ltd*").

- On 12 February 2021, NBG announced that it had completed the disposal of a non-performing, predominantly secured, corporate loan portfolio (**Project Icon**) with total principal amount as at 30 June 2019 of €1.6 billion (€0.6 billion of allocated collateral value) to Bain Capital. The transaction was implemented in the context of NBG's NPE deleveraging strategy and in accordance with the Operational Targets submitted to the SSM.
- On 20 May 2021, following the relevant announcement on 22 December 2020, the Bank completed the disposal of a Romanian-risk corporate NPE portfolio (**Project Danube**) with a total GBV of €174 million (€102 million of allocated collateral value) to Bain Capital. The transaction was being implemented in the context of NBG's NPE deleveraging strategy and in accordance with the Operational Targets submitted to the SSM.

## Project "Frontier" NPE securitisation

NBG, in the context of its Transformation Programme, launched in the fourth quarter of 2020, the securitisation of a portfolio of NPEs under the project name "Frontier", accounting for €6.0 billion in terms of GBV as of 30 June 2020 and consisting of secured Large Corporate, Small and Medium Enterprises (SMEs), Small Business Lending (SBL), Mortgages and Consumer Loans. The portfolio's net book value as of 30 June 2021 amounted to €2.7 billion.

On 29 January 2021, the Bank submitted an application for the inclusion of Project Frontier under the "Hercules" guarantee scheme, according to the provisions of Greek Law 4649/2019 (see below). The application provides for a guarantee by the Greek State for senior notes with a total value up to €3.3 billion.

On 15 October 2021, the Bank announced that it had entered into a definitive agreement with a consortium consisting of affiliates of Bain Capital Credit ("Bain Capital"), Fortress Investment Group and doValue Greece, for the sale of 95% of the mezzanine and junior notes from a rated securitisation backed by a portfolio of Greek NPEs.

Upon the successful completion of the transaction (closing), which is expected to take place in December 2021, the Bank will retain 100% of the senior notes, utilising the provisions of the Hellenic Asset Republic Protection Scheme, and 5% of the mezzanine and junior notes.

### *Hellenic Republic Asset Protection Scheme*

In December 2019, the Greek parliament voted for the creation of an Asset Protection Scheme (APS) (Greek Law 4649/2019) also known as the "Hercules Scheme". The Hercules Scheme will support banks on deleveraging NPEs through securitisation, with the aim of obtaining greater market stability. The participation in the Hercules Scheme is voluntary and open to all Greek banks and it does not constitute state aid as guarantees are priced on market terms.

Under the Hercules Scheme, the Hellenic Republic will provide guarantees up to €12.0 billion on the senior bonds of securitisations of NPEs. The Hercules Scheme will become effective only when the originator has sold at least 50% plus one of the junior tranches (and mezzanine if any) and the notes are of such amount that allows the derecognition and the Significant Risk Transfer (SRT) of the securitised receivables.

Moreover, in April 2021, following approval from the DG Competition on 9 April 2021 and based on Greek Law 4818/2021, the "**Hercules**" Scheme (named also as **Hercules II**) was extended by 18 months and the amount of guarantees was increased for another €12.0 billion, with no material changes in terms (*see "Regulation and Supervision of Banks in Greece - Asset protection scheme for banks in Greece"*).

### Cooperation with specialised servicers

On 31 July 2018, the four systemic Greek banks (Alpha Bank, the Bank, Eurobank and Piraeus Bank) entered into a servicing agreement with a credit institution, doBank S.p.A., which specialises in servicing of NPLs. This agreement is part of the strategic framework of the Greek systemic banks, including the Bank, to reduce their NPEs by protecting the viability of small and medium sized enterprises and supporting the recovery of the Greek economy.

As part of its ongoing efforts to optimize its NPE management strategies, the Bank expects to examine further cooperation opportunities with specialised servicers.

## ***Global Investment & Asset Management***

### *Treasury*

The Bank carries out its own treasury activities within the prescribed position and counterparty limits. These activities include:

- Greek and other sovereign securities trading;
- foreign exchange trading;
- interbank lending and borrowing in euro and other currency placements and deposits;
- repurchase agreements;
- corporate bonds; and
- derivative products, such as forward rate agreement trading, options and interest rate and currency swaps.

The Treasury is active across a broad spectrum of capital market products and operations, including bonds and securities, interbank placements in the international money and foreign exchange markets and market-traded and over-the-counter financial derivatives. It supplies the branch network with value-added deposit products, and its client base includes institutions, large corporations, insurance funds and large private-sector investors. In general, the Bank enters into derivatives transactions for economic hedging purposes or in response to specific customer requirements.

The Bank is active in the primary and secondary trading of Greek government securities, as well as in the international Eurobond market, especially EGBs, EFSF and ESM issues. The Bank is a founding member of the Group of Greek Government Securities Primary Dealers which was established by the Bank of Greece in early 1998 and of the Group of EFSF-ESM Securities Primary Dealers which was established in 2010. In addition, it is a member of the EU Primary Dealer's Network which was established in 2021.

## Description of the Group

### *Custodian Services*

The Bank offers custody services to domestic and foreign institutional clients, as well as to its retail customer base, covering the Greek and major international markets. For the coverage of international markets the Bank cooperates with top global custody providers and International Securities Depositories, while in countries of SEE where the Bank maintains presence, regional subsidiaries act as sub-custodians in the region.

### *Asset Management*

The Group's domestic fund management business is operated by NBG Asset Management, which is wholly owned by the Group and was the first mutual fund management company to be established in Greece. Set up in 1972, NBG Asset Management manages private and institutional client funds, made available to customers through the Bank's extensive branch network. The company's objective is to achieve competitive returns in relation to domestic and international competition.

As of 31 December 2020, the total assets under management in mutual funds and discretionary asset management amounted to €1.6 billion, with NBG Asset Management maintaining a market share in mutual funds in Greece of 10.2% (Source: Hellenic Fund and Asset Management Association – report of 31 December 2020). The number of clients serviced by NBG Asset Management are in excess of 38,000, including 66 institutional investors.

| € million                            | 2019  | 2020  |
|--------------------------------------|-------|-------|
| Mutual funds under management        | 838   | 826   |
| Discretionary funds under management | 688   | 726   |
| Total funds under management         | 1,526 | 1,552 |
| Market share                         | 10.7% | 10.2% |

The 21 mutual funds of NBG Asset Management, among them four in Luxembourg, cover a wide range of investment categories (Equity, Bond, Balanced and Fund of Funds) in Greece and international markets. Such a wide spectrum of investment products gives great flexibility to investors who wish to build their personal investment plan according to their investment profile and objectives through mutual fund portfolios with a high degree of diversification.

In addition to mutual fund management, NBG Asset Management offers the following services for institutional and private investors:

- Discretionary Portfolio Management Investment Services.
- Advisory Services.

It also offers a range of financial products and services that cover the needs of:

- Social Security/Pension Funds.
- Insurance companies.
- Corporates.

### Brokerage

National Securities S.A. (**NBG Securities**) was established in 1988 and constitutes the brokerage and investment banking arm of the Group. NBG Securities offers a wide spectrum of integrated and innovative investment services to both individual and institutional customers. The NBG Securities aims at providing investment services tailored to the needs of its clients.

2020 was indeed a special year characterised by the effects as well as the subsequent challenges brought about by the pandemic. As that was the case with the entire economy, NBG Securities adapted immediately to the conditions created by COVID-19 and placed its focus on the protection and safety of its employees and customers. Right from the very beginning of the pandemic, NBG Securities showed readiness in terms of remotely managing day-to-day operations, successfully implementing remote access solutions, thereby enabling its customers to continue to enjoy uninterrupted service even during the most extreme lockdown conditions.

At the same time, NBG Securities continued to explore synergies with NBG and achieving economies of scale. The company's digital transformation programme also proceeded at a satisfactory pace focusing on alternative channels/services, such as the new modern applications for both mobile and internet trading.

### Investment Banking

In 2021, NBG's Investment Banking Division provided advisory services focused on Debt and Equity Capital Markets, as well as Corporate Finance Consulting. NBG's roles have included acting as:

- 1) Sole Financial Advisor and Joint Coordinator & Bookrunner in relation to the issuance by PRODEA INVESTMENTS of a €500 million common bond loan listed on ATHEX;
- 2) Lead Underwriter in relation to the issuance by MOTOR OIL of a €200 million common bond loan listed on ATHEX;
- 3) Lead Underwriter in relation to the issuance by ELVALHALCOR of a €250 million common bond loan listed on ATHEX;
- 4) Sole Financial Advisor and Joint Bookrunner in relation to the issuance (Share Capital Increase) by PPC S.A. of 150 million additional common shares listed on ATHEX; and
- 5) Sole Financial Advisor for the provision of a Financial Report to the Management of TEMES S.A., in relation to the optimal capital structure of TEMES S.A.

### **Other**

#### Group Real Estate

NBG Group Real Estate is responsible for the comprehensive management of the Group's total portfolio of properties, whether owned, used, leased or foreclosed, and for the provision of valuation and technical services on a fully integrated basis.

Since 2018, Group Real Estate has undertaken an important role in the Bank's NPE reduction strategy, beyond its traditional real estate management activities.

## Description of the Group

In 2020, in line with the Transformation Programme's (Healthy Balance Sheet Workstream), Group Real Estate further expanded its activities and accelerated its efforts to contribute effectively to this strategic objective.

In this context, the Bank through its REO Assets Division, participated in public auctions and acquired 1,244 properties with value of approximately €89 million in 2020, within a limited period of three and a half months due to the pandemic restrictions. In 2019, the Bank had acquired 1,229 properties valued at approximately €130 million during the 11 months period.

For Group Real Estate, 2020 was a record year in terms of property sales. Real estate owned assets (**REO**) targets were exceeded, achieving a historic year of performance, whilst significant Bank properties were successfully commercialised through long-term leases.

Key drivers for this success were the adoption of a new strategy for the comprehensive management of all promotional channels (electronic channels, brokers and branch network), and the transition from a traditional model of physical tenders to a more flexible, integrated model, in order to ensure the efficient exploitation of real estate portfolios with a large geographical spread. More specifically, for the promotion of REOs, as well as other properties of the Group, an Agent's registry with nationwide coverage was created, the web portal [www.realestateonline.gr](http://www.realestateonline.gr) was significantly upgraded, incorporating a platform for electronic tenders, ensuring transparency, greater efficiencies and further enhancing flexibility in real estate transactions.

Despite the restrictions due to the pandemic, total Group Real Estate sales reached 127 properties with a value of €94 million, with significant profits. At the same time, the introduction of electronic tenders from the middle of 2020 onwards allowed for the successful completion of 17 electronic tenders for properties with value of approximately €6 million.

Currently, there are approximately 1,000 properties with value of approximately €118 million uploaded on this website and it is expected that 500 additional properties with a value of approximately €70 million will be uploaded within the first half of 2021.

Furthermore, the Central Unit for Technical Assessments in 2020 conducted 120,000 property valuations totalling approximately €15.0 billion relating to new investments and the revaluation of existing collaterals, tripling its activity volume compared with 2019.

In addition, the Group Property Valuation Policy and the respective Regulation were further updated to remain fully aligned with the Regulatory Frameworks (EU, ECB and EBA) and the International and European Valuation Standards (IVS/EVS) at all times.

During the last two years, the Central Unit for Technical Assessments has further expanded its scope by offering expert advisory services for the assessment and monitoring of new construction projects financed by the Bank (Lender's Technical Advisor – LTA), marketability reports and other specialised services to the Bank and the Group (expert witness, Technical Due Diligence and Data Remediation).

In 2020, the Technical Services sector's contribution to large Bank branch projects was significant, whilst projects with respect to the energy upgrade of the Bank's buildings continued. The Bank's IT Facilities Building at Gerakas was certified according to Leadership in Energy and Environmental Design (LEED) at the Gold level, thus holding one of the most globally valid certifications for "Green Buildings", whilst with the completion of the Facility Energy Upgrade, energy savings of approximately 34% have been achieved.

Finally, the Property Management Division continued to successfully manage the Bank's own buildings, in the context of overall cost reduction efforts, significantly contributing to the further optimisation of the costs of the Bank's branch network and its office spaces.

### Global Transaction Services

NBG Global Transaction Services Division serves all customer segments covering Large Corporations, SMEs, Small Businesses, Individuals and Financial Institutions, offering these products including all type of Collections and Payments, Letters of Credit, Letters of Guarantee and Supply & Trade Financing.

During 2020, Global Transaction Services (**GTS**) has provided the market with €298 million of liquidity through trade financing and maintained a credit instrument portfolio of €2.8 billion.

The Bank maintains a leading market share in import and export products by SWIFT Traffic, as well as in local payments.

In the context of the Bank's strategy for improving operational efficiency, in sync with its Transformation Plan and utilising GTS' expertise, the centralisation of domestic letter of guarantees and document collections has been concluded with the centralisation of corporate customers. GTS has launched the digital certificate project, with the onboarding of customers to improve customer experience and offer fast-track services while in parallel trying to improve the offered services implementing new functions in the existing platform.

GTS' commitment to invest in the new Trade Finance systems has driven the implementation of a new customer front-end application covering letters of guarantee as well, after successful implementation in collections, letters of credit and trade financing. After completion of a specific phase, NBG Trade Finance will be fully integrated into a robust platform with both back-end and front-end systems.

The Bank consistently exploits and innovates structured solutions under International Trade Facilitation Programmes (**TFPs**), enabling Greek corporates to access alternative financing channels with favourable costs. For this purpose, the Bank is currently in discussions to sign the extension of the TFP for the third time and for an additional period of two years.

As a result, NBG GTS continues to gain global recognition from clients and business partners across all industries in and out of Greek borders. GTS, as a leading and innovating division, is also active in the Secondary Forfeiting Market as a buyer, conducting business and collaborating with major banking institutions abroad.

NBG GTS has also been named for the eighth time as "Best Trade Finance Bank" by the internationally acclaimed "Global Finance" magazine.

Swift Global Payments Innovation (**GPI**) implementation for cross-border payments is ongoing, aiming to offer transparency and on-time tracking. GPP upgrade is in a pre-user acceptance testing stage as an interim step of Pan European Instant Payments implementation.

Finance hub set up in NBG Malta is under development in cooperation with local management thus giving NBG customers the opportunity to conduct business through an efficient and low-cost route.

## **Description of the Group**

Leveraging on NBG's competitive strengths, GTS plans to engage stronger cross-unit partnerships, under the Bank's transformation pillars and initiatives, to achieve increased penetration in existing customers' wallet as well as target new clients thereby improving profitability.

### Leasing

The Bank began its leasing activities in 1990 through its subsidiary, Ethniki Leasing. In July 2013, the Group acquired Probank Leasing and the latter has come to recession and gradually stopped new contracts. Ethniki Leasing leases land and buildings, machinery, energy parks, transport equipment, furniture and appliances, computers and communications equipment.

Furthermore, in 2020 and for a second consecutive year, Ethniki Leasing remains the market leader of new businesses being implemented amounting to €202 million, despite the COVID-19 crisis.

More specifically, the new businesses carried out in 2020 by all Greek leasing companies amounted to €535 million, with 37.8% covered by Ethniki Leasing.

### Factoring

The Bank has been active in the provision of factoring services since 1994. In May 2009, Ethniki Factors was established as a wholly owned factoring subsidiary of the Bank, as part of its strategic decision to expand its factoring operations in Greece. Ethniki Factors offers a comprehensive range of factoring services to provide customers with integrated financial solutions and high quality services tailored to their needs.

### ***Banking Activities outside of Greece***

As at 30 June 2021, the Bank's international network comprised 84 branches (including foreign subsidiaries and Bank branches in the United Kingdom, Cairo and Cyprus), which offer traditional banking services and financial products and services. The Bank has two commercial banking subsidiaries in North Macedonia and Malta. The Bank's banking subsidiary in Cyprus remains as non-current assets held for sale, as discussed in "*Planned disposals of subsidiaries under 2019 Revised Restructuring Plan commitments - National Bank of Greece (Cyprus) Ltd*" above.

The Bank's international operations contributed €29 million or 4.9% of net interest income of the Group from continuing operations and accounted for €2.2 billion or 2.9% of the Group's total assets excluding non-current assets held for sale as at and for the period ended 30 June 2021. Total loans and advances to customers were €1.3 billion at 30 June 2021, whereas due to customer deposits amounted to €1.5 billion as at 30 June 2021.

### **Discontinued operations**

The Bank's discontinued operations and non-current assets held for sale as at 30 June 2021 comprise the Bank's subsidiary in the insurance sector NIC, the Bank's banking subsidiary in Cyprus, NBG Cyprus and the Bank's credit acquiring subsidiary in Cyprus CAC Coral Ltd.

### **Issuance of debt securities**

On 8 October 2020, the Bank completed the issuance of €500 million Green Fixed Rate Resettable Unsubordinated MREL Notes with an annual coupon of 2.75% and a yield of 2.875%. The notes have a six-

year maturity with first reset date on completion of five years. With this transaction, the Bank demonstrated its commitment to supporting the green economy and its strategic direction as the Bank for green energy.

### Recent Events

#### *MREL Requirements*

Banks in the European Union are required to maintain a MREL which ensures that banks have sufficient loss-absorbing capacity in resolution. See also “Risk Factors - Application of the Minimum Requirements for Own Funds and Eligible Liabilities under the BRRD may affect the Group’s profitability.”

MREL is set by the resolution authorities for each supervised bank individually to ensure that a bank maintains at all times sufficient eligible instruments to facilitate the implementation of the preferred resolution strategy. Guidance on the calculation methodology is provided through the MREL policy published by the Single Resolution Board (the **SRB**).

The SRB calibrates the MREL targets based on the appropriate reference date. This means that for setting MREL in a given year, the SRB will use the final supervisory review and evaluation process (**SREP**) decisions and Pillar 2 requirements applicable in that year and the previous year balance sheet data, or later data where deemed necessary to address a relevant change in circumstances. The SRB uses transitional prudential values applicable at the reference date. In subsequent resolution planning cycles, the MREL target is re-calibrated and communicated based on the input values of the new reference date.

MREL includes a risk- and a leverage-based dimension. MREL is not computed only as a percentage of the total risk exposure amount (**TREA**) but also as a percentage of the leverage ratio exposure (**LRE**). MREL is therefore expressed as two ratios that both have to be met: (i) as a percentage of TREA (the **MREL-TREA**); and (ii) as a percentage of the LRE (the **MREL-LRE**).

Instruments qualifying for MREL are own funds (Common Equity Tier 1, Additional Tier 1 and Tier 2), as well as certain eligible liabilities (mainly senior unsecured bonds). The SRMR allows the SRB to set in addition to the MREL requirement, a “subordination” requirement, within MREL, against which only subordinated liabilities and own funds count.

The SRB sets subordination requirements in accordance with the legal framework and has developed a methodology to estimate No Creditor Worse Off (**NCWO**) risk.

The Bank has been categorized by the SRB as a non-Pillar 1 Bank and is subject to a subordination requirement upon the decision of the resolution authority to avoid a breach of the NCWO principle, following a bank-specific assessment. The SRB uses a valuation-based approach to quantify the possible NCWO risk. Assessing the need for subordination depends on projections of the size and distribution of losses for different classes of creditors under different strategies and conditions.

Common Equity Tier 1 (**CET1**) used to meet the MREL-TREA cannot be used to meet the Combined Buffer Requirement (**CBR**). However, the usability of the same amount of capital is unrestricted for MREL-LRE. The same distinction applies to the subordination requirement.

Article 12k of the SRMR as amended by the SRMR II specifies the provisions applicable to define transitional periods up to 1 January 2024. In particular, all banking groups have a common deadline of 1 January 2024 to meet their full MREL targets including subordination; and two intermediate targets, a first



## Description of the Group

binding intermediate target to be met by 1 January 2022, and a second intermediate target of informative nature for 1 January 2023.

The SRB may consider a deviation from the deadline of 1 January 2024 only exceptionally, taking into consideration (i) whether a bank has taken all necessary steps and actions to meet its target by the deadline; and (ii) whether banks in the same jurisdiction have adequate access to capital markets.

On 22 June 2021, the Bank received from the Bank of Greece the SRB's decision regarding the binding MREL targets and the dates to meet the requirements. The decision was based on the 2021 MREL policy.

The SRB has granted the Bank an extended transition period to meet its final MREL requirement, until 31 December 2025. As a result, the Bank is subject to four intermediate targets: a binding intermediate target to be met by 1 January 2022, a second informative intermediate target to be met by 1 January 2023, a third informative target to be met by 1 January of 2024 and a fourth informative intermediate target to be met by 1 January 2025.

According to the MREL decision received, the Bank should meet by 31 December 2025 an MREL target of 22.71 per cent. of TREA and 5.85 per cent. of LRE on a consolidated basis. In addition, as per the MREL decision the Bank should also meet by 1 January 2022 an interim binding target of 14.79 per cent. of TREA and 5.85 per cent. of LRE on a consolidated basis. The above requirements do not include the CBR, which currently stands at 3 per cent. and is expected to increase to 3.25 per cent. from 1 January 2022.

The MREL ratio is calculated as the amount of own funds and eligible liabilities expressed as a percentage of the institution's TREA. Own funds, in addition to senior non-preferred and senior preferred debt instruments with residual maturities of more than one year, are eligible for the numerator of the MREL ratio.

Finally, according to the MREL decision, for 2022 no subordination requirement is set for the Bank.

### **National Bank of Greece signs a definitive agreement to form a joint venture partnership with EVO Payments, Inc. for its Merchant Acquiring Business**

NBG entered into a definite agreement with EVO Payments, Inc (**EVO**) to form a joint venture partnership for its Merchant Acquiring Business. NBG's Merchant Acquiring Business will form the basis of a new company (**NewCo**) and EVO will acquire 51% of its share capital for a cash consideration of Euro 158 million, valuing NBG's Merchant Acquiring Business at Euro 310 million. In addition, there will be a long-term exclusive distribution agreement where NBG will offer to its merchants the market-leading, card acceptance solutions of EVO, through its proprietary products and processing platforms.

The closing of the transaction is subject to customary conditions precedent, including the approval of the transaction by the competent regulatory authorities as well as the consent of the Hellenic Financial Stability Fund.

## **Legal and Arbitration Proceedings**

### **NBG Auxiliary Pension Fund (LEPETE)**

On 19 March 2020, a legislative amendment (Article 63, Law 4680/2020) on Article 24 of Greek Law 4618/2019 was passed (the **Amendment**). According to the Amendment, the employees insured with NBG's Auxiliary Pension Plan (**LEPETE**) were transferred to the former ETEAEP and are now governed by the

legislation of the Auxiliary Insurance Plan of Single Social Security Entity (e-EFKA). As a result, the Bank is liable for normal employer's contributions (3.25% from 1 June 2019 to 31 May 2022 and 3.00% from 1 June 2022 and onwards). The Bank is also obligated to pay an additional social security contribution to the Auxiliary Insurance Plan of e-EFKA for the years 2018 to 2032, amounting to 12.0% per annum of the gross salaries of employees with any employment relationship with the Bank on 31 December of each respective year. These additional annual contributions from the Bank were duly paid for the year 2018 by 30 June 2020 and for the remaining years the contribution is payable by the last business day of the first quarter of each following year. The additional contribution for the years 2019 and 2020 is offset by the additional contribution paid by the Bank to the former ETEAEP pursuant to Article 24 of Greek Law 4618/2019, as in force prior to its replacement herein. With the payment of the above additional social security contributions, the obligation of the Bank to the Auxiliary Insurance Plan of e-EFKA as well as to any other third party is exhausted.

There are pending legal actions against the Bank from LEPETE and former employees who are disputing the defined contribution nature of the plan, claiming that the Bank has an obligation to cover any deficit arising. The Bank appealed directly to the Supreme Court against one of the First Instance Court's decisions. In December 2020, the Supreme Court issued its decisions 1238/2020 and 1239 /2020 on appeals filed by the Bank and the opponents which were discussed on 17 December 2019. More specifically, decision 1239/2020 accepted the appeal of the Bank and decision 1238/2020 rejected the auxiliary appeal of the opponents.

### **Legal proceedings**

The Group is a defendant in certain claims and legal actions arising in the ordinary course of business. For the cases for which a provision has not been recognized, Management is unable to estimate the possible losses because the proceedings may last for many years, many of the proceedings are in early stages, there is uncertainty of the likelihood of the final result, there is uncertainty as to the outcome of the pending appeals and there are significant issues to be resolved. However, in the opinion of the Management, after consultation with its legal counsel, the ultimate disposition of these matters is not expected to have a material adverse effect on Group's Statement of Financial Position, Income Statement and Cash Flow Statement, taking into account that as at 30 June 2021, the Group has provided for cases under litigation in the amount of €55 million (31 December 2020: €54 million).

### **Capital Requirements**

The table below sets out the capital requirements for the Group for 2021 and 2020:

|                             | CET1 Capital Requirements                                 |               |               | Overall Capital Requirements               |               |               |
|-----------------------------|---|---------------|---------------|--|---------------|---------------|
|                             | 2020 and 2021 post capital relief measures <sup>(1)</sup> | 2021          | 2020          | 2020 and 2021 post capital relief measures | 2021          | 2020          |
| Pillar 1                    | 4.5%  | 4.5%          | 4.5%          | 8.0%                                       | 8.0%          | 8.0%          |
| Pillar 2                    | 3.0%  | 3.0%          | 3.0%          | 3.0%                                       | 3.0%          | 3.0%          |
| Capital Conservation Buffer | -   | 2.5%          | 2.5%          | -  | 2.5%          | 2.5%          |
| O-SII Buffer                | 0.5%  | 0.75%         | 0.5%          | 0.5%                                       | 0.75%         | 0.5%          |
| <b>Total</b>                | <b>8.0%</b>   | <b>10.75%</b> | <b>10.50%</b> | <b>11.50%</b>                              | <b>14.25%</b> | <b>14.00%</b> |

(1) CET1 threshold of 8.0% is further potentially reduced to 6.69%, given that the Bank is allowed to partially use Additional Tier 1 or Tier 2 instruments, to meet the Pillar 2 Requirements ("P2R").

The capital adequacy ratios for the Group are presented in the table below:

## Description of the Group

|                      |            | Group                                |            |
|----------------------|------------|--------------------------------------|------------|
|                      | 30.09.2021 | 30.09.2021 (Pro forma <sup>1</sup> ) | 31.12.2020 |
| Common Equity Tier 1 | 14.0%      | 16.5%                                | 15.7%      |
| Tier 1               | 14.0%      | 16.5%                                | 15.7%      |
| Total                | 14.7%      | 17.1%                                | 16.7%      |

(1) Pro forma figures have been calculated including profit for the period.

The capital adequacy ratios for the Group and the Bank as at 30 June 2021 and 31 December 2020 are set out in Note 17 to the June 2021 Interim Financial Statements (which are incorporated by reference in this Base Prospectus). See also “*Risk Factors – Factors that may affect the ability of the Bank to fulfil its obligations under Notes issued under the Programme – The Group may not be allowed to continue to recognize the main part of deferred tax assets as regulatory capital or as an asset, which may have an adverse effect on its operating results and financial condition*”.

## Internal Control System and Risk Management

### Objectives of the Internal Control System

Aiming to safeguard the reputation and credibility of the Bank and the Group towards its shareholders, customers, investors and the supervisory and other independent authorities, the Board of Directors provides for the continuous enhancement, at Group level, of its Internal Control System (**ICS**).

The ICS is designed to ensure effective and efficient operations, adequate identification, measurement and mitigation of risks through adequately and efficiently designed internal controls, prudent conduct of business, sound administrative and accounting procedures, reliability of financial and non-financial information reported or disclosed (both internally and externally) and compliance with laws, regulations, supervisory requirements and the NBG Group Internal Policies, Procedures and Regulations.

“Internal controls” is a process effected by the Board of Directors, Senior Management, Risk Management and other Control Functions, as well as by the staff within the organisation to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance. The Bank uses as a reference the COSO 2013 Internal Control Integrated Framework and the ICS is based on the five main per COSO components of internal control: **Control Environment, Risk Assessment, Control Activities, Information and Communication** as well as **Monitoring Activities**. The internal control process aims to create the necessary fundamentals for the entire Group to contribute to the effectiveness and high quality of internal control through, for instance, clear definitions, assignments of roles and responsibilities and methodologies, tools and procedures.

**The ICS aims to achieve, among others, the following key objectives:**

- consistent implementation of the Group’s business strategy through the efficient use of available resources;
- pursuit of risk-based decision making;
- identification of the Group’s process universe;
- identification and management of all undertaken risks, including operational risks;
- compliance with the local, European and international legal and regulatory frameworks that govern the operations of the Bank and the Group, including internal regulations, IT systems and a Code of Ethics;
- adequate and efficient design of controls as well as their operating effectiveness;

- completeness, accuracy and reliability of data and information that are necessary for the accurate, timely preparation and true and fair view of the Bank and the Group's published financial information and financial performance;
- adoption of international corporate governance best practices; and
- prevention, detection and correction of any errors and irregularities that may put at risk the reputation and the credibility of the Bank and the Group towards its shareholders, customers, investors and the supervisory and other independent authorities.

In the context of developing the business strategy and identifying the main business risks, the **Board of Directors**, with the support of its Committees, adopts appropriate policies, procedures and regulations aiming to ensure an adequate and an effective ICS for the Bank and the Group.

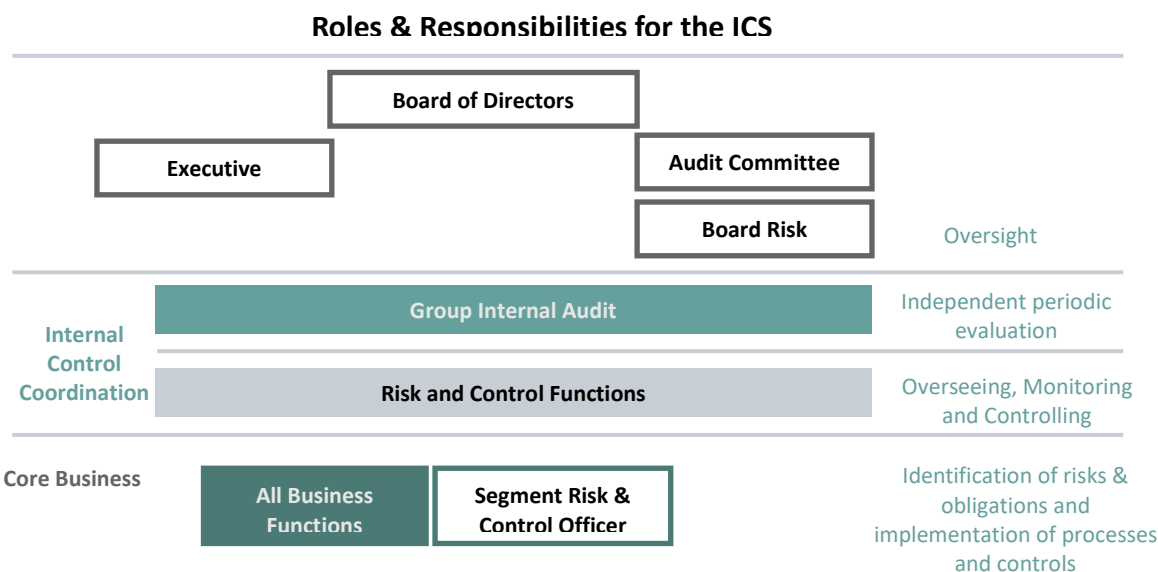
**Management** is responsible for:

- the effective design and implementation of adequate and efficient controls arising from adequate and efficient procedures, relevant to the range, risks and nature of the activities undertaken by the Bank and the Group;
- identifying and assessing any ICS's deficiencies; and
- undertaking the necessary corrective actions through the establishment of appropriate and timely action plans.

Specifically, the ICS and Risk Management related activities are performed by the First and Second Line of Defence. The roles and responsibilities with respect to Risk Management are divided into Three Lines of Defence, as follows:

- First Line of Defence (**1LoD**) includes the Business and Support Functions which are responsible for identifying, assessing and managing the risks and compliance obligations they undertake by designing and implementing adequate and efficient controls as well as by monitoring their operating effectiveness on a continuous basis.
- Second Line of Defence (**2LoD**) includes the various Risk and Control Functions that monitor the effectiveness of risk management, the compliance obligations and the adequate and efficient design of controls as well as their operating effectiveness.
- Third Line of Defence (**3LoD**) includes the Group Internal Audit Divisions (**GIADs**) which perform periodic assessments, in order to evaluate the adequacy and effectiveness of the Bank's and the Group's governance, risk management and internal control processes, as these are designed by the Board of Directors and Management. The Group Chief Audit Executive reports periodically on the GIADs' activities to the Bank's Board of Directors, through the Audit Committee.

## Description of the Group



The Board of Directors and the Senior Management aim at the continuous enhancement of the ICS in order to mitigate risk through the establishment of adequate and efficient controls and ensure effective operations. In this context, in 2019, in addition to the establishment of the Group Operational Risk Management Division and the Group Strategic Risk Management Division under the Group CRO, as discussed in section “*Risk Management*”, the Internal Control Coordination Committee (ICCC) and the Group Internal Control Function were established.

### Internal Control Coordination Committee

The ICCC whose aim is to foster collaboration among the various Risk and Control Functions has as key objectives:

- the enhancement of synergies across the Three Lines of Defence;
- the adoption of a common methodology framework;
- the monitoring and reporting of emerging risks; and
- the monitoring and reporting of the effectiveness of the Internal Control System.

The ICCC is coordinated by the Group Chief Audit Executive and its members are the Group Chief Risk Officer, the Chief Compliance and Corporate Governance Officer, the General Manager – Legal Services, the Group Chief Operating Officer, the Group Chief Control Officer, the Assistant General Manager – Head of Operations, Head of Operational Risk, the Chief Information Security Officer and the Director – Head of Regulatory Affairs and HFSF Relations.

The ICCC convened seven times during 2020 and established multiple working groups to support its key initiatives to deal with the following matters:

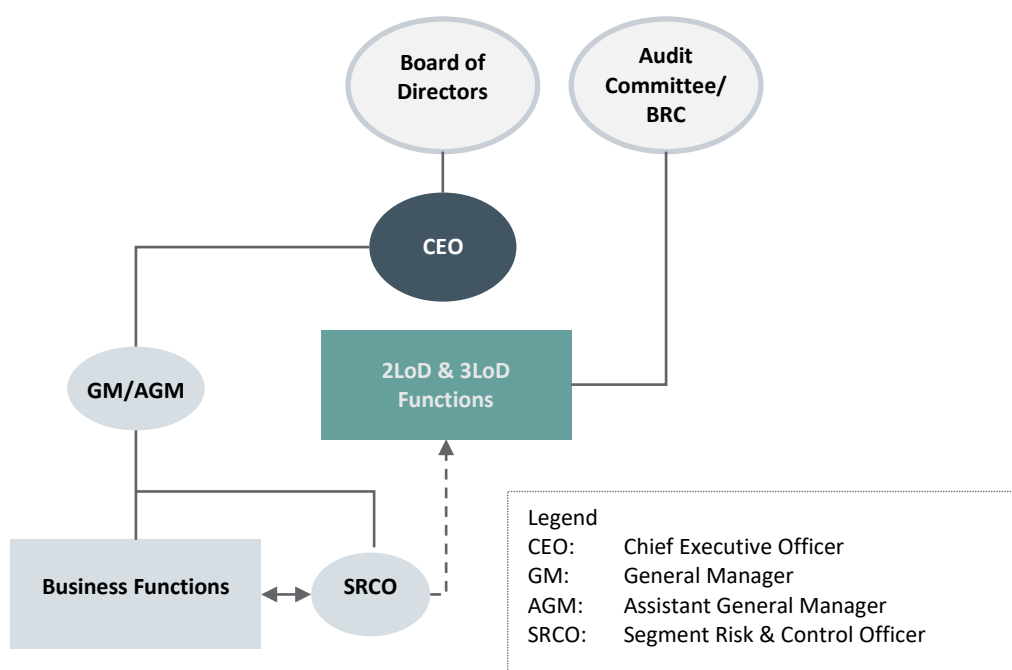
- Operationalisation of the newly established roles of the SRCO and URCO.
- Development of a Common NBG Group Control Taxonomy.
- Handling and Monitoring of the third parties’ audit findings.
- Design and implementation of the common GRC Platform for the Bank and the Group and establishment of the “Common Rules” for its usage.

- The Common Process Framework was developed and approved and is in the process of being adopted by all Bank Units.

### Segment Risk and Control Officer and Unit Risk and Control Officers

The Senior Management in its effort to further strengthen the ICS established the role of the SRCO and the URCO in January 2020.

- The SRCO reports to the respective business line General Manager/Assistant General Manager, is independent from the respective Business Units and liaises with 2LoD and 3LoD units with main responsibility to coordinate efforts in order to ensure that operational risks are appropriately identified and assessed, the internal controls are appropriately designed and operate effectively as well as to assist in further enhancing the risk, compliance and control awareness and culture.
- The URCO reports to the Head of the Division or the Independent Sector to which it belongs and cooperates with the responsibilities set out above with the respective SRCO of the respective business line.



### Common Governance, Risk and Compliance (GRC) Platform

As part of the Board of Directors and Senior Management's efforts to further enhance the efficiency and the effectiveness in operational risk management, compliance and internal control activities, the Bank has selected an integrated GRC platform to be used by the various Risk and Control Functions (Operational Risk Management, Internal Control, Compliance, Information Security, Model Validation, Regulatory Affairs and HFSF Relations and Internal Audit). Following the common GRC Platform implementation, the Bank will be able to further enhance the management of its operational risks, will increase Board's and Management's oversight and will be able to use a homogenised integrated reporting tool contributing to the holistic view of the ICS of the Bank and the Group. The GRC Platform's implementation is planned to be performed in phases due to its complexity and the number of the involved functions. Each phase is supported and closely monitored by a Steering Committee combining experts from all the above functions. The Steering Committee has established a Project Management Office to ensure the successful implementation. Phase 1 was successfully executed in 2020 and the Model Validation Module went live successfully in December

## Description of the Group

2020. Phase 2 is currently in progress and includes the design and implementation of the Operational Risk Management module.

### Group Internal Control Function

The Group ICF is mainly responsible for:

- a) Contributing to the establishment and enhancement of a robust control culture and promoting control awareness within the Bank and the Group.
- b) Developing the NBG Group Methodology for the Control Identification & Assessment by the Group Internal Control Function (NBG Group ICF Methodology) based on the mutually agreed by the members of the Internal Control Coordination Committee (“ICCC”), “Common Principles of Operational Risk and Control Assessment” for the Bank and the Group regarding roles, responsibilities, policies, procedures, flows of information and systems required for the appropriate design and the operating effectiveness of controls.
- c) Ongoing monitoring of the adequate and efficient design of controls as well as their operating effectiveness.
- d) Providing training and support to the Bank’s Units and the Segment Risk and Control Officers/Segment Risk and Control Officer Team/Unit Risk and Control Officers/Unit Risk and Control Officer Team in the application of the approved NBG Group ICF Methodology as well as providing specialised knowledge with respect to the controls.
- e) Collaborating with the Group Companies and supporting their work, in the application of the NBG Group ICF Methodology.

The Group Internal Control Function consists of:

- Loans and Branch Network Internal Control Sector;
- IT Systems Internal Control Sector;
- Business and Back Office Operations Internal Control Sector; and
- Quality Assurance and Project Management Subdivision.

During 2020, the Group Internal Control Function achieved the following:

- **Approval of the Group Internal Control Function (Group ICF) Charter:** Further to the establishment of the Group ICF in 2019 with the purpose to ensure and enhance the adequacy and efficiency of the design and the operating effectiveness of controls the Group ICF Charter was approved.
- **Approval of the NBG Group ICF Methodology:** In September 2020, the “NBG Group Methodology for the Control Identification & Assessment” by the Group Internal Control Function was approved by the Senior Executive Committee and the Board Audit Committee.
- **Provided guidance and training to ensure the efficient operationalisation of the newly established role of the SRCOs and URCOs and improved the control culture across the Bank through:**
  - Training sessions on the NBG Group ICF Methodology in matters related to the control identification and design assessment.
  - On the job training on the implementation of the NBG Group ICF Methodology in very high and high priority processes as identified by the General Managers/Assistant General Managers in close collaboration with the SRCOs and URCOs.

For 2021, the NBG Group Internal Control Function will focus on the following:

### Group ICF Annual Activity Plan 2021

- The Group ICF Annual Activity Plan 2021 has been approved and will focus on the control documentation based on the Group ICF Methodology for Very High Priority Processes for 2021, as identified by the GM/AGMs in close collaboration with the SRCOs.

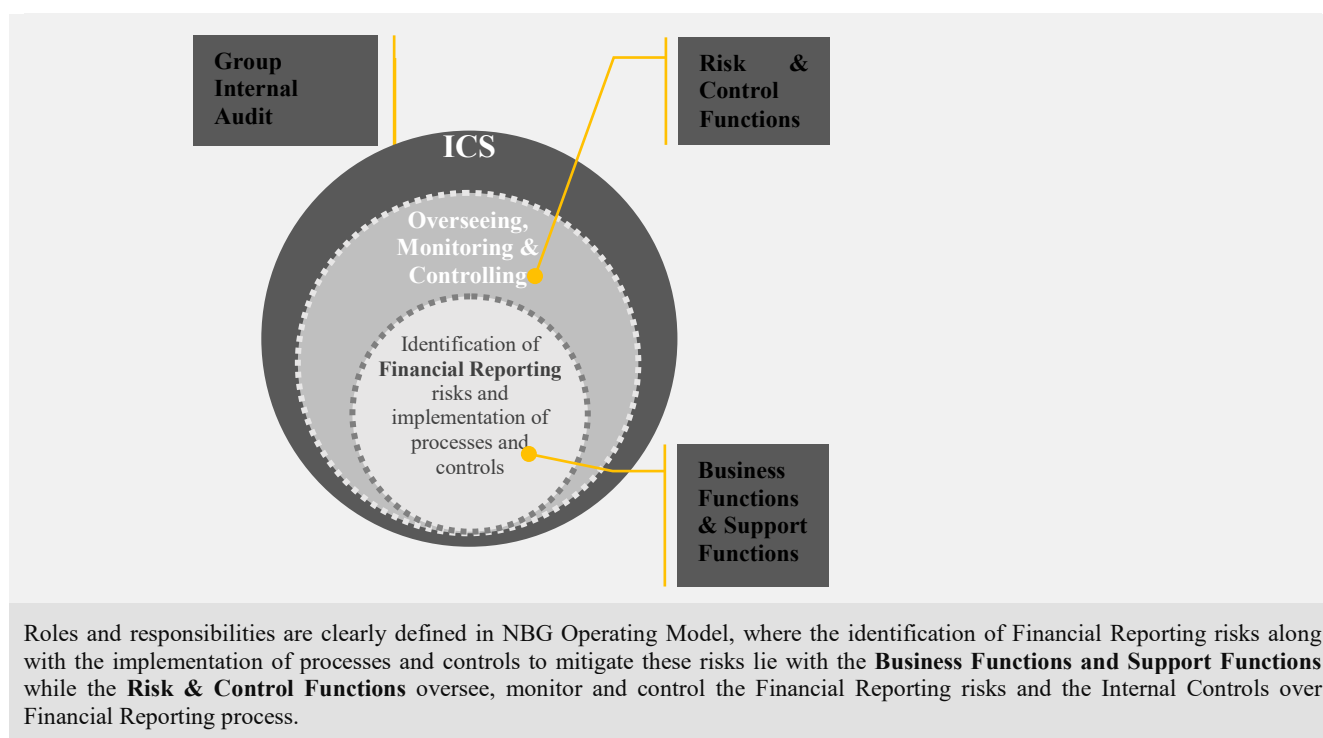
### Development of the NBG Group Control Taxonomy

- The development of the NBG Group Control Taxonomy will serve as one of the mutually agreed complementary documents to the “Common Principles of Operational Risk and Control Assessment”, allowing for the effective classification of controls.

### Management of risks relating to the Internal Controls over Financial Reporting process

The **Audit Committee**, in accordance with the Greek Law 4449/2017, Article 44 para. 3b, is responsible for the oversight of the Internal Controls over Financial Reporting and reports any improvements to ensure its integrity to the Board of Directors. Furthermore, the Audit Committee monitors the progress of the corrective actions undertaken in the context of ICS including ICFR.

**Management** is responsible for the preparation and fair presentation of the Bank’s and Group’s financial statements in accordance with the International Financial Reporting Standards (**IFRS**) and for **such Internal Controls over Financial Reporting (ICFR)** as Management determines are necessary to enable the preparation of these financial statements to be free from material misstatement, whether due to fraud or error.



### Group Internal Audit

The Group Internal Audit Function is an independent NBG Group wide function, which ensures that business operations reflect the Bank’s values and corporate culture and deliver its socially responsible strategy. Serving as the third line role, the Group Internal Audit Function provides the Board of Directors and the Audit Committee with independent assurance regarding the quality, adequacy and effectiveness of



## Description of the Group

the systems and related frameworks of corporate governance, risk management and internal control. The Group Chief Audit Executive (CAE) reports, functionally, to the Audit Committee and, administratively, to the CEO of NBG and has unrestricted access to both.

The Group Internal Audit Function, through a risk-based approach and with unrestricted access to all data and staff of the organisation, covers all entities and activities of NBG Group. It evaluates the risk exposures relating to the achievement of the Group's strategic objectives, the compliance with applicable regulatory framework and supervisory requirements, the reliability of financial and operating information, the implementation of information systems and projects, the conduct of operational activities, and the safeguarding of assets. Special focus and priority are placed on areas of higher risk. Executive management is responsible for ensuring that issues raised by the Internal Audit Function are addressed within an appropriate and agreed timeframe.

### Group Internal Audit Function and the subsidiaries' Internal Audit Units use:

- a common audit methodology, which is in compliance with the Committee of Sponsoring Organizations of the Treadway Commission (**COSO 2013**) principles and the International Internal Auditing Standards of the Institute of Internal Auditors (**IIA**);
- an information systems audit methodology that is based on the Control Objectives for Information and Related Technologies (**COBIT**) framework of the Information Systems Audit and Control Association (**ISACA**); and
- a common web-based software platform, which allows for the effective management of the audit activities and provides: (i) real time monitoring of the audit function across all subsidiaries; (ii) information sharing among the Group's internal auditors; and (iii) standardisation of the audit methodology. Moreover, audit efficiency and effectiveness is ensured through established key performance indicators and internal quality reviews.

As of 31 December 2020, the Group Internal Audit Function of the Bank employed 85 internal auditors with in-depth knowledge and experience in banking and audit, independent to the audited activities and with no involvement in the design, selection, implementation or operation of the Group's internal controls.

Each year, the Group Internal Audit Function prepares an annual audit plan, at Group level, ensuring synergies and improved coverage of audit areas. The 2020 Audit Plan covered risks related to, among others, NPE management, ICAAP and ILAAP processes and internal risk models, retail and corporate credit, corporate governance, AML/KYC, IT and cybersecurity, e-banking platform, cloud outsourcing, HR management, compliance with new regulations (PSD II) and internal policies, anti-fraud and continuous auditing as well as areas impacted by the COVID-19 pandemic. For 2021, the Audit Plan will focus, among others, on the following areas:

- **Business Model Sustainability**
- **NPE management**
- **ICAAP and ILAAP processes and internal risk models**
- **COVID-19 post moratoria strategy**
- **Private Banking**
- **Cybersecurity**
- **Anti-fraud and continuous auditing.**

As required by IIA standards, the Group Internal Audit Function is periodically assessed by an external evaluator. The conclusion of the last quality review was that Group Internal Audit “Generally Conforms” (highest possible IIA rating) to the international standards for the professional practice of internal auditing and was benchmarked among peer organisations as a very mature audit unit with a score of 4.44/5.

Enhanced use of technology is a strategic objective for NBG’s Internal Audit Function. During 2020, Group Internal Audit continued to enhance its Continuous Audit and Fraud Detection software platform, incorporating additional multiple audit scenarios run on a daily basis. The software features artificial intelligence and fuzzy-logic techniques and its coverage is planned to be expanded on additional business areas in the following years.

During 2020, Group Internal Audit experts, as members of a project team consisting of other Bank’s risk and control functions experts, participated in the implementation phase of the common Governance, Risk and Compliance (GRC) Platform which started within the year. The platform’s implementation will continue in 2021 under the close coordination and monitoring of the respective project team.

During 2020, Group Internal Audit met its strategic goals, including expansion of the use of new technology (new and improved anti-fraud and continuous auditing scenarios) and alignment of the audit methodology, initiation of staff up-skilling (adaptation to new technology and best practices) and further staff empowerment (through training, certification and career development). Additionally, in 2020, Group Internal Audit effectively adapted to the Bank’s changed operating model as a result of the COVID-19 pandemic and managed to meet its objectives for the year.

In 2020, the Group Internal Control Coordination Committee (established in 2019), convened seven times under the coordination of the Group CAE and continued to support the key objectives (see above “*Internal Control Coordination Committee*”) through the establishment of multiple work groups.

### **Risk Management Governance Framework**

For further information, please refer to the section “*Risk Management*” below.

### **Regulatory Compliance and Corporate Governance**

Within the context of appropriately incorporating the applicable Greek and EU legal and regulatory framework and best practices into the Group’s operation, Compliance and Corporate Governance Function oversees all compliance matters, in line with the applicable Greek and EU regulatory framework and supervisory authorities’ decisions, as well as all Corporate Governance and Shareholders’ activities. In particular, the Compliance and Corporate Governance Functions includes distinct Divisions, having competence over Corporate Governance, Corporate Social Responsibility Compliance and AML/CFT. The Compliance and Corporate Governance Function continuously monitors developments in the applicable framework and best practices, each in its field of responsibility, and provide guidelines and support to the Bank Units and the Group Entities, while it monitors implementation of the applicable provisions. In that context, Compliance and Corporate Governance Function in 2020 continued to focus on the establishment of an adequate and effective compliance environment, in order to safeguard the reputation and credibility of the Bank and the Group against all stakeholders, including shareholders, customers, supervisory and other authorities.

In order to comply with the regulatory framework in force, the Bank has set up policies and procedures. The monitored areas include among others Corporate Governance, AML/CFT, Tax and other public authorities’ requests, consumer protection, banking secrecy, personal data protection, etc..

Given the particular emphasis which the Group places in ensuring constant enhancement of corporate governance arrangements and practices applied, during 2020, the Group Corporate Governance and CSR Division focused on reviewing corporate governance policies, arrangements and practices (for further details see section “*Corporate Governance Statement – A. NBG’s Corporate Governance Code*” and section

## Description of the Group

“*Corporate Governance Statement B. NBG’s Corporate Governance Key Policies and Practices*” of the Board of Directors Report in the Annual Financial Report for the year ended 31 December 2020 (as is incorporated by reference herein)), providing continuous support to the Board of Directors and Board Committees.

Moreover, in the context of further enhancement of the Director’s Induction and ongoing training and development, Group Corporate Governance and CSR Division, updated the introductory informative programme for the new Board members, covering, among others, issues concerning the Bank’s Corporate Governance and organisational arrangements.

The Group Corporate Governance and CSR Division also proceeded with informing the Board Corporate Governance and Nominations Committee on developments in the legal and regulatory framework (e.g. on changes introduced by Greek Law 4706/2020, the corporate governance provisions of which will, as of July 2021, repeal and replace those of Greek Law 3016/2002) and latest trends and practices in corporate governance, while it also briefed the Audit Committee on related parties’ transactions.

Additionally, the Compliance and Corporate Governance Function also provided support, advice and guidance to the Bank’s Units in the context of ensuring the alignment and compliance of the Bank to the new regulatory framework and proceeded to action changes in policies and procedures, as well as compliance with EU and national legislation. Furthermore, the Compliance and Corporate Governance Function handled a number of projects, such as GDPR, MiFiD II, IDD, NPLs/NPEs management, PSD II, as well as Customer onboarding.

Finally, the Compliance and Corporate Governance Function continued to systematically follow and monitor developments and compliance in accordance with the applicable framework, while in parallel also being involved in the submission of a series of regular and ad hoc reports to supervisory authorities and constituting the point of contact and liaison between the authorities and the Bank.

## RISK MANAGEMENT

### Risk Management Governance

Risk management and control plays a fundamental role in the overall strategy of the Group, aiming to both effectively manage the risks of the organisation and to align with the legal and regulatory requirements. The Group aims at adopting best practices regarding risk management and governance, taking into account all relevant guidelines and regulatory requirements, as set by the Basel Committee on Banking Supervision (**BCBS**), the European Banking Authority (**EBA**), the European Central Bank (**ECB**), Single Supervisory Mechanism (**SSM**), the Bank of Greece (**BoG**), the Hellenic Capital Market Commission (**HCMC**) legislation, as well as any decisions of the competent authorities supervising the Group's entities.

Group risk management at NBG has a structured and tiered approach, based on a number of governance bodies, internal policies and procedures, and controls framework.

The Board of Directors bears ultimate accountability for NBG's risk position. It signs off on the risk strategy and risk appetite, and monitors the effectiveness of risk governance and management advised by its two specialised committees: the Board Risk Committee (**BRC**) and the Board Audit Committee (**BAC**). The Bank's Executive Committee (**ExCo**) and other committees, supporting to the Executive Committee are in charge of daily management actions and steer of the business. The Group Chief Risk Officer (**CRO**) is a member of the Executive Committee. The CRO has direct access to the Board of Directors, has delegated decision making authority for executive matters over risk and leads the Risk Management Function.

The Group Risk Management Function has specialist teams per risk type. The Group Risk Management Function teams conduct day-to-day risk management activities according to policies and procedures as approved by the BRC, the Executive Committee and other committees. The perimeter is based on the industry standard "Three Lines of Defence" model (see "*Three Lines of Defence*" Model in the Group's Risk Management" below). The Group Risk Management Function activities are supported by underlying systems and infrastructure. Risk culture is viewed as a core component of effective risk management, with the tone and example set by the Board of Directors and Senior Management. The Bank's objective is to establish a consistent risk culture across all Units. Hence, there are four layers relevant to Risk Management, all feeding upwards into the Board of Directors:

#### 1. Oversight and approval

At the top of the organisation, the members of the Board of Directors are responsible for oversight and approval on the governance structures of NBG, ensuring the right frameworks and policies are in place to ensure the Bank can be effectively managed.

#### 2. Executive management actions & sign-off

The executive management layer (ExCo and other executive committees) decides on management actions, signs off on materials produced and reported, and actively steers the Bank.

#### 3. Methodology and framework

Procedures and methodologies are in place to guide risk management, including credit approval procedures, model development and validation, product assessments.

## Risk Management

### 4. Execution and analysis

The execution layer is in charge of implementing the frameworks, models and policies set forth by the aforementioned layers, and provide the Board of Directors and the executive committees with relevant analyses and results to base their decisions upon.

#### “Three Lines of Defence” Model in the Group’s Risk Management

The Group’s risk management spans across three different levels, in order to create three lines of defence, as follows:

- **First line:** The risk taking units (e.g. credit originating departments, Treasury) are responsible for assessing and minimising risks for a given level of expected return by establishing and implementing internal rules and controls to the on-going business.
- **Second line:** The Group Risk Management Function oversees, monitors, controls and quantifies risks; provides appropriate tools and methodologies, coordination and assistance to lines of business; provides input towards the measurement of risk adjusted performance across business line; participates in the credit approval process for the Group’s corporate banking, retail banking and subsidiaries portfolios; performs independent assessment of credit risk undertaking in respect of each portfolio and has the right of veto; proposes appropriate risk mitigation measures, supported by local Risk Management (for subsidiaries) and specialised units (for the Bank). Additionally, under the Second line:
  - The Group Compliance Function monitors regulatory compliance across the Group and ensures that all units meet regulatory and other compliance requirements, through monitoring, advising and training.
  - The Group Risk Management Function cooperates with the Business Processes Division, the Group Internal Control Function, the Group CyberSecurity & Data Governance Division, the Group Security Division and the Legal Division.

These Divisions provide support, advice, appropriate tools and methodologies, acting as control units for specific subcategories of operational risk (e.g. legal risk, Information & Communication Technology (ICT) risk) as well as ensuring the Bank’s business continuity and mitigation of physical threats.

- **Third line:** The Internal Audit function of the Group, which reports directly to the Board of Directors through the Audit Committee, complements the risk management framework, acting as an independent reviewer, focusing on the effectiveness of the risk management framework and control environment.

The duties and responsibilities of all lines of defence are clearly identified and separated, and the relevant Units are sufficiently independent.

#### Group Risk Management

The Bank acknowledges the need for efficient risk management and has established four specialised Divisions and one Unit: the NBG Group Risk Control and Architecture Division (**GRCAD**), the NBG Group Financial and Liquidity Risk Management Division (**GFLRMD**), the NBG Group Operational Risk Management Division (**GORMD**), the NBG Group Strategic Risk Management Division (**GSRM**), and the Model Validation Unit (**MVU**), to properly identify, measure, analyse, manage and report the risks entailed

in all its business activities. All risk management units of the Group subsidiaries are coordinated by and adequately report to the aforementioned Divisions and Unit.

In addition, the three Credit Divisions, which are independent of the credit granting units, are involved in the credit approval process for the Group's corporate banking, retail banking and subsidiaries portfolios. They perform an independent assessment of the credit risk undertaking in respect of each portfolio and have the right of veto.

### **Risk Culture Programme**

Risk Culture is defined as an institution's norms, attitudes and behaviours related to risk awareness, risk taking and risk management, and the controls that shape decisions pertaining to risk. Risk Culture influences the decisions of management and employees during the day-to-day activities and has an impact on the risks they take.

The objective of NBG is to establish a sound and consistent Risk Culture across all units that is appropriate for the scale, complexity, and nature of the Bank's business, in line with regulatory/supervisory requirements and in accordance with best business practices, based on solid values which are articulated by the Group's Board of Directors and the Group's Senior Management.

Group Risk Management Function, as part of the Risk Culture Programme, established the Risk Culture Framework (RCF), with the objective to define and document the principles, processes and methodologies that pertain to the identification, measurement, monitoring and reporting of Risk Culture in NBG. The RCF is a key element for the establishment of a sound Risk Culture within the Group. It constitutes an essential tool for the BoD and Senior Management to ensure that the Risk Culture is monitored and measured consistently over time and risk awareness enhancement actions are taken when necessary, while at the same time meets the supervisory authorities' expectations on efficient risk governance, based on common perception of risk culture-related issues.

NBG has in place an effective RCF that:

- ✓ Is aligned with the core HR values;
- ✓ Is formed by both top-down Board and Senior Management guidance and leadership, and bottom-up involvement of management and other stakeholders, and is understood and applied across all levels of the Bank;
- ✓ Incorporates Risk Culture Principles that are easy to communicate and assimilate;
- ✓ Describes the process for the definition and implementation of personnel's risk awareness and corresponding behaviours' enhancement initiatives;
- ✓ Incorporates a forward-looking view of the Group's Risk Culture profile expectations by setting the corresponding Risk Culture Principles;
- ✓ Establishes the governance arrangements for updating and monitoring.

### **Management of Specific Risks**

#### ***Credit Risk***

Credit risk is the risk of financial loss relating to the failure of a borrower to honour its contractual obligations. It arises in lending activities as well as in various other activities where the Group is exposed to the risk of counterparty default, such as its trading, capital markets and settlement activities. Credit risk is the largest single risk the Group faces. The credit risk processes are conducted separately by the Bank and each of its subsidiaries. The credit risk procedures established by the subsidiaries are coordinated by the GRCAD.

## Risk Management

The Group's credit granting processes include credit-granting criteria based on the particular target market, the borrower or counterparty, as well as the purpose and structure of the credit and its source of repayment; credit limits that aggregate in comparable and meaningful manner different types of exposures at various levels; clearly established procedures for approving new credits as well as the amendment, renewal and re-financing of existing credits.

The Group maintains on-going credit administration, measurement and monitoring processes, including in particular documented credit risk policies, internal risk rating systems, information systems and analytical techniques that enable measurement of credit risk inherent in all relevant activities. The Group's controls implemented for the above processes include proper management of the credit-granting functions; periodical and timely remedial actions on deteriorating credits; independent, periodic audit of the credit risk management processes by Group Internal Audit Division, covering in particular the credit risk systems/models employed by the Group.

Additionally, the GRCAD measures and monitors credit risk on an on-going basis through documented credit risk policies, internal rating systems, as well as information systems and analytical techniques that enable measurement of credit risk inherent to all relevant activities. Thus, the Group achieves active credit risk management through the application of appropriate limits for exposures to a particular single or group of obligors; the use of credit risk mitigation techniques; the estimation of risk-adjusted pricing for most products and services; and a formalised validation process, encompassing all risk rating models, conducted by the Bank's independent MVU.

The Credit Policies for the Corporate and the Retail Banking portfolios of the Bank and its subsidiaries set the minimum credit criteria, present the fundamental policies, procedures and guidelines for the identification, measurement, approval, monitoring and managing of credit risk undertaken in Corporate and Retail Banking Portfolios respectively, both at the Bank and Group levels.

The Credit Policy of the Bank is approved by the Board of Directors upon recommendation of the BRC following proposal by the Group CRO to the Executive Committee and the BRC, and is reviewed on an annual basis and revised whenever deemed necessary and in any case every two years.

The Credit Policies of each subsidiary are approved by the competent local boards or committees, following a recommendation by the responsible officers or subsidiaries' bodies, according to the decisions of the Bank and the provisions of the Credit Policies. Each proposal must bear the prior consent of the Group Chief Credit Officer (CCO), or the Head of NBG's Group Retail Credit Division, or the Head of NBG's Group International Credit Division, depending on the portfolio, in cooperation with the Head of NBG's Group Risk Control and Architecture Division for issues falling under their responsibility. The subsidiaries' Credit Policies are reviewed on an annual basis and revised whenever deemed necessary and in any case every two years.

Through the application of the Retail Banking Credit Policy, the evaluation and estimation of credit risk, for new as well as for existing products, are effectively facilitated. NBG's Senior Management is regularly informed on all aspects regarding the Credit Policy. Remedial action plans are set to resolve the issues, whenever necessary, within the risk appetite and strategic orientation of the Bank. The Bank's Retail Banking Credit Policy is approved and can be amended or revised by the Board of Directors following recommendation from the BRC and is subject of periodic revision. Retail Banking Credit Policy is reviewed on an annual basis and revised whenever deemed necessary and in any case every two years. All approved policy changes are incorporated in the Policy Manual.

### *Concentration Risk*

The Bank manages the extension of credit, controls its exposure to credit risk and ensures its regulatory compliance based on an internal limits system. The GRCAD is responsible for limits setting, limits monitoring and regulatory compliance.

The fundamental instruments for controlling Corporate Portfolio concentration are obligor limits (which reflect the maximum permitted level of exposure for a specific obligor, given his or her risk rating) and sector limits that set the maximum allowed level of exposure for any specific industry of the economy; industries are classified in groups on the basis of NACE (General Industrial Classification of Economic Activities within the European Communities) codes. Sector limits constitute part of the Bank's Risk Appetite Framework and are revised at least annually. Excesses of the Industry Concentration Limits should be approved by the Board Risk Committee following a proposal of the General Manager of Group Risk Management (**Chief Risk Officer**). Any risk exposure in excess of the authorized internal obligor limits must be approved by a higher level Credit Approving Body, based on the Credit Approval Authorities as presented in the Corporate Credit Policy. Both obligor limits and sector limits are subject to BRC approval on an annual basis.

Credit risk concentration arising from a large exposure to a counterparty or group of connected clients whose probability of default depends on common risk factors is also monitored, under the Large Exposures and Large Debtors reporting framework.

Finally, within the Internal Capital Adequacy Assessment Process, the Bank has adopted a methodology to measure the risk arising from concentration to economic sectors (sectoral concentration) and to individual companies (name concentration). Additional capital requirements are calculated, if necessary, and Pillar 1 capital adequacy is adjusted to ultimately take into account such concentration risks.

### *Market Risk*

Market risk is the current or prospective risk to earnings and capital arising from adverse movements in interest rates, equity and commodity prices and exchange rates, and their levels of volatility. The Group engages in moderate trading activities in order to enhance profitability and service its clients. These trading activities create market risk, which the Group seeks to identify, estimate, monitor and manage effectively through a framework of principles, measurement processes and a valid set of limits that apply to all of the Group's transactions. The most significant types of market risk for the Group are interest rate, equity and foreign exchange risk.

#### *Interest Rate Risk*

Interest rate risk is the risk related to the potential loss on the Group's portfolio due to adverse movements in interest rates. A principal source of interest rate risk exposure stems from the interest rate, over-the-counter (**OTC**) and exchange traded, derivative transactions as well as from the trading and the held to collect and sell (**HTCS**) bond portfolios.

The most significant contributor to market risk in the Group is the Bank. More specifically, NBG maintains a derivatives portfolio of mainly vanilla interest rate (**IR**) products, which are mostly cleared in CCPs or managed through bilateral ISDA/CSA agreements. Their primary function is to hedge banking book securities or exposure of other derivative products in the trading book. Additionally, the Bank retains moderate positions in Greek government bonds and T Bills, as well as in other EU sovereign and EFSF



## Risk Management

bonds, and limited exposure to Greek and international corporate issues, mostly classified in the HTCS portfolio.

### *Equity Risk*

Equity risk is the risk related to the potential loss due to adverse movements in the prices of stocks and equity indices. The Group holds a limited portfolio of stocks, the majority of which are traded on the ATHEX and retains positions in stock and equity index derivatives traded on the ATHEX, as well as, on international exchanges. The cash portfolio comprises of trading and held to collect and sell positions. The portfolio of equity derivatives is mainly used for hedging the equity risk stemming from the Group's cash position and equity-linked products offered to customers and to a lesser extent for proprietary trading.

### *Foreign Exchange Risk*

Foreign exchange risk is the risk related to the potential loss due to adverse movements in foreign exchange rates. The Open Currency Position (OCP) of the Bank primarily arises from foreign exchange spot and forward transactions. The OCP is distinguished between trading and structural. The structural OCP contains all of the Bank's assets and liabilities in foreign currency (for example loans, deposits, etc.), along with the foreign exchange transactions performed by the Treasury Division. Apart from the Bank, the foreign exchange risk undertaken by the rest of the Group's subsidiaries is insignificant.

The Group trades in all major currencies, holding mainly short term positions for trading purposes and for servicing its institutional/corporate, domestic and international clientele. According to the Bank's policy, the OCP should remain within the limits set by the Treasury Division and the GFLRMD at the end of each trading day. The same policy applies to all of the Group's subsidiaries.

### *Market risk on trading and held to collect and sell — Value-at-Risk (VaR)*

The Bank uses market risk models and specific processes to assess and quantify the portfolio's market risk, based on best practice and industry-wide accepted risk metrics. More specifically, the Bank estimates the market risk of its Trading and HTCS portfolios using the VaR methodology. This has been implemented in the Bank's risk platform which is RiskWatch by Algorithmics (currently SS&C). In particular, the Bank has adopted the variance-covariance (VCV) methodology, with a 99% confidence interval and a 1-day holding period. The VaR is calculated on a daily basis for the Bank's Trading and HTCS portfolios, along with the VaR per risk type (interest rate, equity and foreign exchange risk). The VaR estimates are used internally as a risk management tool, as well as for regulatory purposes. The GFLRMD calculates the VaR of the Bank's trading and HTCS portfolios, for internal use, on a daily basis, using the latest 75 exponentially weighted daily observations to construct the VCV matrices. For regulatory purposes, the calculations apply only on the trading portfolio and the VCV matrices are based on 252, equally weighted, daily observations. The risk factors relevant to the financial products in the Bank's portfolio are interest rates, equity indices, foreign exchange rates and commodity prices. Additionally, the GFLRMD calculates the stressed VaR (sVaR) of the Bank's trading portfolio, which is defined as the VaR, where model inputs are calibrated to historical data from a continuous 1-year period of significant financial stress, relevant to the Bank's portfolio. The relevant VCV matrices are identified over a period starting in January 2008. Similarly to VaR, the Bank calculates sVaR on a daily basis, using a 1-day holding period and 99% confidence level. Finally, the GFLRMD calculates the VaR of the Bank's portfolios by applying the historical simulation approach, for comparative purposes.

The Bank has also established a framework of VaR limits in order to control and manage the risks to which it is exposed in a more efficient way. These limits are based on the Bank's Risk Appetite, as outlined in the Bank's Risk Appetite Framework (RAF), the anticipated profitability of the Treasury, as well as on the level of the Bank's own funds (capital budgeting), in the context of the Group strategy. The VaR limits refer not only to specific types of market risk, such as interest rate, foreign exchange and equity, but also to the overall market risk of the Bank's Trading and HTCS portfolios, taking into account the respective diversification between portfolios. Moreover, the same set of limits are used to monitor and manage risk levels on the regulatory Trading book, on an overall basis and per risk type, since this is the aggregation level relevant for the calculation of the own funds requirements for market risk, under the Internal Model Approach (pursuant to Title IV, Chapter 5 of the Capital Requirements Regulation).

The operation of the market risk management unit as a whole, including the VaR calculation framework, have been thoroughly reviewed and approved by the Bank of Greece, as well as by external advisors. Also, the Internal Audit assesses the effectiveness of the relevant internal controls on a regular basis. Moreover, the adequacy of the market risk management framework as well as the appropriateness of the VaR model used for the calculation of the Bank's capital requirements, were successfully reassessed in the context of the Market Risk TRIM, performed by the ECB. The successful completion of the TRIM assured the use of the Bank's internal model for the calculation of own funds requirements for market risk.

The Bank is mostly exposed to interest rate risk, which is quantified through IR VaR. The evolution of the IR VaR depends on the sensitivity of the Bank's Trading and HTCS portfolios to key risk factors, namely the euro IRS rates and the respective government yields, as well as on the level of their volatilities.

Within the first six months of 2021, the credit spreads of the EU periphery sovereign bonds presented significant fluctuations. This caused the volatilities of the respective sovereign yields to rise, which combined with the positions held in Greek and other EU sovereign bonds in the HTCS portfolio led to higher VaR estimates for the Bank, albeit well below the approved limits.

### Back-testing

The Bank performs back-testing on a daily basis, in order to verify the predictive power of the VaR model. In accordance with the guidelines set out in the Capital Requirements Regulation 575/2013, the calculations only refer to the Bank's trading portfolio and involve the comparison of the hypothetical and actual daily gains/losses of the portfolio with the respective estimates of the VaR model used for regulatory purposes. The hypothetical gains/losses is the change in the value of the portfolio between days  $t$  and  $t+1$ , assuming that the portfolio remains the same between the two days. In the same context, the actual gains/losses is the change in the value of the portfolio between days  $t$  and  $t+1$ , including all the transactions that took place in day  $t+1$ , excluding fees, commissions and net interest income.

Any excess of the hypothetical/actual losses over the VaR estimate is reported to the regulatory authorities within five business days. During the first six months of 2021, there were two cases in which the back-testing result exceeded the respective VaR calculation.

### Stress Testing

The VaR model is based on certain theoretical assumptions, which do not fully capture the potential bigger movements known as "tail events" in the markets.

## **Risk Management**

To enhance the predictability of the Bank's VaR model and minimise the effect of the aforementioned limitations, the Bank performs stress testing on a weekly basis. The aim of stress testing is to evaluate the gains or losses that may occur under extreme market conditions and applies on both trading and held to collect and sell portfolios.

### ***Counterparty Credit Risk***

Counterparty credit risk for the Group stems from OTC derivative and other interbank secured and unsecured funding transactions, as well as commercial transactions and is due to the potential failure of a counterparty to meet its contractual obligations.

For the efficient management of counterparty credit risk, the Bank has established a framework of counterparty limits pertaining to FIs. The GFLRMD is responsible for applying these limits and monitoring the respective exposures.

Counterparty limits are based on the credit rating of the financial institutions as well as the product type. The credit ratings are provided by internationally recognized rating agencies, in particular by Moody's and S&P. According to the Bank's policy, if the agencies diverge on the creditworthiness of a financial institution, the lowest credit rating is considered.

Counterparty limits apply to all financial instruments in which the Treasury is active in the interbank market. The limits framework is revised according to the business needs of the Bank and the prevailing conditions in international and domestic financial markets. A similar limit structure for the management of counterparty credit risk applies across all of the Group's subsidiaries.

The estimation of the exposure to each counterparty depends on the type of the financial product. In the case of money market placements and commercial transactions, exposure is equal to the face amount of the transaction. In OTC transactions, exposure is calculated based on Credit Equivalent Factors, according to the type of transaction, its maturity, netting and collateralisation.

The Group seeks to reduce counterparty credit risk by standardising its transactions with counterparties through International Swaps and Derivatives Association (**ISDA**) and Global Master Repurchase Agreement (**GMRA**) contracts, which encompass all necessary netting and margining clauses. Additionally, for the majority of the active counterparties, Credit Support Annexes (**CSAs**) have been signed, so that net current exposures are managed through margin accounts on a daily basis, by exchanging cash or debt securities as collateral, thus minimising counterparty credit risk.

The Group avoids taking positions on derivative contracts where the values of the underlying assets are highly correlated with the credit quality of the counterparty (wrong-way-risk).

### ***Interest Rate Risk in the Banking Book***

Interest rate risk in the banking book (**IRRBB**) is the current or prospective risk to earnings (net interest income) and capital due to adverse movements in interest rates affecting the banking book positions. Exposure to interest rate risk in the banking book arises from re-pricing mismatches between assets and liabilities. The Group's banking book consists mainly of loans and advances to customers, cash and balances with central banks, due from banks, securities measured at amortised cost and FVTOCI, due to customers, due to banks, debt securities in issue and other borrowed funds that are measured at amortised cost. The

Group maintains adequate measurement, monitoring, and control functions for interest rate risk in the banking book, including:

- measurement systems of interest rate risk that capture all material sources of interest rate risk and that assess the effect of interest rate changes in ways that are consistent with the scope of the Group's activities. The Group has recently upgraded its measurement capabilities in this area, through the implementation of a new IRRBB calculation engine;
- measurement of vulnerability to loss under stressful market conditions;
- processes and information systems for measuring, monitoring, controlling, and reporting interest rate risk exposures in the banking book; and
- a documented policy regarding the management of interest rate risk in the banking book.

IRRBB is measured, monitored and controlled by the Risk Management function (**GFLRMD**), based on the Group's established risk appetite framework. Specifically, GFLRMD calculates a number of risk metrics for the purpose of monitoring and controlling IRRBB:

- Net Interest Income (**NII**) sensitivity, a measure of the effect of interest rate changes to the Group's expected interest earnings. NII sensitivity measures changes to interest income under varying interest rate scenarios over a one year horizon and assuming a constant balance sheet over this period. Its main purpose is to measure the vulnerability of the Group's profitability to changing interest rates conditions; and
- Economic Value of Equity (**EVE**) Sensitivity, a measure of the change of the net present value of the balance sheet due to adverse interest rate changes. EVE Sensitivity is calculated on the entire balance sheet under a run-off assumption, i.e., no replenishment of matured transactions.

Both metrics are used in establishing the Group's IRRBB capital requirements.

### ***Country Risk***

Country risk is the current or prospective risk to earnings and capital, caused by events in a particular country which are at least to some extent under the control of the government but definitely not under the control of a private enterprise or individual. The main categories of country risk consist of sovereign risk, convertibility risk and transfer risk. Sovereign risk stems from a foreign government's lack of capacity and/or willingness to repay its debt or other obligations. Convertibility and transfer risk arise when a borrower is unable to convert funds from local to foreign currency in order to repay external obligations. Therefore, country risk refers to all cross-border transactions, either with a central government, or with a financial institution, a corporate or a retail client.

The on and off balance sheet items which potentially entail country risk are the following:

- participation in the equity of the Group's subsidiaries, which operate in other countries;
- interbank secured and unsecured placements and the risk that arises from OTC transactions, with financial institutions which operate abroad;

## **Risk Management**

- loans to corporations or financial institutions that operate abroad, positions in corporate bonds and cross-border project finance loans;
- funded and unfunded commercial transactions with foreign counterparties; and
- holdings of foreign sovereign debt.

In this context, the Bank's exposure to country risk arises from the participation in the Group's subsidiaries operating abroad, the Bank's holdings in foreign sovereign bonds and cross border activities in the form of interbank/commercial transactions and corporate lending.

GFLRMD monitors country risk exposure on a daily basis, mainly focusing on the countries where the Group has presence. Country risk has been decreasing in recent years, as the Bank is divesting international subsidiaries in accordance with its Restructuring Plan.

### ***Liquidity Risk***

Liquidity risk is defined as the current or prospective risk to earnings and capital arising from the institution's inability to meet its liabilities when they come due without incurring unacceptable losses.

It reflects the potential mismatch between incoming and outgoing payments, taking into account unexpected delays in repayments (term liquidity risk) or unexpectedly high outflows (withdrawal/call risk). Liquidity risk involves both the risk of unexpected increases in the cost of funding of the portfolio of assets at appropriate maturities and rates, and the risk of being unable to liquidate a position in a timely manner and on reasonable terms.

The Bank's executive and senior management has the responsibility to implement the liquidity risk strategy approved by the Board Risk Committee (**BRC**) and to develop the policies, methodologies and procedures for identifying, measuring, monitoring and controlling liquidity risk, consistent with the nature and complexity of the relevant activities. The Bank's executive and senior management is informed about current liquidity risk exposures, on a daily basis, ensuring that the Group's liquidity risk profile stays within the approved levels.

In addition, top management receives, on a daily basis, a liquidity report which presents a detailed analysis of the Group's funding sources, counterbalancing capacity, cost of funding and other liquidity metrics related to the RAF, Recovery Plan and Contingency Funding Plan. Moreover, the Asset Liability Committee (**ALCO**) monitors the gap in maturities between assets and liabilities, as well as the Bank's funding requirements based on various assumptions, including conditions that might have an adverse impact on the Bank's ability to liquidate investments and trading positions and its ability to access the capital markets. On a long term perspective, the Loans-to-Deposits ratio is monitored. This ratio stood at 51.8% and 52.8% as of 30 June 2021, on a domestic (Greece) and on a Group level, respectively.

Since liquidity risk management seeks to ensure that the respective risk of the Group is measured properly and is maintained within acceptable levels then, even under adverse conditions, the Group must have access to funds necessary to cover customer needs, maturing liabilities and other capital needs, while simultaneously maintaining the appropriate counterbalancing capacity to ensure the above. In addition to the Bank's liquidity buffer, the rest of the Group's subsidiaries maintain an adequate liquidity buffer, well above 10% of their total deposits, which ensures their funding self-sufficiency in case of a local crisis.

The Bank's principal sources of liquidity are its deposit base, Eurosystem funding currently via the MROs and the TLTROs with ECB and repos with major foreign Financial Institutions (**FIs**). ECB funding and repos with FIs are collateralised mainly by high quality liquid assets, such as EU sovereign bonds, Greek government bonds and T-Bills, as well as by other assets, such as highly rated corporate loans and covered bonds issued by the Bank.

NBG's liquidity position has been, and continues to be, tested in real stressed conditions during the COVID-19 crisis. The stability of the Bank's funding sources, combined with the level of its liquidity buffer which stood at €15.2 billion (cash value) as at 30 September 2020, and LCR and NSFR ratios well above 100 per cent., further underpin the quality, as well as the resilience of the Bank's overall liquidity profile. The improved funding structure is marked by the inflow of stable retail deposits, the increase of stable long-term funding through the cheaper TLTRO III ECB refinancing operations and full access to the secured interbank markets. Moreover, LCR and NSFR, as well as the Bank's liquidity buffer currently stand at the highest historical levels while cost of funding has significantly decreased to a historically low level.

### ***Insurance risk***

The insurance contracts issued by the Parent Company and the Group include either insurance or financial risk. The risk under any insurance policy is the possibility of the insured event resulting in a claim. By the very nature of an insurance policy, risk is based on fortuity and is therefore unpredictable.

The principal risk that the Group may face under its insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This could occur because the frequency and/or severity of claims is greater than estimated. Depending on the insurance product, this risk is influenced by macroeconomic changes, changes in customer behaviour, changes in public health, pandemics and catastrophic events such as earthquakes, industrial disasters, fires, riots or terrorism.

The above risk exposure is mitigated by diversification across a large portfolio of insurance policies. The variability of risks is also improved by the careful selection and implementation of the Group's underwriting policy, reinsurance strategy and internal guidelines, within an overall risk management framework. Pricing is based on assumptions and statistics and the Group's empirical data, taking into consideration current trends and market conditions and past experience.

Reinsurance arrangements include facultative, treaty (proportional or other) and catastrophe coverage.

### ***Operational risk***

Operational risk (**OR**) is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, excludes strategic and business risk, but takes into consideration the reputational impact of OR.

Operational risk is inherent to all products/services, activities, processes and systems and is generated in all business and support areas.

NBG has established a sound Operational Risk Management Framework (**ORMF**), consistent with best practices and compliant with regulatory requirements and internal governance policies. It provides the foundations, principles and governance arrangements for designing, implementing, monitoring, reviewing and continually strengthening operational risk management throughout the Group. ORMF is aligned with the

NBG Group Risk Appetite Framework and aims to facilitate a more informed risk decision-making process, resulting in the optimum handling of operational risk.

The ORMF governance structure is based on the three lines of defence (**LoD**) model placing particular emphasis on the role of the first line of defence, the Business Units that are responsible and accountable for directly identifying, assessing, controlling and mitigating operational risk within their business activities in compliance with the Bank's standards and policies.

Operational risk management is integrated into the day-to-day business, adding value to the organisation by applying a proactive approach. A series of techniques and programmes have been defined by the Group in order to identify, measure and assess operational risk. The key components of the ORMF are the following:

- The **Risks and Controls Self-Assessment (RCSA)** process; it is a recurring, forward looking process performed at least on an annual basis aiming at the identification and assessment of the operational risks faced by the Group. The scope of RCSA extends to all business lines, thereby to all business, support or specialized Units;
- The **Internal Events Management** process; NBG requires accurate and timely knowledge of operational risk related internal events and has therefore established an appropriate event management process that covers the event life cycle, comprising the event identification, categorization, analysis, on-going management, remediation actions and reporting;
- The **Key Risk Indicators** definition and monitoring process; NBG defines Key Risk Indicator as (**KRI**) any simple or combined data variable, which allows the assessment of a situation exposing the Bank to operational risk, as well as its trend, by monitoring/comparing its values over time. Therefore, KRIs are metrics providing early warning signs detecting potential risks and vulnerabilities in the activities of the Bank;
- The **Scenario Analysis process**; NBG defines Risk Scenario the creation of a potential event or consequence of events that expose the organisation to significant operational risks and can lead to severe operational losses. Scenario Analysis is the process that reveals all the long term exposures to major and unusual operational risks which can have substantial negative impacts on the organization's profitability and reputation;
- The **Training Initiatives and Risk Culture awareness actions**; Group Operational Risk Management Division designs and implements training programmes on operational risk and the ORMF, the use and implementation of programmes, methods and systems as well as other actions aiming at knowledge sharing and the establishment of OpRisk culture Group-wide.

The implementation of the ORMF and its programmes aims to continuously improve the control environment, implies proactive operational risk management and strengthens the Group's risk culture.

## MANAGEMENT AND EMPLOYEES

### Board of Directors of the Bank

The Bank is managed by the Board of Directors (the **Board**), which is responsible for ensuring strategic direction, management supervision and adequate control of the Bank, with the ultimate goal of increasing the long-term value of the Bank and protecting the corporate interest at large, in compliance with the current legislation and regulatory framework, including the provisions of the Amended Relationship Framework Agreement between the Bank and the HFSF and the obligations of the Bank towards the Monitoring Trustee.

The Board's tasks, key responsibilities and authorities are set out in Greek Law 4548/2018, Greek Law 4261/2014, EU Regulation 468/2014, Greek Law 4706/2020, Greek Law 3864/2010, each as in force, and the Relationship Framework Agreement between the Bank and the HFSF and in the Bank's Articles of Association and in its Corporate Governance Code.

### Appointment of Directors and Operation of the Board

The members of the Board are elected by the Bank's General Meeting of Shareholders for a term that cannot exceed three years and ends at the ordinary General Meeting of the Shareholders in the year in which such term expires. Uneven terms of office may be provisioned for each Director, insofar as this is prescribed by the current legal and regulatory framework. All members can be re elected. The General Meeting of Shareholders determines each time the exact number of the members of the Board and its independent members.

A HFSF representative also participates in the Bank's Board, in line with Greek Law 3864/2010, as in force. In accordance with the Amended Relationship Framework Agreement between the Bank and the HFSF, signed in December 2015, the HFSF is also entitled to the appointment of an observer without voting rights (the **HFSF Observer**).

Furthermore, until 22 July 2016, pursuant to the Bank's participation in the Hellenic Republic Bank Support Plan Greek Law 3723/2008, the Hellenic Republic had the right to participate in the Board through the appointment of a representative. As the Bank no longer benefits from any support under the Hellenic Republic's Bank Support Plan, the Bank is no longer subject to the provisions of Greek Law 3723/2008 and the representation of the Hellenic Republic on the Bank's Board has been ceased.

In June 2017, an Employees' representative was appointed as observer in the Board (the **Observer Employee Representative**) with all rights of a board member except voting rights. The Observer Employee Representative has consultation rights on the Human Resources and Remuneration Committee agenda, monthly access to the Chair of the Human Resources and Remuneration Committee to discuss proposals or matters of concern and the right to address the Human Resources and Remuneration Committee on request.

Moreover, as of July 2019 the Bank's Board of Directors established the role of Senior Independent Director, who is selected from among its independent non-executive members. The duties of the Senior Independent Director, as foreseen in the Bank's Corporate Governance Code, indicatively include: acting as a sounding board for the Chairman and serving as an intermediary for the other Directors; being a key point of contact for shareholders, regulators and other stakeholders along with the Chairman of the Board; coordinating the non-executive Board members, and discussing with other Directors issues on which the Chairman might have a conflict of interest and acting as intermediary between Directors and the Chairman, as necessary; acting as a facilitator to facilitate and improve relations with shareholders and to assist in the resolution of conflict in case of crisis or in case of dispute, when for instance: i) there is a dispute between the Chairman and the Chief Executive Officer; ii) shareholders or non-executive directors have expressed concerns that are not being addressed by the Chairman or the Chief Executive Officer; or iii) the relationship between the



## Management and Employees

Chairman and the Chief Executive Officer is particularly close; and leading the annual evaluation of the Chairman according to the Bank's Board Evaluation Policy.

NBG has been the first Bank in Greece to establish the role of Senior Independent Director, while, since the initial establishment in 2019, the Board, with the support of the Corporate Governance and Nominations Committee, has thoroughly discussed and further detailed the role of the Senior Independent Director, taking into account regulatory provisions, international best practices and relevant guidelines provided by the Hellenic Financial Stability Fund (**HFSF**).

### Responsibilities of the Board

Among other matters, the Board is responsible for:

- reviewing and approving the strategic direction of the Bank and the Group, including the business plan, the annual budget and the key strategic decisions as well as providing guidance to the Bank's and the Group's Management;
- reviewing the Group's corporate structure, monitoring its embedded risks and ensuring the cohesiveness and effectiveness of the Group's corporate governance system;
- acquiring shareholdings in other banks in Greece or abroad, or divestment thereof;
- establishing branches, agencies, and representation offices in Greece and abroad;
- establishing associations and foundations under Article 108 and participating in companies falling under Article 784 of the Greek Civil Code;
- approving the Bank's internal labour regulations;
- nominating General Managers and other executives of the Bank, as appropriate in line with the applicable framework and accordingly following proposals by the Bank's responsible bodies;
- reviewing and approving the Group and the Bank's annual and interim financial report;
- issuing Bonds of any type, with the exception of those for which the Bank's General Meeting is exclusively responsible in accordance with the Greek law;
- approving and reviewing a Code of Ethics for the employees of the Bank and the Group and the Code of Ethics for financial professionals;
- approving the Bank's and the Group's Corporate Social Responsibility (**CSR**) Policy; and
- approving and reviewing the Group Remuneration Policy upon decision of its non-executive members, following recommendation by the Human Resources and Remuneration Committee of the Board.

Moreover, pursuant to Article 10 of Greek Law 3864/2010 (the **HFSF Law**), both as in force, as well as according to the Amended Relationship Framework Agreement entered into with the HFSF, the representative of the HFSF may, *inter alia*, veto the decision making process of the Board in relation to dividend allocation and remuneration of the Chairman of the Board and Board members, the Chief Executive Officer, the Deputy Chief Executive Officers as well as the General Managers and their substitutes.

The Bank's Board is supported by six Board Committees, which have been established and operate for this purpose, namely the Strategy and Transformation Committee, the Board Risk Committee, the Audit

Committee, the Corporate Governance and Nominations Committee, the Human Resources and Remuneration Committee and the Compliance, Ethics and Culture Committee. The Board Committees operate in accordance with their applicable legislation and regulatory framework applicable in each case, including, where applicable, the provisions of the Amended Relationship Framework Agreement between the Bank and the HFSF and the obligations of the Bank towards the Monitoring Trustee. (See “*Board Committees*” below).

### Board Structure

Pursuant to Greek Law 3864/2010 and the Amended Relationship Framework Agreement between the Bank and the HFSF, the HFSF participates in the Board through the appointment of a representative (the HFSF Observer, as described above). As notified to the Bank by HFSF's Letter dated 23 July 2018, the duties of the HFSF's Representative, in the context of Law 3864/2010, are exercised by Mr Periklis Drougkas. The HFSF representative is entitled to participate in Board Committees and committees which do not solely comprise executive members, and has the rights and authorities prescribed by Greek Law 3864/2010 as in force and the Relationship Framework Agreement between the National Bank of Greece and the HFSF.

In the context of overseeing the implementation of the restructuring plan of the banking sector, and specifically, the implementation of any other commitments undertaken by the Greek Government relating to the Bank's operations, Grant Thornton has been appointed as “Monitoring Trustee” with a view to ensuring compliance of the Bank with the aforesaid commitments. (See also below “*Monitoring Trustee*” and “*Description of the Group – History and Development of the Group – Revised Restructuring Plan as approved by the Directorate General for Competition on 10 May 2019 (the 2019 Revised Restructuring Plan)*”). The Monitoring Trustee is entitled to participate as an observer in meetings of the Board and certain Board/Executive Committees and has full access to any of the Bank's records including board minutes.

Given that the three-year term of the entire NBG Board of Directors was due to end at the Annual General Meeting of 2021, the Annual General Meeting of the Bank's Shareholders held on 30 July 2021 elected a new Board of Directors with a term of three years, i.e. through to the Annual General Meeting of 2024. On the same day, the new Board of Directors convened and constituted into a body, in line with the law and the Bank's Articles of Association.

The following table sets forth the current Board:

| Name | Position in Board | Start of Term* | End of Term | Profession/ Main Expertise, Experience | Principal activities performed outside of NBG |
|------|-------------------|----------------|-------------|--|---|
|------|-------------------|----------------|-------------|--|---|

### Board of Directors of the Bank

## Management and Employees

|                   |                              |              |      |  |   |
|-------------------|------------------------------|--------------|------|--|---|
| Gikas Hardouvelis | Chair (Non-executive Member) | 30 July 2021 | 2024 | Chair of the Board<br>Professor/<br>Economist/Risk,<br>Strategy and<br>Corporate<br>Governance<br>Experience | Professor, Department of Banking and Financial Management at the University of Piraeus, First Vice Chair of the Board of Directors and member of the Executive Committee of the Foundation for Economic and Industrial Research (IOBE), participation in the Board of Trustees of Anatolia College, Member of the Academic Council of Cyprus International Institute of Management and Research Fellow at the Centre for Economic Policy Research, London |
|-------------------|------------------------------|--------------|------|--|---|

### Executive members

|                      |                         |              |      |                         |   |
|----------------------|-------------------------|--------------|------|-------------------------|---|
| Pavlos Mylonas       | Chief Executive Officer | 30 July 2021 | 2024 | Chief Executive Officer | - |
| Christina Theofilidi | Executive Board Member  | 30 July 2021 | 2024 | Executive Board Member  | - |

### Independent Non-Executive Members

|              |                 |             |              |      |  |   |
|--------------|-----------------|-------------|--------------|------|--|---|
| Claude Piret | Senior Director | Independent | 30 July 2021 | 2024 | Independent Non-Executive Expert Member as prescribed by Art.10 of Greek Law 3864/2010 as in force. Risk experience/<br>Financial Services | Participation in the Board of Directors of Saint Pierre Hospital in Belgium |
|--------------|-----------------|-------------|--------------|------|--|---|

## Management and Employees

|                    |                                  |              |      |   |   |
|--------------------|----------------------------------|--------------|------|---|---|
| Wietze Reehorn     | Independent Non-Executive Member | 30 July 2021 | 2024 | Independent Non-Executive Expert Member as prescribed by Art. 10 of Greek Law 3864/2010 as in force. Risk, Strategy and Corporate Governance Experience | Chairman of the Supervisory Board of MUFG Bank (Europe) N.V. (MBE), Chairman of the Supervisory Board of MUFG Securities (Europe) NV, Member of the Supervisory Board of Anthos Private Wealth Management B.V., participation as member of the Supervisory Council of Rijksuniversiteit Groningen and of Frans Hals Museum, Chairman of the Supervisory Council of Stichting Topsport Community, participation in the Board of Directors of ABE Bonnema Stichting and member/Director of Koninklijke Hollandsche Maatschappij der Wetenschappen |
| Aikaterini Beritsi | Independent Non-Executive Member | 30 July 2021 | 2024 | Corporate Governance Experience   | Participation in the Board of Directors of EYDAP S.A.   |
| Avraam Gounaris    | Independent Non-Executive Member | 30 July 2021 | 2024 | Economist/ Financial Services   | -   |

## Management and Employees

|                             |                                      |              |      |   |   |
|-----------------------------|--------------------------------------|--------------|------|---|---|
| Anne Marion Bouchacourt     | Independent Non-Executive Member     | 30 July 2021 | 2024 | Independent Non-Executive Expert Member as prescribed by Art. 10 of Greek Law 3864/2010 as in force. Human Resources and Culture Experience | Chair of Societe Generale Private Banking Switzerland and she also acts as Societe Generale Group Country Head for Switzerland and CEO of Societe Generale Zurich, Participation in Board of Directors of Ipsos and Credit du Nord, President of Conseillers du Commerce extérieur de la France (Suisse), Member of the Board of the 'Association des banques étrangères en Suisse' |
| Elena Cernat                | Ana Independent Non-Executive Member | 30 July 2021 | 2024 | Banking/Digital Banking Experience  | CEO of Alior Bank Warsaw-Bucharest Branch and participation in Board of Directors of Yoga Vidya Romania   |
| Matthieu Kiss               | Independent Non-Executive Member     | 30 July 2021 | 2024 | Independent Non-Executive Expert Member as prescribed by Art. 10 of Greek Law 3864/2010 as in force. Audit Experience                       | Participation in the Board of Directors of HSBC Insurance France, HSBC Asset Management France and Europe Arab Bank S.A. (EAB)  |
| Jayaprakasa (JP) Rangaswami | Independent Non-Executive Member     | 30 July 2021 | 2024 | IT/ Digital Transformation Experience   | Participation in the Board of Directors of Admiral Group plc, Allfunds Bank SA, Daily Mail and General Trust plc, EMIS Group plc, Board Chairman at Web Science Trust, Member of Trust Board of Cumberland Lodge, Adjunct Professor at the University of Southampton  |

**Non Executive - Representative of the HFSF (Greek Law 3864/2010) -**

|                   |                            |              |      |           |  |
|-------------------|----------------------------|--------------|------|-----------|--|
| Periklis Drougkas | Representative of the HFSF | 30 July 2021 | 2024 | Economist | Participation in the Board of Directors of Tirana Bank ShA |
|-------------------|----------------------------|--------------|------|-----------|--|

### Secretary Board of Directors

|                   |  |              |      |  |
|-------------------|--|--------------|------|--|
| Panos Dasmanoglou |  | 30 July 2021 | 2024 | General Manager - of Group Compliance and Corporate Governance |
|-------------------|--|--------------|------|--|

\* Date of election of the Members of the Board by the Annual General Meeting of Shareholders of 2021.

During 2021, the following changes took place as regards composition of the Board:

- During the Board of Directors' session held on 22 April 2021, the Board decided that until the Annual General Meeting of Shareholders 2021, Mr. Claude Piret would be discharging the duties of Senior Independent Director.
- On 30 July 2021, at the Bank's Annual General Meeting of Shareholders, the term of Mr. Costas Michaelides expired. On the same date, Mr. Gikas Hardouvelis was elected as the Non-Executive Chairman of the Board of Directors. Furthermore, the same Annual General Meeting of Shareholders appointed Ms. Aikaterini Beritsi and Mr. JP Rangaswami, previously Non-Executive Members of the Board, as Independent Non-Executive Members of the Board.

### HFSF influence

Pursuant to the HFSF Law and the Presubscription Agreement dated 28 May 2012, as amended and restated on 21 December 2012, the HFSF initially appointed a representative on the Bank's Board in 2012. The HFSF representative, according also to the stipulations of the Amended Relationship Framework Agreement between the Bank and the HFSF, participates in the Board Committees. Additionally, according the provisions of the Amended Relationship Framework Agreement between the Bank and the HFSF, the HFSF also appoints an Observer to the Board and Board Committees (without voting rights).

Pursuant to the 2015 Recapitalisation, the HFSF participated in the Bank's recapitalisation by contributing ESM notes and acquiring in exchange common shares with full voting rights representing 38.92% of the share capital of the Bank, and CoCos which were fully repaid on 15 December 2016. Additionally, the HFSF retains common shares with restrictions on the exercise of voting rights, as per Article 7a of the HFSF Law as in force, corresponding to 1.47% of the share capital of the Bank, which could have full voting rights shares upon certain conditions.

Subject to the Amended Relationship Framework Agreement applicable law and the Bank's Articles of Association, the Bank's decision making bodies will continue to determine independently, amongst others, the Bank's commercial strategy and policy in compliance with the applicable Revised Restructuring Plan and the decisions on the day to day operation of the Bank will continue to rest with the Bank's competent bodies and officers, as the case may be, in accordance with their statutory, legal and fiduciary responsibilities.

### Monitoring Trustee

From January to February 2013, monitoring trustees (each, a **Monitoring Trustee**), acting on behalf of the European Commission, were appointed in all banks under restructuring—including the Bank, in accordance

## Management and Employees

with the commitments undertaken by the Hellenic Republic towards the European Commission in 2012, regarding banks under restructuring, in the Memorandum of Economic and Financial Policies, contained in the First Review of the Second Economic Adjustment Programme for Greece.

The Monitoring Trustees are respected international auditing or consulting firms approved by the European Commission on the basis of their competence, their independence from the banks and the absence of any potential conflict of interest. In each credit institution under restructuring, the Monitoring Trustees work on behalf and under the direction of the European Commission, within the terms of reference agreed with the European Committee (EC), ECB and IMF staff.

Grant Thornton has been the Bank's Monitoring Trustee since 16 January 2013.

The commitments undertaken in 2012 were updated and included as an Annex in the 2014 Restructuring Plan. The commitments were further updated in December 2015 and included as an Annex in the 2015 Revised Restructuring Plan. On 10 May 2019, the Directorate General for Competition of the European Commission approved the Bank's 2019 Revised Restructuring Plan.

In addition to the appointment of Monitoring Trustees, the commitments undertaken by the Greek government are outlined in *"Description of the Group – History and Development of the Group – Revised Restructuring Plan as approved by the Directorate General for Competition on 10 May 2019 (the 2019 Revised Restructuring Plan)"* above.

The commitments include those commitments regarding the implementation of the restructuring plan and the commitments on corporate governance and commercial operations. The fulfilment of the Restructuring Commitments is under the approval of the Directorate General for Competition of the European Commission. The commitments apply throughout the restructuring period unless the individual commitment states otherwise. The Monitoring Trustee has the duty to monitor the Bank's compliance with the Commitments.

The Monitoring Trustee receives monthly updates from the Bank, and the progress towards the fulfilment of the Restructuring Commitments is being evaluated.

The Trustee monitors closely the Bank's commercial practices. The Monitoring Trustee participates as an observer in meetings of the Board and certain Board/Executive Committees and has full access to any of the Bank's records including Board minutes.

### Board Committees

Six Committees, namely the, the Audit Committee, the Human Resources and Remuneration Committee, the Corporate Governance and Nominations Committee, the Risk Committee, the Strategy and Transformation Committee and the Compliance, Ethics and Culture Committee, have been set up and operate at Board level. The Committee members are remunerated annually for their participation in each Committee.

### Audit Committee

The Audit Committee was established in 1999 and operates in accordance with the provisions of the Bank of Greece Governor's Act No. 2577/2006 and Greek Law 4449/2017 (Article 44), as in force.

The Committee is comprised of the following members:

|            |               |
|------------|---------------|
| Chair      | Matthieu Kiss |
| Vice Chair | Claude Piret  |

|        |   |
|--------|---|
| Member | Wietze Reehoorn                         |
| Member | Avraam Gounaris                         |
| Member | JP Rangaswami                           |
| Member | Periklis Drougkas (HFSF representative) |

---

***Human Resources and Remuneration Committee***

The Human Resources and Remuneration Committee (**HRRC**) was established by Board decision (meeting no. 1259/5 May 2005).

The Committee is comprised of the following members:

|            |   |
|------------|---|
| Chair      | Anne Marion-Bouchacourt                 |
| Vice Chair | Elena Ana Cernat                        |
| Member     | Aikaterini Beritsi                      |
| Member     | JP Rangaswami                           |
| Member     | Periklis Drougkas (HFSF representative) |

---

***Corporate Governance and Nominations Committee***

The Corporate Governance and Nominations Committee (**CGNC**) was established by Board decision (meeting no. 1259/5 May 2005).

The Committee is comprised of the following members:

|            |   |
|------------|---|
| Chair      | Wietze Reehoorn                         |
| Vice Chair | Aikaterini Beritsi                      |
| Member     | Claude Piret                            |
| Member     | Anne Marion Bouchacourt                 |
| Member     | Periklis Drougkas (HFSF representative) |

---

***Board Risk Committee***

The Board Risk Committee (**BRC**) was established by Board decision (meeting no. 1308/20 July 2006) in accordance with the requirements of Bank of Greece Governor's Act No. 2577/9 March 2006. The Committee has a dual role, having specific competence also over NPLs/NPEs and operating also as the Bank's special Committee that deals with NPLs in accordance with Article 10 paragraph 8 of Greek Law 3864/2010, as in force.

The Committee is comprised of the following members:

|        |   |
|--------|---|
| Chair  | Claude Piret                            |
| Member | Wietze Reehoorn                         |
| Member | Matthieu Kiss                           |
| Member | Elena Ana Cernat                        |
| Member | Periklis Drougkas (HFSF representative) |

---



## Management and Employees

### *Strategy & Transformation Committee*

The Strategy Committee was established by Board decision (meeting no. 1387/29 September 2009) and was renamed to Strategy and Transformation Committee by Board Decision (meeting no. 1622/26 July 2018). The Committee supports the executive Board members in developing the Group's strategic options, assists the Board in taking decisions on all issues related to the Group strategy and regularly reviews the implementation of the Group's strategy by the Group's management team.

The Committee is comprised of the following members:

|            |   |
|------------|---|
| Chair      | Wietze Reehoorn                         |
| Vice Chair | Aikaterini Beritsi                      |
| Member     | Claude Piret                            |
| Member     | Matthieu Kiss                           |
| Member     | Avraam Gounaris                         |
| Member     | Elena Ana Cernat                        |
| Member     | Anne Marion-Bouchacourt                 |
| Member     | JP Rangaswami                           |
| Member     | Periklis Drougkas (HFSF representative) |

### *Compliance, Ethics & Culture Committee*

The Ethics and Culture Committee was established by Board decision (meeting no. 1622/26 July 2018) with the purpose of promoting highest standards of ethics and integrity in accordance with international best practices and was renamed to Compliance, Ethics and Culture Committee by Board Decision in October 2020 (meeting no. 1685/22 October 2020) with the purpose of adopting a holistic compliance supervisory approach at Board level.

The Compliance, Ethics & Culture Committee is comprised of the following members:

|            |   |
|------------|---|
| Chair      | Avraam Gounaris                         |
| Vice Chair | JP Rangaswami                           |
| Member     | Aikaterini Beritsi                      |
| Member     | Anne Marion-Bouchacourt                 |
| Member     | Matthieu Kiss                           |
| Member     | Periklis Drougkas (HFSF representative) |

## Executive Committees

### *Senior Executive Committee*

The Senior Executive Committee was established in 2004 and operates via specific Charter. It is the supreme executive body that supports the Chief Executive Officer of the Bank in his duties.

The Committee is comprised of the following members:

|          |                      |   |
|----------|----------------------|---|
| Chairman | Pavlos Mylonas       | Chief Executive Officer   |
| Member   | Christina Theofilidi | Executive Member of the BoD & General Manager of Retail Banking |

## Management and Employees

|                              |                          |   |
|------------------------------|--------------------------|---|
| Member                       | Vassilis Karamouzis      | General Manager of Corporate and Investment Banking                   |
| Member                       | Vasileios Kavalos        | General Manager - Group Treasury and Financial Markets                |
| Member                       | Fotini Ioannou           | General Manager - Troubled Assets Unit                                |
| Member                       | Ioannis Vagionitis       | General Manager of Group Risk Management, Chief Risk Officer          |
| Member                       | Christos Christodoulou   | General Manager, Group CFO  |
| Member                       | Stratos Molyviatis       | General Manager, Chief Operations Officer                             |
| Member                       | Ernestos Panayiotou      | General Manager – Transformation, Strategy & International Activities |
| Member without voting rights | Panos Dasmanoglou        | General Manager of Group Compliance and Corporate Governance          |
| Member without voting rights | Georgios Triantafillakis | General Manager of Legal Services                                     |

An Extended Executive Committee also operates which, additionally to the above members, is comprised of the following members:

|        |                        |  |
|--------|------------------------|--|
| Member | Evi Hatzioannou        | General Manager of Group Human Resources           |
| Member | Ioannis Kyriakopoulos* | General Manager, Group Real Estate                 |
| Member | Chara Dalekou          | General Manager of Group Marketing                 |
| Member | Kostas Adamopoulos     | Assistant General Manager – Strategic Transactions |
| Member | Beate Randulf          | Assistant General Manager - Chief Control Officer  |

\* Mr Ioannis Kyriakopoulos participates in the Board of Directors of Athens Exchange Group and Prodea Real Estate Investment S.A. (**Prodea**)

### *Asset and Liability Committee*

ALCO was established in 1993. The Committee's key purpose is to establish the Bank's and its Group financial sector entities' strategy and policy as to matters relating to the structuring and management of assets and liabilities taking into account the current regulatory framework and market conditions, as well as the risk limits set by the Bank.

The Committee is comprised of the following members:

|          |                |                         |
|----------|----------------|-------------------------|
| Chairman | Pavlos Mylonas | Chief Executive Officer |
|----------|----------------|-------------------------|

## Management and Employees

|                          |                        |   |
|--------------------------|------------------------|---|
| Deputy Chairman & Member | Ioannis Vagionitis     | General Manager of Group Risk Management, Chief Risk Officer    |
| Member                   | Christina Theofilidi   | Executive Member of the BoD & General Manager of Retail Banking |
| Member                   | Vassilis Karamouzis    | General Manager of Corporate and Investment Banking             |
| Member                   | Christos Christodoulou | General Manager, Group CFO                                      |
| Member                   | Vasileios Kavalos      | General Manager - Group Treasury and Financial Markets          |

---

The Committee convenes regularly once a month or extraordinarily, at the invitation of its Chairman.

At the invitation of its Chairman, it is possible for other executives of the Bank and the Group to attend its meetings.

The Committee members do not receive any remuneration for their participation in the Committee.

### *Executive Credit Committee*

The Executive Credit Committee was established in 2008 and its purpose is the optimisation and the sound operation of the risk taking limits.

The Committee is comprised of the following members\*:

|          |                       |  |
|----------|-----------------------|--|
| Chairman | Pavlos Mylonas        | Chief Executive Officer                                      |
| Member   | Vassilis Karamouzis   | General Manager of Corporate and Investment Banking          |
| Member   | Ioannis Vagionitis    | General Manager of Group Risk Management, Chief Risk Officer |
| Member   | Constantinos Vossikas | General Manager, Chief Credit Officer                        |

---

\* In the case of meetings where issues regarding corporate special assets are discussed, Mrs Fotini Ioannou, General Manager of the Troubled Assets Unit, participates in the Committee.

### *Provisions and Write Offs Committee*

The Committee was established in 2010. Its purpose is the decision making process on the provisions and write offs of Group claims of any nature, which are considered by the Committee to be liable for a loss in value in accordance with the relevant “Provisions and Write Offs Policy” of the Group.

The Committee is comprised of the following members:

|          |                        |                            |
|----------|------------------------|----------------------------|
| Chairman | Pavlos Mylonas         | Chief Executive Officer    |
| Member   | Christos Christodoulou | General Manager, Group CFO |

---

|        |                    |   |
|--------|--------------------|---|
| Member | Ioannis Vagionitis | General Manager of Group Risk Management,<br>Chief Risk Officer |
|--------|--------------------|---|

---

### Potential Conflicts of Interests

There are no potential conflicts of interest between the duties to the Bank of the persons listed above and their private interests and/or other duties.

### Employees

As at 30 June 2020, the Bank employed a total of 7,985 staff of which 271 are in the Bank's foreign branches, compared to 8,324 and 278 respectively, as at 31 December 2019. Additionally, the Group's subsidiaries in Greece and abroad employed approximately 2,477 employees as at 30 June 2020, compared to 3,551 as at 31 December 2019.

Most of the Bank's employees belong to a union and the Greek banking industry has been subject to strikes over the issues of pensions and wages. Bank employees throughout the Hellenic Republic went on strike for 5 days in 2019.

## Regulation and Supervision of Banks in Greece

### REGULATION AND SUPERVISION OF BANKS IN GREECE

The Group is subject to financial services laws, regulations, administrative acts and codes applying in each jurisdiction in which it operates.

Further to this, the Group is subject to the European Union regulatory framework and Greek laws and regulations and to supervision by the ECB/SSM and the Bank of Greece.

#### *Single Supervisory Mechanism (SSM)*

Council Regulation (EU) No 1024/2013 (**Regulation 1024/2013**) established the SSM for Eurozone credit institutions. The SSM maintains an important distinction between significant and non-significant entities, which will be subject to differing supervisory regimes. The Bank is included in the list of significant supervised entities which the ECB updates and publishes regularly (as at the date of this Base Prospectus, last updated on 1 October 2021). As a result, the ECB has been granted certain supervisory powers as from 4 November 2014, which include:

- the authority to grant and revoke authorisations regarding credit institutions;
- with respect to credit institutions established in a participating EU member state establishing a branch or providing cross border services in EU member states that are not part of the Eurozone, to carry out the tasks of the competent authority of the home EU member state;
- the power to assess notifications regarding the acquisition and disposal of qualifying holdings in credit institutions;
- the power to ensure compliance with respect to provisions regarding requirements on own funds securitisation, large exposure limits, liquidity, leverage, as well as on the reporting and public disclosure of information on those matters;
- the power to ensure compliance with respect to corporate governance, including fit and proper requirements for the persons responsible for the management of credit institutions, risk management processes, internal control mechanisms, remuneration policies and practices and effective internal capital adequacy assessment processes (including internal ratings based models);
- the power to carry out supervisory reviews, including, where appropriate and in coordination with the EBA, stress tests and supervisory reviews which may lead to the imposition of specific additional own funds requirements, specific publication requirements, specific liquidity requirements and other measures;
- the power to supervise credit institutions on a consolidated group basis, extending supervision over parent entities established in one of the EU member states; and
- the power to carry out supervisory tasks in relation to recovery plans, provide early intervention where a credit institution or group does not meet or is likely to breach the applicable prudential requirements and, only in the cases explicitly permitted under law, implement structural changes to prevent financial stress or failure, excluding any resolution powers.

The SSM framework Regulation 468/2014 (ECB/2014/17) sets out the practical arrangements for the SSM, while Regulation 1163/2014 lays down the methodology and procedure regarding the annual supervisory fees which are born by the supervised credit institutions.

In Greece, as an EU member state whose currency is the euro, the ECB exercises its supervisory responsibilities in cooperation with the Bank of Greece. The ECB is responsible for the effective and consistent functioning of the SSM and exercises oversight over the functioning of the system, based on the distribution of responsibilities between the ECB and National Competent Authorities (NCAs), which in Greece is the Bank of Greece. To ensure efficient supervision, credit institutions are categorized as “significant” or “less significant”: the ECB directly supervises significant banks, whereas the NCAs are in charge of supervising less significant banks, with the ECB exercising indirect supervision. The Bank is currently categorised as “significant” and is therefore subject to direct supervision by the ECB. The day to day supervision is conducted by Joint Supervisory Teams, which comprise staff from both NCAs and the ECB.

### *Supervisory Review Evaluation Process*

The Bank is subject to continuous evaluation of its capital adequacy in the context of the SSM and could be requested to operate with higher than minimum regulatory capital and/or liquidity ratios. Such evaluations are carried out by the ECB mainly through the SREP.

Following the completion of SREP for 2018, the ECB notified the Group of its new total SREP capital requirement (**TSCR**), which applies from 1 March 2019. According to this decision, the ECB requires the Bank to maintain, on a consolidated and on an individual basis, a TSCR of 11%.

The TSCR of 11% includes:

- the minimum Pillar I own funds requirement of 8% to be maintained at all times in accordance with Article 92(1) of the CRR (as defined below), and
- an additional Pillar II own funds requirement of 3% to be maintained at all times in accordance with Article 16(2)(a) of Regulation 1024/2013, to be made up entirely of Common Equity Tier 1 (**CET1**) capital.

In addition to the TSCR, the Group is also subject to the Overall Capital Requirement (**OCR**). The OCR consists of TSCR and the combined buffer requirement as defined in point (6) of Article 128 of the CRD IV Directive (as defined below).

The combined buffer requirement is defined as the sum of:

- a capital conservation buffer (the **Capital Conservation Buffer**);
- the institution specific Countercyclical Capital Buffer (**CcyB**); and
- the systemic risk buffer (**Systemic Risk Buffer**) / systemically important institutions buffer (**Systemically Important Institutions Buffer**), as applicable.

The Capital Conservation Buffer was 2.5% for 2019 for all banks in the EU.

The CcyB is implemented as an extension of the Capital Conservation Buffer and has the primary objective of protecting the banking sector from periods of excess aggregate credit growth that have often been associated with the build-up of system-wide risk. It is calculated as the weighted average of the buffers in effect in the jurisdictions to which a credit institution has significant credit exposures. Bank of Greece defined its methodology for determining the CcyB in 2015 and consecutively set the CcyB at 0% for Greece throughout 2016, 2017, 2018, 2019, 2020 and 2021 (Bank of Greece Acts 55/2015, 83/2016, 97/2016, 103/2016, 107/2016, 115/2017, 119/2017, 122/2017, 127/2017, 135/2018, 143/2018, 148/2018, 152/2018, 156/2019, 159/2019, 161/2019, 164/2019, 167/2020, 173/2020, 177/2020, 180/2021, 186/2021, 190/2021,

## Regulation and Supervision of Banks in Greece

and 193/2021). The CcyB is also currently 0% in all other countries in which the Group has significant exposures. Thus, the institution specific CcyB for the Group is currently 0%.

For O-SIIs an additional capital buffer is applied, which was 0.25% for 2019, 0.50% for 2020 and 0.50% for 2021 for all four credit institutions that were characterised as O-SIIs in Greece (including the Bank) (Bank of Greece, Executive Committee Act no 151/30.10.2018, Bank of Greece Executive Committee Act no 163/1/1.11.2019, Bank of Greece Executive Committee Act no 174/26.6.2020) and is expected to be set at 0.75% for 2022. See further “Capital Requirements/Supervision” below.

Following the completion of the 2019 SREP cycle, in December 2019 the Bank received the final SREP Decision letter from the ECB which established the capital requirements for 2020. In particular based on 2019 SREP letter, the Pillar 2 Requirement rate for 2020, remained stable at 3%, but OCR increased to 14% (from 13.75% in 2019) due to the phase-in of the O-SII buffer (0.25%). The OCR increased to 16% due to the application of the P2G (2%) as of 2020. However, on 12 March 2020, ECB provided temporary capital and operational relief to EU banks in reaction to COVID-19. In particular, the ECB is allowing banks to operate temporarily (until the end of 2022) below the level of capital defined by P2G, the Capital Conservation Buffer and the CcyB - not applicable for Greece). In addition, the banks can partially cover the P2R with the use of AT1 (18.75% of P2R) and/or Tier 2 (25% of P2R) capital instruments (effective immediately vs. original phase-in date of January 2021). Therefore, the OCR as of 12 March 2020 reduced to 11.5%.

For 2020, ECB adjusted its SREP approach and followed a pragmatic and simplified methodology in light of the COVID-19 pandemic and the unique economic and financial situation it has generated. In particular, the 2020 SREP cycle focused on the ability of the Banks to handle the challenges of the COVID-19 crisis and its impact on their current and prospective risk profile (resilience & capacity to absorb the potential impact of the crisis over time). On that basis, and taking into account that a) the ECB is not issuing a SREP decision for the 2020 SREP cycle and P2R and P2G requirements remain unchanged and b) the BoG suspended the phase-in of the O-SII for 2021, the OCR for 2021 will remain stable at 11.5%.

### *EU-wide stress test 2020*

On 31 January 2018 the ECB commenced the stress test exercise (the **2018 Stress Test**) relating to the four systemic Greek banks (Alpha Bank, Eurobank, the Bank and Piraeus Bank) with the publication of the macroeconomic scenarios to be used by the banks. The stress test of the four systemic Greek banks was conducted on an accelerated timeline compared to the other in-scope banks in order to allow the results to be published before the end of the current European Stability Mechanism Programme for Greece (August 2018), but following the same EBA approach and methodologies as that applied to the other EU banks. The results for the four systemic Greek banks were announced by the Supervisory Board on 5 May 2018, and showed that in the adverse scenario, the average CET1 capital depletion was 9 percentage points, equivalent to €15.5 billion. Following the supervisory dialogue, the Bank was informed that the stress test outcome, along with other factors, have been assessed by SSM's Supervisory Board pointing to no capital shortfall and that no capital plan was deemed necessary as a result of the exercise.

On 7 November 2019, the EBA published a press release<sup>6</sup> to announce the publication of the final methodology and draft templates for the 2020 EU-wide stress test along with the key milestones of the exercise. The stress test exercise was formally launched in January 2020 and the results were planned to be published by 31 July 2020. However, the EBA in its statement<sup>7</sup> dated 12 March 2020, announced its decision to postpone the 2020 EU-wide stress test exercise to 2021, allowing banks to focus on and ensure continuity of their core operations in light of the COVID-19 pandemic. According to the EBA's press release<sup>8</sup> on 30 July 2020, the exercise was expected to be launched at the end of January 2021 and its results to be published at the end of July 2021.

<sup>6</sup> <https://eba.europa.eu/eba-publishes-2020-eu-wide-stress-test-methodology-and-draft-templates>

<sup>7</sup> <https://eba.europa.eu/eba-statement-actions-mitigate-impact-covid-19-eu-banking-sector>

<sup>8</sup> <https://eba.europa.eu/eba-updates-2021-eu-wide-stress-test-timeline-sample-and-potential-future-changes-its-framework>

Similar to the 2018 exercise, the 2021 EU-wide stress test is a bottom-up exercise with constraints, including a static balance sheet assumption. The aim of the EU-wide stress test is to assess the resilience of EU banks to a common set of adverse economic developments in order to identify potential risks, inform supervisory decisions and increase market discipline. The exercise is primarily focused on the assessment of the impact of risk drivers on the solvency of banks. Banks are required to stress a common set of risks and in addition, banks are requested to project the impact of the scenarios on net interest income and to stress P&L and capital items not covered by other risk types.

### *EU-wide stress test 2021*

Following the postponement of the EU-wide stress test exercise of 2020 due to the outbreak of COVID-19, the ECB commenced the stress test exercise (the **2021 Stress Test**) on 29 January 2021, with the publication of the macroeconomic and market scenario assumptions.

Similar to the 2018 exercise, the 2021 Stress Test is a bottom-up exercise with constraints, including a static balance sheet assumption. The aim of the EU-wide stress test is to assess the resilience of EU banks to a common set of adverse economic developments in order to identify potential risks, inform supervisory decisions and increase market discipline. The exercise is primarily focused on the assessment of the impact of risk drivers on the solvency of banks.

Starting from a Fully Loaded (**FL**) CET1 ratio of 12.8% (15.7% on transitional basis), under the adverse scenario, the FL CET1 ratio maximum depletion reached 6.4% in year 2022, while the respective FL CET1 ratio for 2023 settled at 6.4%.

Following the supervisory dialogue, the Bank was informed that the stress test outcome, along with other factors, have been assessed by SSM's Supervisory Board pointing to no capital shortfall and that no capital plan was deemed necessary as a result of the exercise.

### *Single Resolution Mechanism*

Regulation (EU) No 806/2014 (the **SRM Regulation**) establishes uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism (**SRM**) and the Fund. The SRM Regulation establishing a SRM for the Banking Union (as defined by the European Commission) entered into force on 19 August 2014. On 1 January 2016, the SRM became fully operational.

The SRM Regulation, which complements the SSM (as discussed under "*The Group may need additional capital and liquidity as a result of regulatory changes*" above), applies to all banks supervised by the SSM, including the Bank. These uniform rules and uniform procedures established under the SRM Regulation will be applied by a single resolution board (the **Single Resolution Board** or the **SRB**) together with the EU Council and the European Commission and the national resolution authorities within the framework of the SRM. The Single Resolution Board shall have available the same range of tools as are available under the BRRD as described below. The SRM will be supported by the Fund. In the Banking Union, the national resolution funds set up under the BRRD were superseded by the Fund as at 1 January 2016 and those funds will be pooled together gradually. Therefore, as at 2016, the Single Resolution Board, calculates the annual contributions of all institutions authorized in the Member States participating in the SSM and the SRM. The European banking sector pays contributions to the Fund. The Council Implementing Regulation (EU) 2015/81 provides for an adjustment mechanism to avoid distortions between institutions and achieve a balanced distribution of contributions between the different types of institutions. This Regulation lays down rules specifying the conditions for implementing of the obligation of the SRB to calculate the contributions for individual institutions pursuant to the SRM Regulation to the Fund and the methodology for the calculation of those contributions, introducing also by derogation of the general methodology an adjusted methodology for an initial transitional period of eight years by way of a gradual phasing in of the SRM methodology. In May 2017 European Commission Delegated Regulation (EU) 2017/747 of 17 December



## Regulation and Supervision of Banks in Greece

2015 entered into force, providing for criteria relating to the calculation of *ex ante* contributions, and the circumstances and conditions under which the payment of extraordinary *ex post* contributions to the Fund may be partially or entirely deferred.

The SRM works as follows:

- The SSM, as the supervisor, would signal when a bank in the euro area or established in an EU member state participating in the Banking Union is in severe financial difficulties and needs to be resolved.
- The Single Resolution Board, the ECB and the European Commission, will carry out specific tasks to prepare for and carry out the resolution of a bank that is failing or likely to fail. The SRB decides whether and when to place a bank into resolution and sets out, in the resolution scheme, a framework for the use of resolution tools and the potential use of the Fund. The SRB is responsible for the effective and consistent functioning of the SRM and shall only use the Fund for the purpose of ensuring the efficient application of the resolution tools and exercise of resolution powers. The SRB is the owner of the Fund.
- The resolution scheme can then be approved or rejected by the European Commission or, in certain circumstances, by the Council within 24 hours.
- Under the supervision of the SRB, national resolution authorities will be in charge of the execution of the resolution scheme.
- The SRB oversees the resolution. It monitors the execution at national level by the national resolution authorities and, should a national resolution authority not comply with its decision, directly addresses executive orders to the troubled banks.

The Fund was set up under the control of the SRB. It will ensure the availability of funding support while the bank is resolved. The European banking sector pays contributions to the Fund. The Fund can only contribute to resolution if at least 8% of the total liabilities and own funds of the bank have been written down or converted into equity.

The SRM II Regulation amended the SRM Regulation as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms. This Regulation applies from 28 December 2020. The SRB and national resolution authorities should ensure that institutions and entities have sufficient loss-absorbing and recapitalisation capacity to ensure a smooth and fast absorption of losses and recapitalisation in the event of resolution, with a minimum impact on taxpayers and financial stability. That should be achieved through compliance by institutions with an institution-specific MREL as set out in the SRM Regulation. Among the new provisions are included the following:

- In order to align denominators that measure the loss-absorbing and recapitalisation capacity of institutions and entities with those provided for in the TLAC (Total Loss-Absorbing Capacity) standard, the MREL should be expressed as a percentage of the total risk exposure amount and of the total exposure measure of the relevant institution or entity, and institutions or entities should meet simultaneously the levels resulting from the two measurements.
- The SRB, after consulting the competent authorities, including the ECB, shall determine the requirements for own funds and eligible liabilities, subject to write-down and conversion powers, which are to be met at all times by the entities and groups when the conditions for the application are met.

### *Capital Requirements/Supervision*

In December 2010, the Basel Committee issued two prudential framework documents (“Basel III: A global regulatory framework for more resilient credit institutions and banking systems”, and “Basel III: International framework for liquidity risk measurement, standards and monitoring”) which contain the Basel III capital and liquidity reform package (**Basel III**).

The Basel III framework has been implemented in the EU through Directive 2013/36/EU of the European Parliament and of the Council on access to the activity of credit institutions and the prudential supervision of financial holding companies, credit institutions and investment firms (the **CRD IV Directive**), which has been transposed into Greek legislation by the CRD Law, and Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (the **CRR** and together with the CRD IV Directive, **CRD IV**) which is legally binding and directly applicable in all EU member states. Implementation began on 1 January 2014, with particular elements being phased in over a period of time, mainly until 2019.

Some major points of the framework include:

- **Quality and Quantity of Capital.** CRD IV revised the definition of regulatory capital and its components at each capital instrument level. It also imposed a minimum CET1 ratio of 4.5% and Tier 1 Ratio of 6.0%, and introduced a requirement for Additional Tier 1 and Tier 2 capital instruments “own funds” to have loss absorbing features allowing them to be written off or converted on the occurrence of a bail in of the institution;
- **Capital Buffer Requirements.** In addition to the minimum CET1 ratio of 4.5% credit institutions will have to hold the following CET1 capital buffers as fixed by the relevant authorities:
  - A Capital Conservation Buffer of 2.5% that is applied gradually between 2016 and 2019 with an annual step up of 0.625%. In case of non-compliance the regulator will impose the constraints on dividends distribution and executive bonuses inversely proportional to the level of the actual CET1 ratio.
  - A CCyB ranging between 0% and 2.5% depending on macroeconomic factors. This buffer is also applied gradually from 2016 to 2019 having a range of 0%-0.625% for 2016, 0%-1.25% for 2017, 0%-1.875% for 2018 and 0%-2.5% for 2019. Bank of Greece specified the CCyB at 0% for Greece for all quarters of 2016, 2017, 2018, 2019, 2020 and 2021 (the CCyB is currently set at 0% by the competent authorities of all countries in which the Group has significant exposures.)
  - A Systemic Risk Buffer of at least 1% made up of CET1 instruments set at the discretion of national authorities of EU member states to be applied to institutions at consolidated or solo level, or even at the level of exposures in certain countries at which a banking group operates. Bank of Greece has not used this macro prudential instrument thus far.
  - A Systemically Important Institutions Buffer. For globally systemically important institutions the additional buffer ranges between 1% and 3.5%, whereas for O SIIs it could reach 2%. Bank of Greece specified a 0% capital buffer for 2016, 2017 and 2018 for all four institutions in Greece that were characterized as O SIIs (including the Bank). However, starting from 2019, a buffer of 1% was gradually phased in for the Bank during a five-year period (2019: 0.25%, 2020: 0.5%, 2021: 0.50%, 2022: 0.75%, 2023: 1%).
- **Deductions from Common Equity Tier 1.** CRD IV revised the definition of items that should be deducted from regulatory capital. In addition, most of the items that were required to be deducted from regulatory capital are now deducted in whole from the CET1 component;

## Regulation and Supervision of Banks in Greece

- **Central Counterparties.** To address the systemic risk arising from the interconnectedness of credit institutions and other financial institutions through the derivatives markets, the new framework is supporting the efforts of the committee on payments and settlement systems and International Organization of Securities Commissions (IOSCO) to establish strong standards for financial market infrastructures, including central counterparties (CCPs). A 2.0% risk weight factor is introduced to certain trade exposures to qualifying CCPs (replacing the current 0% risk weighting). The capitalisation of credit institution exposures to CCPs will be based in part on the compliance of the CCP with the IOSCO standards (since non-compliant CCPs will be treated as bilateral exposures and will not receive the preferential capital treatment referred to above);
- **Counterparty Credit Risk.** CRD IV is raising counterparty credit risk management standards in a number of areas, including for the treatment of so-called wrong way risk, i.e., cases where the exposure increases when the credit quality of the counterparty deteriorates. For example, the proposal includes a capital charge for potential mark to market losses associated with a deterioration in the creditworthiness of a counterparty (i.e. CVA risk) and the calculation of expected positive exposure by taking into account stressed parameters;
- **Leverage Ratio.** CRD IV introduced an unweighted Tier I leverage ratio (the Leverage Ratio) that applies for all credit institutions as part of the Pillar II framework from 1 January 2013. The ratio has migrated to a Pillar I minimum requirement now that CRR II (as defined below) has entered into force;
- **Liquidity Requirements.** From 1 October 2015, CRD IV progressively introduced a liquidity coverage ratio (which defines an amount of unencumbered, high quality liquid assets that must be held by a credit institution to offset estimated net cash outflows over a 30-day stress scenario, and has been phased in gradually, starting at 60% in 2015, and set at 100% in 2018) (the **LCR**). CRD IV also provides for a net stable funding ratio (which defines an amount of longer term, stable funding that must be held by a credit institution over a one-year timeframe based on liquidity risk factors assigned to assets and off balance sheet exposures) (the **NSFR**). On 8 March 2017, the EBA published the final guidelines on the liquidity coverage ratio disclosure. The final guidelines provide harmonised disclosure templates and tables for liquidity coverage ratio disclosure without altering the general disclosure framework provided for in the CRR. Moreover, on 17 April 2018 the EBA published its final draft of implementing technical standards amending the European Commission's Implementing Regulation (EU) No. 680/2014 on supervisory reporting. The updated implementing technical standards include changes to additional monitoring metrics for liquidity. Additionally, the CRR II and the CRD V Directive, were published in June 2019. With respect to liquidity requirements, the new regulatory framework sets the EU rules for the measurement of the NSFR, amending the existing BCBS framework, incorporated in the EU Capital Requirements Regulation 575/2013 (CRR). The provisions for the NSFR amendment apply from 28 June 2021; and
- **Maximum Distributable Amount.** Pursuant to Article 131 of the CRD Law, the Bank may not make discretionary payments (as defined in the CRD Law), beyond the Maximum Distributable Amount.

It should be noted that Regulation (EU) 2019/876 amended Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012. This Regulation applies from 28 June 2021 subject to certain exceptions.

In addition to CRD IV, the EBA produces a number of binding technical standards, guidelines and recommendations for its implementation. EBA published on 21 November 2019 a set of roadmaps outlining its approach and timelines for delivering the mandates stemming from the above regulatory texts published in the Official Journal on 7 June 2019. These mandates are mainly focused in the areas of governance and remuneration, large exposures, resolution as well as reporting and disclosure.

Together with Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 (see below “*Bank Recovery and Resolution Directive*”) CRD IV forms the common financial regulatory framework in the EU, also known as ‘the Single Rulebook’.

In addition to the substantial changes in capital and liquidity requirements introduced by Basel III and CRD IV, there are several new global initiatives, in various stages of finalisation, which represent additional regulatory pressure over the medium term and will impact the EU’s future regulatory direction. These initiatives include, among others, the Markets in Financial Instruments Regulation (Regulation (EU) No 600/2014), applicable since 3 January 2018 and a revised Markets in Financial Instruments Directive (Directive 2014/65/EU) transposed into national legislation by Greek Law 4514/2018 published in Government Gazette Issue A No.14 of 30 January 2018.

In addition, on 23 November 2016, the European Commission published legislative proposals for amendments to the CRR, CRD IV Directive, the BRRD and the SRM Regulation (together, the **EC Proposals**), which proposals were subsequently amended during the approval process prior to formal approval of the final text by the European Council in May 2019. The final text was published in the Official Journal of the European Union on 7 June 2019 and entered into force on 27 June 2019. Among other things, these proposals aim to implement a number of new Basel standards (such as the leverage ratio, the net stable funding ratio, market risk rules and requirements for own funds and eligible liabilities) and to transpose the Financial Stability Board’s Total Loss Absorbing Capacity termsheet into European law. The CRD IV Directive has subsequently been amended by the CRD V Directive and the CRR has subsequently been amended by the CRR II. The CRD V Directive and the CRR II were both published in the Official Journal of the European Union on 7 June 2019 and entered into force on 27 June 2019. Member States had to adopt and publish, by 28 December 2020, the measures necessary to comply with CRD V with certain exceptions. As of 18 May 2021, Greek Law 4799/2021 came into force, transposing the CRD V Directive into Greek law. CRR II applies from 28 June 2021 subject to certain exceptions. CRR II is directly applicable to the Bank.

### ***Solvency II***

As at 1 January 2016, Greek Law 4364/2016 came into force, replacing the previously existing Presidential Decree 400/70 and establishing in Greece the new Solvency II framework as detailed in Directive 2009/138/EC, which is a fundamental revision of the capital adequacy regime for the European insurance sector business.

### ***Bank Recovery and Resolution Directive***

On 15 May 2014, the European Parliament and the Council of the European Union adopted Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms (the **BRRD**). It establishes a harmonized framework for the recovery and resolution of credit institutions and investment firms incorporated under the laws and licensed by the competent authorities of any of the EU member states. Directive (EU) 2017/2399, which was transposed into Greek Law by Law 4583/2018 (published in the Government Gazette Issue A No. 212/18.12.2018), amended BRRD as regards the ranking of unsecured debt instruments in insolvency hierarchy. The BRRD has been subsequently amended by the publication of Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 (the **BRRD II**). Member States had to adopt and put into force the measures necessary to comply with BRRD II by 28 December 2020. As of 17 May 2021, with few exceptions, Greek Law 4799/2021 came into force, transposing the BRRD II into Greek law.

By virtue of Greek Law 4335/2015, as amended, *inter alia* by Greek Law 4799/2021 (the **BRR Law**), and in particular Article 2 “Recovery and resolution of credit institutions and investment firms and other provisions”, the BRRD was transposed into Greek Law and the Bank of Greece has been designated as the national resolution authority empowered to apply the resolution tools and exercise the resolution powers (the **National Resolution Authority**). Greek Law 4335/2015 provides among others for the following:

## Regulation and Supervision of Banks in Greece

- (a) **Preparation and planning stage:** Preparation for adopting measures of recovery and resolution, including (a) drawing up and submitting recovery plans by credit institutions to the competent authority for evaluation, which provide the measures to be taken for restoring their financial position following a significant deterioration of their financial position and (b) drawing up of a resolution plan by the National Resolution Authority for each credit institution.

The Bank of Greece has specified the information to be included in the recovery plans. In particular, Bank of Greece Executive Committee Act No 99/18.7.2016 clarifies the information to be provided in the recovery plans and provides qualitative and quantitative recovery plan indicators. Moreover, Bank of Greece Executive Committee Act No 98/18.7.2016 specifies the range of scenarios to be used in recovery plans.

- (b) **Early Intervention stage:** When the institution infringes its licensing and operational requirements or it is likely to infringe them in the near future due to rapid deterioration of its financial condition, the BRR Law the competent authority shall have at its disposal at least the following:
- (i) requires that the board of directors of the credit institution updates the recovery plan and/or implement one or more of the measures provided in the recovery plan,
  - (ii) requires that the board of directors of the credit institution examines the situation, identifies measures to overcome any problems identified and draws up an action plan to overcome those problems, within a specific timeline,
  - (iii) requires that the board of directors of the credit institution convenes a general meeting of its shareholders or, in case the board of directors does not comply, promptly convenes itself a general meeting of the shareholders of the credit institution, and in both cases sets the agenda and require certain decisions to be considered for adoption by the shareholders;
  - (iv) requires that one or more members of the board of directors or senior management be removed or replaced if they are considered unfit to perform their duties,
  - (v) requires that the board of directors of the credit institution draws up and submits for consultation a plan for debt restructuring with one or all of its creditors according to the recovery plan, where applicable,
  - (vi) requires the updating of the business strategy of the credit institution,
  - (vii) requires changes in the legal or business structures of the credit institutions, and
  - (viii) collects (through, *inter alia*, on-site inspections) and transmits to the National Resolution Authority all necessary information for the update of the resolution plan and the preparation of the potential resolution of the credit institution and the valuation of its assets and liabilities for the resolution purposes.

**Resolution measures:** The SRB is the resolution authority for significant banking groups whose parent entity is located in the Banking Union. Together with national resolution authorities it forms the SRM. Where, pursuant to the SRM Regulation, the SRB performs tasks and exercises powers which, pursuant to the BRRD, are to be performed or executed by the national resolution authority, the Board, shall, for the application of the SRM Regulation and of the BRRD, be considered to be the relevant national resolution authority or, in the event cross-border group resolution, the relevant group level resolution authority.

The SRB shall take action only if all of the following conditions are met:

- (a) the institution is failing or is likely to fail,

- (b) no alternative private sector measure, or supervisory action, including early intervention measures, would prevent the failure of the institution within a reasonable timeframe, and
- (c) a resolution action is necessary in the public interest.

Before proceeding to resolution measures, the SRB shall ensure that a fair, prudent and realistic valuation of the assets and liabilities of the institution is carried out.

The Board of Directors must notify immediately the ECB, as Competent Authority, in cases that an institution is failing or likely to fail. EBA Guidelines on “the interpretation of the different circumstances when an institution shall be considered as failing or likely to fail” provide clarifications on the cases where an institution is assessed as “failing or likely to fail”.

The resolution measures that may be implemented either individually or in conjunction (save for the asset separation tool, which may only be applied in conjunction with another resolution tool), are the following:

- *Sale of business tool*: transfer to a purchaser who is not a bridge institution, of shares or other instruments of ownership and/or some or all of the assets of the institution under resolution, namely rights, obligations and contractual relationships, without the consent of the shareholders of the institution under resolution or of any third party other than the acquirer.
- *Bridge institution tool*: establishment of a bridge institution to which shares or other instruments of ownership and/or some or all of the assets of the institution under resolution, namely rights, obligations and contractual relationships, are transferred without the consent of the shareholders of the institution under resolution or of any third party.
- *Asset separation tool*: transfer of assets, namely rights, obligations and contractual relationships, of an institution under resolution or of a bridge institution to one or more asset management companies, without the consent of the shareholders of the institutions under resolution or of any third party other than the bridge institution. The asset management companies are legal persons owned in total or partially or controlled by one or more authorities, including the Fund or the National Resolution Authority.
- *Bail in tool* write-down or conversion of any obligations of an institution that meets the resolution conditions, except for the cases prescribed by BRRD.

When using the bail-in tool, the relevant resolution authority must write down or convert obligations of the entity under resolution in the following order:

- (i) CET1;
- (ii) AT1 instruments;
- (iii) T2 instruments;
- (iv) other subordinated debt, in accordance with the ranking of claims in special liquidation proceedings; and
- (v) other eligible liabilities, in accordance with the ranking of claims in special liquidation proceedings

The above obligations do not include liabilities expressly excluded from the scope of the bail-in tool by operation of Article 44 of the BRR Law, including, *inter alia*, covered deposits and secured liabilities (including covered bonds).

## Regulation and Supervision of Banks in Greece

The ranking of liabilities in the case of special liquidation proceedings against a credit institution are provided for by Article 145A of the CRD Law, as follows:

- (a) claims deriving from the provision of employment services and legal fees to the extent that the claims arose during the two years prior to the opening of special liquidation proceedings under Greek law 4261/2014, as well as employees' and in-house lawyers' claims deriving from the termination of their employment/mandate, irrespective of the point at which such claims arose, claims of the Greek state for value added tax and other taxes aggregated with any surcharges and interest accrued, and claims of social security organisations;
- (b) Greek State claims arising in case of application of internal Articles 57 or 58 of Article 2 of the BRR Law referring to financial stabilisation tools;
- (c) claims deriving from guaranteed deposits or claims of the Hellenic Deposit and Investment Guarantee Fund (**HDIGF**), the latter assuming the depositors' rights and obligations, who have been compensated by the HDIGF, and for the amount of such compensation or claims of the HDIGF due to the use of the Deposit Cover Scheme (**DCS**) in the context of resolution under Article 104 of BRR Law;
- (d) any type of Greek State claim aggregated with any surcharges and interest charged on these claims;
- (e) the following claims:
  - (A) Claims of the Resolution Fund pursuant to internal Article 98, par. 6, of the BRR Law, in case of provision of financing to the institution in the context of the fulfilment of the obligations of the Resolution Fund, as per the specific provisions of internal Article 95, par. 2, of the BRR Law; and
  - (B) Claims deriving from eligible deposits of natural persons and micro, small and medium-sized enterprises to the extent that they exceed the coverage threshold for deposits pursuant to Article 9 of Law 4370/2016, and claims deriving from deposits of natural persons and micro, small and medium-sized enterprises that would be eligible deposits if such deposits have not been made through third country (non-EU) branches of EU credit institutions.
- (f) Claims deriving from investment services that are covered by the HDIGF within the meaning of Articles 12 and 13 of Law 4370/2016 or claims of the HDIGF, the latter assuming the rights and obligations of investor clients, who have been compensated by the HDIGF, and for the amount of such compensation;
- (g) claims deriving from eligible deposits to the extent that they exceed the coverage limit and do not fall under e) above;
- (h) claims deriving from deposits exempted from compensation in accordance with Article 12 of Law 4370/2016, excluding claims deriving from transactions of investors for which a final court decision has been issued for a penal violation of AML/CTF rules; and
- (i) without prejudice to points j) and k) below, other claims that do not fall within the above listed points and are not subordinated claims as per the relevant agreement, including but not limited to, liabilities under loan agreements and other credit agreements, agreements for the supply of goods or for the provision of services or from derivatives, claims deriving from debt instruments issued by the credit institution, claims deriving from guarantees granted by the credit institution in relation to debt instruments issued by its subsidiaries (as defined by

paragraph 2 of Article 32 of Law 4308/2014), irrespective whether such subsidiaries have their registered seat in Greece or abroad, as well as claims of such subsidiaries, when their claims derive from a loan or deposit agreement with the credit institution in question, by virtue of which the proceeds from such issuance of debt instruments by the subsidiaries is on lent to or deposited with the relevant credit institution. In the case of such a deposit by such a subsidiary, this paragraph applies in relation to that part of the deposit for which subparagraph (c) of this paragraph does not apply.

- (j) claims deriving from debt instruments issued by the credit institution that meet the following conditions: (aa) the original contractual maturity of the debt instruments is at least one (1) year; (bb) they do not contain any embedded derivatives and they are not themselves derivatives, and the debt instruments are not considered to contain embedded derivatives solely on the basis that they have floating interest based on a widely used reference interest rate or on the basis that they are denominated in a foreign currency, provided that the principal, the repayment and the interest are in the same currency; and (cc) the relevant contractual documentation and, where applicable, the prospectus related to the issuance and the distribution thereof explicitly refer to the lower ranking as provided for in the present point. In addition, this paragraph applies to claims deriving from guarantees granted by the credit institution in relation to debt instruments issued by its subsidiaries (as defined by paragraph 2 of Article 32 of Law 4308/2014), irrespective whether such subsidiaries have their registered seat in Greece or abroad, that meet the above conditions under (aa) to (cc), as well as claims of such subsidiaries, when their claims derive from a loan or deposit agreement with the credit institution in question, by virtue of which the proceeds from such issuance of debt instruments by the subsidiaries is on lent to or deposited with the relevant credit institution. In the case of such a deposit by such a subsidiary, the previous sentence applies in relation to that part of the deposit for which subparagraph (c) of this paragraph does not apply.
- (k) Claims deriving from subordinated debt instruments or Tier 2 instruments or hybrid securities or Additional Tier 1 instruments or preferential shares or common shares, common equity tier 1 instruments issued by the credit institution, applying the different ranking between the different categories of claims that fall within this instance. In addition, this paragraph applies to claims deriving from guarantees granted by the credit institution in relation to debt instruments of lower ranking or hybrid securities or other securities included in the above categories issued by its subsidiaries (as defined by paragraph 2 of Article 32 of Law 4308/2014), irrespective whether such subsidiaries have their registered seat in Greece or abroad, when such claims derive from a loan or deposit agreement with the credit institution in question, by virtue of which the proceeds from such issuance of debt instruments or hybrid securities or other securities included in the above categories issued by its subsidiaries. In the case of such a deposit by such a subsidiary, the previous sentence applies in relation to that part of the deposit for which subparagraph (c) of this paragraph does not apply.

The claims under points (A) and (B) of case (e) above are satisfied pro rata. As for the rest, the provisions of Articles 975 to 978 of the Greek Code of Civil Procedure shall apply by way of analogy.

Further to the above resolution tools, the SRB is entitled to decide on the exercise of the write-down or conversion powers in respect of Additional Tier 1 and Tier 2 capital instruments, as well as eligible liabilities of the institution, either independently or in combination with the resolution tools, under the circumstances provided by the law, for example when it is established that the conditions for resolution are met or when the competent authority establishes that if the said power is not exercised, the institution will cease to be viable. If an institution meets the requirements for resolution and the SRB decides to implement a resolution tool, then the exercise of the above power is required.



## Regulation and Supervision of Banks in Greece

Furthermore, it should be noted that the following EU Regulations have been issued:

- Commission Delegated Regulation (EU) 2016/860 specifies further the circumstances where exclusion from the application of write-down or conversion powers is necessary.
- Commission Delegated Regulation (EU) 2016/1401 established regulatory technical standards for methodologies and principles on the valuation of liabilities arising from derivatives.
- Commission Delegated Regulation (EU) 2017/867 on classes of arrangements to be protected in a partial property transfer.
- Commission Delegated Regulation (EU) 2016/1450 with regard to regulatory technical standards specifying the criteria relating to the methodology for setting the MREL to be set by resolution authorities in order to determine the loss absorption amount which the institution or group should be capable of absorbing.
- Commission Delegated Regulation (EU) 2016/1075 regarding regulatory technical standards specifying the content of recovery plans, resolution plans and group resolution plans, the minimum criteria that the competent authority is to assess as regards recovery plans and group recovery plans, the conditions for group financial support, the requirements for independent valuers, the contractual recognition of write-down and conversion powers, the procedures and contents of notification requirements and of notice of suspension and the operational functioning of the resolution colleges.
- Commission Implementing Regulation (EU) 2016/911 provided implementing technical standards with regard to the form and the content of the description of group financial support agreements. In the same context Executive Committee Act 131/23.01.2018 of Bank of Greece specifies the conditions for the group financial support.

### Use of public funds in the context of the resolution framework

In cases of an exceptional systemic crisis, extraordinary public financial support may be provided with respect to institutions meeting the conditions for resolution. Extraordinary public financial support is provided under strict conditions by virtue of a decision of the Greek Minister of Finance, following a recommendation of the Systemic Stability Board of the Greek Ministry of Finance and a consultation with the resolution authority, through public financial stabilisation tools as a last resort and only after having assessed and utilised, to the maximum extent, the other resolution tools, in order to avoid, through the direct intervention, the winding-up of the said institutions and in order for the resolution purposes to be accomplished. The public financial stabilisation tools are:

- (a) public capital support provided by the Greek Ministry of Finance or by the HFSF following a decision by the Greek Minister of Finance; and
- (b) temporary public ownership of the institution, i.e. the transfer of the shares of an institution to a transferee of the Hellenic Republic or a company which is fully owned and controlled by the Hellenic Republic.

The following conditions must be cumulatively met in order for the public financial stabilisation tools to be implemented:

- i. the institution meets the conditions for resolution;
- ii. the shareholders, owners of other instruments of ownership, holders of relevant capital instruments and the holders of eligible liabilities have contributed, through conversion, write-down or by any other means, to the absorption of losses and the recapitalization by an amount equal to at least 8% of

the total liabilities, including own funds of the institution under resolution, calculated at the time of the resolution action in accordance with the valuation conducted, and

- iii. prior and final approval by the European Commission regarding the EU State aid framework for the use of the chosen tool has been granted.

In addition to the above, for the provision of public financial support, one of the following conditions must be met:

- i. the application of the resolution tools would not suffice to avoid a significant adverse effect on the financial stability;
- ii. the application of the resolution tools would not suffice to protect the public interest, where extraordinary liquidity assistance from the central bank has previously been given to the institution; and
- iii. in respect of the temporary public ownership tool, the application of the resolution tools would not suffice to protect the public interest, where public equity support through the equity support tool has previously been given to the institution.

### **Use of public funds outside the resolution framework**

By way of exception, extraordinary public financial support may be granted to a credit institution in the form of an injection of own funds or purchase of capital instruments without the involvement of resolution measures, under the following cumulative conditions:

- in order to remedy a serious disturbance in the economy of an EU member state and preserve financial stability;
- to a solvent credit institution in order to address a capital shortfall identified in a stress test, assets quality reviews or equivalent exercises;
- at prices and on terms that do not confer an advantage upon the institution;
- on a precautionary and temporary basis;
- subject to final approval of the European Commission;
- not to be used to offset losses that the institution has incurred or is likely to incur in the near future;
- the credit institution has not infringed and there are no objective elements to support that the credit institution will, in the near future, infringe its authorization requirements in a way that would justify the withdrawal of its authorization;
- the assets of the credit institution are not and there are no objective elements to support that the assets of the credit institution will, in the near future, be less than its liabilities;
- the credit institution is not and there are no objective elements to support that the credit institution will be unable to pay its debts or other liabilities when they fall due; and
- the circumstances for the exercise of the write-down or conversion powers in respect of Additional Tier 1 and Tier 2 capital instruments of the institution do not apply.

## Regulation and Supervision of Banks in Greece

### MiFID II

Directive 2014/65/EU on markets in financial instruments repealing MiFID I (**MiFID II**) was transposed into Greek law by Law 4514/2018.

MiFID II together with Regulation (EU) 600/2014 on markets in financial instruments (**MiFIR**) introduced the new framework on financial markets. Both documents aim to have more efficient, resilient and transparent markets.

In particular, MiFID II introduced rules, *inter alia*, on high frequency trading, improves the transparency and oversight of financial markets, including derivatives markets, and addresses the issue of excessive price volatility in commodity derivatives markets. Furthermore, it expands supervision to all financial instruments admitted to trading, over-the-counter transactions and trading venues.

MiFID II also enhanced investor protection by introducing new product governance requirements and more stringent organisational and business conduct requirements.

MiFID II empowered the European Commission to adopt delegated and implementing acts to specify how competent authorities and market participants shall comply with the obligations laid down in the directive.

### The Greek Regulatory Framework

The CRD IV framework, comprising CRD IV Directive (as transposed into Greek law by way of the Greek Law 4216/2014 on access to the activity of credit institutions) and the CRR on the prudential supervision of credit institutions and investment firms establishes the regulatory framework which governs the operation and supervision of credit institutions in the European Union. The CRD IV Directive has subsequently been amended by the CRD V Directive and the CRR has subsequently been amended by the CRR II. The CRD V Directive and CRR II were both published in the Official Journal of the European Union on 7 June 2019 and entered into force on 27 June 2019. CRR II is directly applicable to the Bank and applies from 28 June 2021, subject to certain exceptions. The Member States had to adopt and publish by 28 December 2020 the measures necessary to comply with the CRD V Directive, with certain exceptions. As of 18 May 2021, Greek Law 4799/2021 came into force, transposing the CRD V Directive into Greek law.

The Greek Law 4261/2014 as amended by Greek Law 4799/2021 replaced Greek Law 3601/2007. According to Article 166 of Greek Law 4261/2014, regulatory decisions issued by ministers or competent authorities by virtue of Greek Law 3601/2007 remain in force as long as they are not contrary to the provisions of the CRD Law or Regulation No. 575/2013/EC and until replaced by new regulatory acts under Greek Law 4261/2014.

Under the current regulatory framework, credit institutions operating in Greece are, among others, required to:

- observe the liquidity ratios prescribed by Regulation No. 575/2013/EC and relevant acts of the Governor of the Bank of Greece or the Executive Committee of the Bank of Greece, to the extent that (according to Article 166 of Greek Law 4261/2014) such acts are not contrary to the provisions of the CRD Law or the CRR and until replaced by new regulatory acts issued under Greek Law 4261/2014;
- observe the own funds requirements and calculation rules provided for by Regulation No. 575/2013/EC, Decision No. 114/1/4.8.2014 of the Credit and Insurance Committee Decisions as in force and Decision No. 191/1/23.07.2021 of the Executive Committee of the Bank of Greece;
- maintain efficient and independent internal audit, compliance and risk management systems and procedures (Bank of Greece Governor Act No. 2577/2006, as supplemented and amended by

subsequent decisions of the Governor of the Bank of Greece and of the Banking and Credit Committee of the Bank of Greece). The Monitoring Trustee mandate and the Amended Relationship Framework Agreement also include provisions regarding the maintenance of such systems and procedures;

- submit to the Bank of Greece periodic reports and statements required under Bank of Greece Governor Act No. 2651/2012, as amended and currently applicable and other relevant Acts of the Governor of the Bank of Greece;
- disclose data regarding the credit institution's financial position and the risk management policy;
- provide the Bank of Greece any other information requested;
- in connection with certain operations or activities, notify or request the prior approval of the Bank of Greece/SSM, in each case in accordance with the applicable laws of Greece and the relevant acts, decisions and circulars of the Bank of Greece and the European regulatory framework; and
- permit the Bank of Greece to conduct audits and inspect books and records of the credit institution, in accordance with Greek law (including Greek Law 4261/2014) and certain Bank of Greece Governor's Acts;

If a credit institution breaches any law or a regulation falling within the scope of the supervisory power attributed to the Bank of Greece, the Bank of Greece is empowered, among others, to:

- require the relevant bank to take appropriate measures to remedy the breach;
- impose fines (Article 55A of the Articles of Association of the Bank of Greece, as ratified by Law 2832/2000 and as amended by Bank of Greece Governor Act No. 2602/2008), and provisions of Law 4261/2014; and
- revoke, in cooperation with the ECB according to Regulation 1024/2013, the license of the bank.

In the context of the SSM, the ECB and the NCAs (the Bank of Greece in Greece), Regulation 1024/2013 stipulates the supervisory tasks conferred upon the SSM and Regulation (EU) 468/2014 determines the framework of cooperation within the SSM.

The regulatory framework applicable to the Bank has been also affected by the establishment of the HFSF and the recapitalization framework. Moreover, Regulation (EU) 2016/445 specifies certain of the options and discretions conferred on competent authorities under Union law concerning prudential requirements for credit institutions that the ECB is exercising. The ECB on 29 June 2021 launched a public consultation on updates to its harmonised policies for exercising the options and discretions that it is allowed to exercise under European Union law when supervising banks. In this context, the abovementioned Regulation is under revision. This Regulation was further specified by the Executive Committee of the Bank of Greece.

### **The Hellenic Financial Stability Fund – The Greek Recapitalisation Framework**

#### ***Formation of the Hellenic Financial Stability Fund***

The HFSF was established by Greek Law 3864/2010 (the **HFSF Law**), as a private law entity with capital funded by the Greek government out of the resources made available by the EU and the IMF to ensure adequate capitalization of the Greek banking system. Additionally, Greek Law 4389/2016 (Article 188) prescribes HFSF as a subsidiary of Hellenic Corporation of Assets and Participations. It should be noted that Hellenic Corporation of Assets and Participations does not belong to the Greek public sector.

## Regulation and Supervision of Banks in Greece

The purpose of the HFSF, according to the HFSF Law, is to maintain the stability of the Greek banking system for protection of the public interest. The duration of the HFSF has been set until and including 31 December 2022 and it may be extended upon decision of the Greek Minister of Finance, provided that such extension is necessary for the fulfillment of its purposes.

### *Amended Relationship Framework Agreement*

Following the participation of the HFSF in the Bank's share capital in 2013, the Bank and the HFSF entered into the Relationship Framework Agreement. In connection with its receipt of State Aid as part of its recapitalization in December 2015, the Bank entered into an Amended Relationship Framework Agreement (Amended Relationship Framework Agreement) with the HFSF on 3 December 2015. This Amended Relationship Framework Agreement replaced the earlier Relationship Framework Agreement entered into by the Bank in 2013.

According to the Amended Relationship Framework Agreement, the HFSF should, among others (i) monitor and assess how the Bank complies with the applicable restructuring plan, (ii) exercise its shareholding rights in compliance with the rules of prudent management of its assets and in compliance with State Aid and competition rules of the European Union, (iii) ensure that the Bank operates on market terms, and (iv) that in due time the Bank returns to private ownership in an open and transparent manner. The Amended Relationship Framework Agreement determines the relationship between the Bank and HFSF certain matters relating to, amongst others: (a) the corporate governance of the Bank, (b) the applicable Revised Restructuring Plan and its monitoring, (c) the monitoring of the implementation of the Bank's NPL management framework and of the Bank's performance on NPL resolution. In addition, the Amended Relationship Framework Agreement deals with, (d) the obligations that are defined as material for the purposes of the Amended Relationship Framework Agreement, including for the switch to full voting rights, (e) the monitoring of Bank's actual risk profile against the approved risk and capital strategy, (f) the HFSF's consent for matters that are defined as material for the purposes of the Amended Relationship Framework Agreement and, in particular, for the HFSF's consent request, (g) litigation and other proceedings that are defined as material for the purposes of the Amended Relationship Framework Agreement and concern the Group, and (h) the duties, rights and obligations of HFSF's representative on the Board. Moreover, the Amended Relationship Framework Agreement states that, subject to its provisions, the applicable law, and the charter documents, the Bank's decision making bodies will continue to determine independently, amongst others, the Bank's commercial strategy and policy in compliance with the currently applicable restructuring plan and the decisions on the day-to-day operation of the Bank will continue to rest with the Bank's competent bodies and officers, as the case may be, in accordance with their statutory, legal and fiduciary responsibilities.

The Amended Relationship Framework Agreement prescribes the appointment of the HFSF representative to the Board of Directors and the appointment of an observer (without voting rights) also participating at the Board of Directors. Additionally, as prescribed by the Amended Relationship Framework Agreement, both the representative and the observer participate in the Board Committees.

According to the provisions of the applicable framework as outlined previously, the HFSF representative's rights as prescribed within the Amended Relationship Framework Agreement include the following:

- (c) To request the Board to convoke the General Assembly of Shareholders or to include items on the agenda to be discussed at a General Assembly to be convoked by the Board. The request regarding the convocation of the General Assembly shall be addressed to the Chairman of the Board in writing and shall include the proposed items on the agenda. The Board shall have the obligation to convoke the General Assembly upon respective request of the HFSF representative. Furthermore, the Board shall have the obligation to include the proposed items in the respective invitation for the convocation of the General Assembly.

- (d) To request that the Board is convened within the next seven (7) calendar days from the HFSF's representative written request to the Chairman of the Board. The relevant request shall be addressed to the Chairman of the Board in writing and include the proposed items on the agenda. If the Chairman of the Board does not proceed to the convocation of the Board within the above deadline or does not include all the proposed items in the invitation, then the HFSF representative shall be entitled to convoke the Board within five (5) days as of the expiry of the above seven (7) days period.
- (e) To include items in the agenda of a scheduled Board meeting, including any item which may be related to any entity of the Group. For this purpose, the HFSF representative will submit in writing to the Chairman of the Board the desired additional items on the agenda at least two (2) business days prior to the date of the Board meeting. The Chairman of the Board must include these items in the agenda of the scheduled Board meeting.
- (f) To request an adjournment of any meeting of the Board or the discussion of any item up to three (3) business days, if it finds that the material, data or information and the supporting documents submitted to the HFSF pursuant to the items of the agenda of the forthcoming Board meeting are not sufficient.

Additionally, as per the Amended Relationship Framework Agreement, the HFSF representative has the following rights in Board Committees:

- (g) to include items on the agenda of a committee meeting scheduled. For this purpose, the HFSF representative will submit in writing to the Chairman of the Committee the proposed additional items of the agenda at least one (1) day prior to the date of the Committee meeting;
- (h) to request that the committee is convened within the next seven (7) days from the HFSF representatives' written request to the Chairman of the committee. The relevant request shall include the proposed items of the agenda. If the Chairman of the committee does not proceed to the convocation of the committee within the above deadline or does not include all the proposed items in the invitation, then the HFSF representative shall be entitled to convoke the committee within five (5) days as of the expiry of the above seven (7) days period.

Further, the Amended Relationship Framework Agreement prescribes in detail requirements for the Bank to inform the HFSF representative and the HFSF Observer, including on the activities and decisions of Board committees in which they participate.

Under the Amended Relationship Framework Agreement, the Bank has the obligation to obtain the prior written consent of the HFSF for all material matters set forth within the agreement, including, among others, the applicable Revised Restructuring Plan, including any amendment, extension or revision of the Plan, the Group policy governing relations with connected borrowers and any amendment, extension, revision or deviation thereof, the Group Risk and Capital strategy document(s) especially the risk appetite statements and risk governance and any amendment, extension, revision or deviation thereof, the Group Investment/Divestment Policy regarding participations, real estate and loan portfolios and any amendment, extension, revision or deviation thereof, and other matters particularly prescribed within the Amended Relationship Framework Agreement as material materials requiring prior-written consent and according to the exceptions the Amended Relationship Framework Agreement prescribes.

If the Bank breaches or defaults in performing or complying with or fails to perform or comply with any of its material obligations, the HFSF shall give to the Bank a default notice specifying such breach, default or failure and, in the case of a breach, default or failure capable of remedy, stipulating a period during which such breach, default or failure shall be remedied. Provided that such period is accepted by the HFSF, and if such event is still outstanding after a remedy period has been provided by the HFSF, whenever such period is applicable, and without prejudice to any other rights of the HFSF under the HFSF Law and the Amended Relationship Framework Agreement, restrictions of the HFSF's voting rights concerning the portion of

## Regulation and Supervision of Banks in Greece

shares to which these apply, shall be lifted and the HFSF shall have full voting rights with respect to the particular shares now subject to restrictions in accordance with Article 7A of the HFSF Law, upon notification to the Bank of the respective decision of the General Council of the HFSF.

The Amended Relationship Framework Agreement requires that:

- (a) The Bank shall at each time adopt and apply a corporate governance structure that ensures the implementation of the Amended Relationship Framework Agreement, compliant at any time with the requirements of the HFSF Law, the contractual obligations and the applicable Revised Restructuring Plan.
- (b) The Bank shall provide to the HFSF the documents, as required, in order to ensure the effective monitoring of the implementation of the applicable Revised Restructuring Plan and NPL management framework, to effectively allow the HFSF to perform its statutory role. In December 2016 the Board Risk Committee Charter was revised, such that the Committee has a dual role, having specific competence over NPLs/NPEs and operating as the Bank's special Committee that deals with NPLs in accordance with Article 10 Paragraph 8 of the HFSF Law.
- (c) If the Bank has engaged, prior to the signing of the Amended Relationship Framework Agreement, an external audit firm for more than five years, the Bank should replace the audit firm. The new engagement contracts should not exceed five years. The Bank's initial five-year period expired following the 2016 financial year. In this context, the Board of Directors approved at the meeting held on 18 January 2017 PwC as the most appropriate audit firm for the audit of the Group for the year ending 31 December 2017, following the recommendation of the Audit Committee. The selection was based on the results of the tender process run by the Bank. The appointment of PwC was approved by the 2017 Annual General Meeting of the Bank's shareholders. The 2018 Annual General Meeting of the Bank's shareholders appointed PwC to undertake the audit of the Group for the year ending 31 December 2018, following relevant proposal of the Audit Committee. The 2019 Annual General Meeting of the Bank's shareholders appointed PwC to undertake the audit of the Group for the year ending 31 December 2019, following relevant proposal of the Audit Committee. The 2020 Annual General Meeting of the Bank's shareholders appointed PwC to undertake the audit of the Group for the year ending 31 December 2020, following relevant proposal of the Audit Committee. The 2021 Annual General Meeting of the Bank's shareholders appointed PwC to undertake the audit of the Group for the year ending 31 December 2021, following relevant proposal of the Audit Committee.

However, according to Article 28 of Greek Law 4701/2020, HFSF and the financial institutions who participated in recapitalization plans, or the beneficiary financial institutions that resulted from fully or partial carve-outs of banking operations in the context of Greek law 4601/2019 (corporate transformation law), may decide to extend the term of its auditors for a period not exceeding 10 years in total (according to Article 17 EU 537/2014 (L158)) provided that the General Meeting of the financial institution approves reasoned proposal of the Board of Directors, following the recommendation of the Audit Committee.

- (d) In case of any actual or reasonably foreseeable adverse deviations in the Bank's or the Group's performance and risk profile, relative to the base scenario of the applicable Revised Restructuring Plan, or relative to the budget, or with respect to the Risk and Capital Strategy if adverse deviations have already been approved by the HFSF through the approval of the budget, the Board should promptly submit its recommended corrective strategic actions to the HFSF for its review and consent.
- (e) Performance against the applicable Revised Restructuring Plan as well as progress on key initiatives undertaken by the Bank (e.g. Divestments, Integrations, etc.) will be monitored as follows:

- (i) Regular meetings between the Bank's management and the HFSF.
  - (ii) A formal monitoring review of performance against the applicable Revised Restructuring Plan or relative to the budget, if adverse deviations have already been approved by the HFSF through the approval of the budget (see above), will be conducted on a quarterly basis, in line with the Bank's results reporting cycle. For the purpose of the monitoring reviews, the Bank will provide the HFSF with a report on its financial and business performance against the applicable Revised Restructuring Plan or relative to the budget, if adverse deviations have already been approved by the HFSF through the approval of the budget (see above) quarterly targets, clearly highlighting performance to date against the currently applicable restructuring plan targets as well as against budget, key initiatives and expected impact for the next four quarters rolling and identifying any adverse deviations from the targets and associated corrective measures /initiatives, which must be approved by the HFSF.
- (f) The HFSF will monitor and evaluate the performance of the Bank's Board of Directors and its Committees.
  - (g) The Bank will inform in writing the HFSF as soon as it executes a non-binding agreement /memorandum of understanding for the sale of (or receives any proposal from third parties for the acquisition of) a subsidiary of the Bank, or part of its business.
  - (h) The Board should conduct a self-assessment exercise on an annual basis not only as a whole, as per current legislation but also for each of its Committees. The results of this evaluation should be disclosed in the Annual Report on Corporate Governance.
  - (i) The Board should approve the following policies and amendments thereof: the Bank's Group Strategy, Policy and Governance regarding the management of its Arrears and Non-Performing Loans, Conflict of Interest policy, Related Party Transactions policy, Provisioning & Write-off policy, Sponsorship/Donation policy, Outsourcing policy, Board /Committees self-assessment policy.

The Amended Relationship Framework Agreement shall remain in force for as long the HFSF holds shares issued by the Bank, irrespective of its participation percentage. However, if its participation percentage falls below 15% of the Bank's share capital, only certain clauses of the Amended Relationship Framework Agreement shall remain in force, as particularly prescribed within the Amended Relationship Framework Agreement.

The Amended Relationship Framework Agreement is available at HFSF's website [www.hfsf.gr/en/agreements\\_2015.htm](http://www.hfsf.gr/en/agreements_2015.htm) (section: agreements). The information on this website is not incorporated by reference in this Base Prospectus.

### *Conditions for the Provision of Capital Support for the purpose of Precautionary Recapitalisation*

If the voluntary measures that are provided in the restructuring plan or the revised restructuring plan cannot cover the total capital shortfall of the credit institution, as such has been determined by the competent authority, and in order to avoid a serious disturbance in the economy with negative consequences affecting citizens and in order for the state aid to be as minimal as possible, the mandatory application of the following measures (the **Mandatory Burden Sharing Measures**) may be decided by virtue of a Cabinet Act, following a proposal by the Bank of Greece, for the purpose of allocating the remainder of the capital shortfall to the holders of capital instruments and other liabilities, as deemed necessary.

The allocation is completed by the publication of the relevant Cabinet Act at the Government Gazette. Without prejudice to the above, the allocation is made according to the following sequence, which applies according to the CRR and Article 145A(1) of the CRD Law, as in force:



## Regulation and Supervision of Banks in Greece

- (a) common shares and other Tier 1 instruments that fall under Article 26 of CRR;
- (b) if necessary, other Tier 1 instruments that fall under Article 31 of CRR;
- (c) if necessary, AT1 instruments;
- (d) if necessary, T2 instruments;
- (e) if necessary, all other subordinated liabilities; and
- (f) if necessary, unsecured senior liabilities not preferred by mandatory provisions of law.

### *Disposal of Shares*

The HFSF will decide on the way and procedure for disposing its shares at a time it deems appropriate, whether in a single transaction or a series of transactions, in compliance with Article 8 of the HFSF Law as amended by Greek Law 4783/2021, and in any case within five years from entry into force of Greek Law 4340/2015 and in compliance with the EU state aid rules. The disposal of shares within the time limits stipulated above may not be made to any entity belonging directly or indirectly to the Hellenic Republic, in accordance with Greek law. The Greek Minister of Finance, following a proposal by the HFSF, has the power to extend the above-mentioned periods. This five-year deadline has been extended until 1 November 2022, following the HFSF's proposal, by decision No 121476/2020 of the Ministry of Finance (GG B 4739/26.10.2020).

The disposal takes place in a manner that is consistent with the purposes of the HFSF. Without prejudice to the relevant provisions of Regulation (EU) 2017/1129 (as amended) and Greek law 4706/2020, the disposal may take place by a public offer or an offer to one or more specific investors: (i) through an open contest or interest solicitation from selected investors; (ii) through exchange trade orders; (iii) by public offer of shares for cash or in exchange of other securities; and (iv) by book building.

The HFSF may reduce its participation in credit institutions through a share capital increase of the credit institutions by waiving or disposing of its pre-emption rights.

### *Specific Information on the Warrants issued by the HFSF*

According to Article 7 paragraph 4 of the HFSF Law, as in force and of Cabinet Act 38/2012 (as amended) issued on 26 June 2013, 245,779,626 warrants were granted to private investors participating in the capital increase of the Bank in 2013 according to the HFSF Law and Cabinet Act 38/2012. Trading of the warrants on the Athens Exchange began on 27 June 2013.

Warrants were transferable securities with no restrictions concerning their transfer. Each warrant incorporated the right of its holder to purchase HFSF shares, the corresponding number of which is determined based on the provisions of Cabinet Act 38/2012, as amended and in force. The warrants did not provide voting rights to holders or owners thereof.

The warrants could be exercised every six months, with the first exercise date being six months following their issuance and the last exercise date being fifty-four (54) months following their issuance. The ninth and final exercise date (27 December 2017) was the date of expiry of the warrants.

After the end of the ninth and final exercise process (27 December 2017), and following the settlement of participation orders including the fractional shares, 2,538 warrants in total on shares issued by the Bank and owned by the HFSF were exercised. The exercised warrants corresponded to 1,391 common shares, i.e. to 0.00002% of the total share capital, increasing commensurately the Bank's free float. The total consideration paid by the warrant holders to the HFSF amounted to €112,803.57.

In accordance with the provisions of the HFSF Law and Cabinet Act 43/2015, which amended Cabinet Act 38/2012, the warrants which were not exercised until that date automatically expired and were cancelled by the HFSF after the settlement date of the exercise orders on 29 December 2017.

### ***Monitoring Trustee***

Information in respect of the Monitoring Trustee is included in “*Management and Employees – Monitoring Trustee*” above.

### ***Capital Controls***

As of 1 September 2019, the restrictions on cash withdrawals and capital transfers have been repealed by virtue of Article 86 of Law 4624/2019. All relevant Ministerial Decisions and Decisions of the Committee for the approval of banking transactions that were adopted during the period that the restrictions on cash withdrawals and capital transfers were in force have been repealed by the abovementioned Article of Law 4624/2019 as well.

### ***Settlement of Amounts Due by Indebted Individuals***

*Settlement of Amounts Due by Indebted Individuals under Greek Law 4738/2020 (entry into force from 1 March or 1 June 2021)*

Greek Law 4738/2020 (the **Debt Settlement and Facilitation of a Second Chance Law**) will regulate the settlement of debts from its entry into force (1 March or 1 June 2021, depending on the applicable provision). Greek Laws 3869/2010 and 4605/2019 shall no longer apply, save for applications already filed.

On 27 October 2020, Greek Law 4738/2020 was published in the Official Government Gazette (Issue A/No.207/27.10.2020) consolidating the provisions of several statutes dealing with excessive indebtedness and debt settlement (such as Greek laws 4469/2017, 3869/2010, 3588/2007, 4605/2019 and 4307/2014) into one comprehensive legal framework of expanded scope, with all existing tools for debt settlement consolidated, regardless of their subject (*inter alia* indebted households, protection of main residence and extrajudicial settlement mechanisms). Upon entry into force of Greek Law 4738/2020, (1.3.2021 or 1.6.2021, depending on the applicable provision), the provisions of the currently applicable Greek Bankruptcy Code (Greek Law 3588/2007) are repealed (see also “*Restrictions on Enforcement of Granted Collateral*” below).

Moreover, the ability to submit applications under the debt settlement schemes of Greek Law 3869/2010 and 4307/2014 will no longer be available but such laws will continue to govern procedures already opened under such provisions.

Greek Law 4738/2020 establishes a special regime for protecting main residences of eligible individuals considered to be vulnerable distressed debtors, which provides for a sale and lease back scheme for main residences and the establishment of a new organisation to implement the relevant process. The definition of *vulnerable* debtors is aligned with the criteria set out in Article 3 of Greek Law 4472/2017 (i.e. the eligibility criteria for the provision of housing benefits, including, *inter alia*, an individual yearly income cap set at €9,600). The objective of the new framework is the liquidation of a debtor’s main residence for the purposes of debt settlement, without the vulnerable debtor having to relocate or definitively lose ownership of their asset. This is effected by the establishment of a Sale and Lease-Back private entity, contracting with the Greek State pursuant to a call for tenders of the latter.

According to this scheme, in the event that a vulnerable debtor is declared insolvent or that enforcement proceedings regarding their main residence are initiated, the debtor may submit a request under the new regime, which then acquires ownership right over the debtor’s immovable property at market value price as determined by a certified valuator. In return, the new organisation shall lease the same property to the debtor for twelve (12) years for a set amount of monthly rent (to be determined primarily based on the applicable housing loans’ average interest rate). However, regarding the purchase price it should be noted that in case

## Regulation and Supervision of Banks in Greece

that the request is submitted in the context of an auction and the first offer price is significantly higher (15% or more) than the valuation price, then the purchase price shall be the lower of the first offer price and the price provided by a second independent evaluator. Should no third-party, holder of right *in rem*, pose any objections to the transfer, the Sale and Lease-Back Entity shall purchase the residence free of any encumbrance or claim. The debtor maintains their status as beneficiary of the aforementioned housing benefits of Greek Law 4472/2017, which are now credited to the Sale and Lease-Back Entity as a partial payment of the relevant lease instalment. The lease shall be terminated in the event that the debtor has defaulted on three installments and remains in default for at least one month after relevant notice is served. The termination of the lease shall lead to the abolishment of the debtor's buyback rights. It is further noted that the any rights of the debtor deriving from the lease are non-transferable, save for instances of universal succession.

The debtor may be entitled to re-purchase the property at a price objectively determined under the provisions of the said Law upon fulfilment of their rental payment obligations. After full repayment by the debtor (at the end of the 12-year period or prior to that), they (or their successors) are entitled to exercise a buyback right. The buyback price shall be defined pursuant to a Decision of the Minister of Finance, in accordance with Article 225 of Greek Law 4738/2020, yet to be issued.

### *Non-performing loans and loans in arrears*

Pursuant to Article 72 of Greek Law 4389/2016 a governmental council for private debt management (the **Council**) has been created, whose objective is, among others:

- (a) to form and disclose the strategy and policies for the organization of an integrated mechanism for the effective administration of private debt, as well as to form and review an action plan with binding timetables for the implementation of the abovementioned strategy,
- (b) to identify weaknesses and propose amendments to the existing legal framework, both in terms of substance and procedure to enhance the effectiveness of private debt resolution issues, including the acceleration of the procedures relating to delayed loan repayment and the improvement of the legal framework governing the real estate market;
- (c) to define actions of public awareness for the purpose of directly and efficiently informing and supporting citizens and other interested parties with respect to taking decisions on the above matters;
- (d) to create a network for the provision of free consultancy services to individuals and legal entities on debt management and for planning of financial management awareness for households and SMEs;
- (e) to set any timetables required for the implementation of a strategic plan for the efficient management of private debt and monitor whether such timetables are respected;

The Council provided a definition of “cooperating borrower” specifying when a borrower is classified as cooperating towards his/her lenders and assessed a methodology for determining “reasonable living expenses”.

Moreover, Greek Law 4389/2016 (Article 78) provides for a specialised secretariat for private debt management responsible for a) supporting the governmental council's for private debt management work, b) organizing and forming the policy for the provision of information and support to citizens interested in taking loans and to borrowers, as well as the financial education of households and small-medium enterprises, and c) business coordinating of the Steering Committee. Furthermore, Greek Law 4389/2016 (Article 81 as in force) also provides for 30 Borrowers' Service Centers, as regional offices of the specialised secretariat for private debt management, responsible for informing and supporting natural and legal persons (households and small-medium enterprises) and providing financial, legal and consulting services regarding taking up loans, management of debts and in general financial management issues. By virtue of Article 3 of

Greek Law 4738/2020, access to the same Borrowers' Service Centers is expanded to all natural persons not deriving income through business activities or freelance professional activity, in the sense of Articles 21 and 47 of Greek Law 4172/2013, which have been classified as medium or high insolvency risk, in accordance with the provisions of Article 2 of Greek Law 4738/2020.

Additionally, Greek Law 4224/2013, as in force, provides for the establishment, by virtue of a decision of the Bank of Greece, of a Code of Conduct for NPLs.

Greek Law 4224/2013, as in force, in conjunction with ministerial decision No. 5921/2015, provides that the consumer ombudsman will act extra judicially as mediator solely for the amicable settlement of the dispute between lenders and borrowers for the purpose of settling non-accruing loans within the framework of the Code of Conduct for the management of non-accruing loans.

In the implementation of the above the Bank of Greece has published regulatory framework concerning the management of loans in arrears and non-accruing loans and specifically:

- Bank of Greece Executive Committee's Act No 175/29.7.2020 adopted EBA Guidelines on management of non-performing and forborne exposures. 'Credit institutions with a NPL ratio below 5% on a solo or consolidated basis shall apply certain provisions of this Act.

This Act imposes, among others, the following obligations on credit institutions:

- (a) Credit institutions should establish an NPE strategy to target a time-bound reduction of NPEs over a realistic but sufficiently ambitious time horizon (NPE reduction targets). The NPE strategy should lay out the credit institution's approach and objectives regarding effective management to maximise recoveries and ultimately a reduction in NPE stocks in a clear, credible and feasible manner for each relevant portfolio.
- (b) The overarching strategy of a credit institution and its implementation should cover the NPE strategy and operational plan.
- (c) Credit institutions should establish dedicated NPE workout units (NPE WUs) that are independent from loan origination activities.
- (d) Credit institutions should set up different NPE WUs for the different phases of the NPE life cycle and also for different portfolios, if appropriate.
- (e) Homogeneous portfolios should be built up in order to tailor treatments specifically to NPEs. Credit institutions should consider designing customised processes for each portfolio, with a dedicated expert team taking ownership of each. NPE portfolios should be analysed with a high degree of granularity, resulting in clearly defined borrower subportfolios. For these analyses, credit institutions should develop appropriate management information systems (MIS) and sufficiently high data quality.
- (f) Effective and efficient internal control processes should be implemented for the NPE workout framework in order to ensure full alignment between the NPE strategy and operational plan on the one hand and the credit institution's overall business strategy and risk appetite on the other hand.
- (g) Forbearance measures should aim to return the borrower to a sustainable performing repayment status, taking into account the amount due and minimising expected losses.
- (h) Credit institutions should monitor the repayment capacity of borrowers.

## Regulation and Supervision of Banks in Greece

- (i) When granting forbearance measures to performing exposures, credit institutions should assess whether these measures lead to a need to reclassify the exposure as non-performing. Granting forbearance measures to NPEs does not clear their non-performing status.
  - (j) Credit institutions should estimate loss allowances for NPEs and FBEs subject to impairment in accordance with the Bank of Greece Executive Committee's Act No 150/3.10.2018 on credit risk management practices and accounting for expected credit losses.
  - (k) Key elements are provided for collateral valuation of immovable and movable property pledged for NPEs
  - (l) Regular reporting should be provided to the Board of Directors of each credit institutions and to the Bank of Greece.
- Decision No. 392/1/31.5.2021 of the Credit and Insurance Committee of the Bank of Greece revised the Code of Conduct under Greek Law 4224/2013 and repealed and replaced the relevant Decision No 195/1/29.7.20 of the Credit and Insurance Committee Decision 195/1/29.7.2016.

The provisions of this Code of Conduct shall apply to supervised institutions (including credit institutions, branches of foreign institutions, credit companies, microfinance institutions) that grant any type of loans or provide any type of credit or pursue the financial leasing activity in Greece. For the purpose of reaching forbearance or resolution and closure solutions, the Code of Conduct shall also apply to loans guaranteed by the Greek State, without prejudice to, in relation to the implementation of any solution reached, the Greek State's consent, where such consent is required under the guarantee agreement.

This Code lays down general principles of conduct and introduces best practices aimed to foster trust, mutual commitment and exchange between borrowers and institutions of the necessary information so that each party can weigh the benefits of the consequences of alternative forbearance or resolution and closure solutions for loans in arrears, with the ultimate goal of selecting the most appropriate solution following case-by-case assessment.

By its Executive Committee Act Decision No. 175/2/29.7.2020, the Bank of Greece has provided guidelines to supervised entities on the design and evaluation of sustainable types of forbearance solutions, whose objective is the return of the borrower to a sustainable payment status, taking into account the outstanding amount of debt, while minimising the expected losses and ensuring compliance with the applicable consumer protections requirements. Indicative types of solutions were provided in the same Act, which are developed by taking into consideration the repayment capacity of each borrower (natural or legal person). For the purpose of this Code, an "appropriate solution" shall be considered to be one which ensures the supervised institutions compliance with its supervisory requirements and, at the same time, duly takes into consideration the borrower's overall financial situation. If the parties fail to reach a mutually acceptable solution, then their dispute may be resolved through alternative dispute resolution mechanisms or mediation procedures or in and out of court debt restructuring procedures in accordance with EU and national legislation, or by the competent courts of law.

The Code of Conduct requires, *inter alia*, the establishment of detailed written policies and procedures for loans in arrears with a categorisation classification including a detailed and documentary appeals review procedure and provisions on treatment of non-cooperating borrowers. Moreover, the establishment of detailed and documented communication policies and procedures are also required, dealing with, among others, the standardisation of the content of communications, the manner, timing, frequency and confidentiality of communications. For the purposes of the Code, any provision applying to a borrower in arrears shall also apply to the respective guarantor(s) of the debt.

Each institution bound by the Code of Conduct shall demonstrate at any time to the Bank of Greece its compliance with the requirements of the Code of Conduct.

In handling borrowers (natural persons and micro-enterprises) in arrears and in cases where indications of unlikelihood to pay exist, every institution shall apply an Arrears Resolution Procedure (the **ARP**) involving the following steps:

- Step 1: Communication with the borrower
- Step 2: Collection of financial and other information from the borrower
- Step 3: Assessment of financial data
- Step 4: Proposal of appropriate solution
- Step 5: Appeals review procedure

The Bank of Greece will not deal with individual cases of disputes between creditors and borrowers that may arise from the implementation of the Code of Conduct.

It is noted that the following are excluded from the scope of the Arrears Resolution Procedure:

- Claims against a borrower not exceeding the amount of one thousand euro (€1,000) in the case of claims against borrowers which are natural persons; or the amount of five thousand euro (€5,000) in cases of borrowers which are legal persons/micro enterprises.

### ***Capital requirements for banks' non-performing loans***

On 9 April 2019, the Council adopted a new framework for dealing with banks' non-performing loans. The new rules set capital requirements applying to banks with NPLs on their balance sheets. On the basis of a common definition of NPLs, the proposed new rules introduce a "prudential backstop", i.e. common minimum loss coverage for the amount of money banks need to set aside to cover losses caused by future loans that turn non-performing. Different coverage requirements will apply depending on the classifications of the NPLs as "unsecured" or "secured" and whether the collateral is movable or immovable:

*Minimum coverage level (in %)*

| After year                             | 1  | 2   | 3    | 4   | 5   | 6   | 7    | 8   | 9    |
|--|----|-----|------|-----|-----|-----|------|-----|------|
| <b>Secured by immovable collateral</b> | 0% | 0%  | 25%  | 35% | 55% | 70% | 80%  | 85% | 100% |
| <b>Secured by movable collateral</b>   | 0% | 0%  | 25%  | 35% | 55% | 80% | 100% |     |      |
| <b>Unsecured</b>                       | 0% | 35% | 100% |     |     |     |      |     |      |

Subsequently, Regulation (EU) 2019/630 amending the Capital Requirements Regulation as regards minimum loss coverage for NPEs was published in the Official Journal of the European Union. Furthermore, according to the said Regulation by way of derogation from the new amended provisions of the Capital Requirements Regulation, institutions shall not deduct from CET1 items the applicable amount of insufficient coverage for NPEs where the exposure was originated prior to 26 April 2019. Where the terms

## Regulation and Supervision of Banks in Greece

and conditions of an exposure which was originated prior to 26 April 2019 are modified by the institution in a way that increases the institution's exposure to the obligor, the exposure shall be considered as having been originated on the date when the modification applies and shall cease to be subject to the derogation provided above.

Regulation (EU) 2020/873 (the **CRR Quick Fix**) amended Regulations (EU) No 575/2013 and (EU) No 2019/876 as regards certain adjustments in response to the COVID-19 pandemic. By this Regulation, the EU temporarily adapted banking rules in order to maximise the capacity of banks to lend money and support households and businesses to recover from the COVID-19 crisis. The targeted amendments concern, among others, changes to the minimum amount of capital that banks are required to hold for NPLs under the "prudential backstop". In particular, the preferential treatment of NPLs guaranteed by export credit agencies will be extended to other public sector guarantors in the context of measures aimed at mitigating the economic impact of the COVID-19 pandemic.

On the 20 March 2017, the ECB published final guidance on NPLs. The guidance outlined measures, processes and best practices which banks should incorporate when tackling NPLs. The guidance called on banks to implement realistic and ambitious strategies to work towards a holistic approach regarding the problem of NPLs, including areas such as governance and risk management. The ECB did not stipulate quantitative targets to reduce NPLs. Instead, it asked banks to devise a strategy that could include a range of policy options such as NPL work-out, servicing, and portfolio sales.

The NPL guidance is non-binding in nature. However, banks should explain and substantiate any deviations upon supervisory request. This guidance is taken into consideration in the SSM regular SREP and non-compliance may trigger supervisory measures.

This guidance does not intend to substitute or supersede any applicable regulatory or accounting requirement or guidance from existing EU regulations or directives and their national transpositions or equivalent, or guidelines issued by the EBA. Instead, the guidance is a supervisory tool with the aim of clarifying the supervisory expectations regarding NPL identification, management, measurement and write-offs in areas where existing regulations, directives or guidelines are silent or lack specificity. Where binding laws, accounting rules and national regulations on the same topic exist, banks should comply with those.

Moreover, on the 15 March 2018 the ECB published the addendum to the ECB Guidance to banks on NPLs. The addendum supplements the qualitative NPL guidance and specified the ECB's supervisory expectations for prudent levels of provisions for new NPLs. The addendum is non-binding and will serve as the basis for the supervisory dialogue between the significant banks and ECB Banking Supervision. The addendum addresses loans classified as NPLs in line with the EBA's definition after 1 April 2018. In fact, the addendum sets out an expectation that, as of 1 April 2018, new unsecured NPLs will be fully covered after a period of two years from the date of their classification as NPLs. For example, the supervisor would expect a loan that is classified as an unsecured NPL on 1 May 2018 to be fully provisioned for by May 2020. For new secured NPLs, a certain level of provisioning is expected after three years of classification as an NPL, or "NPL vintage", which then increases over time until year seven. In this case, if a secured loan were classified as an NPL on 1 May 2018, the supervisor would expect this NPL to be at least 40% provisioned for by May 2021, and totally provisioned by May 2025.

Furthermore, according to its press release dated 22 August 2019, the ECB has decided to revise its supervisory expectations for prudential provisioning of new NPEs specified in the "Addendum to the ECB Guidance to banks on non-performing loans" (the **Addendum**). The decision was made after taking into account the adoption of Regulation (EU) 2019/630 amending the Capital Requirements Regulation as regards minimum loss coverage for NPEs, that outlines the Pillar 1 treatment for NPEs. In order to make the treatment of NPEs more consistent, the following changes have been made to the supervisory expectations communicated in the ECB's Addendum:

- the scope of the ECB's supervisory expectations for new NPEs will be limited to NPEs arising from loans originated before 26 April 2019, which are not subject to Pillar 1 NPE treatment;
- NPEs arising from loans originated from 26 April 2019 onwards will be subject to Pillar 1 treatment, with the ECB paying close attention to the risks arising from them; and
- the relevant prudential provisioning time frames, the progressive path to full implementation and the split of secured exposures, as well as the treatment of NPEs guaranteed or insured by an official export credit agency, have been aligned with the Pillar 1 treatment of NPEs set out in the EU regulation.

All other aspects, including specific circumstances, which may make prudential provisioning expectations inappropriate for a specific portfolio/exposure, remain as described in the Addendum.

### **Strategy to prevent a future build-up of NPLs across the European Union, as a result of the COVID-19 crisis**

The European Commission on 16 December 2020 presented a strategy to prevent a future build-up of NPLs across the European Union, as a result of the coronavirus crisis. In order to give Member States and the financial sector the necessary tools to address a rise of NPLs in the EU's banking sector early on, the Commission is proposing a series of actions, including among others:

**Further developing secondary markets for distressed assets:** This will allow banks to move NPLs off their balance sheets, while ensuring further strengthened protection for debtors. A key step in this process would be the adoption of the Commission's proposal on credit servicers and credit purchasers which is currently being discussed by the European Parliament and the Council. These rules would reinforce debtor protection on secondary markets. The Commission sees merit in the establishment of a central electronic data hub at EU level in order to enhance market transparency. Such a hub would act as a data repository underpinning the NPL market in order to allow a better exchange of information between all actors involved (credit sellers, credit purchasers, credit servicers, asset management companies (AMCs) and private NPL platforms) so that NPLs are dealt with in an effective manner. On the basis of a public consultation, the Commission would explore several alternatives for establishing a data hub at European level and determine the best way forward. One of the options could be to establish the data hub by extending the remit of the existing European DataWarehouse (ED). In this context, the EU Commission launched a targeted consultation until 8 September 2021 on improving transparency and efficiency in secondary markets for NPLs.

**Support the establishment and cooperation of national AMCs at EU level:** The Commission stands ready to support Member States in setting up national AMCs – if they wish to do so – and would explore how cooperation could be fostered by establishing an EU network of national AMCs. While national AMCs are valuable because they benefit from domestic expertise, an EU network of national AMCs could enable national entities to exchange best practices, enforce data and transparency standards and better coordinate actions. The network of AMCs could furthermore use the data hub to coordinate and cooperate with each other in order to share information on investors, debtors and servicers. Accessing information on NPL markets will require that all relevant data protection rules regarding debtors are respected.

### ***ECB and EBA guidance on management of NPEs and FBEs***

On 31 October 2018, the EBA published the final guidance on management of NPEs and FBEs. The Guidelines, which apply from 30 June 2019, are developed in accordance with the European Council Action Plan and aim to ensure that credit institutions have adequate prudential tools and frameworks in place to manage effectively their NPEs and to achieve a sustainable reduction on their balance sheets. To this end, the Guidelines require institutions to establish NPE reduction strategies and introduce governance and operational requirements to support them. In particular, the Guidelines specify that institutions should grant



## Regulation and Supervision of Banks in Greece

forbearance measures only with the view to return the borrower to a sustainable performing repayment status. Moreover, the Guidelines introduce a threshold of 5% of gross NPL ratio as a trigger for developing NPE strategies and applying associated governance and operational arrangements. Finally, the Guidelines outline requirements for competent authorities' assessment of credit institutions' NPE management activity as part of the SREP. The EBA Guidelines on management of NPEs and FBEs of 31 October 2018 were adopted by the Bank of Greece by virtue of Act No 175/2/29.7.2020 of its Executive Committee.

Further to the above and in the context of the financial turmoil triggered by the COVID-19 outbreak, it has been decided that banks should be supported as they provide solutions to viable but distressed customers. Such support did not refer to stock of NPLs accumulated prior to the outbreak.

More specifically, in relation to all exposures that will benefit from government guarantees issued by Member States in the context of public interventions relating to the COVID-19 pandemic, the ECB, within its own remit, and within the context of the ECB Guidance on NPLs and the Addendum, extended flexibility on the automatic classification of obligors as unlikely to pay, when institutions call on the COVID-19 related public guarantees, as allowed under the Guidelines on the application of the definition of default issued by the European Banking Authority.

The preferential treatment foreseen for NPLs guaranteed or insured by Official Export Credit Agencies was extended to non-performing exposures that benefit from guarantees granted by national governments or other public entities. This ensures alignment with the treatment provided in the CRR Quick Fix. Concretely, this means that banks would face a 0% minimum coverage expectation for the first seven years of the NPE vintage count.

The ECB also extended flexibility to the NPL classification of exposures covered by qualifying legislative and non-legislative moratoria, following the EBA guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 crisis. The EBA Guidelines on legislative and non-legislative loan repayments moratoria were published on 2 April 2020 to ensure that banks, while maintaining comparable metrics, would be able to grant payment holidays to customers avoiding the automatic classification of exposures under the definition of forbearance or as defaulted under distressed restructuring. However, it should be noted that these guidelines were initially applicable until 30 September 2020. On 2 December 2020, EBA announced that it has decided to reactivate its Guidelines on legislative and non-legislative moratoria. This reactivation will ensure that loans, which had previously not benefitted from payment moratoria, can also benefit from them. The role of banks to ensure the continued flow of lending to clients remains of utmost importance and with the reactivation of these Guidelines, the EBA recognises the exceptional circumstances of the second COVID-19 wave. The EBA revised Guidelines, which will apply until 31 March 2021, include additional safeguards against the risk of an undue increase in unrecognised losses on banks' balance sheet.

### ***Guidelines on disclosure of NPEs and FBEs***

On 17 December 2018, the EBA published the final guidelines on disclosure of NPEs and FBEs. Such disclosure shall allow the market participants and interested parties to have a clearer picture of the quality of the banks' assets, NPEs' and FBEs' main features and, in cases of troubled banks, the distribution of their problematic assets and the value of the collaterals backing such assets. The Guidelines include a group of common standards applicable to any bank and another group of additional standards applicable to significant credit institutions with gross NPL ratio at 5% or higher.

### ***Asset protection scheme ("Hercules and Hercules 2") for banks in Greece***

On 10 October 2019, the European Commission announced that it has found Greek plans aimed at supporting the reduction of NPLs of Greek banks to be free of any State aid. The Commission found that, under the asset protection scheme (known by the name of "Hercules"), the Greek State will be remunerated in line with market conditions for the risk it will assume by granting a guarantee on securitised NPLs. The

asset protection scheme is designed to assist banks in securitising and moving NPLs off their balance sheets. Under the scheme, an individually managed, private securitisation vehicle will buy NPLs from the bank and sell notes to investors. The State will provide a public guarantee for the senior, less risky notes of the securitisation vehicle. In exchange, the State will receive remuneration at market terms.

Greek law 4649/2019, as amended by Greek law 4818/2021 (**Hercules**) provides the terms and conditions under which the State guarantee may be provided in the context of NPL securitisation by credit institutions under the asset protection scheme. This law provides for the conditions under which the securitisation must be implemented in order to qualify for the provision of the State guarantee, in line with decision No. C (2019)7309 of the European Commission (the **Initial Decision**). Such conditions include *inter alia*, that the notes to be issued in the context of the securitisation must include at least senior and junior notes and the price paid to the Greek banks for the sale and transfer of NPLs cannot exceed their aggregate net book value. The Greek state guarantee will be provided in favour of senior notes for the full repayment of principal and interest thereunder throughout the term of the notes. The aggregate commitment of the Greek state under the new law amounts to €12 billion. Applications for the provision of the Greek state guarantee may be filed by credit institutions, either in the context of securitisations that have already been implemented or for securitisations that are currently in the process of implementation exclusively within 18 months as of the publication date of the decision of the European Commission on the asset protection scheme programme of Law 4649/2019. By decision of the Minister of Finance, issued pursuant to the relevant decision of the European Commission, the period during which the guarantee may be granted may be extended and the terms governing the grant of such guarantee may be amended for the future. The asset protection scheme (known by the name of 'Hercules'), was approved by the Commission in October 2019, for an initial duration of 18 months. Greece notified the Commission of its plan to prolong the scheme for another 18 months, until October 2022. Such extension of the Hercules scheme (**Hercules 2**) entered into force by virtue of Ministerial Decision 45191/13.4.2021. The aggregate commitment under Hercules 2 amounts to an additional €12 billion. Under the Extension framework, applications for the provision of the Greek state guarantee may be filed exclusively within 18 months as of the publication of decision C (2021) 2545 (the **Extension Decision**) of the European Commission on 9 April 2021. The provision of the Greek state guarantee is governed *inter alia* by the provisions of the Initial Decision and the Extension Decision.

The Greek State guarantee becomes effective upon (i) transfer through sale against positive value, of at least 50% plus one of the issued junior notes to private investors and of such number of junior notes, and (if issued) mezzanine notes that allows the derecognition of the securitised receivables, (ii) rating of the senior tranche of the notes being rated at no less than BB- by an External Credit Assessment Institution (as defined in point (98) of Article 4(1) of the Capital Requirements Regulation) and (iii) assignment of the administration of the securitised NPL portfolio to an independent special purpose vehicle. If the State guarantee has not become effective within 12 months as of the publication of the respective Ministerial Decision granting the guarantee, then such decision ceases automatically to be in force and the amount of the guarantee is released. There can be no new application for the same securitisation before the lapse of six months. Certain ministerial decisions have been issued to set out the details for the implementation of the aforementioned law.

### ***Framework for the management and transfer of claims***

Articles 1-3A of Greek Law 4354/2015, as amended and in force, as well as Executive Committee Act 118/19.5.2017 as amended and in force establish the framework for the management and transfer of claims from loans that can include non-accruing loans and set the requirements for the operation of loan management companies and loan transfer companies. Certain loan categories had been temporarily excluded from the scope of the permitted sale and transfer until 31 December 2017; in particular such exclusion includes loan agreements with mortgage or prenotation of mortgage on first residence of an objective value of up to EUR 140,000.

Bank of Greece's Executive Committee Act No. 118/19.5.2017, as in force, includes among others provisions regarding banning of management of claims against natural and/or legal person who maintain a

## Regulation and Supervision of Banks in Greece

“special relationship” with the aforementioned companies and the obligation of the said companies to cooperate with accredited data collection and processing entities with regard to the economic behavior and the creditworthiness of debtors.

The management of claims from loans and credit granted by credit or financial institutions shall be undertaken, exclusively by Sociétés Anonymes having their registered offices:

- (a) in Greece; or
- (b) in another EEA Member-State, which have established a branch in Greece and have the aforementioned business activities in their scope.

Bank of Greece is the competent authority for the issuance of the respective license for such companies.

Furthermore, the aforementioned companies, following a relevant authorization by Bank of Greece, may grant loans or credit to debtors whose loans and/or credit have been managed by them, aiming exclusively at the refinancing of the debtors' loans or the restructuring of the debtor-business on the basis of a restructuring plan agreed between the parties and under the consent of the claims' owner.

In relation to the agreements for the assignment of claims' management from non-accruing loans, Greek Law 4354/2015 lays down that non-accruing loans management companies may undertake the management of claims from loans and/or credit, which have been granted or are granted by credit or financial institutions. Said management companies are entitled to initiate any legal proceedings and to proceed with any other judicial measures for the collection of claims.

The transfer of claims from credits and loans granted by credit or financial institutions can take place only through sale, under relevant written agreement, in accordance with the provisions in Article 3 of Greek Law 4354/2015, as in force, and only to:

- (a) limited liability companies that according to their articles of association are allowed to engage in acquiring claims from loans and credits and they are seated in Greece and are also registered in General Commercial Registry (**GEMI**);
- (b) companies that are seated in the EEA and according to their articles of association are allowed to engage in in acquiring claims from loans and credits and subject to the provisions of the European Union legislation; and
- (c) companies that are seated in third countries, and according to their articles of association are allowed to engage in acquiring claims from loans and credits, subject to the provisions of the European Union legislation and have the discretion to be located in Greece through a branch under certain conditions.

A necessary condition in order for the claims of the credit or financial institutions from non-performing loans to be offered for sale, is the extrajudicial invitation of the borrower and the guarantor, if the borrower is considered a consumer, within twelve (12) months prior to the offer, to arrange its obligations on the basis of a written offer for an appropriate arrangement with specific payment terms according also to the provision of the Code of Conduct of Law 4224/2013. Disputed or adjudicated claims as well as claims against non-cooperative borrowers, are excluded from the abovementioned condition.

Furthermore, by virtue of Article 48 of Greek Law 4472/2017 certain provisions of Greek Law 4354/2015 were amended. In line with the new provisions, the credit servicing firms are also allowed to manage the property that was offered as collateral for the respective loans and credits and has been transferred to the beneficiary of the claim. However, these firms are not allowed to acquire, via transfer or assignment or voluntary sale or auction, any property related to the loans and credits serviced by them. Also, the new

assignee, upon transfer of claims from NPLs, continues the procedure of the Code of Conduct of Law 4224/2013 from where it was stopped before the transfer.

### ***Settlement of loans guaranteed by the Greek State***

Ministerial Decision 2/94253/0025, published on 31 December 2018 and with effect one month after its publication, set the terms and conditions for the settlement of loans guaranteed by the Greek State pursuant to Article 103 of Greek law 4549/2018. Specifically, according to Article 103 of Greek law 4549/2018 and the said Decision, credit institutions and borrowers, natural persons and businesses, may proceed with settlement of loans guaranteed by the Greek State, without the intervention of the Greek State, according to the ordinary banking criteria, on the basis of increasing the probability of repayment of the loan by the borrower. The settlement of the aforementioned loans is concluded under specific terms and conditions specified in the Ministerial Decision, but without any increase in the liability of the Greek State under the guarantee.

### ***The out-of-court debt settlement process pursuant to Greek Law 4738/2020 (entry into force from 1 June 2021)***

The Debt Settlement and Facilitation of a Second Chance Law, in force from 1 June 2021, establishes a new Out-of-Court Debt Settlement mechanism (which replaces the procedure of Greek Law 4469/2017).

Within the context of the out-of-court debt settlement process provided for by Greek Law 4738/2020, individuals or legal entities, eligible to be declared insolvent, may apply for extrajudicial settlement of their monetary liabilities to the Greek State or financial institutions and social security institutions provided they do not fall under certain exemptions (e.g. 90% of a debtor's liabilities being owed to a single institution). The creditors may accept said invitation at their sole discretion. It is noted that entities falling outside the scope of said law, such as investment service providers, mutual funds, credit and (re-)insurance institutions may not apply as debtors for this out-of-court settlement. The process may also be initiated by creditors with an invitation to debtor(s) to apply within 45 days. Out-of-court settlement applications and relevant creditor invitations will be filed digitally to the Special Secretariat for the Administration of Private Debt through the electronic platform of the Special Private Debt Management Secretariat (EGDICH).

With respect to the filing of an out-of-court settlement application, so long as the process is not terminated, the procedure of Code of Conduct for NPLs, as well as any enforcement actions and measures, pending or not, are automatically suspended. The approval of the debt restructuring proposal requires the debtor's consent and the formation of a majority of 3/5 of participating creditors – financial institutions (in terms of nominal debt value), which includes 2/5 of participating creditors with special privilege. If the agreement concerns a loan secured with the debtor's main residence, then a subsidy (up to an amount of €210) may be granted for instalments due for a period of five years commencing on the date of submission of the application under certain conditions, including, *inter alia*, a *de minimis* provision regarding the amounts owed to the Greek State and Social Security Institutions (set at €20,000), as well as a cap to the amounts owed to each creditor (set at €135,000 for individuals and a maximum of €215,000 per household). Should a debt settlement agreement not be signed by the debtor and the participating creditors within two months of the application submission date, the application will be rejected. The debt settlement agreement can be terminated by any creditor whose claims are covered by the settlement if the debtor is in default for an aggregate amount equal either to three payment instalments or 3% of the total amount due under the settlement agreement. Termination of the debt settlement agreement will result in the reinstatement of the debtor's liabilities to the terminating creditor to the pre-settlement debt amount after the deduction of any amount already paid under the settlement to that date but will not affect the validity and enforceability of the settlement agreement vis-à-vis other covered creditors.

Finally, Article 30 of Greek law 4738/2020 provides the ability for credit institutions to establish common policies regarding (indicatively) the conditions of processing and approval of applications, a procedure of

## **Regulation and Supervision of Banks in Greece**

automated processing, the establishing of notification mechanisms for clients susceptible to financial hardship etc..

### ***Early warning mechanism and borrowers' service centres (entry into force from 1 June 2021)***

The Debt Settlement and Facilitation of a Second Chance Law, in force from 1 June 2021, introduces an early warning electronic mechanism, supervised by the Special Secretariat for Private Debt Administration of Ministry of Finance, in which debtors who apply are classified in three risk levels (low, medium and high). If a debtor has been classified as of medium or high risk and is a natural person, then depending on their profession or business activity, they can contact either the competent Borrower Service Centers (if they don't earn income from said business or freelance activity) or the relevant Professional Chambers and Associations (if they earn income from said business or freelance activity), so that the debtor may receive free, specialised advice relating to the status of their debts and the possible options for settling them under the Law 4738/2020.

### ***Settlement of business debts***

#### ***Settlement of business debts under Greek law 4738/2020***

Greek Law 4738/2020 has replaced Greek Law 4307/2014 by integrating the latter's provisions on the power of the liquidator to conduct a public tender for the sale of the (totality of) assets/sectors of the business to its framework. The expediated liquidation process is followed pursuant to a relevant decision of the bankruptcy court on the liquidation of the business or individual operational units. Pursuant to the new framework, there is no capacity to submit new applications in accordance with Articles 68-77 of Greek Law 4307/2014, which will, however, remain into force, for procedures opened before the entry of Greek Law 4738/2020 into force. Extraordinarily, if the creditors' meeting so decides (in the context of a special administration) the process will be able to continue under the provisions of Greek Law 4738/2020 being applied by means of analogy.

The main differences between the previously applicable and the new expediated liquidation process are the following:

- a. A notary public is hired to conduct the auction.
- b. The auction is carried out electronically (namely, through the e-auction platform).
- c. The creditors' meeting has a more important role, as it approves the liquidator's choice to liquidate one or more business sectors or separate assets. It may provide its approval subject to specific conditions (e.g. an amelioration of the proposed sale price).

In the event that individual assets are liquidated, it is also the objective of Greek Law 4738/2020 to expediate the process. In particular, although the procedural aspects are the same as those of Greek Code of Civil Procedure, it is noted that there is no legal remedy that can be used to challenge the initial offering price set by independent evaluators.

### ***Interest Rates***

Under Greek law interest rates applicable to bank loans are not subject to a legal maximum, but they must comply with certain requirements intended to ensure clarity and transparency, including with regard to their readjustments. Specifically, Governor of the Bank of Greece Act No. 2501/31.10.2002 and Decision No. 178/19.7.2004 of the Banking and Credit Committee of the Bank of Greece provide that credit institutions operating in Greece should, among others, determine their interest rates in the context of the open market and free competition rules, taking into consideration the risks undertaken on a case-by-case basis, as well as potential changes in the financial conditions and data and information specifically provided by parties for this purpose.

Limitations apply to the compounding of interest under Greek law. In particular, the compounding of interest with respect to bank loans and credits only applies if the relevant agreement so provides and is subject to limitations that apply under Article 30 of Greek Law 2789/2000 as in force and Article 39 of Greek Law 3259/2004, as in force. Greek credit institutions must also apply Article 150 of the CRD Law on interest rates of loans and other credits pursuant to which credit institutions are precluded from recognising on an accrual basis interest on loans or other credits extended, in any form, after the lapse of a time period during which recognised interest on loans or other credits remains overdue, which may not exceed six (6) months with respect to loans to natural persons fully secured by real estate and three (3) months with respect to debts from other credits. After the expiry of the above time period, they shall only be allowed to carry out non-accounting calculation of interest, including any default and compound interest, where allowed, which shall be entered in accounting records if and when collected.

Moreover, according to Article 150 paragraph 2 of the CRD Law it is prohibited to grant new loans for the repayment of overdue interest or to enter into debt settlement having a similar result, unless such actions are taken in the context of an agreement for the settlement of the entirety of the debts of the borrower, which shall be based on a detailed examination of the borrower's capacity to fulfil the undertaken obligations under specific time frames. Credit institutions based in Greece may not capitalise interest unless this is provided for in the original medium- to long-term financing agreement or in the overall agreement for the settlement of the entirety of the debts of the borrower referred to herein above.

Governor of the Bank of Greece Act No. 2393/15.7.96 provides that default interest applied by credit institutions shall not exceed the aggregate applicable contractual interest more than a maximum percentage of 2.5% annually.

### ***Secured Lending***

According to Greek Law 4261/2014, Article 11, among the activities that Greek credit institutions are permitted to engage is lending including, *inter alia*: consumer credit, credit agreements relating to immovable property, factoring, with or without recourse, financing of commercial transactions (including forfeiting).

The provisions of legislative decree 17.7/13.08.1923 regulate issues regarding the granting of loans secured by *in rem* rights and Greek Law 3301/2004 regulates issues regarding financial collateral arrangements.

Mortgage lending is extended mostly on the basis of mortgage pre-notations, which are less expensive and easier to record than mortgages and may be converted into full mortgages upon final non-appealable court judgment.

European Directive 2014/17 on credit agreements for consumers relating to residential immovable property lays down a common framework for certain aspects of the laws, regulations and administrative provisions of the EU member states concerning agreements covering credit for consumers secured by a mortgage or otherwise relating to residential immovable property, including an obligation to carry out a creditworthiness assessment before granting a credit, as a basis for the development of effective underwriting standards in relation to residential immovable property in the EU member states, and for certain prudential and supervisory requirements, including for the establishment and supervision of credit intermediaries, appointed representatives and non-credit institutions. In Greece, the aforementioned Directive has been transposed into Greek legislation by virtue of Greek Law 4438/2016 (published in Government Gazette 220/A/28.11.2016). The main provisions of Greek Law 4438/2016, include among others, consumer information requirements, principle based rules and standards for the performance of services (e.g. conduct of business obligations, competence and knowledge requirements for staff), a consumer creditworthiness assessment obligation, provisions on early repayment, provisions on foreign currency loans, provisions on tying practices, some high-level principles and a passport for credit intermediaries who meet the admission requirements in their home EU member state.

## **Regulation and Supervision of Banks in Greece**

### ***Compulsory Deposits with the Bank of Greece***

As of 26 June 2021, according to ECB Regulation 2021/378 on the application of minimum reserve requirements, minimum reserves held by credit institutions shall be calculated using the following reserve ratios for each of the liabilities of the reserve base:

- a) a reserve ratio of 0% shall apply to the following categories referred to in Part 2 of Annex II to Regulation (EU) 2021/379 (ECB/2021/2):
  - i. deposits which fulfil one of the following conditions:
    - have an agreed maturity over two years;
    - are redeemable at notice over two years; and
    - are repurchase agreements (repos); and
  - ii. debt securities issued with an original maturity over two years; and
- b) a reserve ratio of 1% on all other liabilities included in the reserve base.

This commitment ratio applies to all credit institutions in Greece.

### ***Restrictions on Enforcement of Granted Collateral***

Moreover, with respect to out-of-court debt settlement mechanism regulated by Greek Law 4738/2020, as in force, any individual and collective enforcement measures against the debtor, pending or not, regarding claims the settlement of which is pursued through this mechanism, are automatically suspended following the execution of a debt settlement agreement. The suspension commences from the submission of the debtor's application to initiate the process, however, any auction that has been scheduled within three months following the debtor's application will not be covered by the suspension. Any preparatory action taken by a secured creditor with a view to conducting an auction will also not be affected by the suspension

Constraints on enforcement of granted collateral were further by the commencement of electronic auctions by virtue of Greek Law 4472/2017. The first electronic auction took place in November 2017. Though Greek Law 4472/2017 amended Article 959 of Civil Procedure Code and introduced electronic auctions. Greek Law 4512/2018 (Article 208) imposed that all auctions shall be performed only electronically from 21 February 2018, except for auctions that shall be performed under the Code of Collecting Public Revenue where the aforementioned apply from 1 May 2018. The e-auction platform is also used for any liquidation proceedings conducted under the new Greek Law 4738/2020. Article 168 paragraph 2 of Greek Penal Code, as in force, further provides that it is a criminal action for anyone to cause interruption or disruption of the proper conduct of the service or auction.

### TAXATION

#### Greece

The following is a summary of certain material Greek tax consequences of the ownership and disposal of the Notes. The discussion is not exhaustive and does not purport to deal with all the tax consequences applicable to all possible categories of Holders, some of whom/which may be subject to special rules, and also does not touch upon procedural requirements such as the filing of a tax declaration, proof of tax residency or of supporting documentation required. Further, it is not intended as tax advice to any particular Holder and it does not purport to be a comprehensive description or analysis of all of the potential tax considerations that may be relevant to a Holder in view of such Holder's particular circumstances.

The summary is based on the Greek tax laws in force on the date of this Base Prospectus, published case law, ministerial decisions and other regulatory acts of the respective Greek authorities as in force at the date hereof and does not take into account any developments or amendments that may occur after the date hereof, whether or not such developments or amendments have retroactive effect. There are also certain tax issues which have not been clarified, up to this time, by the tax administration.

Individuals are assumed not to be acting in the course of business for tax purposes. "Greek tax residents" includes the permanent establishments in Greece of non-Greek legal persons and legal entities, where the Notes are held through that permanent establishment.

Tax considerations are subject to the more favourable provisions of any applicable bilateral treaty for the avoidance of double taxation (the **DTT**).

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

#### *Disposal of Notes—Capital Gains*

**Individual Holders – Greek tax residents.** Capital gains over the Notes are exempted from income tax over capital gains. However, capital gains will be subject to a tax called "solidarity contribution". The rate of the solidarity contribution rises progressively from 2.2% to 10% and is calculated with reference to both taxable and tax-exempt annual income exceeding €12,000. In this context it should be noted that the tax authorities have expressed the view that the difference between the acquisition value on the secondary market and the payment of principal received upon expiry of a corporate bond does not constitute capital gains.

**Individual Holders – Non-Greek tax residents.** Capital gains over the Notes are exempted from income tax over capital gains. However, capital gains will be subject to a tax called "solidarity contribution". The rate of the solidarity contribution rises progressively from 2.2% to 10% and is calculated with reference to both taxable and tax-exempt annual income exceeding €12,000. In this context it should be noted that the tax authorities have expressed the view that the difference between the acquisition value on the secondary market and the payment of principal received upon expiry of a corporate bond does not constitute capital gains. Notwithstanding the above, solidarity contribution qualifies as income tax for the purposes of DTTs (Circular No. E2009/2019) therefore, individual holders that are non-Greek tax residents and benefit from the provisions of a relevant DTT could be fully or partially exempted from solidarity contribution, insofar as the relevant DTT limits or prohibits the taxation of capital gains.

**Holders which are Legal Persons or Legal Entities – Greek tax residents.** Taxation of capital gains over the Notes is deferred until capitalisation or distribution. Upon capitalisation or distribution, they will be taxed at the corporate income tax rate applicable at the time of capitalisation or distribution (at the legal person / legal entity level).



## Taxation

**Holders which are Legal Persons or Legal Entities – Non-Greek tax residents.** No income would be generated in Greece from the disposal of the Notes by legal persons or legal entities which are not resident for tax purposes in Greece.

### *A. Payments of Interest under the Listed Notes*

**“Listed Notes”** means Notes which are listed on the EU-regulated market of the Bourse of Luxembourg, or on another trading venue within the meaning of article 4 of Directive 2014/65/EU.

**Individual Holders – Greek tax residents.** Payments of interest under the Listed Notes by the Issuer to individual Holders of the Listed Notes who are Greek tax residents are subject to income tax at a flat rate of 15%, which exhausts their tax liability for income tax in Greece. Where payment is made through a Greek paying agent, the entire amount of tax will be withheld by the paying agent. Interest from the Listed Notes will be subject to a further tax called “solidarity contribution”. The rate of the solidarity contribution rises progressively from 2.2% to 10% and is calculated with reference to both taxable and tax-exempt annual income exceeding €12,000.

**Individual Holders – Non-Greek tax residents.** Payments of interest under the Listed Notes by the Issuer to individual Holders who are non-Greek tax residents are exempted from income tax and solidarity contribution. Where payment is made through a Greek paying agent, the Holder must file appropriate proof of tax residency, so as not to be subjected to withholding on the payment of interest.

**Holders which are Legal Persons or Legal Entities – Greek tax residents.** Payments of interest by the Issuer to legal persons and legal entities which are Holders of the Listed Notes and which are Greek tax residents will be treated as part of their annual income. The income tax rate for legal persons and legal entities is 22% for income generated in 2021 (29% for credit institutions participating in the scheme allowing for the conversion of deferred tax assets into final deferred tax credits against the State under certain circumstances). Where payment is made through a Greek paying agent, a withholding of 15% will be applied to the payment, which will be treated as an advance over income tax for that financial year.

**Holders which are Legal Persons or Legal Entities – Non-Greek tax residents.** Payments of interest by the Issuer to legal persons and legal entities which are Holders of the Listed Notes and which are non-Greek tax residents are exempted from income tax. Where payment is made through a Greek paying agent, the Holder must file appropriate proof of tax residency so as not to be subjected to withholding over the payment of interest.

### *B. Payments of Interest under the Non-Listed Notes*

**“Non-Listed Notes”** means Notes which are not listed in a trading venue, within the meaning of article 4 of Directive 2014/65/EU.

### **Withholding tax and gross-up**

Payments of interest under the Non-Listed Notes are subject to Greek income withholding tax and, under the Terms and Conditions of the Notes, where Extended Gross-Up is specified as being applicable in the relevant Final Terms, subject to one limited exception (which would not apply while the Non-Listed Notes are represented by Global Notes cleared through Euroclear and/or Clearstream, Luxembourg), the Issuer is required to gross up such payments in order that Holders receive such amounts as would have been received by them if no such withholding had been required (see Condition 12.1 (*Gross-up*)). In this case, depending on applicable income tax rules in the tax jurisdiction(s) to which they are subject, the income received by a Holder for tax purposes may be the gross amount paid by the Issuer, rather than the net amount received by the Holder.

The attention of Holders is also drawn to the fact that, if the Greek law on income tax withholding changes in the future and payments of interest under the Non-Listed Notes to Non-Greek Legal Persons (as defined in Condition 2 (*Interpretation*)) cease to be subject to Greek income withholding tax, the obligation of the Issuer to gross up interest payments will be limited. Please see Condition 12.1 (*Gross-up*). In such circumstances, Holders may remain subject to income tax withholding, if any is applicable, and (if so) may cease to benefit from any grossing-up of interest payments by the Issuer.

**Individual Holders – Greek tax residents.** Payments of interest under the Non-Listed Notes by the Issuer to individual Holders of the Non-Listed Notes who are Greek tax residents are subject to income tax at a flat rate of 15%, which exhausts their tax liability for income tax in Greece. The entire amount of tax will be withheld by the Issuer. Interest from the Non-Listed Notes will be subject to a further tax called “solidarity contribution”. The rate of the solidarity contribution rises progressively from 2.2% to 10% and is calculated with reference to both taxable and tax-exempt annual income exceeding €12,000.

**Individual Holders – Non-Greek tax residents.** Payments of interest by the Issuer to individual Holders of the Non-Listed Notes who are non-Greek tax residents are subject to income tax at a flat rate of 15% (insofar as there is no applicable DTT in force providing otherwise), which exhausts their tax liability for income tax in Greece withheld by the Issuer. Where this is the case, appropriate documentation to this effect must be filed for the DTT provisions to be applied. In any case, interest will be subject to a further tax called “solidarity contribution”. The rate of the solidarity contribution rises progressively from 2.2% to 10% and is calculated with reference to both taxable and tax-exempt annual income exceeding €12,000. Notwithstanding the above, solidarity contribution qualifies as income tax for the purpose of DTTs (Circular no. E2009/2019), therefore, individual holders that are non-Greek tax residents and benefit from the provisions of a relevant DTT could be fully or partially exempted from solidarity contribution, insofar as the relevant DTT limits or prohibits the taxation of interest.

**Holders which are Legal Persons or Legal Entities – Greek tax residents.** Payments of interest by the Issuer to legal persons and legal entities which are Holders of the Non-Listed Notes and which are Greek tax residents will be treated as part of their annual income. The income tax rate for legal persons and legal entities is 22% for income generated in 2021 (29% for credit institutions participating in the scheme allowing for the conversion of deferred tax assets into final deferred tax credits against the State under certain circumstances). A withholding of 15% will be applied to the payment, which will be treated as an advance over income tax for that financial year.

**Holders which are Legal Persons or Legal Entities – Non-Greek tax residents.** Payments of interest by the Issuer to legal persons and legal entities which are Holders of the Non-Listed Notes and which are non-Greek tax residents are subject to income tax at a flat rate of 15%, withheld by the Issuer, which exhausts their tax liability for income tax in Greece insofar as there is no applicable DTT in force limiting or prohibiting the taxation of interest. If this is the case, appropriate documentation must be filed for the DTT provisions to be applied.

### Luxembourg

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

## Taxation

### *Withholding Tax*

#### (a) Non-resident holders of Notes

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

#### (b) Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 as amended (the **Relibi Law**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law will be subject to a withholding tax at a rate of 20 per cent.

### **The Proposed Financial Transactions Tax (FTT)**

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States). Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

### **Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions have

entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (IGAs), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Notes (as described under Condition 18 (*Further Issues*)) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.

## Subscription and Sale

### SUBSCRIPTION AND SALE

Notes may be issued from time to time by any Issuer to any one or more of the Dealers. The arrangements under which Notes may from time to time be agreed to be issued by the Issuer to, and subscribed by, Dealers are set out in a Programme Agreement dated 17 December 2021, as modified and/or supplemented and/or restated from time to time (the **Programme Agreement**) and made between the Bank and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of any such subscription. The Programme Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

#### 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, or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form 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 U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986 and regulations promulgated thereunder (the **Code**).

In connection with any Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S (**Regulation S Notes**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Programme Agreement, it has not offered and sold, and will not offer or sell Notes of any Tranche within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the date of issue of the relevant Tranche of Notes and the completion of the distribution of such Tranche, in each case except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells Notes of such Tranche during the distribution compliance period (other than pursuant to Rule 144A) a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States or to, or for the account or benefit of, U.S. persons.

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

Dealers may arrange for the resale of Notes in registered form to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A.

#### Prohibition of sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies “Prohibition of sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering

contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### United Kingdom

#### *Prohibition of sales to UK Retail Investors*

Unless the Final Terms in respect of any Notes specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

#### *Other regulatory restrictions*

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

- (a) 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 would not, if it was not an authorised person, apply to the Bank; and
- (b) 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.

### The Hellenic Republic

The offering of the Notes has not been submitted to the approval procedure of the HCMC provided for by the Prospectus Regulation and Law 4706/2020, as in force. Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold and will not offer or sell the Notes by any form of solicitation or advertising in the Hellenic Republic that would not fall under the exemptions of article 1 paragraph 4 of the Prospectus Regulation and article 58

## Subscription and Sale

par. 1 of Law 4706/2020 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market.

### Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

### France

Each of the Dealers and the Issuer has represented and agreed that, in relation to a private placement in France, it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

### Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Italian laws and regulation; or
- (ii) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must:

- (a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**), CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Italian Banking Act**); and
- (b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

### Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) of the SFA or Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in section 309A(1) of the SFA), that all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

### 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) 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



## **Subscription and Sale**

this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer nor any of the other Dealers shall have any responsibility therefor.

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

## General Information

### GENERAL INFORMATION

#### Listing and Admission to Trading

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU). However, Notes may be issued pursuant to the Programme which will not be listed on the Luxembourg Stock Exchange or any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

#### Authorisations

The update of the Programme was authorised by a decision of the Bank's Board of Directors dated 27 October 2021 and an authorising act executed by the Bank's Chief Executive Officer, Mr. Paul Mylonas dated 25 November 2021. The Bank has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes. Any issue of Notes is subject to the prior decision of the Bank's competent body or person.

#### Use of proceeds

The net proceeds or, if applicable an amount equal to the net proceeds, of the issue of each Tranche of Notes will be applied by the Group, as indicated in the applicable Final Terms relating to the relevant Tranche of Notes, either (a) to meet part of its general financing requirements; or (b) to finance or refinance, in whole or in part, Green Projects and Social Projects (as defined below).

According to the definition criteria set out by the International Capital Market Association (**ICMA**) Green Bond Principles, only Tranches of Notes financing or refinancing Green Projects will be denominated "Green Bonds".

According to the definition criteria set out by ICMA Social Bond Principles, only Tranches of Notes financing or refinancing Social Projects will be denominated "Social Bonds".

According to the definition criteria set out by ICMA Sustainability Bond Guidelines, only Tranches of Notes financing or refinancing Green Projects and Social Projects will be denominated "Sustainable Bonds".

On or before the issue of Green Bonds, Social Bonds or Sustainable Bonds, further details on Green Projects are provided in the National Bank of Greece Green Bond Framework in effect at the time of issuance of the relevant issue of Green Bonds and further details on Social Projects will be provided in a framework which will be made available on the Bank's website at [www.nbg.gr](http://www.nbg.gr) and may be updated from time to time.  
Definitions:

**Green Projects** means financings of renewable energy, energy efficiency, sustainability mobility, sustainability water, circular economy and green buildings projects and assets which meet a set of environmental criteria as further determined in accordance with the National Bank of Greece Green Bond Framework in effect at the time of issuance of the relevant issue of Green Bonds.

**Social Projects** means small and medium-sized enterprises financing and financing of non-profit and civil economy to support access to essential services which meet a set of social criteria.

## General Information

Sustainalytics (an independent provider of research-based evaluations of green financing frameworks to determine the Issuer's environmental robustness) has evaluated the National Bank of Greece Green Bond Framework in effect as at the date of this Base Prospectus and has issued a second party opinion on such framework verifying its credibility, impact and alignment with the International Capital Markets Association Green Bond Principles 2018. The second-party opinion is available on the Bank's website at <https://www.nbg.gr/english/the-group/investor-relations/dept-investors/Documents/National%20Bank%20of%20Greece%20Green%20Bond%20Framework%20Second%20Party%20Opinion.pdf>.

The Issuer strives to monitor the development of the green bond market to continually advance the sustainable terms of the National Bank of Greece Green Bond Framework. Accordingly, the National Bank of Greece Green Bond Framework may be updated from time to time during the life of any Tranche of the Notes to reflect current market practices. The amended National Bank of Greece Green Bond Framework would be subject to the relevant internal and external review processes and a new second-party opinion on the National Bank of Greece Green Bond Framework would be obtained in connection with any such amendment. Holders would not be entitled to vote on such cases. Any amendments to the National Bank of Greece Green Bond Framework and any new second-party opinion on the National Bank of Greece Green Bond Framework will be published and will be available on the Bank's website at the address above.

## Litigation

Save as disclosed, with respect to the Bank, in “*Description of the Group – Legal and Arbitration Proceedings*” at pages 193-194, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Bank is aware), during the 12 months preceding the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the Bank's or the Group's financial position or profitability.

## No significant or material change

Save for the impact of the COVID-19 pandemic on the Bank and the Group (as further described in the section of the Board of Directors Report headed “*Response to COVID-19 crisis*” of the 2020 Annual Financial Statements and in the September 2021 Interim Financial Statements, Note 20 “*Risks Related to the COVID-19 Outbreak*”, which are incorporated by reference herein), there has been no material adverse change in the prospects of the Bank or the Group since 31 December 2020. There has been no significant change in the financial performance or position of the Bank or the Group since 30 September 2021.

## Documents available for inspection

For so long as the Programme remains in effect or any Notes shall be outstanding, copies and, where appropriate, English translations of the following documents will, when published, be available for inspection from <https://www.nbg.gr/en/the-group/investor-relations/dept-investors/globalmediumtermnoteprogramme>:

- (a) the Base Prospectus together with any supplement or further prospectus (the Base Prospectus together with any supplement or further prospectus will also be obtainable, free of charge);
- (b) the Agency Agreement;
- (c) the Deed of Covenant;
- (d) the Procedures Memorandum;

- (e) any Final Terms relating to Notes which are listed on any stock exchange (such Final Terms will also be obtainable, free of charge). (In the case of any Notes which are not listed on any stock exchange, copies of the relevant Final Terms will only be available to the relevant Noteholders);
- (f) any supplemental agreement prepared and published in connection with the Programme;
- (g) in addition, this Base Prospectus is and, in the case of Notes to be listed on the official list and admitted to trading on the regulated market of the Luxembourg Stock Exchange, the relevant Final Terms will be, available on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu); and
- (h) the National Bank of Greece Green Bond Framework of the Issuer in respect of the application of the proceeds of any issue of Green Bonds. For the avoidance of doubt, the National Bank of Greece Green Bond Framework is incorporated in and/or form part of this Base Prospectus;

and the Memorandum and Articles of Association of the Bank will be available for inspection from <https://www.nbg.gr/en/the-group/corporate-governance/regulations-principles>.

### 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 of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. In addition, the Issuer may make an application for any Notes in registered form to be accepted for trading in book-entry form by DTC. 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, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of DTC is 55 Water Street, New York, New York 10041, United States of America.

### Financial statements available

For so long as the Programme remains in effect or any Notes shall be outstanding, copies and, where appropriate, English translations of the following documents will, when published, be available for inspection from <https://www.nbg.gr/en/the-group/investor-relations/financial-information/annual-interim-financial-statements>:

- (a) the published annual report and audited consolidated financial statements of the Group and the Bank for the two most recent financial years ended prior to the date of this Base Prospectus; and
- (b) any subsequent interim financial statements of the Group and the Bank.

### Independent Auditors

The Group and Bank 2020 Annual Financial Statements and 2019 Annual Financial Statements prepared in accordance with International Financial Reporting Standards as adopted by the EU as of and for the years ended 31 December 2020 and 31 December 2019 incorporated by reference in this Base Prospectus have been audited by PricewaterhouseCoopers S.A., being certified public accountants. PricewaterhouseCoopers S.A. are members of the Body of Certified Public Accountants in Greece (SOEL) and are also registered with the Public Company Accounting Oversight Board (PCAOB) and Hellenic Accounting and Auditing Oversight Board (ELTE).

With respect to the Group and Bank 2021 June Interim Financial Statements included in this Base Prospectus, PricewaterhouseCoopers S.A. reported that they have applied limited procedures in accordance with professional standards for the review of such information. However, their separate report dated 6

## **General Information**

August 2021 appearing herein state that they did not audit and they do not express an opinion on that unaudited financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

### **Conditions for determining price**

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

### **Yield**

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

### **Conflict of interest**

The Dealers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Dealers and their respective affiliates may have performed investment banking and advisory services for the Issuer and its affiliates from time to time for which they may have received fees, expenses, reimbursements and/or other compensation. The Dealers or their respective affiliates may, from time to time, engage in transactions with and perform advisory and other services for the Issuer and its affiliates in the ordinary course of their business. Certain of the Dealers may from time to time also enter into swap and other derivative transactions with the Issuer and its affiliates, including in relation to the hedging of the Notes.

Certain of the Dealers and/or their respective affiliates have acted and expect in the future to act as a lender to the Issuer and/or other members of the Group and/or otherwise participate in transactions with the Group. In addition, in the ordinary course of their business activities, the Dealers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers and their respective affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, the Arrangers, such Dealers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## **REGISTERED OFFICE OF THE ISSUER**

### **National Bank of Greece S.A.**

86 Eolou Street  
10559 Athens  
Greece

## **ARRANGERS AND DEALERS**

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

25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom

### **National Bank of Greece S.A.**

86 Eolou Street  
10559 Athens  
Greece

## **FISCAL AGENT**

### **The Bank of New York Mellon acting through its**

**London branch**  
One Canada Square  
London E14 5AL  
United Kingdom

## **PRINCIPAL PAYING AGENT**

### **The Bank of New York Mellon acting through its**

**London branch**  
One Canada Square  
London E14 5AL  
United Kingdom

## **PAYING AGENT**

### **The Bank of New York Mellon acting through its New York branch**

101 Barclay Street—21W  
New York, NY 10286  
USA

## **TRANSFER AGENTS**

### **The Bank of New York Mellon acting through its**

**New York branch**  
101 Barclay Street—21W  
New York, NY 10286  
USA

### **The Bank of New York Mellon acting through its**

**London branch**  
One Canada Square  
London E14 5AL  
United Kingdom

## **REGISTRAR**

### **The Bank of New York Mellon SA/NV, Luxembourg Branch**

Vertigo Building – Polaris  
2-4 rue Eugène Ruppert  
L-2453 Luxembourg

## **LEGAL ADVISERS**

*To the Issuer as to English law*

**Allen & Overy Studio Legale Associato**

Via Ansperto 5  
20123 Milan  
Italy

*To the Issuer as to Greek law*

**Karatzas & Partners**

The Orbit, 115 Kifissias Ave  
115 24 Athens  
Hellenic Republic

*To the Dealers as to English law*

**White & Case LLP**

5 Old Broad Street  
London EC2N 1DW  
United Kingdom

## **AUDITORS TO THE ISSUER**

**PricewaterhouseCoopers S.A.**

Business Solutions S.A.  
268 Kifissias Avenue  
Halandri 15232  
Greece

## **LISTING AGENT**

**The Bank of New York Mellon SA/NV, Luxembourg Branch**

Vertigo Building – Polaris  
2-4 Rue Eugène Ruppert  
L-2453 Luxembourg