



BANK OF GREECE
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RESOLUTION MEASURES COMMITTEE

Meeting 21/17.4.2015

Item 1: Order to transfer property items of the credit institution named “PANELLINIA BANK S.A.”, which has been placed under special liquidation, to the credit institution named “PIRAEUS BANK S.A.”.

The RESOLUTION MEASURES COMMITTEE, having regard to:

- (a) Article 55A of the Statute of the Bank of Greece;
- (b) Act No. 6/8.1.2013 of the Executive Committee of the Bank of Greece “Re-establishment of the Resolution Measures Committee and assignment of responsibilities” (Government Gazette B 13), as currently in force, following its amendments by Executive Committee Act No. 40/30.5.2014 “Amendment to Executive Committee Acts Nos. 1/20.12.2012, 4/8.1.2013 και 6/8.1.2013” (Government Gazette B 1567);
- (c) Law 4261/2014 “Access to the activity of credit institutions and prudential supervision of credit institutions and investment firms (transposition of Directive 2013/36/EU), repeal of Law 3601/2007, and other provisions” (Government Gazette A 107) and, in particular, Articles 139, 141, 145 and 62 par. 3 thereof;
- (d) ECB Decision pursuant to Article 4(1)(a) and 14(5) of Council Regulation (EU) No 1024/2013, and Article 83 of Regulation (EU) No 468/2014 of the European Central Bank (ECB/2014/17), as well as



BANK OF GREECE
EUROSYSTEM

RESOLUTION MEASURES COMMITTEE

- Article 19 letters (d) and (g) of the Greek Banking Act (Law 4261/2014) (ECB/SSM/2015 – 213800HD5YY7LYTQ1369/1);
- (e) Decision No. 136/1/17.4.2015 of the Credit and Insurance Committee “Placing of the credit institution named “PANELLINIA BANK” under special liquidation and appointment of a special liquidator”;
- (f) the bids submitted in writing on 8.4.2015 in the context of the bidding procedure conducted for the acquisition of selected property items of the credit institution named “PANELLINIA BANK S.A.”;
- (g) Resolution Measures Committee Decision No. 19/1/8. 4.2015 “Authorisation to the Resolution Unit to notify information to the Ministry of Finance and, through it, to the Directorate-General for Competition of the European Commission”;
- (h) the written communication, dated 8.4.2015, with the Directorate-General for Competition of the European Commission;
- (i) European Commission Decision SA. 41503 (2015/N) – Greece “Resolution of Panellinia Bank through a transfer order to Piraeus Bank”;
- (j) the declaration, dated 17.4.2015, of the credit institution named “PIRAEUS BANK S.A.”, whereby it agrees to take over property items of the above-mentioned credit institution, which has been placed under special liquidation, as set out herein below; and
- (k) the relevant recommendation, dated 17.4.2015, of the Resolution Unit of the Bank of Greece;

WHEREAS



BANK OF GREECE
EUROSYSTEM

RESOLUTION MEASURES COMMITTEE

- i. the credit institution named “PANELLINIA BANK S.A.” has been placed under special liquidation;
- ii. the total customer deposits held with the said credit institution amount, as at 31.12.2014, to five hundred seventy-three million, six hundred eleven thousand, two hundred and ninety euro (€573,611,290), of which four hundred twenty-six million, two hundred thirteen thousand, nine hundred and fifty-eight euro (€426,213,958) are guaranteed by the Hellenic Deposit and Investment Guarantee Fund (hereinafter “HDIGF”) under Article 9 of Law 3746/2009, as currently in force;
- iii. the said credit institution has assumed liabilities to other credit institutions amounting, as at 31.12.2014, to thirty-seven million fifty-nine thousand two hundred euro (€37,059,200);
- iv. the said credit institution draws liquidity from the Emergency Liquidity Assistance (ELA) facility provided by the Bank of Greece, following approval by the Eurosystem;
- v. given the current adverse fiscal and economic situation in Greece, the continuation of the banking operations that are currently conducted by the credit institution named “PANELLINIA BANK S.A.” and the protection of deposits in their entirety by means of their assumption by another credit institution is considered, in accordance with Article 139 paragraphs 1-3 of Law 4261/2014, to be an appropriate and necessary measure. In this manner, financial stability is protected and public confidence, especially with regard to depositors, in the domestic financial system is preserved, while it is estimated that the mere withdrawal of the authorisation of the credit institution named



BANK OF GREECE
EUROSYSTEM

RESOLUTION MEASURES COMMITTEE

“PANELLINIA BANK S.A.” without the simultaneous adoption of resolution measures would have a significant destabilising impact on the financial system, in particular given that protection under the HDIGF payout scheme is only extended to the guaranteed part of deposits and therefore the part of customer deposits not covered, amounting, as at 31.12.2014, to one hundred forty-seven million, three hundred ninety-seven thousand, three hundred and thirty-two euro (€147,397,332), would be lost. Additionally, the order to transfer assets and liabilities constitutes the optimal option as, on the one hand, it constitutes a definitive solution and, on the other, minimises the resolution cost;

- vi. given the central role of “PANELLINIA BANK S.A.” in the smooth operation of the cooperative banks and, particularly, in the support of their banking activities and the operation and support of their central information systems, the potential withdrawal of the authorisation of “PANELLINIA BANK S.A.” and the placing of the said credit institution under special liquidation, without the simultaneous adoption of resolution measures, would very seriously jeopardise the continuity of the banking operations of all cooperative banks and would thus negatively affect cooperative credit and, consequently, financial stability;
- vii. within the context of the evaluation of the acceptable bids submitted by the credit institutions named “PIRAEUS BANK S.A.” and “EUROBANK ERGASIAS S.A.” for the acquisition of property items of the credit institution named “PANELLINIA BANK S.A.”, which has been placed under special liquidation, and taking into consideration the recommendation of the Resolution Unit referred to under (k) above,



BANK OF GREECE
EUROSYSTEM

RESOLUTION MEASURES COMMITTEE

which it hereby adopts unanimously, the Committee awarded the select property items, as listed in the Annex hereto, to the credit institution named “PIRAEUS BANK S.A.”, which has already declared in writing that it accepts such transfer. This bid, which has already been approved by the General Council of the HFSF, is considered to be the most advantageous, as it is clearly superior in terms of price without being inferior as to the overall qualitative features and ensures effective business continuity in relation to the operations of “PANELLINIA BANK S.A.” and, consequently, of the banking operations of cooperative banks.

HEREBY DECIDES AS FOLLOWS:

To order the special liquidator of the credit institution named “PANELLINIA BANK S.A.”, which has been placed under special liquidation, to transfer forthwith the property items listed in the Annex hereto to the credit institution named “PIRAEUS BANK S.A.”.

To facilitate the work of public record-keepers, it is noted that, under the provision of Article 141 par. 5 of Law 4261/2014, for those of the transferred assets to which registration or recording in public registers and records is applicable, their transfer, which occurs upon the entry into force of the transfer contract that is executed pursuant to this Decision, is entered free of charge in the relevant public registers and records upon mere request by the acquiring credit institution.



BANK OF GREECE
EUROSYSTEM

RESOLUTION MEASURES COMMITTEE

This decision shall be published on even date in the Government Gazette and posted on the website of the Bank of Greece.

THE SECRETARY

THE MEMBERS

THE CHAIRPERSON

John (Iannis) Mourmouras

True and Exact Copy

Athens, 17 April 2015

(signed)

Aik.Theodossiou,
Secretary



BANK OF GREECE
EUROSYSTEM

RESOLUTION MEASURES COMMITTEE

Annex

Transferred Property Items

1. All the contractual relationships with third parties of the credit institution named “PANELLINIA BANK S.A.”, which has been placed under special liquidation (hereinafter referred to as “PANELLINIA”), shall be transferred to the credit institution named “PIRAEUS BANK S.A.”, which shall be fully subrogated into these relationships; also transferred shall be all the assets and liabilities of “PANELLINIA” (rights, claims, obligations and encumbrances of any nature), except for the contractual relationships and assets and liabilities listed under paragraph 2 points (a) to (l) below, hereinafter collectively referred to as “non-transferred items”.

In particular, the property items (contractual relationships, assets and liabilities) to be transferred to PIRAEUS BANK S.A. shall include, unless listed under non-transferred items, the following:

- a. PANELLINIA’s legal relationships arising from or in connection with its deposits with the Bank of Greece;
- b. PANELLINIA’s legal relationships arising from or in connection with deposits and bank accounts held by PANELLINIA with credit institutions in Greece or abroad;
- c. PANELLINIA’s legal relationships arising from or in connection with loan or other credit agreements between PANELLINIA and other credit institutions;
- d. PANELLINIA’s legal relationships with its customers arising from or in connection with loan or other credit agreements with such customers, excluding legal relationships arising from or in connection with loan or other credit agreements with PANELLINIA’s customers listed under non-transferred items;
- e. PANELLINIA’s legal relationships arising from or in connection with repurchase and reverse repurchase agreements entered into by PANELLINIA ;
- f. PANELLINIA’s legal relationships arising from or relating to movable or immovable property lease or sale agreements entered into by PANELLINIA either as lessee/purchaser or lessor/vendor;



BANK OF GREECE
EUROSYSTEM

RESOLUTION MEASURES COMMITTEE

- g. any rights in personam and in rem of PANELLINIA on securities in physical or book-entry form and financial instruments in physical or book-entry form, including shares, bonds, derivatives, cheques and other debt securities;
- h. PANELLINIA's rights in rem on movable and immovable property;
- i. all PANELLINIA's claims and obligations vis-à-vis the Greek State and legal persons in public law, other than those listed under non-transferred items;
- j. PANELLINIA's legal relationships arising from or in connection with bank account agreements and PANELLINIA's liabilities arising from any type of customer deposits, including deposits held by other credit institutions with PANELLINIA, regardless of the coverage limit and exceptions laid down in Law 3746/2009; any payment orders to be debited or credited to any of the above accounts initiated but not executed before the date of withdrawal of authorisation of PANELLINIA shall be executed by PIRAEUS BANK S.A.; any cheques drawn on PANELLINIA shall be treated as having been drawn on PIRAEUS BANK S.A., with all the relevant consequences, and shall be payable out of the above accounts;
- k. PANELLINIA's legal relationships arising from or in connection with loan or other credit agreements between PANELLINIA and the Bank of Greece or other members of the European System of Central Banks, including agreements on the provision of ELA liquidity by the Bank of Greece;
- l. PANELLINIA's legal relationships and any obligations and rights arising from its participation, in any manner whatsoever, in regulated markets, exchanges, clearing systems, payment systems, financial instrument clearing and/or settlement systems, including obligations and rights relating to orders entered into the above systems before the transfer of PANELLINIA's assets and liabilities hereunder that have not been cleared, netted or settled by that time;
- m. the trading name and brands of PANELLINIA;
- n. PANELLINIA's legal relationships arising from or in connection with agreements supporting its operation;



BANK OF GREECE
EUROSYSTEM

RESOLUTION MEASURES COMMITTEE

- o. PANELLINIA's legal relationships arising from service agreements with cooperative banks;
 - p. PANELLINIA's intellectual property rights, including in particular copyrights, patents, software rights, exclusive or non-exclusive licences to use intellectual property, etc.;
 - q. rights and contractual relationships relating to the operation or security of transferred assets, such as in particular claims and rights in rem on movable or immovable property transferred to PANELLINIA for fiduciary purposes, securities in physical or book-entry form (including, but not limited to, cheques), financial instruments in physical or book entry form transferred as collateral to PANELLINIA, rights of retention or set-off rights;
 - r. legal relationships arising from contracts for the provision of investment services by PANELLINIA;
 - s. claims of PANELLINIA for damages, irrespective of cause or origin (contractual or otherwise), including any claims for compensation for moral damage for any reason whatsoever, and claims for unjust enrichment, and excluding any claims in respect of non-transferred items;
 - t. PANELLINIA's rights and obligations vis-à-vis the HDIGF, as they were before the withdrawal of the authorisation of PANELLINIA; and
 - u. legal relationships arising from the issuance of letters of credit or other guarantee agreements of PANELLINIA, including PANELLINIA's relevant rights of recourse vis-à-vis its customers or third parties, unless such guarantees are connected with non-transferred loan or other credit agreements with customers.
2. The property items (assets, liabilities and contractual legal relationships) set out in points (a) to (l) herein below (non-transferred items) shall not be transferred to PIRAEUS BANK S.A. Non-transferred items shall continue to be held (assets) by PANELLINIA or continue to burden (liabilities) PANELLINIA. PANELLINIA shall remain a party to any contractual relationships included in non-transferred items. Non-transferred items shall be the following:



BANK OF GREECE
EUROSYSTEM

RESOLUTION MEASURES COMMITTEE

- a. PANELLINIA's legal relationships with third parties arising from or in connection with employment contracts entered into by PANELLINIA, including the prepayment of salaries and pension or other benefits to employees;
- b. the obligations and rights of PANELLINIA vis-à-vis its shareholders under a shareholder relationship, including the obligations of PANELLINIA regarding the payment of dividends approved for previous financial years and not claimed by beneficiaries, and where such dividends are time-barred, the obligation of PANELLINIA to pay them to the Greek State;
- c. all rights in personam and in rem of PANELLINIA on shares of the companies "Cooperative Bank of Lamia LLC under liquidation" and "Cooperative Bank of Lesvos-Lemnos LLC under liquidation";
- d. all claims and liabilities of PANELLINIA vis-à-vis third parties, including the employees of PANELLINIA, for compensation or damages from any cause (contractual or otherwise), compensation for moral damage and unjust enrichment, in respect of non-transferred items;
- e. the liabilities which by law are satisfied from the proceeds of liquidation of PANELLINIA;
- f. the deferred tax assets and liabilities of PANELLINIA vis-à-vis the Greek State;
- g. the tax assets and liabilities of PANELLINIA, levies and duties of any kind, irrespective of whether they have been generated or certified at the time of transfer of assets and liabilities of PANELLINIA under this Decision; in particular, excluded from transfer shall be any obligations: for the payment or prepayment of any kind of tax withheld during the period until the transfer of assets and liabilities of PANELLINIA under this Decision; for the payment of levies or contributions relating to benefits for the above period; for the payment of fines (irrespective of the time of imposition) for acts or omissions of PANELLINIA during the above period; for the payment of any supplementary or additional tax referring to the above period;



BANK OF GREECE
EUROSYSTEM

RESOLUTION MEASURES COMMITTEE

- h. any claims and liabilities of PANELLINIA vis-à-vis social security funds referring to the period before the transfer of assets and liabilities of PANELLINIA under this Decision;
 - i. the legal relationships of PANELLINIA with its customers arising from loan or other credit agreements entered into by PANELLINIA, including rights of recourse of PANELLINIA under letters of guarantee or other guarantee agreements between PANELLINIA and third parties, which refer to defaulted loans and loans in arrears by more than three years, within the meaning of Bank of Greece Governor's Act 2442/1999, as currently in force;
 - j. the rights and legal relationships in connection with the operation or security of non-transferred assets, including, but not limited to, claims and rights in rem on movable or immovable property transferred to PANELLINIA for fiduciary purposes to back non-transferred claims of PANELLINIA, rights of retention or set-off rights;
 - k. the rights and obligations of any nature arising from letters of guarantee issued by PANELLINIA that have been called in;
 - l. the current cash assets of PANELLINIA.
3. Added to the property of the PIRAEUS BANK S.A. shall be the amount to be paid by the HDIGF in accordance with Article 141 paragraph 13 of Law 4261/2014.