

Imposition of an administrative penalty on Piraeus Bank S.A.

The EUROPEAN CENTRAL BANK,

pursuant to Article 18(1) of Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions, decided on 13 August 2019 to impose an administrative penalty on Piraeus Bank S.A. for an amount of EUR 5,150,000. This penalty is imposed in respect of breaches of the own funds provisions laid down in Article 28(1)(b) of Regulation (EU) No 575/2013 of the European Parliament and of the Council in conjunction with Articles 8(2) and 9(1)(c) of Commission Delegated Regulation (EU) No 241/2014, committed under the direction of the former management of Piraeus Bank S.A. by classifying capital instruments whose purchase was directly or indirectly funded by the Supervised Entity as Common Equity Tier 1 instruments during six consecutive quarterly reporting periods between 2015 and 2017 both at individual and consolidated level.

Among other funding actions, Piraeus Bank S.A. released collateral that it had to secure the repayment of loans granted to certain non-performing obligors who used the funds obtained with the released collateral to purchase shares of Piraeus Bank S.A.

Among other circumstances, the amount of the penalty takes into account that the prudential requirements were breached on an individual as well as on a consolidated basis, the duration of the infringements, the degree of responsibility of Piraeus Bank S.A. and the specific circumstances connected to the capital increase of Piraeus Bank S.A. in 2015.

The administrative penalty is published in accordance with Article 18(6) of Council Regulation (EU) No 1024/2013 and Article 132 of Regulation (EU) No 468/2014 of the European Central Bank (ECB/2014/17).

The ECB's decision to impose an administrative penalty on Piraeus Bank S.A. may be challenged before the Court of Justice of the European Union under the conditions and within the time limits provided for in Article 263 of the Treaty on the Functioning of the European Union.