

Methodology for calculating the Base Rates of Hellenic Bank Public Company Limited

Hellenic Bank Public Company Limited (the “Bank”) provides below the methodology for calculating the Bank’s Base Rates.

A. For loans granted before 1st January 2008 in Cyprus pounds and bearing as base rate the Bank’s Base Rate, the outstanding balances of which from 1st January 2008 were converted into euro:

- Following the decision of the Central Bank of Cyprus dated 21st December 2007, the Bank’s Base Rate for such loans was linked with effect as from 1st January 2008 with the European Central Bank (the “ECB”) main refinancing operations Interest Rate (the “ECB Base Rate”).

As of 16 March 2016, the ECB Base Rate was at 0.00%.

B. For credit facilities entered into on or after the 1st January 2008 and for credit facilities granted before 1st January 2008, other than loans in Cyprus pounds as provided in paragraph A above:

- **“CBC index”**: The Central Bank of Cyprus typically publishes on a monthly basis the value of the interest rate applicable to the previous month’s euro-denominated deposits from households with agreed maturity up to 1 year in its Publication “Monetary and Financial Statistics” - Table 8: “*Monetary Financial Institutions (MFI) Interest Rates on euro-denominated deposits (new business) by euro area residents*”. Such published value will be referred to as the CBC index for the purposes of this methodology.
- **“Reference Rate”**: The Bank shall calculate the Reference Rate on a quarterly basis. The Reference Rate shall be calculated as the average of the values of the CBC Index (as defined above) published by the Central Bank of Cyprus subsequent to the last time the Bank had conducted such calculation. Such average CBC index shall be deemed to be the **“Reference Rate”** and shall apply for the calculation of the Bank’s Base Rates for the following quarter rounded up to two decimal places.
- Starting point for the Reference Rate is set at 1.49% which represents the latest value of the CBC index for the month of September 2016.
- Each of the Bank’s Base Rates will be adjusted on a quarterly basis on 16 February, 16 May, 16 August and 16 November of each calendar year (the “Adjustment Date”). In the event that the Adjustment Date is not a business day then the Adjustment Date for the relevant quarter shall be deemed to be the following business day. [Business day shall mean a day (other than a Saturday or Sunday) on which commercial banks are open for general business in Cyprus].

For such credit facilities, the Bank’s Base Rates are defined as follows:

- **Hellenic Bank Base Interest Rate** = Reference Rate + 2.76%
- **Hellenic Bank Business Loans Base Interest Rate** = Reference Rate + 1.76%
- **Hellenic Bank Business Overdrafts Base Interest Rate** = Reference Rate + 1.76%
- **Hellenic Bank Housing Loans Base Interest Rate** = Reference Rate + 1.16%
- **Hellenic Bank Housing Loans Base Interest Rate (linked to Hellenic Bank Base Interest Rate)** = Reference Rate + 2.01%
- **Hellenic Bank Main Base Interest Rate** = Reference Rate

Using the 1.49% Reference Rate of the CBC index for the month of September 2016, the Bank’s Base Rates as at 16 November, 2016 were the following:

- **Hellenic Bank Base Interest Rate** = 4.25%
- **Hellenic Bank Business Loans Base Interest Rate** = 3.25%
- **Hellenic Bank Business Overdrafts Base Interest Rate** = 3.25%
- **Hellenic Bank Housing Loans Base Interest Rate** = 2.65%
- **Hellenic Bank Housing Loans Base Interest Rate (linked to Hellenic Bank Base Interest Rate)** = 3.50%
- **Hellenic Bank Main Base Interest Rate** = 1.49%

Conditions and Parameters which may contribute to changes in the Bank’s Base Rates:

The Bank may at a future date:

- Include the cost of other types of funding obtained by Hellenic Bank in the calculation methodology of any of the Bank’s Base Rates.
- Amend the methodology so as to link each of the Bank’s Base Rates to another reference rate. In this case the respective margin over the reference rate may change accordingly.

- Amend the methodology of calculating any of the Bank's Base Rates, if deemed appropriate, to reflect any changes in market conditions and/or the regulatory framework and/or due to the unavailability of the Reference Rate.

In the case of any change in the methodology of calculating any of the Bank's Base rates, customers will be notified.