EUROPEAN CENTRAL BANK

BANKING SUPERVISION

Press release

23 September 2019

ECB sanctions Piraeus Bank S.A. for breaching own funds provisions between 2015 and 2017

- Piraeus Bank S.A found in breach of own funds provisions on an individual and on a consolidated basis during six consecutive quarterly reporting periods between 2015 and 2017 committed under the direction of the former management of Piraeus Bank S.A.
- ECB imposes a penalty for an amount of € 5,150,000 on Piraeus Bank S.A.

The European Central Bank (ECB) has imposed an administrative penalty for an amount of € 5,150,000 on Piraeus Bank S.A.

The penalty has been imposed in respect of breaches of the own funds provisions laid down in Article 28(1)(b) of Regulation (EU) No 575/2013 (CRR) in conjunction with Article 8(2) and Article 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.

The ECB's power to impose sanctions stems from 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.

The Decision imposing a sanction 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.

The main elements of this Decision are published on the ECB's banking supervision website.

European Central Bank
Directorate General Communications, Global Media Relations Division
Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany
Tel.: +49 69 1344 7455, e-mail: media@ecb.europa.eu, website: www.bankingsupervision.europa.eu

Reproduction is permitted provided that the source is acknowledged.

For media queries, please contact Uta Harnischfeger, tel.: +49 69 1344 6321.

European Central Bank
Directorate General Communications, Global Media Relations Division
Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany
Tel.: +49 69 1344 7455, e-mail: media@ecb.europa.eu, website: www.bankingsupervision.europa.eu

Reproduction is permitted provided that the source is acknowledged.