

PLAN SETTING OUT THE ACTIONS TO BE TAKEN BY EUROBANK PRIVATE BANK LUXEMBOURG (“THE BANK”) IN THE EVENT THAT A BENCHMARK MATERIALLY CHANGES OR CEASES TO BE PROVIDED, IN ACCORDANCE WITH ARTICLE 28 PAR. 2 OF THE REGULATION (EU) 2016/1011

A. REGULATORY FRAMEWORK

[Regulation \(EU\) 2016/1011 of the European Parliament and of the Council of 8 June 2016](#) as amended and currently in force on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of the Investment funds (the “Regulation”), establishes a framework on indices used as benchmarks in financial markets aiming at ensuring the accuracy, robustness and integrity of benchmarks and of the benchmark determination process, and imposes certain obligations on benchmark administrators and supervised entities that rely on benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.

In accordance with article 28 (2) of the Regulation, as amended by Regulation(EU) 2021/168¹, supervised entities using a benchmark are required to establish and maintain robust written plans setting out the actions to be taken in the event that a benchmark materially changes or ceases to be provided. Where feasible and appropriate, such plans shall designate one or several alternative benchmarks that could be referenced to substitute the benchmarks no longer provided, justifying the reasons for the suitability of such alternative benchmarks.

B. OVERVIEW OF THE BANK’S PLAN OF ACTIONS

The present document sets out the Bank’s plan of actions and the steps that will be taken by the Bank in the event that a benchmark used by the Bank undergoes a material change or ceases to be provided (the “Benchmark Event”).

Examples of a Benchmark Event are, among others: i) a public announcement from the benchmark administrator, or its regulator, of its cessation of publication; ii) an announcement by the administrator of a benchmark, or by its regulator, that such benchmark has ceased or will cease to be representative of its underlying market; or iii) a material change in the benchmark calculation methodology.

Upon identifying a material benchmark event, the Bank will:

- a) assess the impact of such event and its consequences, by first taking into account the nature and size of the affected benchmark and performing an analysis of the products offered by the Bank to its clients which are linked to the benchmark in question, in order to identify the impact of the Benchmark Event on the client contracts that are linked to the specific benchmark;
- b) assess the potential hedging mismatches in hedging arrangements of its clients and/or those of the Bank relating to the adoption of an alternative benchmark, as well as the potential implications on the Bank’s IT systems and other operational processes;
- c) identify the measures and actions to be taken, including, where relevant, the adoption of replacement or substitute benchmark(s) and make relevant recommendations to the appropriate committees of the Bank, indicating why such benchmark(s) would be suitable alternative(s) to the affected benchmark(s) currently used by the Bank. Such committees will examine and assess the recommendations and proposals of the relevant Business Units in respect of the substitution of an affected benchmark, and may determine the replacement/fallback rates that are to be used by the Bank in replacement of the affected benchmark(s).

The following factors, guidance and recommendations will be taken into account without limitation, in order to assess the alternative options and to determine a suitable substitute for a benchmark that is materially changed or is to be no longer provided:

- a) the nature and size of the affected benchmark;

¹ “Supervised entities other than an administrator as referred to in paragraph 1 that use a benchmark shall produce and maintain robust written plans setting out the actions that they would take in the event that a benchmark materially changes or ceases to be provided. Where feasible and appropriate, such plans shall designate one or several alternative benchmarks that could be referenced to substitute the benchmarks that would no longer be provided, indicating the reasons for the suitability of such alternative benchmarks. The supervised entities shall, upon request and without undue delay, provide the relevant competent authority with those plans and any updates and shall reflect them in their contractual relationship with clients.”

- b) the applicable legal and regulatory framework, including any implementing regulations, together with any statutory solutions, instructions, guidelines, recommendations, clarifications or codes of conduct issued by relevant competent supervisory authorities or bodies, including the European Commission, the European Central Bank (ECB), the Central Bank of Luxembourg (BCL), the Commission de Surveillance du Secteur Financier (CSSF), the European Securities & Markets Authority (ESMA), etc.;
- c) instructions, guidance or official recommendations and/or solutions from the administrator of the affected benchmark and/or the administrator's Regulator;
- d) official recommendations, instructions or guidance from working groups established/officially supported by competent authorities and/or respective central banks for the currency linked to the affected benchmark or from relevant national or European institutions and authorities, as well as guidance, recommendations, solutions and practices issued or adopted by national and/or international market/industry associations, such as the International Swaps and Derivatives Association (ISDA), the Loan Market Association (LMA) or other;
- e) measures to minimize, to the extent possible, any value transfer related to the transition to a new benchmark;
- f) the availability and transparency of any proposed replacement benchmark and, where relevant, the readiness of the international markets to adopt and use such benchmark;
- g) recommendations, instructions or guidance from Eurobank S.A. (the "Group") on the affected benchmark;
- h) the ability to promptly implement the transition to a new benchmark from a technical, systemic, operational, business and/or legal perspective.

If no suitable replacement benchmark is available through official recommendations, instructions or solutions, as per the above, then the Bank will take into consideration the type of affected benchmark, its own business plan, the specific national and/or international economic environment and circumstances at the time, the products/services offered by the Bank which are linked to the affected benchmark as well the applicable legal and regulatory framework, requirements and official guidance related to the use of benchmarks, in order to adopt a suitable alternative. Following determination by the appropriate committees of the Bank of the replacement rate(s) that are to be used by the Bank to substitute benchmarks that cease to be provided, the relevant Business Units shall arrange and schedule the required implementation process, in order to ensure that:

- a) appropriate modifications – as may be necessary - will be made to the contractual arrangements (agreements, all types of contracts as well the pre-contractual documentation) for the Bank's products that are linked to the affected benchmark;
- b) the Bank's IT systems will be adjusted and appropriate operational processes will be implemented in order to be able to support the required changes; and
- c) affected customers will be informed accordingly; for this purpose, from time to time and where feasible and practicable, the Bank may publish important information concerning affected benchmarks on its website, <https://www.eurobankpb.lu/en/Media/Publications/Benchmark-Interest-Rate-Reforms> where customers may be referred to.

Where the Bank has previously introduced suitable fallback clauses in the Bank's contractual documentation, the Bank shall take those actions and make those adjustments in its systems and otherwise, as may be required in accordance with the related fallback provisions and the Bank's operational procedures established to implement and support the transition to the relevant fallback rates.

C. MONITORING OF DEVELOPMENTS OF THE BENCHMARK REFORM PROCESS

The Bank actively monitors benchmark reform developments and/or initiatives so as to ensure timely updates to its action plan and related processes. Moreover, for this purpose, the Bank and the Group participate in key national and European institutional forums, such as the Working Group on EURO Risk Free Rates established by, amongst others, the European Central Bank and the European Commission, to identify and recommend risk-free rates that could serve as an alternative to current benchmarks used in the euro area, as well as in forums established by the European Banking Federation and the Hellenic Banking Association. This engagement ensures the Bank remains informed about industry developments and regulatory changes.

This document is published on the Bank's website www.eurobankpb.lu and may be updated without notice whenever a material change occurs regarding the actions stated herein.