BASE PROSPECTUS

EUROBANK ERGASIAS S.A.

(incorporated with limited liability in the Hellenic Republic with registration number 000223001000)

€5 billion Global Covered Bond Programme

Under this €5 billion global covered bond programme (the **Programme**), Eurobank Ergasias S.A. (the **Issuer**) (formerly known as EFG Eurobank Ergasias S.A., which changed its name to Eurobank Ergasias S.A. on 2 August 2012) may from time to time issue bonds (the **Covered Bonds**) denominated in any currency agreed between the Issuer and the relevant Dealer(s) (as defined below).

Application has been made to the Commission de Surveillance du Secteur Financier (the **CSSF**) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities (as amended) (the **Prospectus Act 2005**) to approve this document as a base prospectus (the **Base Prospectus**). By approving this base prospectus, the CSSF does not give any undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer in accordance with Article 7(7) of the Prospectus Act 2005. Application has also been made to the Luxembourg Stock Exchange for Covered Bonds issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the official list of the Luxembourg Stock Exchange (the **Official List**). This document comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC as amended (which includes amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) (the **Prospectus Directive**) but is not a base prospectus for the purposes of Section 12(a)(2) or any other provision of or rule under the United States Securities Act of 1933 (as amended) (the **Securities Act**).

References in this Base Prospectus to Covered Bonds being listed and all related references shall mean that such Covered Bonds are intended to be admitted to trading on the Luxembourg Stock Exchange's regulated market and are intended to be listed on the official list of the Luxembourg Stock Exchange's regulated market for the purposes of Directive 2004/39/EC (the **Markets in Financial Instruments Directive**).

The Programme also permits Covered Bonds to be issued on the basis that they will be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

The maximum aggregate nominal amount of all Covered Bonds from time to time outstanding under the Programme will not exceed €5 billion (or its equivalent in other currencies calculated as described herein). The maximum aggregate nominal amount of all Covered Bonds that may from time to time be outstanding under the Programme was raised to €5 billion (from €3 billion) on 25 February 2016 in accordance with the provisions of the Programme Agreement, as defined under "Subscription and Sale" below. The payment of all amounts due in respect of the Covered Bonds will constitute direct and unconditional obligations of the Issuer, having recourse to assets forming part of the cover pool (the **Cover Pool**).

The Covered Bonds may be issued on a continuing basis to one or more of the Dealers specified under "*General Description of the Programme*" and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an on-going basis (each a **Dealer** and together the **Dealers**). References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Covered Bonds being (or intended to be) subscribed by more than one Dealer, be to the lead manager of such issue and, in relation to an issue of Covered Bonds subscribed by one Dealer, be to such Dealer.

The price and amount of Covered Bonds to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions. Notice of the aggregate nominal amount of Covered Bonds, interest (if any) payable in respect of Covered Bonds, the issue price of Covered Bonds and any other terms and conditions not contained herein which are applicable to each Series or Tranche (as defined under "*Terms and Conditions of the Covered Bonds*") of Covered Bonds will be set out in a separate document specific to that Series or Tranche called the final terms (each, a **Final Terms**) which, with respect to Covered Bonds to be listed on the Official List and admitted to trading on the Luxembourg Stock Exchanges regulated market, will be delivered to the Luxembourg Stock Exchange on or before the date of issue of such Series or Tranche of Covered Bonds.

The rating of certain Series of Covered Bonds to be issued under the Programme may be specified in the applicable Final Terms as assigned by Moody's Investors Service Limited or its successors (**Moody's**). Moody's is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such, Moody's is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at http://www.esma.europe.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating organisation.Investing in Covered Bonds issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations in respect of the Covered Bonds are discussed under "*Risk Factors*" below.

Arranger

Eurobank Ergasias S.A.

Dealer

Eurobank Ergasias S.A.

The date of this Base Prospectus is 29 February 2016.

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms and for each Tranche of the Covered Bonds issued under the Programme and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Copies of each Final Terms (in the case of Covered Bonds to be admitted to trading on the regulated market of the Luxembourg Stock Exchange) and the Base Prospectus will be available free of charge from the registered office of the Issuer and from the specified office of the Paying Agents for the time being in London or in Luxembourg at the office of the Luxembourg Listing Agent.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see the section entitled "*Documents Incorporated by Reference*" below). This Base Prospectus shall be read and construed on the basis that such documents are so incorporated and form part of this Base Prospectus. Any websites included in this Base Prospectus are for information purposes only and shall not be incorporated by reference in and do not form part of this Base Prospectus.

Each Series (as defined herein) of Covered Bonds may be issued without the prior consent of the holders of any outstanding Covered Bonds (the **Covered Bondholders**) subject to the terms and conditions set out herein under "*Terms and Conditions of the Covered Bonds*" (the **Conditions**) as completed by the Final Terms. This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Series of Covered Bonds which is the subject of Final Terms, must be read and construed together with the relevant Final Terms. All Covered Bonds will rank *pari passu* and rateably without any preference or priority among themselves, irrespective of their Series, Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Issuer confirmed to the Dealers named under "*General Information*" below that this Base Prospectus contains all information which is (in the context of the Programme, the issue, offering and sale of the Covered Bonds) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue and the offering and sale of the Covered Bonds) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer or any Arranger.

Neither the Dealer(s) nor any Arranger nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Covered Bond shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently supplemented, or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Covered Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer, any Arranger(s) and any Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Covered Bonds and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Covered Bonds, see "*Subscription and Sale*". In particular, Covered Bonds have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, Covered Bonds may not be offered, sold or delivered within the United States or to U.S. persons. Covered Bonds may be offered and sold outside the United States in reliance on Regulation S under the Securities Act (**Regulation S**).

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Covered Bonds and should not be considered as a recommendation by the Issuer, any Arranger(s), any Dealer(s) or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Covered Bonds. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

The maximum aggregate principal amount of Covered Bonds outstanding at any one time under the Programme will not exceed €5 billion (and for this purpose, the principal amount outstanding of any Covered Bonds denominated in another currency shall be converted into euro at the date of the agreement to issue such Covered Bonds (calculated in accordance with the provisions of the Programme Agreement)). The maximum aggregate principal amount of Covered Bonds which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Programme Agreement as defined under "*Subscription and Sale*".

In this Base Prospectus, unless otherwise specified, references to a **Member State** are references to a Member State of the European Economic Area, references to **€**, **EUR** or **euro** are to the single currency introduced at the start of the third stage of European Economic and Monetary Union (**EMU**) pursuant to the Treaty establishing the European Community and references to **Swiss francs** or **CHF** are to the lawful currency for the time being of Switzerland.

In this Base Prospectus, all references to **Greece** or to the **Greek State** are to the Hellenic Republic.

This Base Prospectus has been prepared on the basis that any offer of Covered Bonds in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Covered Bonds. Accordingly any person, making or intending to make an offer to the public of Covered Bonds in that Relevant Member State, may only do so in circumstances in which no obligation arises for the Issuer, any Arranger(s) or any Dealer(s) to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer to the public. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Covered Bonds in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

In connection with the issue of any Series of Covered Bonds, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over allot Covered Bonds or effect transactions with a view to supporting the market price of the Covered Bonds at a level higher than that which might

otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series of Covered Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Covered Bonds and 60 days after the date of the allotment of the relevant Tranche of Covered Bonds. Any stabilisation or over allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

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RISK FACTORS

In purchasing Covered Bonds, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Covered Bonds. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Covered Bonds. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Base Prospectus a number of factors which could materially adversely affect its business and ability to make payments due under the Covered Bonds.

The Issuer believes that the risks described below are the material risks inherent in the transaction for Covered Bondholders, but the Issuer does not represent that the statements below regarding the risks relating to the Covered Bonds are exhaustive. Additional risks or uncertainties not presently known to the Issuer or that the Issuer currently considers immaterial may also have an adverse effect on the Issuer's ability to pay interest, principal or other amounts in respect of the Covered Bonds. Prospective Covered Bondholders should read the detailed information set out in this document and reach their own views, together with their own professional advisers, prior to making any investment decision.

In addition, factors which are material for the purpose of assessing the market risks associated with Covered Bonds issued under the Programme are also described below.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making an investment decision. Words and expressions defined in the "Terms and Conditions of the Covered Bonds" below or elsewhere in this Base Prospectus have the same meanings in this section. Investing in the Covered Bonds involves certain risks. Prospective investors should consider, among other things, the following.

Factors that may affect the Issuer's ability to fulfil its obligations under Covered Bonds issued under the Programme

The Covered Bonds will be obligations of the Issuer only

The Covered Bonds will be solely obligations of the Issuer and will not be obligations of or guaranteed by the Trustee, the Asset Monitor, the Account Bank, the Agents, the Hedging Counterparties, the Arranger, the Dealer(s) or the Listing Agent (as defined below). No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Covered Bonds shall be accepted by any of the Arranger, the Dealer(s), the Hedging Counterparties, the Trustee, the Agents, the Account Bank, any company in the same group of companies as such entities or any other party to the transaction documents relating to the Programme.

Maintenance of the Cover Pool

Pursuant to the Greek Covered Bond Legislation, the Cover Pool is subject to a number of Statutory Tests set out in the Secondary Covered Bond Legislation. Failure of the Issuer to take immediate remedial action to cure any one of these tests will result in the Issuer not being able to issue further Covered Bonds and any failure to satisfy the Statutory Tests may have an adverse affect on the ability of the Issuer to meet its payment obligations in respect of the Covered Bonds.

Pursuant to the Servicing and Cash Management Deed after the occurrence of an Issuer Event the Cover Pool is subject to an Amortisation Test. The Amortisation Test is intended to ensure that the Cover Pool Assets are sufficient to meet the obligations under all Covered Bonds outstanding together with senior expenses that rank in priority to or *pari passu* with amounts due on the Covered Bonds. Failure to satisfy the Amortisation Test on any Calculation Date following an Issuer Event will constitute an Event of Default, thereby entitling the Trustee to accelerate the Covered Bonds subject to and in accordance with the Conditions and the Trust Deed.

Factors that may affect the realisable value of the Cover Pool or any part thereof

The realisable value of Loans and their Related Security comprised in the Cover Pool may be reduced by:

(a) default by borrowers (each borrower being, in respect of a Loan Asset, the individual specified as such in the relevant mortgage terms together with each individual (if any) who assumes from time to time an obligation to repay such Loan Asset (the **Borrower**)) in payment of amounts due on their Loans;

(b) changes to the lending criteria of the Issuer; and

(c) possible regulatory changes by the regulatory authorities.

Each of these factors is considered in more detail below. However, it should be noted that the Statutory Tests, the Amortisation Test and the Individual Eligibility Criteria are intended (but there is no assurance) to ensure that there will be an adequate amount of Loan Assets in the Cover Pool to enable the Issuer to repay the Covered Bonds following service of a Notice of Default and accordingly it is expected (but there is no assurance) that the Loan Assets could be realised for sufficient value to enable the Issuer to meet its obligations under the Covered Bonds. However, deterioration in the value of the Cover Pool Assets (or laws governing the allocation of auction proceeds) could have an adverse effect on Covered Bondholders receiving amounts due under the Covered Bonds.

Default by Borrowers in paying amounts due on their Loans

Borrowers may default on their obligations under the Loans in the Cover Pool. Defaults may occur for a variety of reasons. The Loans are affected by credit, liquidity and interest rate risks. Various factors influence mortgage delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal, such as changes in the national or international economic climate, regional economic or housing conditions, changes in tax laws, interest rates, inflation, the availability of financing, yields on alternative investments, political developments and government policies. Other factors in Borrowers' individual, personal or financial circumstances may affect the ability of Borrowers to repay the Loans. Loss of earnings, illness, divorce and other similar factors may lead to an increase in delinquencies by and bankruptcies of Borrowers, and could ultimately have an adverse impact on the ability of Borrowers to repay the Loans. In addition, the ability of a Borrower to sell a property given as security for a Loan at a price sufficient to repay the amounts outstanding under that Loan will depend upon a number of factors, including the availability of buyers for that property, the value of that property and property values in general at the time.

Changes to the Lending Criteria of the Issuer

Each of the Loans originated by the Issuer will have been originated in accordance with its Lending Criteria at the time of origination. The Lending Criteria of the Issuer also includes the Lending Criteria applied by Proton Bank and New Postbank (which merged with the Issuer in November and December 2013 respectively). It is expected that the Issuer's Lending Criteria will generally consider,

inter alia, type of property, term of loan, age of applicant, loan-to-value ratio, status of applicant and credit history. The Issuer retains the right to revise its Lending Criteria from time to time but would do so only to the extent that such a change would be acceptable to a reasonable, prudent mortgage lender. If the Lending Criteria change in a manner that affects the creditworthiness of the Loans, that may lead to increased defaults by Borrowers and may affect the realisable value of the Cover Pool, or part thereof, and the ability of the Issuer to make payments under the Covered Bonds.

Loans not originated by Issuer

It should be noted that a significant proportion of the Loans included and that may be included by the Issuer into the Cover Pool may not have been originated by the Issuer in the case of Loans that are, or will in the future be, acquired by the Issuer. In respect of such acquired Loans, there can be no assurance that the lending criteria of the relevant originating entity will be as effectively applied as, or comparable with (and not materially inferior to), that of the Issuer. Accordingly the asset quality of Loans not originated by the Issuer may be materially worse than that of Loans that were originated by the Issuer. This may result in the deterioration in the performance and value of the Cover Pool Assets. It may also make it harder for the Statutory Tests to be met.

Risks relating to Loans denominated in a currency other than euro

CHF Loans will be included in the Cover Pool at the Programme Closing Date. If an FX Swap has been put in place, amounts received by the Issuer in Swiss Francs in respect of such CHF Loans will be paid to the FX Swap Provider (with the exception of such CHF amounts which are used to make payments under any CHF denominated Covered Bonds or other liabilities secured by the Cover Pool and denominated in CHF, outstanding from time to time). Amounts received by the Issuer from the FX Swap Provider will be paid into the EUR Transaction Account prior to an Issuer Event and will form part of the Covered Bonds Available Funds and be applied by the Issuer in accordance with the applicable Priorities of Payments following an Issuer Event. The risks associated with CHF Loans are mitigated to an extent by limiting the aggregate Outstanding Principal Balance of all CHF Loans in the Cover Pool to 20% of the aggregate Outstanding Principal Balance of all Loans comprising the Cover Pool.

Risks relating to Subsidised Loans

In the Hellenic Republic subsidies are available to borrowers in respect of interest payments made under residential mortgage loans. The availability and amount of subsidy is determined by reference to the financial and social circumstances of a borrower and are made available from the Greek State and/or the OEK. In accordance with article 35 of Greek law 4144/2013 (GG A' 88/18.4.2013), the Manpower Employment Organisation (**OAED**) became successor of the Greek Workers Housing Association (**OEK**) and Greek Workers Housing Organisation (**OEE**) and acquired every right and obligation thereof. As of 14th February 2012, OEK and OEE ceased to exist pursuant to article 1 paragraph 6 of Greek law 4046/2012. Assets, liabilities and any kind of pending cases since the entry into force of Greek law 4144/2013 were transferred from those legal persons to OAED.

Regarding loans, in respect of which exclusively OEK made payment of the subsidised interest amount, OAED shall continue the payments thereof (as a universal successor of OEK). The Greek State, the OEK and any other applicable Greek State owned entity's subsidy payments will be part of the Cover Pool in accordance with Article 152 along with the other receivables under the loan agreements.

The Issuer receives the subsidised component of interest due under the some of the Subsidised Loans from the OAED, the Greek State or any other applicable Greek State owned entity. OAED maintains a savings bank account at Eurobank (the **OAED Savings Account**) and the Servicer, will be

authorised to deduct the amount of the subsidy related to the relevant Subsidised Loan from this account and then transfer such amounts to the Collection Account or, following an Issuer Event, to the Transaction Account according to the terms of the Servicing and Cash Management Deed. On the other hand, until such withdrawal from the OAED Savings Account by the Servicer, OAED remains liable to the Issuer for the relevant subsidy. If the OAED Savings Account balance for any given month has not been sufficiently replenished by the OAED in advance of the next month's automated deduction of the subsidy amounts, the remaining balance owing to Eurobank and to be transferred by the Servicer into the Collection Account or, following an Issuer Event, the Transaction Account will be deducted once additional funds have been deposited by the OAED.

The Greek State will make payments of the subsidised interest amounts to Eurobank into account maintained at Eurobank (the **Eurobank Bank of Greece Account**) and then the Servicer shall be authorised to transfer such amounts to the Collection Account or, following an Issuer Event, to the Transaction Account according to the terms of the Servicing and Cash Management Deed. The Servicer will notify the Greek State of the subsidised interest amounts that are payable by them and will undertake to take action necessary to ensure that the Greek State make payment of the subsidised interest amounts that are payable by them.

In respect of any other subsidies provided by a Greek State owned entity, the amounts paid by way of subsidy will be transferred by the Servicer into the Collection Account or, following an Issuer Event, to the Transaction Account in accordance with the standard procedures applicable to such entity and the Servicer shall notify the relevant state subsidised entity of the amount of any such subsidy due as soon as possible.

Historically, subsidised loans perform better than non-subsidised loans, as the Greek State or the OEK and its successor OAED (as appropriate) is required to make payments of the subsidised interest amounts. However, Borrowers are liable to repay the full amount of interest due under the relevant Loan. If the Greek State and/or OAED fails to pay any subsidised interest amounts then the Borrower may be unable to meet payments due under their Loan. If the Borrower fails to pay the full amount under its Loan, the Issuer may be unable to satisfy its obligations under the Covered Bonds.

By virtue of article 55 of Greek Law 4305/2014 the Borrower may file a petition for the extension of its OAED Subsidised Loans provided that at the date of such petition the amount of any due payments that remain unpaid does not exceed the aggregate of six monthly instalments. The period set by the abovementioned provision for the filing of such petition was within six months from the publication of Greek Law 4305/2014 which took effect on 31 October 2014 but such period was extended until 31 December 2015 by virtue of the joint decision of the Minister of Finance, Infrastructure, Development and Tourism and the Minister of Labour Social Security and Social Solidarity under number 19068/819/4-5-2015. Therefore the said law , as amended per above, may have an adverse effect on the timing of the amount of collections under the loans granted to the Borrowers that make use of its provisions.

The OAED pays subsidised interest amounts under the relevant Subsidised Loans on a monthly basis and up to two months in arrears and the Greek State pays subsidised interest amounts under the relevant Subsidised Loans every six months in arrears. Accordingly, the Issuer will not receive the portion of the interest that is subsidised by the OAED and the Greek State in respect of such Subsidised Loan at the same time as the unsubsidised portion of interest paid by the Borrower. In addition, a Greek State owned entity may not pay the subsidy at the same time as unsubsidised amounts are paid by the Borrower.

Under Greek law, the Greek State and OAED will not benefit from sovereign immunity in respect of their obligations. Investors should also note that enforcement of judgments against the Greek State or the OAED may be subject to limitations.

Any changes in Greek law or the administrative practice of the Greek State or the OAED which affect the timing and amount of subsidised interest payable could result in an adverse affect of the ability of the Issuer to make payments in respect of the Notes.

Borrower inability to repay due to CHF/EUR exchange rate fluctuations

Borrowers of Loans denominated in Swiss francs (the **CHF Loans**) choosing to pay their Loans in EUR without CHF Collar Protection (as defined below) may become unable to repay the loans in the event of wide fluctuations in CHF/EUR currency exchange rates and as a result may default. As a result of such defaults the Issuer may not receive payments it would otherwise be entitled to from such Borrowers. If there are insufficient funds available as a result of such defaults, then the Issuer may not be able, after making the payments to be made in priority thereto, to pay, in full or at all, amounts of interest and principal due to holders of the Covered Bonds. In this situation, there may not be sufficient funds to redeem the Covered Bonds on or prior to the Final Maturity Date. The risk is mitigated to an extent by:

(i) some Borrowers of CHF Loans electing from time to time, for a fee, to purchase an optional three-year FX payment protection plan against FX volatility of +/- 5 (or +3/-7) per cent. from the initial CHF/EUR exchange rate (the **CHF Collar Protection**). This provides for three years' protection, based upon the exchange rate prevailing when the Borrower of the CHF Loans entered into the CHF Collar Protection. The Borrower of the CHF Loans remains fully exposed to the currency risk for the outstanding principal balance of the CHF Loans at the end of the CHF Collar Protection programme. The Borrower of the CHF Loans can enter into successive protection plans at any time, but only at the then prevailing CHF/EUR exchange rate; and

(ii) limiting the aggregate Outstanding Principal Balance of all CHF Loans in the Cover Pool to 20% of the aggregate Outstanding Principal Balance of all Loans comprising the Cover Pool.

Sale of Loans and their Related Security following the occurrence of an Issuer Event

Following the occurrence of an Issuer Event, the Servicer, or any person appointed by the Servicer, will be obliged to try to sell in whole or in part the Loan Assets in accordance with the Servicing and Cash Management Deed. The proceeds from any such sale will be credited to the Transaction Account and applied in accordance with the Priority of Payments. There is no guarantee that the Servicer will be able to sell in whole or in part the Loan Assets as the Servicer may not be able to find a buyer at the time it is obliged to sell or sell for a price that would enable all amounts to be paid in full under the Covered Bonds.

The Issuer will have the right to prevent the sale of a Loan Asset to third parties by removing the Loan Asset made subject to sale from the Cover Pool and transferring within ten Athens Business Days from the receipt of the offer letter, to the Transaction Account, an amount equal to the price set forth in such offer letter, subject to the provision of a solvency certificate.

No representations or warranties to be given by the Servicer if Loan Assets are to be sold

Following an Issuer Event, the Servicer will be obliged to sell Loan Assets to third party purchasers (subject in certain circumstances to a right of pre-emption in favour of the Issuer) pursuant to the terms of the Servicing and Cash Management Deed. In respect of any sale of Loan Assets to third parties, however, the Servicer will not be permitted to give representations and warranties or indemnities in respect of those Loan Assets. There is no assurance that the Issuer would give any representations and warranties or indemnities in respect of the Loan Assets. Any representations and warranties previously given by the Issuer in respect of the Loan Assets in the Cover Pool may not

have value for a third party purchaser if the Issuer is then insolvent. Accordingly, there is a risk that the realisable value of the Loan Assets could be adversely affected by the lack of representations and warranties or indemnities. See "*Description of the Transaction Documents – Servicing and Cash Management Deed*".

Reliance on Hedging Counterparties

To provide a hedge against possible variances in the rates of interest payable on the Loans in the Cover Pool (which may, for instance, include discounted rates of interest, fixed rates of interest or rates of interest which track a base rate and other variable rates of interest and EURIBOR for 1, 3 or 6 month euro deposits), the Issuer may enter into an Interest Rate Swap with the Interest Rate Swap Provider in respect of each Series of Covered Bonds under the Interest Rate Swap Agreement. Where the Cover Pool contains CHF Loans, the Issuer may enter into one or more FX Swaps under the FX Swap Agreement in respect of such loans to provide a currency hedge against the amounts received on such loans and the euro payments to be made by the Issuer under the Interest Rate Swap.

In addition, to provide a hedge against interest rate, currency and/or other risks in respect of amounts received by the Issuer under the Loans in the Cover Pool and the Interest Rate Swaps and amounts payable by the Issuer under the Covered Bonds and amounts payable by the Issuer under the Covered Bonds, the Issuer may enter into a Covered Bond Swap with a Covered Bond Swap Provider in respect of a Series of Covered Bonds under the Covered Bond Swap Agreement.

If the Issuer fails to make timely payments of amounts due under any Hedging Agreement, then it will have defaulted under that Hedging Agreement. A Hedging Counterparty is only obliged to make payments to the Issuer as long as the Issuer complies with its payment obligations under the relevant Hedging Agreement. If the Hedging Counterparty is not obliged to make payments or if it defaults on its obligations to make payments of amounts in the relevant currency equal to the full amount to be paid to the Issuer on the due date for payment under the relevant Hedging Agreement, the Issuer will be exposed to any changes in the relevant currency exchange rates to Euro and to any changes in the relevant rates of interest. Unless a replacement swap is entered into, the Issuer may have insufficient funds to make payments under the Covered Bonds.

If a Hedging Agreement terminates, then the Issuer (or the Servicer on its behalf) may be obliged to make a termination payment to the relevant Hedging Counterparty. There can be no assurance that the Issuer (or the Servicer on its behalf) will have sufficient funds available to make a termination payment under the relevant Hedging Agreement, nor can there be any assurance that the Issuer will be able to enter into a replacement swap agreement, or if one is entered into, that the credit rating of the replacement swap counterparty will be sufficiently high to prevent a downgrade of the then current ratings of the Covered Bonds by the Rating Agencies.

If the Issuer is obliged to pay a termination payment under any Hedging Agreement, such termination payment will rank *pari passu* with amounts due on the Covered Bonds (in respect of the Covered Bond Swaps and Interest Rate Swaps), except where default by, or downgrade of, the relevant Hedging Counterparty has caused the relevant Swap Agreement to terminate.

Conflicts of Interest

Certain parties to this Programme act in more than one capacity. The fact that these entities fulfil more than one role could lead to a conflict between the rights and obligations of these entities in one capacity and the rights and obligations of these entities in another capacity. In addition, this could also lead to a conflict between the interests of these entities and the interests of the Covered Bondholders. Any such conflict may adversely affect the ability of the Issuer to make payments of principal and/or interest in respect of the Covered Bonds.

Differences in timings of obligations of the Issuer and the Covered Bond Swap Provider under the Covered Bond Swaps

With respect to each of the Covered Bond Swaps, the Issuer (or the Servicer on its behalf) will, periodically, pay or provide for payment of an amount to each corresponding Covered Bond Swap Provider based on EURIBOR for Euro deposits for the agreed period. The Covered Bond Swap Provider may not be obliged to make corresponding swap payments to the Issuer under a Covered Bond Swap until amounts are due and payable by the Issuer under the Covered Bonds. If a Covered Bond Swap Provider does not meet its payment obligations to the Issuer under the relevant Covered Bond Swap Agreement or such Covered Bond Swap Provider does not make a termination payment that has become due from it to the Issuer under the Covered Bond Swap Agreement, the Issuer may have a larger shortfall in funds with which to make payments under the Covered Bonds than if the Covered Bond Swap Provider's payment obligations coincided with the Issuer's payment obligations under the Covered Bond Swap. Hence, the difference in timing between the obligations of the Issuer and the obligations of the Covered Bond Swap Providers under the Covered Bond Swaps may affect the Issuer's ability to make payments with respect to the Covered Bonds.

Change of counterparties

The parties to the Transaction Documents who receive and hold moneys pursuant to the terms of such documents (such as the Account Bank) are required to satisfy certain criteria in order that they can continue to receive and hold moneys.

These criteria include requirements in relation to the short-term, unguaranteed and unsecured credit ratings ascribed to such party by the Rating Agency. If the party concerned ceases to satisfy the applicable criteria, as set out in the relevant Transaction Document then the rights and obligations of that party (including the right or obligation to receive moneys on behalf of the Issuer) may be required to be transferred to another entity which does satisfy the applicable criteria. In these circumstances, the terms agreed with the replacement entity may not be as favourable as those agreed with the original party pursuant to the relevant Transaction Document.

In addition, should the applicable criteria cease to be satisfied, then the parties to the relevant Transaction Document may agree to amend or waive certain of the terms of such document, including the applicable criteria, in order to avoid the need for a replacement entity to be appointed. The consent of Covered Bondholders may not be required in relation to such amendments and/or waivers.

Economic Activity in Greece and South-Eastern Europe

The Issuer's business activities are dependent on the level of banking, finance and financial services required by its customers. In particular, levels of borrowing are heavily dependent on customer confidence, employment trends, the state of the economy and market interest rates at the time. As the Issuer currently conducts the majority of its business in Greece and South-Eastern Europe (**New Europe**), its performance is influenced by the level and cyclical nature of business activity in Greece and New Europe, which is in turn affected by both domestic and international economic and political events. There can be no assurance that a weakening in the Greek economy or the economies of other New Europe countries will not have a material effect on the Issuer's future results.

Market turmoil and deteriorating macro-economic conditions, especially in Greece and New Europe, could materially adversely affect the liquidity, businesses and/or financial conditions of Eurobank's borrowers, which could in turn further increase its non-performing loan ratios, impair its loans and other financial assets and result in decreased demand for borrowings in general. In a context of continued market turmoil, worsening macro-economic conditions and increasing unemployment coupled with declining consumer spending, the value of assets collateralising Eurobank's secured

loans, including homes and other real estate, could decline, which could result in impairment of the value of Eurobank's loan assets and could be accompanied by an increase in its non-performing loan ratios. In addition, Eurobank's customers may further significantly decrease their risk tolerance to non-deposit investments such as stocks, bonds and mutual funds, which would adversely affect Eurobank's fee and commission income.

Risks Relating to the Greek Economic Crisis

Adverse macroeconomic and financial developments and uncertainty in Greece have had, and are likely to continue to have, significant adverse effects on the Issuer's business, results of operations, financial condition and prospects.

The majority of the Issuer's business is in Greece. For the nine months ended 30 September 2015, the Issuer's Greek operations accounted for 72% of the Issuer's operating income, 85% of the Issuer's gross loans and 72% of the Issuer's net interest income. For the year ended 31 December 2014, the Issuer's Greek operations accounted for 72% of the Issuer's operating income, 85% of the Issuer's gross loans and 73% of the Issuer's net interest income. Accordingly, the Issuer's business, results of operations, the quality of the Issuer's assets and general financial condition are directly and significantly affected by macroeconomic conditions and political developments in Greece. As a financial institution operating in Greece, Eurobank hold a portfolio of Greek government debt and related derivatives. As at 30 September 2015, the Issuer's overall exposure to the Greek state and state entities amounted to €5,532 million, comprising Greek government bonds with a book value of €1,725 million, Greek treasury bills with a book value of €2,306 million, financial derivatives with the Greek state amounting to €1,007 million and loans, financial guarantees and other claims towards the Greek state of €494 million. In total, Greek government bonds and Greek treasury bills represented 7% of the Issuer's assets and 22% of the Issuer's securities portfolio as at 30 September 2015 and 5% of the Issuer's assets and 22% of the Issuer's securities portfolio as at 31 December 2014. In addition to its effect on the Issuer's operations in Greece, the current macroeconomic environment and adverse macroeconomic and political developments in Greece have also had, and may continue to have, a material adverse effect on the Group's reputation, competitive position, results of operations and deposits of the Issuer's international operations.

Since May 2010, Greece has been receiving financial support from the European Union (**EU**) and the International Monetary Fund (**IMF**) in the form of financial loans within the framework of economic adjustment programmes, which included a series of fiscal policy measures and structural reforms. In the private sector involvement in the first half of 2012 (the **PSI**), existing Greek government bonds were exchanged for new Greek government bonds having a face amount equal to 31.5% of the face amount of the debt exchanged and two-year European Financial Stability Fund (**EFSF**) bonds having a face amount equal to 15% of the face amount of the debt exchanged. Each participating holder also received detachable GCP-linked securities of Greece with a notional amount equal to the face amount of the new Greek bonds issued to that participating holder. As at 31 December 2012, total losses to the Group from the PSI amounted to €6.2 billion, most of which were recognised in 2011. In December 2012, the Greek state completed a buy-back of Greek government bonds (the **Buy-Back Programme**), in which Eurobank submitted for exchange the Issuer's entire portfolio of new Greek government bonds with a total face value of €2.3 billion (carrying amount €0.6 billion) and received EFSF bonds with a total face value of €0.8 billion. As a result of its participation in the Buy-Back Programme, the Group recognised a gain of €192 million for the financial year ended 31 December 2012. As at 30 September 2015, Eurobank had total deferred tax assets (**DTAs**) of €4.9 billion, of which €1.3 billion related to the PSI and the Buy-Back Programme. Under Law 4340/2015, a portion of the Issuer's DTAs could be converted into directly enforceable claims against the Greek state.

Following the Parliamentary elections of 25 January 2015, the new Greek government moved to negotiate a new financing framework and a revised reform programme with the IMF, the EU and the

ECB (the **Institutions**) in the context of the fifth review of the Second Economic Adjustment Programme.

In the context of these negotiations, the Second Economic Adjustment Programme was extended by the EFSF at the request of the Greek government until 30 June 2015, to allow the Greek authorities to design and implement reforms that would lead to a successful conclusion of the review of the Second Economic Adjustment Programme and the design of the necessary implementation measures. Another technical extension of the Second Economic Adjustment Programme had been previously granted on 19 December 2014 until 28 February 2015 (the programme was scheduled to expire on 31 December 2014).

The negotiations and discussions between Greece and the Institutions did not lead to an agreement or the successful completion of the review of the Second Economic Adjustment Programme. As a result, additional financial assistance within the framework of such programme was not dispersed and the liquidity position of the Greek state deteriorated significantly in the period from January 2015 to the end of June 2015.

On 26 June 2015, a referendum on the measures proposed by the Institutions was called by the Greek government for 5 July 2015 against the backdrop of significant pressures on public finances, significant deposit outflows and growing uncertainty on the ability of Greece to continue to meet its international payment obligations.

On 28 June 2015, the ECB announced that it would not increase the ceiling for the emergency liquidity assistance (**ELA**) for Greece's banking system from the €89 billion limit agreed on 26 June 2015. At that time, the Eurosystem's support to Greek banks (directly through the ECB's main refinancing operations and indirectly through the ELA) amounted to €126.6 billion (of which the Issuer's Eurosystem funding totalled €32.7 billion), which exceeded 70% of Greece's GDP. Limited access to liquidity in the Greek banking system resulted in heavy reliance on Eurosystem funding, without which Greece's banking system would have come under severe pressure, threatening the continued operations of the Greek banks.

In order to protect the Greek banking system from increasing deposit outflows, the Greek government passed legislation on 28 June 2015 declaring the period from 28 June 2015 through 6 July 2015 a bank holiday for all financial and payment institutions operating in Greece in any form. Simultaneously, restrictions on cash withdrawals from ATMs, transferring funds abroad and other transactions were put in force during the bank holiday. In parallel, the regulated markets and the multilateral trading facility of Athens Stock Exchange (**ATHEX**) remained closed throughout the bank holiday, pursuant to a decision of the Hellenic Capital Market Commission. In the referendum on 5 July 2015, 61.31% of the voters rejected the bailout conditions proposed by the Institutions. The bank holiday was subsequently extended until 20 July 2015.

After the end of the bank holiday, cash withdrawal and capital transfer restrictions were put in place and are still in effect, mainly pursuant to the Legislative Acts dated 18 July 2015, which was ratified by article 4 of Greek law 4350/2015, as amended and currently in force. The Second Economic Adjustment Programme and the overall financial support framework for Greece expired on 30 June 2015 and Greece missed a payment due to the IMF on the same day. Following the distressed financial conditions generated by the bank holiday, capital controls, deteriorating public finances and arrears due to the IMF, Greece finally made a request for financial support.

On 11 July 2015, the Greek Parliament authorised the Prime Minister and certain other Ministers of the government to negotiate the final terms and conditions for a new loan from the European Stability Mechanism (**ESM**).

On 12 July 2015 and 13 July 2015, a Euro Area Summit took place whereby Greece committed to remain within the Eurozone and to adopt a first set of measures to enact within a strict timeline in order to rebuild trust with the Institutions and as a prerequisite for initiating negotiations for the Memorandum of Understanding for further financial support.

The Greek Parliament passed the relevant legislation on 16 July 2015 and on 23 July 2015.

On 17 July 2015, Greece obtained a three-month €7.2 billion bridge loan from the European Union, following which, on 20 July 2015, Greece repaid the totality of its arrears to the IMF, equivalent to SDR 1.6 billion (approximately €2.0 billion) and €4.2 billion to the ECB. On 23 July 2015, a separate request for financial assistance was sent to the IMF.

On 3 August 2015, the HCMC Board of Directors decided to reopen the regulated markets and the multilateral trading facility operated by ATHEX subject to certain restrictions (primarily on Greek investors).

On 11 August 2015, the Greek authorities, the European Commission and the ECB, with input from the IMF, reached a staff level agreement on the Memorandum of Understanding, which the Eurozone finance ministers (the **Eurogroup**) endorsed politically, and on 14 August 2015 the Greek Parliament approved the Financial Assistance Facility Agreement (the **FAFA**) and the Memorandum of Understanding. The Memorandum of Understanding provided a further set of prior actions which the Greek Parliament voted for on 14 August 2015.

On 19 August 2015, the European Commission (on behalf of the ESM) signed the Memorandum of Understanding, which sets forth the conditions attached to disbursements under the FAFA and a comprehensive set of fiscal and other measures and structural reforms constituting the Third Economic Adjustment Programme, and which included up to €86 billion in financial assistance with an average maturity of 32.5 years. Although the IMF did not participate in the Third Economic Adjustment Programme, it will continue providing technical assistance. The full participation of the IMF will be conditional on the implementation of certain structural reforms and the achievement of debt sustainability.

A first disbursement of funds under the FAFA in the amount of €13 billion was made on 20 August 2015. On the same day, following the government's resignation, the Greek Parliament was dissolved on 28 August 2015, and parliamentary elections were called for 20 September 2015. Following the 20 September elections, the governing coalition led by Prime Minister Tsipras remained in power.

The Third Economic Adjustment Programme provides for up to €86 billion in financial assistance to be made available to Greece over a period of three years (2015-2018) and requires a series of structural reform measures. A total buffer of up to €25 billion (out of the €86 billion) has been allocated to address the recapitalisation needs of viable banks and resolution costs of non-viable banks whilst the FAFA specifies the financial terms of the loan Greece will receive from the ESM. In accordance with the Memorandum of Understanding, the disbursement of funds is linked to progress in the delivery of certain policy conditions, reviewed and updated quarterly, that are intended to enable the Greek economy to return to a sustainable growth path based on sound public finances, enhanced competitiveness and investment, high employment and financial stability. Notwithstanding the Third Economic Adjustment Programme, the Greek economy will continue to be affected by the credit risk of other countries in the EU, the creditworthiness of commercial counterparties internationally and the repercussions arising from changes to the European institutional framework, which may contribute to continuing investor fears regarding Greece's capacity to honour its financial commitments.

The Greek Government managed to complete two sets of prior actions - reforms from the Third Economic Adjustment Programme at the end of November 2015 and in December 2015. This

permitted the disbursement of two additional instalments of €3.0 billion in total, from the August 2015 first instalment of the ESM loan. By the mid-December 2015, four systemic bank's recapitalisation was completed with only approximately €5.4 billion from the initial buffer of up to €25 billion used. The unused funds were subtracted from the ESM loan, reducing it to approximately €64.5 billion as of the end of January 2016. However, the first review of the Third Economic Adjustment Programme is still pending. A series of reforms still needs to be completed and, as of early February 2016, the first review is not expected to be completed before the end of March 2016. The most crucial reform items include the pension reform, the reform of the income tax code, the fiscal measures for the Medium Term Fiscal plan for 2016-2018, the secondary market for first residence and SMEs non-performing loans (**NPLs**), the modernisation of Greece's public administration and the creation of a new privatisation fund[1].

Greece has encountered and continues to encounter significant fiscal challenges and structural weaknesses in its economy that led to concerns of a possible Greek exit from the Eurozone. However, this risk carries now a lower probability compared with mid 2015 since the current government was elected with a pro-reform programme in late September 2015 and the main opposition party is pro-reformist as well. The potential magnitude and range of effects that may occur if Greece were to exit the Eurozone are uncertain, but any exit or threat of exit could have a material adverse effect on the Issuer's operations and liquidity position, including the Issuer's ability to continue accessing ECB funding. In addition, the increased foreign currency exchange rate risk from the adoption of a national currency, which could be devalued significantly against other major currencies, could impact on the Issuer's business, results of operations, financial condition and prospects. The conversion of the Cover Pool Assets into local currency as a result of the abandonment of the euro by Greece may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and timely manner. The adoption by Greece of a local currency may lead to the Covered Bonds ceasing to be eligible for use as collateral with the ECB or result in them becoming less liquid.

For further details on exchange risk see. "*General risk factors" – "Exchange rate risks and exchange controls"*.

Further, the negotiations in the first half of 2015, the failure to successfully complete the negotiations on the Second Economic Adjustment Programme, the ensuing financial, fiscal and political uncertainty, the imposition of capital controls, the referendum, the bank holiday and associated political uncertainty negatively affected consumer and investment confidence in the Greek economy and the trust between the Greek government and the Institutions, which still may jeopardise the implementation of the Third Economic Adjustment Programme and the benefits expected therefrom, leading to additional significant political and macroeconomic consequences. See "*Failure in implementing the Third Economic Adjustment Programme or in realising the benefits of the programme may have material adverse effects on the Issuer's business, results of operations, financial condition and prospects*".

The current macroeconomic environment, adverse macroeconomic and political developments and uncertainty in Greece have had, and are likely to continue to have, a material adverse effect on the Issuer's business, results of operations, financial condition and prospects, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

[1] Refer to: http://www.esm.europa.eu/press/releases/esm-board-of-directors-approves-1-billion-disbursement-to-greece1.htm, http://www.esm.europa.eu/press/releases/esm-board-of-directors-approves-2-billion-disbursement-to-greece.htm, http://www.consilium.europa.eu/en/meetings/eurogroup/2016/01/14/

Failure in implementing the Third Economic Adjustment Programme or in realising the benefits of the programme may have material adverse effects on the Issuer's business, results of operations, financial condition and prospects.

In the event of failure in the implementation of the Third Economic Adjustment Programme, if Greece defaults on its debt in the future or if further restructuring of such debt is implemented, the Issuer's regulatory capital will likely be affected because of the potential need for significant additional provisions for loans and other assets, and Eurobank will have to seek additional capital resulting in a significant dilution of existing shareholders. In such circumstances, Eurobank may not be in a position to raise additional capital on favourable terms, or at all, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

The fiscal targets of the Third Economic Adjustment Programme may not be met and Eurobank cannot assess the effects of the measures implemented under the programme on general economic activity. Further, the Greek government may not be in a position to implement the required structural reforms in full on a timely basis. Failure to implement such reforms and to attain the fiscal targets of the Third Economic Adjustment Programme may lead to termination of the financial support by the ESM, which will in turn increase the risk of the occurrence of an adverse credit event regarding Greece's public debt. Any risks relating to financial stability in Greece and the ability of Greece to fulfil its international obligations, either as such or in combination with other adverse developments (including, for example, aggravation of international financial conditions or at a Eurozone level), could have a material adverse effect on the Eurobank's business, results of operations, financial condition and prospects, including:

- a significant increase in the provisions Eurobank record, mostly for loans;
- a reduction of the carrying amount of Eurobank's portfolio of Greek government debt and other securities;
- an impairment in the carrying amount of Eurobank's DTAs;
- a weakening of Eurobank's regulatory capital position;
- significant difficulties in raising funds and complying with minimum capital and funding regulatory requirements;
- a substantial reduction in Eurobank's liquidity;
- difficulty in achieving sustainable levels of profitability;
- increased ownership and control by the Greek state, including as a result of the provision of new capital support;
- forced consolidation in the banking sector; and
- imposition of resolution measures under Law 4335/2015, which implemented the Bank Recovery and Resolution Directive (establishing a framework for the recovery and resolution of credit institutions and investment firms (the **BRRD**)).

Even if the Third Economic Adjustment Programme is successfully implemented, the Greek economy may not achieve the level of economic growth required to ease the financial constraints affecting the country and the markets. If the Greek economy requires more time than expected to respond to social security, labour market and other structural reforms intended to enhance competitiveness or if fiscal effects of the recession are more severe than currently anticipated, the financial crisis may last longer than expected. In addition, any delay, defect or failure in the implementation of any of the above

measures under the Third Economic Adjustment Programme may have an adverse effect on the Greek banking sector in general and could have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

The capital control measures currently in force have adversely affected and may further affect the Greek economy and cause further liquidity challenges and increase NPLs.

On 28 June 2015, following the announcement of the ECB that it would not increase the ceiling for the ELA for Greece's banking system from the €89 billion limit agreed on 26 June 2015, the Greek government implemented cash withdrawal and capital transfer restrictions. At that time, the Eurosystem's support to Greek banks (directly through the ECB's main refinancing operations and indirectly through the ELA) amounted to €126.6 billion (of which the Issuer's Eurosystem funding totalled €32.7 billion), which exceeded 70% of Greece's GDP. According to the Bank of Greece, on 17 February 2016 the ELA amounted to approximately €71.4 billion, a significant improvment compared with the ELA as at late June 2015.

These capital controls have caused, and are likely to continue to cause, distress to the economy due to the loss of confidence in the Greek banking sector, the constriction in liquidity and the adverse effect on Greek exports, among other factors. According to the Hellenic Statistical Authority, the total value of imports and arrivals in July 2015 amounted to €3.0 billion compared to €4.4 billion in July 2014, a decrease of 31.7%. The trade deficit balance in July 2015 amounted to €714.9 million compared to €1,939.3 million in July 2014, a decline of 63.1%. The end of the banking holiday, the agreement on the Third Economic Adjustment programme and the partial relaxation of the capital controls led to a stabilisation of the situation regarding imports. According to the most recent data issued by the Hellenic Statistical Authority, real GDP increased by approximately 0.3% and 0.8% in the first and second quarter of 2015, but decreased by approximately 1.9% and 0.9% in the third and fouth quarters of 2015. On an annual basis, real GDP in 2015 is to decrease by approximately 0.7%, which is lower than the respective European Commission Winter projection of 0.0%. According to the Hellenic Statistical Authority imports and arrivals in November 2015 amounted to €3.6 billion compared to €3.9 billion in November 2014, a decrease of 6.6%. The trade deficit balance in November 2015 amounted to €1.5 billion compared to €1.6 billion in November 2014, a decline of 1.8%. Unemployment is expected to be 25.1% in 2015 according to the Winter 2016 Forecast of the European Commission. According to the Hellenic Statistical Authority, unemployment averaged 26.5% in 2014, compared to 27.5% in 2013 and 7.8% in 2008 prior to the Greek financial crisis. According to the Hellenic Statistical Authority, the unemployment rate in October 2015 was 24.5% (October 2014: 26.0%) and had decreased by approximately 1.4% in the first ten months of 2015. The consumer price index (**CPI**) in December 2015 decreased by 0.2% as compared with December 2014. In December 2014, the annual rate of change of the CPI was 2.6% and the monthly rate of change of the CPI was 0.5%. Further, the CPI in December 2015 increased by 0.1% as compared with November 2015.

The capital controls and the bank holiday have affected and continue to affect the Issuer's results of operations and asset quality principally as a result of a loss of confidence in the banking system, an increase in delinquencies on loans in July and August and a decrease in banking fee and commission income during the bank holiday. While some of these factors have shown improvement since the end of the banking holiday and the partial resolution of the uncertainty after the agreement on the Third Economic Adjustment Programme for Greece, the late September 2015 elections and the initiation of the programme's implementation, there may be other adverse effects from the capital controls that are currently not known to the Issuer. The imposition of capital controls, and any resulting decline in customer demand and customers' ability to service their liabilities, may lead to a further contraction of liquidity in the market and an increase in troubled assets, which, consequently, may have an adverse impact on the Issuer's liquidity, business, results of operations, financial condition and prospects, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in

full and in a timely manner. According to the Hellenic Banking Association the lift of the capital controls is expected to occur at the end of June 2016, conditional on the swift conclusion of the first review of the Third Economic Adjustment Programme for Greece. So long as capital controls are in place, the Issuer's operations are limited. Moreover, as and when such restrictions are reduced or lifted, the Issuer may experience significant deposit outflows.

The prolonged economic recession has placed significant pressure on companies and individuals in Greece, and the Issuer is exposed to their financial performance and creditworthiness.

As one of the systemic banks operating in Greece, Eurobank's business, results of operations, financial condition and prospects are exposed in many different ways to the economic and financial performance, creditworthiness, prospects and economic outlook of companies and individuals in Greece or with a significant economic exposure to the Greek economy, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner. For example, Eurobank's business activities depend on the level of demand for banking, finance and financial products and services, as well as customers' capacity to service their obligations or maintain or increase their demand for Eurobank's services. Customer demand and customers' ability to service their liabilities depend considerably on their overall economic confidence, prospects, employment status, the state of the public finances in Greece, investment and procurement by the central government and municipalities and the general availability of liquidity and funding on reasonable terms.

According to the Hellenic Statistical Authority, the Greek economy has been in recession since 2008 (except for slight growth of 0.8% in 2014). Revised data based on the new European System of Accounts methodology (**ESA 2010**) shows that real GDP in Greece decreased by a total of 26.2% between 2008 and 2013. According to the most recent data issued by the Hellenic Statistical Authority, real GDP increased by approximately 0.3% and 0.8% in the first and second quarter of 2015, but decreased by approximately 1.9% and 0.9% in the third and fouth quarters of 2015. On an annual basis, real GDP in 2015 is expected to decrease by approximately 0.7%. This reading is lower than the respective European Commission Winter projection of 0.0%. According to the European Commission, real GDP growth in Greece is expected to decrease by approximately 0.7% in 2016. In addition, the fiscal goal under the 2016 Budget is to achieve a primary deficit (before debt service costs) of 0.20% of GDP in 2015 and a primary surplus of 0.5% in 2016. The primary balance target in the Third Economic Adjustment Programme for Greece in 2017 and 2018 was 1.75% and 3.75% in 2017 and 2018, respectively. Such targets may not be met, and the Greek economy may not recover.

The fiscal discipline measures introduced since the First Economic Adjustment Programme have significantly reduced household disposable income and business profitability, and the additional measures introduced under the terms of the Third Economic Adjustment Programme are expected to add further pressure, and consequently, to have a further adverse effect on the ability of households and businesses to service their loans and meet their other financial obligations to Eurobank and the other operators in the Greek banking sector.

Fiscal discipline measures and the potential deterioration in the business environment may further weaken the demand for loans. Further, the need to reduce Greek banks' dependence on Eurosystem funding has caused, and may further cause, the banks to decrease their lending activity even further.

In an environment characterised by continuing turbulence in the market, negative macroeconomic conditions and high levels of unemployment, combined with decreasing private consumption and corporate investment and the deterioration of credit profiles of corporate and retail borrowers, the value of the assets which collateralise the loans Eurobank have extended, including houses and other immovables, could be further significantly reduced. Such reduction may lead to the reduction in the value of the loans or an increase in loans in arrears. Since the implementation of the Second Economic Adjustment Programme has not been completed, especially with regard to the scheduled

structural reforms, and further fiscal measures were required in addition to the ones already agreed upon, growth in financial activity was much lower than expected in 2014 and the first half of 2015. Although the Fifth Review of the Second Economic Adjustment Programme in June 2014 forecasted private sector credit growth for 2015 to decline by 1.6%, according to the most recent Bank of Greece data private sector credit growth declined by 3.6% in 2015 on an annual basis. If the implementation of the Third Economic Adjustment Programme is also not successful, contraction of financial activity may be even higher than expected for 2015 and 2016, which could further delay the recovery of the Greek economy. Under the worst case scenario, a severe economic recession, coupled with increasing market uncertainty and volatility in asset prices, higher unemployment rates and declining consumer spending and business investment, could result in further substantial impairments in the values of the Issuer's loan assets, decreased demand for borrowings, increased deposit outflows (in the event that the current capital controls regime is reduced or lifted) and/or a significant increase in the level of NPLs.

Even if the Third Economic Adjustment Programme is successfully implemented, the Greek economy may not achieve the sustained and robust growth that is necessary to ease the financial constraints on the country and improve conditions for foreign direct investment and the availability of funding from the capital markets.

As the Issuer's ability to obtain funding is constrained and access to the capital markets is limited, the Issuer is dependent on the ECB and the Bank of Greece for funding and the Issuer's liquidity is affected by their decisions.

The ongoing financial crisis, which has adversely affected the Issuer's credit rating, limiting the Issuer's access to international markets for funding, and the continued and sharp decline in the Issuer's deposits since 2009 (from €43 billion as at 31 December 2009 to €41 billion as at 31 December 2013, €41 billion as at 31 December 2014 and €30 billion as at 30 September 2015, in each case, excluding the Issuer's operations in Poland, Turkey and Ukraine) increased considerably the Issuer's reliance on funding from the ECB and the Bank of Greece within the Eurosystem. The deterioration in the Issuer's credit rating has also resulted in increasing funding costs and the need to provide additional collateral in repurchase agreements and other collateralised funding agreements, including the Issuer's agreements with the ECB and the Bank of Greece. The severity of pressure experienced by Greece in its public finances has also restricted the Issuer's access to the capital markets for funding, particularly unsecured funding and funding from the short-term interbank market, because of concerns by counterparty banks and other creditors.

The past uncertainties relating to the implementation of the Second Economic Adjustment Programme and the sovereign debt reduction through the PSI, as well as uncertainty relating to the implementation of the Third Economic Adjustment Programme, have adversely affected and are expected to continue to adversely affect liquidity and profitability of the Greek financial system in general and of Eurobank in particular. Liquidity in the Greek banking system is limited, reflecting limited access to the market for financing since the end of 2009 and a sizeable contraction of the domestic deposit base since the end of 2010 (42% cumulatively through 30 June 2015 in the private sector, according to Bank of Greece data) and a heavy reliance on Eurosystem funding (directly through the ECB's main refinancing operations and indirectly through the ELA mechanism of the Bank of Greece), as well as more recently the imposition of capital controls.

Political initiatives at an EU level for amendments to the framework for supporting credit institutions have resulted in the adoption of the BRRD in May 2014, which was transposed into Greek law with effect from 23 July 2015 (with the exception of certain provisions, which became effective on 1 January 2016). The implementation of the BRRD may result in shareholders, creditors and unsecured depositors sharing the risks and potential costs of the recapitalisation and/or liquidation of troubled banks, which may result in a loss of customer confidence in the countries in which Eurobank operate and further outflows of deposits from the banking system. The risk that creditors may also be

required to bear the risks and potential costs of a recapitalisation and/or liquidation may result in an increase in the Issuer's cost of funding. The Issuer's ECB funding and funding from the Bank of Greece through the ELA (which has less strict collateral rules but carries a higher rate of interest, currently approximately 150 basis points above the interest rate charged on ECB funding), has increased considerably since the start of the crisis. As at 30 September 2015, the Issuer's net Eurosystem funding was €31.6 billion, out of which €22.3 billion involved funding from the ELA and €9.4 billion involved funding from the ECB, compared to €12.6 billion of Eurosystem funding (that is, funding from the ECB) as at 31 December 2014.

As at 30 September 2015, the liquid assets held by the Group amounted to €6,703 million, out of which €4,236 million available collateral represented unutilised eligible assets for Eurosystem funding and €2,467 million represented cash and other highly liquid assets. The Issuer's prolonged dependence on the Eurosystem for additional funding may result in no collateral remaining available, which, as at 30 September 2015, comprised €1,729 million of available collateral for the purposes of funding from the ECB and €2,507 million available collateral for the purposes of funding from the ELA (i.e., a total amount of €4,326 million, compared to €14,459 million as at 31 December 2014), and may result in difficulties in obtaining funding from the Eurosystem. The major part of ECB's available collateral is currently held by subsidiaries of the Group for which local regulatory restrictions are applied.

The liquidity Eurobank receives from the ECB or the Bank of Greece may be adversely affected by changes in ECB or Bank of Greece regulations. In February 2015, due to the uncertainty around a successful conclusion of the review of the Second Economic Adjustment Programme, the ECB lifted (effective from 11 February 2015) the waiver previously applicable to marketable debt instruments issued or fully guaranteed by the Greek state that allowed these instruments to be used as collateral in Eurosystem monetary policy operations despite the fact that they did not fulfil minimum credit rating requirements. Further, as at 1 March 2015, bonds issued by a counterparty of the ECB and guaranteed by EEA government entities may no longer be used as collateral, subject to the possibility of temporary derogations.

The amount of funding available from the ECB or the Bank of Greece is tied to the value of the collateral Eurobank provide, including the market value of Eurobank's holdings of Greek government bonds, which may decline. If the value of the Eurobank's assets declines, then the amount of funding that Eurobank can obtain from the ECB or the Bank of Greece will be correspondingly limited. In addition, if the ECB or the Bank of Greece were to continue to revise their collateral standards or increase the rating requirements for collateral securities such that these instruments are no longer eligible to serve as collateral, Eurobank's funding costs would be materially increased and the Eurobank's access to liquidity limited. The ECB or the Bank of Greece may set further time limitations on the use of government guaranteed bonds as collateral and may decide to provide funding only under special terms. In addition, a continuation in deposit withdrawals and prolonged need for additional Eurosystem funding may lead to the exhaustion of available collateral required to raise funds from the Eurosystem.

Eurobank is currently able to use covered bonds issued by Eurobank as collateral for funding from the Bank of Greece. These covered bonds may no longer be accepted as collateral in the future, if the relevant Bank of Greece rules allowing their use as collateral are amended. Further downgrades of Greece's and/or Eurobank's credit rating may also materially affect Eurobank's ability to raise additional funds from the Bank of Greece or other sources, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

Should the capital controls be lifted, a significant outflow of funds from customer deposits could cause an increase in the Issuer's costs of funding and have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Historically, one of the Issuer's principal sources of funds has been customer deposits. Since the Issuer rely on customer deposits for the majority of the Issuer's funding, if the Issuer's depositors were to withdraw their funds at a rate faster than the rate at which borrowers repay their loans, or if the Issuer is unable to obtain the necessary liquidity by other means, the Issuer would be unable to maintain the Issuer's current levels of funding without incurring significantly higher funding costs or having to liquidate certain of the Issuer's assets, or without increasing access to the Eurosystem under its then-current terms. As at 30 September 2015, the Group's customer deposits in Greece decreased by 29.3% compared to 31 December 2014. As a result of recent political and financial uncertainty, the Greek banking system, including the Group, has experienced substantial deposit outflows, which have affected the Group's liquidity position. As at 30 September 2015, the Group's customer deposits were €30.5 billion, compared to €31.0 billion as at 30 June 2015 and €40.9 billion as at 31 December 2014.

An outflow of domestic customer deposits in Greek banks, owing to concerns regarding Greece's fiscal status and the results of economic contraction that occurred in the previous years led to a decrease of 24.4% in Greek banks' domestic deposits from the private sector as at 31 August 2015, compared to 31 December 2014. Although domestic customer deposits have stabilised following the imposition of capital controls at the end of June 2015, there can be no assurance that such capital controls will not be eliminated or significantly relaxed or that the Group's customer deposits will not suffer further decreases in the future. Further, the general scarcity of wholesale funding since the onset of the economic crisis has led to a significant increase in competition for retail and corporate deposits in Greece. Eurobank face competition from other Greek banks and Greek branches of foreign banks, many of which may have greater resources and superior credit ratings to Eurobank's own. Eurobank's competitors may be able to recover deposits faster than Eurobank can or secure funding at lower rates.

The ongoing availability of deposits to fund the Issuer's loan portfolio is subject to potential changes in certain factors outside of the Issuer's control, such as depositors' concerns regarding the economy in general, the financial services industry or the Issuer specifically, the risk of implementation of changes in the framework for supporting the financial credit institutions that are having problems by requiring the participation of their respective shareholders, their creditors and their unsecured depositors and/or initiatives for taxation of deposits, significant further deterioration in economic conditions in Greece and the availability and extent of deposit guarantees. Government or resolution authority interventions aimed at alleviating the financial crisis and preventing a potential bank failure are uncertain and carry additional risks. Unsecured depositors sharing the burden of the recapitalisation and/or liquidation of troubled banks, as well as the taxation of deposits, may result in a loss of customer confidence and lead to further outflows of deposits from the Greek banking system, which would have a material adverse effect on the Issuer's ability to operate as a going concern (see "*Risks Relating to The Issuer's Business—The new framework on bank recovery and resolution may adversely the composition of the Issuer's Board of Directors and management team and the Issuer's financial condition, results of operations and prospects*").

Any loss in customer confidence in the Issuer's banking business or in the banking sector in general could significantly increase the amount of customer deposit withdrawals, or increase the cost of deposits, in a short period of time. If the Issuer or its subsidiaries experience an unusually high level of withdrawals or are unable to replace such withdrawals, the unavailability of funding or higher funding costs may have an adverse effect on the Issuer's results, financial condition and prospects, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner. Unusually high levels of withdrawals could prevent the Issuer or any entity of the Issuer's Group from funding operations and meeting minimum liquidity requirements. In those circumstances, the Issuer and its subsidiaries and affiliates may not be in a position to continue

operating without additional funding support, which the Issuer may be unable to secure. The cash withdrawal and capital transfer restrictions that are currently in place aim to prevent large scale and widespread withdrawals of bank deposits and safeguard the Greek banking system. Such restrictions, however, may not remain in place, and may be lifted in the near future. The Issuer cannot predict future legislative developments in connection with the capital controls imposed and their effect on the Issuer's customers and, consequently, their impact on the Issuer's financial condition.

The Issuer is exposed to the risk of political instability in Greece.

The Issuer's business, results of operations, the quality of the Issuer's assets and general financial condition are directly and significantly affected by political developments in Greece. Since 2009, there have been four parliamentary elections and one referendum on the bail-out measures proposed by the Institutions, with voters going to the polls three times in 2015 alone. If elections continue to be called on such a frequent basis or if the economic environment and social tensions precipitate a change in government, this could result in political instability and market uncertainty. The current political, economic and budgetary challenges that the Greek government faces with respect to Greece's high public debt burden and weakening economic prospects may continue throughout 2015 and beyond. Any change in economic policy as a result of a change in government or a revision in policies could affect the Issuer's business and strategic orientation, which may adversely affect the Issuer's business, financial condition, results of operations and prospects, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

The EU regulatory and supervisory framework may constrain the economic environment in Greece and adversely impact the operating environment of the Issuer.

In May 2013, two regulations were enacted by the European Parliament: (i) Regulation (EU) 473/2013 on common provisions for surveillance of draft budgetary plans of euro area member states, with special regimes for those subject to an excessive deficit procedure; and (ii) Regulation (EU) 472/2013 on enhanced economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious financial difficulties or in receipt of financial assistance. These two regulations, which became effective in May 2013, introduced provisions for tighter monitoring of countries' budgetary policies. In addition, greater emphasis is being placed on the debt criterion of the Stability and Growth Pact, under which Member States whose debt exceeds 60% of GDP (i.e., the EU's debt reference value) without diminishing at an adequate rate (i.e., by 5% per year on average over three years), such as Greece, would be required to take steps to reduce their debt at a pre-defined pace, even if their deficit is below 3% of GDP (the EU's deficit reference value). As a preventive measure, an expenditure benchmark, which implies that annual expenditure growth should not exceed a reference medium-term rate of GDP growth, has been implemented. A new set of financial sanctions has been introduced for Member States that do not comply with the excessive deficit procedure as described in Regulation 473/2013 of the European Union; such sanctions are triggered at a lower deficit level and use a graduated approach. Given the dimensions of Greece's public debt imbalance, these measures are likely to have the effect of limiting the government's capacity to stimulate economic growth through spending or through a reduction of the tax burden for a long period. Any limitation on growth of the Greek economy is likely to adversely affect the Group's business, financial condition, results of operations and prospects, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

The Issuer may require additional capital in order to satisfy supervisory capital and liquidity requirements.

Eurobank is required by the Single Supervisory Mechanism and the regulatory authorities in Greece and in other jurisdictions where Eurobank undertakes regulated activities to meet minimum capital and liquidity requirements. Based on the 2018 Basel III transitional rules, as at 30 September 2015, Eurobank had a Common Equity Tier 1 ratio of 12.1% and a total capital ratio of 12.6%, and

following the share capital increase completed in November 2015, the Issuer's Common Equity Tier 1 ratio as at 30 September 2015 would have been 17.5% and the Issuer's total capital ratio would have been 18.1%, on a pro forma basis. Based on full implementation of Basel III in 2024, as at 30 September 2015, Eurobank had a Common Equity Tier 1 ratio of 7.9% and a total capital ratio of 8.2%, and following the share capital increase completed in November 2015, the Issuer's Common Equity Tier 1 ratio as at 30 September 2015 would have been 13.6% and the Issuer's total capital ratio would have been 13.8%, on a pro forma basis. The Issuer's and the Issuer's regulated subsidiaries' ability to maintain required regulatory capital ratios could be affected by a number of factors, including the level of risk-weighted assets (**RWAs**). In addition, the Issuer's capital adequacy ratio will be directly affected by the Issuer's after-tax results, which could be affected, most notably, by a greater than anticipated worsening of economic conditions and, as a result, asset impairments. Eurobank may, therefore, in the future have insufficient capital resources to meet minimum regulatory capital and liquidity requirements. In addition, minimum regulatory requirements may increase in the future, such as pursuant to the supervisory review and evaluation process (**SREP**), and/or the manner in which existing regulatory requirements are applied may change. Likewise, liquidity requirements may come under heightened scrutiny, and may place additional stress on the Issuer's liquidity demands in the jurisdictions in which Eurobank operates.

On 31 October 2015, the ECB announced the results of the 2015 Comprehensive Assessment. Overall, the stress test that was conducted in the context of the 2015 Comprehensive Assessment identified a capital shortfall following any AQR-related adjustments across the four participating banks of €4.4 billion under the baseline scenario and €14.4 billion under the adverse scenario, after comparing the projected solvency ratios against the thresholds defined for the exercise. Under the baseline scenario of the 2015 Comprehensive Assessment, the Issuer's capital shortfall relative to a Common Equity Tier 1 ratio of 9.5% amounted to €339 million, which is equal to the amount of the Issuer's capital shortfall deriving from the AQR, while under the adverse scenario the Issuer's capital shortfall relative to a Common Equity Tier 1 ratio of 8% amounted to €2,122 million. The Issuer submitted its capital plan on 3 November 2015, which proposed actions aimed at ensuring that the Issuer will be adequately capitalised, including the share capital increase completed in November 2015 and the Tender Offers. The Issuer's proposed capital plan was approved by the ECB on 13 November 2015, which accepted for the purposes of covering the Issuer's capital shortfall the share capital increase completed in November 2015, the Tender Offers and the positive difference between the realised pre-provision income for the third quarter of 2015 and the respective figure projected in the baseline scenario of the stress test of the 2015 Comprehensive Assessment (an amount of €83 million). In addition, further deterioration of market conditions, in Greece and internationally, may adversely affect the quality of the Issuer's loan and investment portfolio and lead to larger impairments in the future taking into account the loan portfolio. The deterioration in the credit quality of the Issuer's assets may exceed the Issuer's expectations and generate additional regulatory capital requirements. If the Issuer is unable to raise the requisite capital, it may be required to further reduce the amount of its risk-weighted assets and dispose of core and other non-core businesses, which may not occur on a timely basis or achieve prices which would otherwise be attractive to the Issuer. Any failure by the Issuer to maintain minimum regulatory capital ratios could result in administrative actions or other sanctions, which in turn may have a material adverse effect on the Issuer's operating results, financial condition and prospects or even result in the revocation of the Issuer's licence. See "*Regulation and Supervision of Banks in the Hellenic Republic*". If the Issuer is required to bolster its capital position, it may not be possible for the Issuer to raise additional capital from the financial markets or to dispose of marketable assets. In that event, further mandatory capital injections from the Greek government may be necessary, which would dilute or eliminate the interests of the Issuer's shareholders.

Effective management of the Issuer's regulatory capital is critical to the Issuer's ability to operate the Issuer's businesses, to grow organically and to pursue the Issuer's strategy. Any change that limits the Issuer's ability to manage the Issuer's balance sheet and regulatory capital resources effectively, including, for example, reductions in profits and retained earnings as a result of write-downs or otherwise, increases in risk-weighted assets, delays in the disposal of certain assets or an inability to

syndicate loans as a result of market conditions or otherwise or an inability to access funding sources could have a material adverse impact on the Issuer's financial condition and regulatory capital position.

Stress tests analysing the banking sector will continue to be published by national and supranational regulators including the ECB and others. Loss of confidence in the banking sector following the announcement of stress tests regarding a bank or the Greek banking system as a whole, or market perception that any such tests are not rigorous enough, could have a negative effect on the Issuer's cost of funding and may thus have a material adverse effect on the Issuer's operations and financial condition, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner. Additionally in the event of unfavourable outcomes of the periodical review on the Issuer's capital requirements conducted by national and supranational regulators, the Issuer could be required to implement further capital measures. The periodical assessments by the ECB which will be conducted after the 2015 Comprehensive Assement may identify that the Issuer's asset quality has deteriorated, which could adversely affect the Issuer's financial condition.

The Issuer may not be able to preserve the its customer base.

The Issuer's success depends on the Issuer's capacity to maintain high levels of loyalty among the Issuer's customer base and to offer a wide range of competitive and high quality products and services to the Issuer's customers. In order to pursue these objectives, Eurobank has adopted a strategy of segmentation of its customer base, aimed at serving the various needs of each segment in the most suitable manner. Moreover, Eurobank seeks to maintain long-term financial relations with its customers through the sale of a full range of products and services. Nevertheless, Eurobank may not be able to continue to compete successfully with domestic and international banks in the future given the high levels of competition in Greece and in other countries where Eurobank operates. An increased emphasis in cost reduction may result in an inability to maintain high loyalty levels of the Issuer's customer base, in providing competitive products and services, or of maintaining high customer service standards, each of which may materially adversely affect the Issuer's business, financial condition, results of operations and prospects, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

The Issuer's wholesale borrowing costs and access to liquidity and capital depend on the credit ratings of both the Issuer and Greece.

A downgrade in the credit ratings of the Bank or of Greece may have an adverse effect on the Issuer's access to and cost of funding, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

Negative publicity following a downgrade in the Issuer's credit rating may have an adverse effect on depositors' sentiment, which may increase the Issuer's dependence on Eurosystem and ELA funding. Eurobank is currently restricted in its ability to obtain funding in the capital markets and is heavily dependent on the Eurosystem for funding, and any further reductions in the long-term credit ratings of the Issuer or Greece could delay the Issuer's return to the capital and interbank markets for funding, increase the Issuer's borrowing costs and/or restrict the potential sources of funding available to the Issuer.

Since 2009, Greece has experienced a series of credit rating downgrades and in 2010 moved to below investment grade. Greece's credit rating was lowered by all three international credit rating agencies to selective default levels following the activation of collective action clauses in Greek government bonds subject to Greek law in late February 2012. Greece's sovereign ratings initially improved due to attainment of certain fiscal targets and the ongoing implementation of structural reforms under the First Economic Adjustment Programme and Second Economic Adjustment Programme. In 2015,

however, Greece's credit rating was downgraded mainly due to the uncertainty over whether the Greek government would reach an agreement with official creditors in time to meet upcoming repayments on marketable debt. Any failure to implement the Third Economic Adjustment Programme or attain the intended results could cause Greece's credit rating to be further downgraded.

As at the date of this Prospectus, Greece had been given a stable outlook on its rating by the international credit rating agencies, and its credit ratings are:

- S&P: "B-"
- Fitch: "CCC"
- Moody's: "Caa3"

The Issuer's long-term credit ratings are:

- S&P: "SD"
- Fitch: "RD"
- Moody's: "Caa3/Ca (stable outlook)"

A further downgrade of Greece's rating may occur in the event of a failure to implement the Third Economic Adjustment Programme or if the Third Economic Adjustment Programme fails to produce the intended results. Accordingly, the cost of risk for Greece could increase further, with negative effects on the cost of risk for Greek banks and thereby on their results. Further downgrades of Greece's sovereign credit rating could result in a corresponding downgrade in the Issuer's credit rating.

Deteriorating asset valuations resulting from poor market conditions may adversely affect the Issuer's business, financial condition, results of operations and prospects.

The global economic slowdown and the economic crisis in Greece since 2008 have resulted in an increase in past due loans and significant changes in the fair values of the Issuer's financial assets. A substantial portion of the Group's loans to corporate and individual borrowers are secured by collateral such as real estate, securities, term deposits and receivables. In particular, as mortgage loans are one of the Issuer's principal assets (€18.4 billion as at 30 September 2015), the Issuer is currently highly exposed to developments in real estate markets, especially in Greece. From 2002 to 2007, demand for housing and mortgage financing in Greece increased significantly, driven by, among other things, economic growth, favourable expectations about the future prospects of the Greek economy, declining unemployment rates, demographic and social trends and historically low interest rates in the Eurozone. Construction activity has contracted sharply since 2009. From 2009 to 2014, the cumulative decrease in gross fixed capital formation (in chain linked volumes (2010)) in total construction was 70%, according to the Hellenic Statistical Authority. Housing prices began decreasing in 2009 and these decreases continued through 2015 (although at a more moderate rate) due to further contraction of disposable income and high supply of houses available for sale. For the period between the first quarter of 2009 and the fourth quarter of 2014, apartment prices declined at an average annual rate of 8.1%, according to the Bank of Greece.

Decreases in the value of collateral to levels lower than the outstanding principal balance of the corresponding loans, in particular with respect to loans granted in the years prior to the Greek economic crisis, an inability to provide additional collateral, a continued downturn of the Greek economy or a further deterioration of the financial conditions in any of the sectors in which the

Issuer's debtors conduct business may cause the Group to suffer further impairment losses and provisions to cover credit risk.

A decline in the value of the collateral securing the Group's loans may also result from a further deterioration of financial conditions in Greece or the other markets where the collateral is located, and may differ depending on the category of loan. In addition, the Issuer's failure to recover the expected value of collateral in the case of foreclosure, or the Issuer's inability to initiate foreclosure proceedings due to domestic legislation, may expose the Issuer to losses that could have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects. Specifically, foreclosures initiated by credit institutions for satisfaction of claims against the primary residence of debtors who meet certain eligibility criteria have been forbidden since 1 July 2010, and such prohibition was expanded until 31 December 2014, pursuant to Law 4224/2013, while, as a result of the capital controls, enforcement actions were suspended through 31 October 2015. This or a similar prohibition may be enacted in future periods, and the private debt resolution mechanism to be proposed by a special governmental council established by virtue of Law 4224/2013 may restrict the Issuer's ability to take enforcement measures against the Issuer's debtors in future periods. See "*Regulation and Supervision of Banks in the Hellenic Republic—Restrictions on Enforcement of Granted Collateral*".

In addition, an increase in volatility in financial, property and other markets or adverse changes in the marketability of the Issuer's assets could impair the Issuer's ability to value certain of the Issuer's assets and exposures. The value ultimately realised by Eurobank will depend on their fair value determined at the time of their valuation and may be materially different from their current carrying or book value. Any decrease in the value of such assets and exposures could require Eurobank to recognise additional impairment charges, which could adversely affect the Issuer's business, financial condition, results of operations and prospects, as well as the Issuer's capital adequacy, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

Risks Relating to Volatility in the Global Financial Markets

The Group is vulnerable to the ongoing political disruptions and volatility in the global financial markets.

Most of the economies with which Greece has strong export links, including a number of Eurozone countries and other countries including China where economic growth slowed, continue to face significant economic headwinds. The outlook for the global economy over the medium term remains challenging, with predictions for stagnant or modest levels of gross domestic product growth in the Eurozone. Economic activity remains dependent on macroeconomic policies and is subject to downside risks, as room for countercyclical policy measures has sharply diminished. Policymakers in many advanced economies have publicly acknowledged the need to urgently adopt credible strategies to contain public debt and excessive fiscal deficits and later reduce debt and deficits to more sustainable levels. The implementation of these policies may restrict economic recovery, with a corresponding negative impact on the Issuer's business, financial condition, results of operations and prospects, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

The Issuer's results of operations, both in Greece and abroad, in the past have been, and in the future may continue to be, materially affected by many factors of a global nature, including: political and regulatory risks and the condition of public finances; the availability and cost of capital; the liquidity of global markets; the level and volatility of equity prices, commodity prices and interest rates; currency values; the availability and cost of funding; inflation; the stability and solvency of financial institutions and other companies; investor sentiment and confidence in the financial markets; or a combination of any of the above factors.

The Issuer is exposed to risks faced by other financial institutions that are the Issuer's counterparties.

The Issuer routinely transacts with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients. Sovereign credit pressures may weigh on other financial institutions, limiting their funding operations and weakening their capital adequacy by reducing the market value of their sovereign and other fixed income holdings. These liquidity concerns have adversely impacted, and may continue to adversely impact, inter-institutional financial transactions in general. Concerns about, or a default by, one financial institution could lead to significant liquidity problems and losses or defaults by other financial institutions, as the commercial and financial soundness of many financial institutions may be closely related as a result of credit, trading, clearing and other relationships. Many of the routine transactions into which the Issuer enters exposes the Issuer to significant credit risk in the event of default by one of the Issuer's counterparties. Even the perceived lack of creditworthiness of, or questions about, a counterparty may lead to market-side liquidity pressures or losses or an inability of the Issuer or other Group members to pay the debt. In addition, the Issuer's credit risk may be exacerbated when the collateral Eurobank holds cannot be enforced or is liquidated at prices not sufficient for Eurobank to recover the full amount of the loan or derivative exposure. A default by a significant financial and credit counterparty, or liquidity problems in the financial services industry in general, could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and capital position, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

Risks Relating to The Issuer's Business

The Greek state has the ability to exercise, and currently exercises, significant influence on the Issuer.

The Greek state directly owns all of the Issuer's 345.5 million non-voting, non-transferable, redeemable preference shares issued pursuant to Law 3723/2008 under the Hellenic Republic Bank Support Plan (see "*Regulation and Supervision of Banks in the Hellenic Republic—Other Laws and Regulations Governing Banks in Greece-The Hellenic Republic Bank Support Plan*"). This direct stake of the Greek state in the Issuer provides the Greek state with, among other things, voting rights at the general meeting of preferred shareholders, the right to appoint a representative on the Board of Directors (who has the ability to veto decisions relating to strategic issues or decisions that could have a material impact on the legal or financial status of the Issuer and for which the approval of the General Meeting is required) or decisions referring to the distribution of dividends and the remuneration of the Issuer's Chairman, Chief Executive Officer and the remaining members of the Issuer's Board of Directors and the Issuer's general managers and their deputies pursuant to a relevant decision of the Minister of Finance, or decisions that the representative believes may jeopardise the interests of the depositors or may materially affect the Issuer's solvency and orderly operation. In addition, the representative of the Greek state has full access to the Issuer's books and records, restructuring and viability reports, plans for medium-term financing needs, as well as data relating to the level of funding of the economy. The representative of the Greek state also participates in the General Meeting and has a veto right during the discussion and the decision-making regarding the matters discussed above.

The Greek state also has interests in the other Greek systemic banks and an interest in the financial soundness of the Greek banking sector and other industries generally, and those interests may not always be aligned with the commercial interests of the Group or the Issuer's shareholders.

The European Commission has the ability to exercise, and currently exercises, significant influence on the Issuer.

Greece, as part of the Second Economic Adjustment Programme, made a series of commitments to the European Commission regarding the restructuring of Greek banks that have received state aid, including the appointment of a monitoring trustee at each such bank, who acts on behalf of the European Commission and aims to ensure the compliance of the relevant bank and its subsidiaries with the aforementioned commitments (the **Monitoring Trustee**), which are in force during the period of their respective restructuring plans. On 22 February 2013, Grant Thornton S.A. was appointed as Monitoring Trustee of the Issuer after prior approval by the European Commission. The Monitoring Trustee is responsible for monitoring the compliance of the Issuer with Law 2190/1920, the corporate governance provisions and in general the banking regulatory framework, and monitors the implementation of the Restructuring Plan and the organisational structure of the Issuer in order to ensure that the internal audit and risk management departments of the Issuer are fully independent from commercial networks. The Monitoring Trustee may attend the meetings of the Audit Committee and the Board Risk Committee as an observer, reviews the annual audit plan and may require additional investigations, receives all reports emanating from internal control bodies of the Issuer and is entitled to interview any auditor. Furthermore, the Monitoring Trustee monitors the commercial practices of the Issuer, with a focus on credit policy and deposit policy. Accordingly, the Monitoring Trustee attends the meetings of the credit committees of the Issuer as an observer, and monitors the development of the loan portfolio, the maximum amount that can be granted to borrowers, the transactions with related parties and other relevant matters. The Monitoring Trustee also has access to all the relevant credit files and the right to interview credit analysts and risk officers. Furthermore, the Monitoring Trustee monitors the management of claims and litigations of the Issuer. As a result, the Issuer's management's discretion is subject to further oversight and certain decisions may be constrained by powers accorded to the Monitoring Trustee, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

The HFSF as shareholder has certain rights and may exercise significant influence over the Issuer on certain material decisions and over the Issuer's corporate governance framework.

Following the completion of the Issuer's share capital increase in November 2015, fully covered by institutional and other investors, the percentage of the ordinary shares with voting rights held by the HFSF decreased from 35.41% to 2.38%. Pursuant to Law 3864/2010 as in force, on 4 December 2015, the Issuer and the HFSF entered into a Relationship Framework Agreement replacing the previous one, that was signed on 26 August 2014, which determines the relationship between the Issuer and the HFSF, including with respect to corporate governance matters.

Under article 7A, paragraph 2(b) of Law 3864/2010, the HFSF's voting rights in the Issuer are exercisable at the General Meeting only with respect to resolutions relating to the amendment of the Issuer's Articles of Association, including resolutions relating to the increase or decrease of the Issuer's capital, or the granting of a relevant authorisation to the Issuer's Board of Directors, resolutions relating to mergers, divisions, conversions, revivals, extensions of duration or dissolution of the Issuer, resolutions relating to transfers of assets, including the sale of subsidiaries, or resolutions with respect to any other matter requiring approval by an increased majority in accordance with Law 2190/1920 (together, the **Special Resolutions**).

In addition, under article 10, paragraph 2 of Law 3864/2010 and the terms of the Relationship Framework Agreement, the HFSF appoints one (1) observer in the Issuer's Board, with no voting rights, and one (1) Representative who is entitled, among other things, to veto any decision of the Issuer's Board of Directors (i) regarding the distribution of dividends and the remuneration policy and the additional means (bonuses) to the Chairman, the Chief Executive Officer and the remaining members of the Board of Directors and the Issuer's general managers, as well as to those to whom have been assigned the duties of a general manager, and their deputies; (ii) where the decision in

question could jeopardise the interests of depositors or materially affect the Issuer's liquidity or solvency or the overall prudent and orderly operation of the Issuer; or (iii) concerning corporate actions requiring a Special Resolution, to the extent such decision is likely to significantly affect the HFSF's participation in the Issuer's share capital, as well as to approve the Issuer's Chief Financial Officer.

In addition, the HFSF has the right to appoint a representative as well as an observer without voting rights on the Audit Committee, the Board Risk Committee, the Remuneration Committee and the Nomination Committee. See "*Regulation and Supervision of Banks in the Hellenic Republic—Other Laws and Regulations Governing Banks in Greece—Relationship Framework Agreement*".

Moreover, under the terms of the Relationship Framework Agreement, the Issuer also has the obligation to seek and obtain the prior written consent of the HFSF in relation to the Issuer's Group Risk and Capital strategy documents especially the risk appetite statements and risk governance and any amendment, extension, revision or deviation thereof and the Issuer's Group Strategy, Policy and Governance regarding the management of its arrears and non-performing loans and any amendment, extension, revision or deviation thereof. (For further details regarding the Relationship Framework Agreement, see "*Regulation and Supervision of Banks in the Hellenic Republic—Other Laws and Regulations Governing Banks in Greece—Relationship Framework Agreement*").

Consequently, although the HFSF has undertaken certain commitments pursuant to the Relationship Framework Agreement to respect the Issuer's business autonomy and independence in the Issuer's decision-making, there is a risk that the HFSF may exercise the rights it has to exert influence over the Issuer and may disagree with certain decisions of the Issuer and the Group, which may ultimately limit the operational flexibility of the Group, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

In addition, under article 10 of Law 3864/2010, the HFSF will assess the Issuer's corporate governance framework, including the size, structure and allocation of powers within the Issuer's Board and its committees (as well as their members) and, if necessary, any of the Issuer's other committees on the basis of certain criteria, including eligibility criteria that the members of the Issuer's Board and its committees should satisfy. Under article 10 of Law 3864/2010, the HFSF is also entitled to recommend changes to the Issuer's corporate governance framework and composition of the Issuer's Board and its committees resulting from its assessment, which, if the Issuer does not implement, the HFSF will be entitled to inform the Issuer's shareholders at a General Meeting and the Issuer's supervision authority. If such changes relate to the replacement of members of the Issuer's Board who do not satisfy the relevant elibility criteria and the General Meeting decides not to replace them, the HFSF will make public through an announcement on its website the name of the Issuer, its recommendations and the names of the Issuer's Board members who do not satisfy such eligibility criteria, as well as such criteria (see "*Regulation and Supervision of Banks in the Hellenic Republic—The HFSF*").

In the event of conversion of the preference shares, the HFSF will receive ordinary shares of the Issuer with full voting rights, and the percentage of the Issuer's ordinary shares and of the voting rights in the Issuer held by the HFSF could increase substantially.

If the Preference Shares owned by the Greek state are converted into ordinary shares of the Issuer and the voting rights attached thereto are transferred to the HFSF, as set forth in article 7A par. 7 of Law 3864/2010, the HFSF will be entitled to exercise its voting rights in the Issuer with respect to the ordinary shares that may be issued as a result of the conversion of preference shares without restrictions, including with respect to matters which currently do not require a Special Resolution, such as the election of members of the Issuer's Board.

The Group could be subject to a variety of risks as a result of implementing the Restructuring Plan.

The Restructuring Plan, which was approved by the European Commission on 29 April 2014, is based on macroeconomic assumptions in line with those provided by the HFSF and comprises a principal number of Commitments to be implemented by 31 December 2018, including, among others, the reduction of the Issuer's total costs in Greece, the reduction of the Issuer's net loan to deposit ratio for the Issuer's Greek banking activities, the reduction of the Issuer's portfolio of foreign assets and the sale of significant portions of the Issuer's stake in the Issuer's insurance activities. Additional commitments relate to the Issuer's credit policy and corporate governance, and include restrictions on, among others, the Issuer's ability to make certain acquisitions, dividends and coupon payments.

In the context of the recent recapitalization of the Issuer in November 2015, the restructuring plan was revised and resubmitted for approval to the European Commission. On 26 November 2015, the European Commission approved the Issuer's revised restructuring plan.

The revised Restructuring Plan is based on macroeconomic assumptions in line with those provided by the European Commission and the HFSF and comprises revisions to the commitments undertaken by the Greek state under the Second Economic Adjustment Programme, to be implemented by 31 December 2018. The principal revisions to the Commitments include, among others, further reductions in the number of branches, number of employees and total costs in Greece and an extension of the timeframe within which the Issuer is required to reduce the net loan to deposit ratio for its Greek banking activities, sell down certain portfolios of equity securities and subordinated and hybrid bonds and reduce the portfolio of foreign assets.

The implementation of the Commitments may have a material adverse effect on the Issuer's business, operating results, financial condition and prospects, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

Any inability on the Issuer's part to comply with the terms of the revised Restructuring Plan and any potential revisions thereto may result in the European Commission initiating a procedure to investigate the misuse of aid, which may result in the partial or entire recovery of state aid and/or the imposition of additional conditions, including limiting the Issuer's ability to support the Issuer's foreign subsidiaries or introducing additional limitations on the Issuer's ability to hold and manage the Issuer's securities portfolio, among other conditions, in line with previous requests to banks in the European Union that have received state aid. Moreover, the assumptions underlying the revised Restructuring Plan, as may be revised, may prove inaccurate, making the objectives of the revised Restructuring Plan and any potential revisions thereto more difficult to achieve.

Furthermore, if the European Commission decides that there has been a misuse of aid, the Hellenic Republic may be required to recover all or a portion of the state aid, which has been misused by returning all or a portion of the capital support that Eurobank have received from the HFSF. In addition, material obligations of the Group that are set forth in the revised Restructuring Plan or further its implementation would have been breached, and pursuant to article 7A, par. 4 of Law 3864/2010, the HFSF would be entitled to exercise its voting rights deriving from the ordinary shares it owns from time to time without restrictions (please see *"The HFSF as shareholder has certain rights and may exercise significant influence over the Issuer on certain material decisions and over the Issuer's corporate governance framework*" above).

Market fluctuations and volatility may result in significant losses in the commercial and investment activities of the Group.

Eurobank maintain positions in the Issuer's trading and investment portfolio that relate to the debt, currency, equity and other markets. These positions could be adversely affected by continuing

volatility in financial and other markets as well as the Greek sovereign debt crisis, increasing the probability of substantial losses. Declines in perceived or actual values of the Group's assets have resulted from previous market events.

Continuing volatility and further dislocation affecting certain financial markets and asset classes could further impact the Group's results of operations, financial condition and prospects, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner. In the future these factors could have an impact on the mark-to-market valuations of assets in the Group's available-for-sale and trading portfolios and financial assets and liabilities for which the fair value option has been elected. In addition, any further deterioration in the performance of the assets in the Group's investment securities portfolios could lead to additional impairment losses. Investment securities accounted for 24.0% and 23.6% of the Group's total assets as at 30 September 2015 and 31 December 2014, respectively.

Volatility can also lead to losses relating to a broad range of other trading securities and derivatives that Eurobank hold, including swaps, futures, options and structured products. For further information on market risk exposures in those portfolios, see the section of this Base Prospectus entitled "*The Issuer is exposed to credit risk, market risk, liquidity risk and operational risk"*.

The increase of past due loans may have a negative impact on the Group's operations in the future.

The Issuer's Group is subject to credit risk, which is the risk that a borrower may not meet its payment or repayment obligations and its creditworthiness may deteriorate with prejudicial consequences to the Issuer's Group. In general, the possible losses that the Issuer could incur with respect to the exposure of the Issuer's Group to credit risk (both on an individual and a portfolio level) may depend, in addition to the applicable regulations and legal framework, on various circumstances, including macroeconomic conditions, the performance of specific sectors of the economy, the deterioration of the competitive position of the Issuer's borrowers, the downgrading of individual counterparties, the level of indebtedness of families, the performance of the real estate market and other circumstances that may have an impact on the creditworthiness of the Issuer's counterparties and reduce the value of the collateral securing the loans. Adverse economic conditions could result in a further significant reduction of the value of security received by customers and/or the impossibility for customers to supplement the security received. A further deterioration in credit quality and the consequent significant increase of NPLs due to the borrowers' lower ability to meet their repayment obligations could result in adverse material effects on the Issuer's results of operations, business and financial condition. In addition, the deterioration in credit quality could result in higher provisions for impaired loans, which could result in adverse material effects on the Issuer's results of operations, business and financial condition, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

Loans more than 90 days past due (**90DPD**) represented 35.0% of the Issuer's loans as at 30 September 2015, compared to 33.4% as at 31 December 2014 and 29.4% as at 31 December 2013. The Issuer's consolidated NPE ratio increased from 39.3% as at 31 December 2014 to 43.1% as at 30 September 2015, compared to 41.1% for the Issuer's loans in Greece as at 31 December 2014, and 45.9% as at 30 September 2015. As at 30 September 2015, the Issuer's forborne NPEs amounted to €4.9 billion. As at 31 December 2014, the Issuer's NPLs to total loans ratio was 27.4%. The effect of the economic crisis in Greece and adverse macroeconomic conditions in the countries in which Eurobank operate may result in further adverse effects on the credit quality of the Issuer's borrowers, with increasing delinquencies and defaults. As at 30 September 2015, Eurobank had cumulative provisions for impairment losses on loans and advances to customers of €11,739 million (representing a 90DPD coverage ratio of 65.0%), an increase of €1,991 million compared to €9,748 million as at 31 December 2014 and an increase of €3,851 million compared to €7,888 million as at 31 December 2013. As at 30 September 2014, Eurobank had cumulative provisions for impairment

losses on loans and advances to customers of €9,163 million (representing a 90DPD coverage ratio of 53.6%). The target coverage ratio that Eurobank has used in the past to determine provisions for impairment losses on loans and advances to customers may prove to have been inadequate, and the Issuer's target coverage ratio may change in the future. Any further deterioration in the credit quality of the Issuer's loan portfolio, and any resulting increase in delinquencies and defaults, could lead Eurobank to further increase the Issuer's provision for impairment losses, which could have a material adverse effect on the Issuer's capital position, financial condition and results of operations, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

Volatility in interest rates may negatively affect the Issuer's net interest income and have other adverse consequences.

Interest rates are highly sensitive to many factors beyond the Issuer's control, including monetary policies and domestic and international economic and political conditions. Events in the future could alter the interest rate environment in Greece and the other markets in which the Group operates, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

As with any bank, changes in market interest rates may affect the interest rates Eurobank earn on its interest-earning assets differently than the interest rates Eurobank pay on its interest-bearing liabilities. This difference could reduce Eurobank's net interest income. Since the majority of Eurobank's loan portfolio effectively re-prices within a year, rising interest rates may also result in an increase in Eurobank's allowance for impairment on loans and advances to customers if customers cannot refinance in a higher interest rate environment. Further, an increase in interest rates may reduce Eurobank's clients' capacity to repay in the current economic circumstances.

Further deterioration in macroeconomic conditions could negatively affect the Issuer's fee-generating businesses.

Potential adverse macroeconomic developments in Greece, such as a further decline in GDP or a further increase in unemployment, would place additional pressure on the Issuer's fee-generating businesses, including the Issuer's insurance, mutual funds, capital markets, network fees and lending businesses, and their contributions to the Issuer's overall profitability. During Greece's economic crisis, the Issuer's fee and commission income (including insurance fees) decreased from 0.9% of total assets in 2007 to 0.3% in the nine months ended 30 September 2015. During the bank holiday imposed between 28 June 2015 and 20 July 2015, lower banking activity in general depressed banking fee and commission income, although this was partially offset by the increase in volumes of digital banking (for example, POS turnover, e-Banking, telephone banking and credit and debit card transactions). The Issuer's fee and commission income is highly correlated to the macroeconomic environment and market performance generally, and any deterioration in the macroeconomic environment in Greece or market conditions generally could have a material adverse effect on the Issuer's fee-generating businesses, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

Changes in consumer protection laws may limit the fees that the Group can charge in certain banking transactions.

Changes in consumer protection laws in Greece and other jurisdictions where the Group has operations could limit the fees that banks may charge for certain products and services such as mortgages, unsecured loans, credit cards and funds transfers and remittances. If introduced, such laws could reduce the Group's net income, which could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

Laws regarding the bankruptcy of individuals and laws governing creditors' rights in Greece and various European countries may limit the Group's ability to receive payments on past due loans.

Laws regarding the bankruptcy of individuals and other laws and regulations governing creditors' rights generally vary significantly within the region in which the Group operates. If the current economic crisis persists or worsens, bankruptcies could intensify, or applicable bankruptcy protection laws and regulations may change to limit the impact of the recession on corporate and retail borrowers. Such changes may have an adverse effect on the Group's business, operating results and financial condition, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

The Issuer's business is subject to increasingly complex regulation, which may increase the Issuer's regulatory and capital requirements.

The Group is subject to financial services laws, regulations, administrative actions and policies in each jurisdiction in which it operates. All of these regulatory requirements are subject to change, particularly in the current market environment, where there have been unprecedented levels of government intervention and changes to the regulations governing financial institutions. In response to the global financial crisis, national governments as well as supranational groups, such as the EU, have been considering significant changes to current bank regulatory frameworks, including those pertaining to capital adequacy, liquidity and the scope of banks' operations, such as the CRD IV which was transposed in Greece pursuant to Law 4261/2014 in May 2014, and the CRR (see "*Regulation and Supervision of Banks in the Hellenic Republic*"). Under the CRD IV, the minimum Common Equity Tier 1 capital ratio is now 4.5%, the minimum Tier 1 capital ratio is now 6%, and banks are required to gradually increase their capital conservation buffer to 2.5% by 2019 beyond existing minimum equity (i.e., 0.65% as at 1 January 2016, 1.25% as at 1 January 2017 and 1.87% as at 1 January 2018), raising the minimum Common Equity Tier 1 capital ratio to 7% and the total capital ratio to 10.5 % in 2019. These and any future changes to capital adequacy and liquidity requirements in Greece and the other countries in which Eurobank operate may require Eurobank to increase its Tier 1 and Tier 2 capital by way of further issues of securities, and could result in existing Tier 1 and Tier 2 securities issued by Eurobank ceasing to count towards its regulatory capital, either at the same level as at present or at all. As a result of these and other ongoing and possible future changes in the financial services regulatory framework (including requirements imposed by virtue of Eurobank's participation in any government or regulator-led initiatives, such as the Hellenic Republic Bank Support Plan), Eurobank may face stricter regulation, and compliance with such regulations may increase Eurobank's capital requirements and costs. Current and future regulatory requirements may be different across jurisdictions, and even requirements with EEA-wide application may be implemented or applied differently in different jurisdictions.

Compliance with these new requirements may increase the Issuer's regulatory capital and liquidity requirements and costs and the Issuer's disclosure requirements, restrict certain types of transactions, affect the Issuer's strategy and limit or require the modification of rates or fees that Eurobank charge on certain loans and other products, any of which could lower the return on the Group's investments, assets and equity, and in turn adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner. Eurobank may also face increased compliance costs and limitations on the Issuer's ability to pursue certain business opportunities. The new regulatory framework may have significant scope and may have indirect consequences for the global financial system, the Greek financial system or the Issuer's business, including increasing competition, increasing general uncertainty in the markets or favouring or disfavouring certain lines of business. Eurobank cannot predict the effect of any such changes on its business, financial condition, results of operations and prospects.

The requirements of the new deposit guarantee schemes applicable throughout the European Union may result in additional costs to the Group.

Directive 2014/49/EU on deposit guarantee schemes (the **DGS**) entered into force in May 2014 (the **DGSD**) recasting the Directive 94/19/EC and introducing new harmonised rules on DGS applicable throughout the European Union. Amongst other things, the DGSD preserves the harmonised coverage level of €100,000 per depositor, which will continue to be offered in the form of repayment in the case of a bank's liquidation where deposits would become unavailable. It also reconfirms the fundamental principle underpinning DGS, namely that it is banks that finance DGS and not the taxpayers. In addition, for the first time since the introduction of DGS in 1994, there are legislative financing requirements for DGS. In principle, the target level for *ex ante* funds of the DGS is 0.8% of covered deposits to be paid by member banks (in the case of highly concentrated banking sectors, the European Commission may authorise a Member State to set a lower target level for its DGS, but this may not be lower than 0.5% of covered deposits). A maximum of 30% of the funding can be made up of payment commitments. The target fund level must be reached within a 10-year period (which can be extended by 4 years if there is a substantial cumulative disbursement of amounts under DGS during the phasing-in period). In the case of insufficient *ex ante* funds, DGS will collect *ex post* contributions from the banking sector, and, if necessary, as a last resort, alternative funding arrangements such as loans from public or private third parties are permitted. There will also be a voluntary scheme facilitating mutual borrowing between DGS from different EU countries.

In addition, the DGSD introduced a requirement for contributions to be risk-based, while Article 13 thereof lays down a number of criteria for the calculation of contributions to DGS, notably that:

- contributions are compulsorily based on the amount of covered deposits and the risk profile of each member institution;

- DGS are allowed to develop and use their own calculation methods in order to tailor contributions to market circumstances and risk profiles;

- Member States may provide for lower contributions from institutional protection scheme members and low-risk sectors regulated under national law.

To ensure consistent application of the DGSD across Member States, the European Banking Authority on 28 May 2015 adopted detailed guidelines to specify methods for calculating contributions to, DGS in accordance with the above Article 13 of the DGSD, which are binding on the Member States DGS.

In line with Article 10(1) of the DGSD, DGS will have to collect contributions at least annually beginning on 3 July 2015 (the deadline for transposing the DGSD). From this date, pursuant to Article 13 of the DGSD, contributions will have to be risk-based, unless the appropriate authorities of a Member State have established that a DGS is not yet in a position to comply with Article 14 of the DGSD, in which case the risk-based requirement can be deferred, but no later than 31 May 2016.

The DGSD has already been transposed into the national legislation of Bulgeria, Romania and Luxembourg, where the Group has activities. In Greece, the draft law for the transposition of the DGSD in the national legislation has been released and the public consultation period has ended on 1 February 2016. Once the DGSD has been transposed in Greece and the other remaining countries in which the Group operates and the process of determining contributions and their terms of calculation are further specified, the Issuer may be required to increase the Issuer's Group contributions in the relevant DGS, which in turn may adversely affect the Issuer's operating results and the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

The new framework on bank recovery and resolution may adversely affect the composition of the Issuer's Board of Directors and management team and the Issuer's financial condition, results of operations and prospects.

The BRRD entered into force on 2 July 2014 with the aim of safeguarding financial stability and minimising taxpayers' contributions to bail-outs or exposures relating to credit institutions and investment firms considered to be at risk of failing. The BRRD was transposed into Greek law pursuant to Law 4335/2015 which came into force on 23 July 2015 , except for the bail-in tool. The bail-in tool became effective on 1 November 2015 following the amendment of Law 4335/2015 by Greek law 4340/2015, except for certain provisions relating to certain eligible liabilities and the loss absorption requirement for the implementation of government financial stabilisation tools, which became effective as at 1 January 2016 (see "*Regulation and Supervision of Banks in the Hellenic Republic—Recovery and Resolution of Credit Institutions* ").

The BRRD, as transposed into Greek law, provides for either the recovery or the resolution of credit institutions facing financial difficulties. Under the new regime, the national competent authority for credit institutions and the resolution authority are equipped with tools and powers to handle crises at the earliest possible moment. These tools and powers include preparatory and preventative measures as well as early intervention measures (including, as the case may be, the removal or replacement of senior management or members of the board of directors of the credit institution concerned) to address emerging problems at an early stage. In the event that such measures prove to be insufficient and the financial situation of the credit institution concerned has significantly deteriorated or the credit institution has seriously infringed certain laws, regulations or its articles of association or there are serious administrative irregularities, the ECB may require the removal of senior management or the management body of the credit institution concerned, in its entirety or with regard to certain individuals, and the appointment of new senior management and a new management body subject to the approval of the ECB, or it may even appoint one or more temporary administrators to such institution.

Where a credit institution fails or is likely to fail and there is no reasonable prospect that any alternative solution would prevent such failure, Law 4335/2015 empowers the resolution authority to take resolution action, provided that this is necessary in the public interest, which is intended to ensure the continuity of the credit institution's critical services and manage its failure in an orderly fashion. The resolution powers and tools available to the resolution authority comprise the asset separation tool, the bridge institution tool, the sale of business tool and the bail-in tool. In addition, in the event of an extreme systemic crisis, extraordinary public financial support may be provided, in accordance with article 56 of Law 4335/2015, for the purpose of participating in the resolution of an institution with a view to meeting the objectives for resolution and preventing its liquidation. However, the provision of extraordinary public financial support shall be used as a last resort after having assessed and exploited the resolution tools, including the bail-in tool, to the maximum extent practicable whilst maintaining financial stability.

In view of establishing a single resolution process in the EU, the Single Resolution Fund (**SRF**) has been created to provide funding support for the resolution of banks and will be financed by bank levies raised at a national level (see "*Regulation and Supervision of Banks in the Hellenic Republic—Single Resolution Mechanism*"). The SRF would reach a target level of at least 1% of covered deposits of all credit institutions in Member States participating in the Banking Union over an eight-year period. During this transitional period, the SRF would comprise national compartments corresponding to each participating Member State. The resources accumulated in those compartments will be progressively mutualised over a period of eight years. Although the European Council has adopted an implementing act to calculate the contributions of banks to the SRF and an implementing regulation specifying uniform conditions of application of the SRM Regulation with regard to ex ante contributions to the SRF, the calculation and payment terms of the contribution amounts have not been specified by the relevant national resolution authorities. In Greece, the participation and terms of credit institutions, as

well as the scope and certain aspects of the operation of the HDIGF in substation of Law 3746/2009 currently in force are expected to be specified upon transposition of the DGSD (see above).

The new framework may materially and adversely affect the composition of the Issuer's Board of Directors and management team, the Issuer's financial condition, results of operations, prospects and credit ratings. For a description of the BRRD framework see "*Regulation and Supervision of Banks in the Hellenic Republic—Recovery and Resolution of Credit Institutions*".

The Issuer conducts significant international activities outside of Greece and as a result, the Group is exposed to political instability and other risks in these countries.

In addition to the Issuer's operations in Greece, Eurobank has substantial operations in Bulgaria, Romania, Serbia, Cyprus and Luxembourg, as well as a presence in Ukraine, which is classified as held for sale. The Group's international operations, excluding Ukraine, accounted for 14.7% of its gross loans as at 30 September 2015 (compared to 14.6% as at 31 December 2014) and 27.7% of its net interest income for the nine months ended 30 September 2015 (compared to 27% for the year ended 31 December 2014). The Issuer's international operations are exposed to the risk of adverse political, governmental or economic developments in the countries in which Eurobank operate. Furthermore, the majority of the countries outside Greece where the Group conducts business are "emerging economies" in which the Group faces particular financial and operational risks. These factors could have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects. The Issuer's international operations also expose Eurobank to foreign currency risk. A decline in the value of the currencies in which the Issuer's international subsidiaries receive their income or value their assets relative to the value of the euro may have an adverse effect on the Issuer's results of operations and financial condition, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

If the Group's reputation is damaged, this would affect its image and customer relations, which could adversely affect the Issuer's business, financial condition, results of operation and prospects.

Reputational risk is inherent to the Group's business activity. Negative public opinion towards the Group or the financial services sector as a whole could result from real or perceived practices in the banking sector in general, such as money laundering, negligence during the provision of financial products or services, or even from the way that the Group conducts, or is perceived to conduct, its business. Negative publicity and negative public opinion could adversely affect the Group's ability to maintain and attract customers, in particular, institutional and retail depositors, which could adversely affect the Group's business, financial condition, results of operations and prospects and, in an extreme case, could lead to an accelerated outflow of funds from customer deposits which could result in the Issuer or another member of the Group being unable to continue operating without additional funding support, which it may not be able to secure, and which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

The loss of senior management may adversely affect the Issuer's ability to implement the Issuer's strategy.

The Issuer's current senior management team includes a number of executives whom Eurobank believes contribute significant experience and expertise to the Issuer's management in the banking sectors in which Eurobank operate. The continued performance of the Issuer's business and the Issuer's ability to execute the Issuer's business strategy will depend, in large part, on the efforts of the Issuer's senior management. If any of the Issuer's senior management were to leave, the Issuer's business may be materially adversely affected, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

The Issuer may be unable to recruit or retain experienced and/or qualified personnel.

The Issuer's competitive position depends, in part, on the Issuer's ability to continue to attract, retain and motivate qualified and experienced banking and management personnel. Competition for personnel with relevant expertise is high due to the relatively limited availability of qualified individuals. Under the current terms of the Hellenic Republic Bank Support Plan, the Issuer is prohibited from paying bonuses to the members of the Board of Directors, the Chief Executive Officer and any general managers or their deputies. Furthermore, as a result of the economic crisis and regulatory restrictions on bonus payments, Eurobank is limiting or restricting the bonuses and other performance incentives Eurobank pay its personnel, which may inhibit the retention and recruitment of qualified and experienced personnel. The inability to recruit and retain qualified and experienced personnel in Greece and countries where Eurobank operates, or manages Eurobank's current personnel successfully, could adversely affect Eurobank's business, financial condition, results of operations and prospects and in turn may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

The Greek banking sector is subject to strikes, which may adversely affect the Group's operations.

Most of the Issuer's employees belong to a union, and the Greek banking industry has been subject to strikes over the issues of pensions and wages. Greek bank unions in general participate in general strikes, which have increased in number. Prolonged labour unrest or collective action in which a significant number of the Issuer's employees participate could have a material adverse effect on the Issuer's operations in Greece, either directly or indirectly, for example on the willingness or ability of the government to pass the reforms necessary to successfully implement the Third Economic Adjustment Programme, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

The value of certain financial instruments recorded at fair value is determined using financial models incorporating assumptions, judgments and estimates that may change over time or may not be accurate.

In establishing the fair value of certain financial instruments, the Group relies on quoted market prices or, where the market for a financial instrument is not sufficiently active, internal valuation models that utilise observable financial market data. In certain circumstances, the data for individual financial instruments or classes of financial instruments utilised by such valuation models may not be available or may become unavailable due to changes in financial market conditions. In such circumstances, the Group's internal valuation models require the Group to make assumptions, judgments and estimates to establish fair value. These internal valuation models are complex, and the assumptions, judgments and estimates the Group is required to make often relate to matters that are inherently uncertain, such as expected cash flows. Such assumptions, judgments and estimates may need to be updated to reflect changing facts, trends and market conditions. The resulting change in the fair values of the financial instruments could have a material adverse effect on the Group's earnings and financial condition. In addition, recent market volatility and illiquidity has challenged the factual bases of certain underlying assumptions and has made it difficult to value certain of the Group's financial instruments. Valuations in future periods, reflecting prevailing market conditions, may result in changes in the fair values of these instruments, which could have a material adverse effect on the Group's financial condition, results of operations and prospects and in turn may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

The Issuer is exposed to credit risk, market risk, liquidity risk and operational risk.

As a result of the Issuer's activities, Eurobank is exposed to a variety of risks. Among the most significant of these risks are credit, market, liquidity and operational. The Issuer's failure to

effectively manage these risks could have a material adverse effect on the Issuer's business, financial condition, results of operation and prospects, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

Credit Risk

The Group takes on exposure to credit risk, which is the risk that a counterparty will be unable to fulfil its payment obligations. Impairment provisions are recognised as losses incurred at the balance sheet date. Significant changes in the economy or in the state of a particular sector of activity forming an important part of the Group's portfolio may lead to losses differing from those recognised on the balance sheet date.

Market Risk

The Group is exposed to market risks. Market risks are created by open positions in interest rate products, products based on exchange rates or shares, or a combination thereof, which are affected by general and specific market fluctuations. More specifically, the market risks to which the Group is exposed are as follows:

(a) Interest rate risk

The Group is exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

(b) Currency risk

The Group's financial position and cash flows are exposed to risk from the effects of fluctuations in the prevailing foreign currency exchange rates in relation to the reference currency (EUR).

(c) Equity risk

Equity price risk is the risk of decrease in fair values as a result of changes in equity indices and the value of individual stocks. The exposure to fluctuations in equity prices that the Group undertakes arises mainly from the investment portfolio.

Liquidity Risk

The Group is continuously exposed to liquidity risks due to deposit withdrawals, maturity of medium- or long-term notes, loan drawdowns and guarantees. Furthermore, changes in secured funding transactions (repo-type agreements with the market), secured funding facilities with central banks and risk mitigation contracts involving provisions of collateral in the form of cash (CSAs, GMRAs) result in variations in the levels of liquidity that Eurobank holds at any point in time.

Since 2011 and as a result of the Greek debt crisis, Greek banks had to rely on the ECB and the Bank of Greece for a significant part of their funding requirements. As at 30 September 2015, the financing received by the ECB and the Bank of Greece, net of related costs, amounted to €31.6 billion, compared to €12.6 billion as at 31 December 2014 and €17 billion as at 31 December 2013.

Continuing volatility as a result of market forces that are beyond the Issuer's control could result in the Group's liquidity position to deteriorate further. Such deterioration would increase both the funding requirement from the ECB and Bank of Greece and the cost of funding, thus affecting the Issuer's

capital generating capacity and capital ratios, which could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Operational Risk

Operational risk is the risk of loss due to inadequate or failed internal processes, or due to external events, whether deliberate, accidental or natural occurrences. The events associated to internal processes include, but are not limited to, fraud and mistakes by employees, clerical and record-keeping errors and information system malfunctions or manipulations. External events include floods, fires, earthquakes, civil unrest or terrorist attacks, fraud by outsiders and equipment failures. Finally, Eurobank may also fail to comply with regulatory requirements or conduct of business rules.

The Issuer is exposed to the risk of fraud and illegal activities.

Like all financial institutions, Eurobank is exposed to risks of fraud and other illegal activities, which could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects. Although Eurobank believes that is has effective policies designed to prevent fraud, the Group's risk management procedures may not be able to eliminate all cases of fraud.

The Group is also subject to rules and regulations related to money laundering and terrorism financing. Compliance with anti-money laundering and anti-terrorist financing rules entails significant cost and effort. Non-compliance with these rules may have serious consequences, including adverse legal and reputational consequences. Although Eurobank believes that its current anti-money laundering and anti-terrorism financing policies and procedures are adequate to ensure compliance with applicable legislation, Eurobank may not be able to comply at all times with all rules applicable to money laundering and terrorism financing as extended to the whole Group and applied to the Issuer's workers in all circumstances. A violation, or even any suspicion of a violation, of these rules may have serious legal and financial consequences, which could have a material adverse effect on the Issuer's business, reputation, financial condition, results of operations and prospects and in turn may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

The Issuer's economic hedging may not prevent losses.

If any of the variety of instruments and strategies that Eurobank uses to economically hedge the Issuer's exposure to market risk is not effective, Eurobank may incur losses. Many of the Issuer's strategies are based on historical trading patterns and correlations. Unexpected market developments therefore may adversely affect the effectiveness of the Issuer's hedging strategies. Moreover, Eurobank does not economically hedge all of the Issuer's risk exposure in all market environments or against all types of risk. The Group is exposed to several types of risk including, but not limited to, counterparty risk, which is taken into consideration in the valuation of the fair values of the various items, or currency risk from the Issuer's participations in certain non-Eurozone foreign subsidiaries, where currency derivatives against local currencies may be unavailable. These risks are described in detail in "*The Issuer is exposed to credit risk, market risk, liquidity risk and operational risk—Credit Risk*" and "*The Issuer is exposed to credit risk, market risk, liquidity risk and operational risk—Market Risk*". Even when Eurobank is able to hedge certain of the Issuer's risk exposures, the methodology by which certain risks are economically hedged may not qualify for hedge accounting, in which case, changes in the fair value of such instruments are recognised immediately in the income statement, which may result in additional volatility in the Group's income statement and in turn may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

Transactions in the Issuer's portfolio involve risks.

The Issuer carries out various proprietary activities, such as trading in primary and secondary markets for government/corporate securities or interest rate futures. The management of the Issuer's portfolio includes taking positions in fixed income and equity markets, both through spot and derivative products and other financial instruments. Trading on account of the Issuer's portfolio carries risks, since the Issuer's results from proprietary trading depends partly on market conditions. Moreover, the Issuer relies on a vast range of reporting and internal management tools in order for its management to be able to report its exposure to such transactions correctly and in due time. Eurobank may incur significant losses from proprietary trading, which could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects and in turn may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

The Issuer's loan portfolio in Greece may continue to contract.

In the current recessionary economic environment, the Group's loan portfolio in Greece may continue to contract, and the Group's loan portfolio outside of Greece may not grow at historic rates or may even contract. Furthermore, the number of high credit quality customers in the markets that the Group targets is limited. Developments in the Issuer's loan portfolio will be affected mainly by, among other factors, the health of the Greek economy and the successful implementation of the Third Economic Adjustment Programme. Continued contraction of the Issuer's loan portfolio, in combination with past due loans, may limit the Issuer's net interest income, which could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects and in turn may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

The Group's operational systems and networks have been, and will continue to be, exposed to an increasing risk of continually evolving cybersecurity or other technological threats, which could result in the disclosure of confidential customer or corporate information, put at risk the Group's reputation, increase costs to the Group, or even cause regulatory penalties and financial or other claims.

Certain of the Group's operations, including those outsourced to third parties, rely on the secure processing, storage and transmission of confidential and other information. The Group stores an extensive amount of personal and other customer-specific information for its retail, corporate and governmental customers and must accurately and securely record, process and reflect their extensive account transactions. The proper functioning of the Issuer's payment systems, financial and sanctions controls, risk management, credit analysis and reporting, accounting, customer service and other information technology systems, as well as the communication networks between its branches and main data processing centres, are critical to the Issuer's operations. These activities have been, and will continue to be, subject to an increasing risk of cyber-attacks. The Group's computer systems, software and networks have been and will continue to be exposed to technological failure or cyber-threats including, but not limited to, unauthorised access, intentional or inadvertent loss or destruction of data (including confidential customer information), denial of service, computer viruses or other malicious code and other events. If one or more of these events occurs, it could result in the disclosure of confidential customer or corporate information, disruptions or malfunctions in the operations of the Group, its customers or other third parties, putting at risk the Group's reputation with its customers and the market, and even causing regulatory penalties and financial claims, against both the Group and its customers. While the Group maintains insurance coverage that may, subject to policy terms and conditions, cover certain aspects of cyber risks effects such as fraud and financial crime, such insurance coverage may have limitations in covering all losses, which may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner.

Additional taxes may be imposed on the Group

Law 4334/2015 imposed an increase in the corporate income tax rate for legal entities from 26% to 29% for fiscal years 2015 and onwards. In addition, in the event that the Greek state does not achieve the fiscal adjustment targets under the Third Economic Adjustment Programme, the above tax rate may be further increased and additional taxes, contributions and levies may be imposed on companies established and operating in Greece, which may adversely affect the Issuer and its Greek subsidiaries.

Additional taxes and penalties may be imposed on Group companies with respect to unaudited tax years, subject to the statute of limitation applicable to each entity based on local tax legislation. Any additional taxes imposed on the Issuer in the future, or any increases in tax rates, may have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

For the years ended 31 December 2011, 2012, 2013 and 2014, Group entities in Greece that have obtained an "unqualified" annual tax certificate from statutory auditors, may be under certain conditions subject to a tax re-audit from tax authorities within specific deadlines.

According to Ministerial Decision POL1159/2011, issued for the implementation of the provisions relevant to the fiscal years starting prior to 1 January 2014, the Ministry of Finance will select, using certain criteria on the basis of a risk analysis method, a sample of at least 9% of the audited companies for tax re-audit by the competent tax authorities. If the tax certificate was unqualified, this audit should have been conducted and completed (i) by 30 April 2014, for companies whose fiscal year ended on or before 31 March 2012, and (ii) within a period not exceeding 18 months from the date of submission of the tax certificate to the Ministry of Finance, for companies whose fiscal year ended after 31 March 2012. Upon the lapse of the periods referred to in (i) or (ii), provided that no tax issues have been identified from the tax authorities' potential re-audits, the tax audit should be considered final. In accordance with the applicable tax legislation, and considering related preconditions, the tax audit of the 2011, 2012 and 2013 tax years of the Issuer and its Greek subsidiaries should be considered final according to Ministerial Decision POL. 1159/2011.

According to internal guidance issued by the General Secretariat of Public Revenue on 2 May 2014, tax audits performed within the context of POL 1159/ 2011 are completed and relevant tax assessment acts are issued within the applicable statute of limitations (i.e. in principle five years as from the end of the fiscal year within which the relevant tax return should have been submitted). Such guidance has not been further refined so far, and therefore Greek tax authorities may prove reluctant to abide to the provisions of Ministerial Decision 1159/2011 above (providing the conditions under which accounting years subject to a tax certificate are considered finally audited) and accept tax audits considered as final under the regime applicable until 31 December 2013, and may attempt to find some legal grounds to re-audit said years. In addition to the above, further tax audits may be effected only in case of evidence of, or information regarding, breaches of the anti-money laundering legislation, forged or fictitious invoices, transactions with certain companies or breaches of transfer pricing rules.

For fiscal years starting from 1 January 2014 onwards, according to a Ministerial Circular POL 1006/ 2016 issued by the Greek Ministry of Finance accepting a relevant opinion of the State's Legal Counsel (NSK 256/2015), additional taxes and penalties may be imposed within the applicable statute of limitations (i.e. in principle five years as from the end of the fiscal year within which the relevant tax return should have been submitted), irrespective of whether an unqualified tax certificate has been obtained from the tax paying company.

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a directive for a common financial transactions tax (**FTT**) in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovenia, Slovakia and Spain (the **participating Member States**). The Commission's Proposal has very broad scope and could, if introduced in its published form, apply

to certain dealings in the Covered Bonds (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Covered Bonds where at least one party is a financial institution and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

A joint statement issued on 6 May 2014 by the participating Member States (excluding Slovenia) indicated an intention to implement the FTT progressively. On 27 January 2015, a further joint statement by ministers of the participating Member States (excluding Greece) stated, amongst other things, that the FTT should be based on the principle of the widest possible base and low rates. Both statements expressed a willingness to create the conditions necessary to implement the FTT on 1 January 2016; however, the FTT has not yet been implemented.

The FTT remains subject to negotiation between the participating Member States and may be the subject of further legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or certain of the participating Member States may decide to withdraw.

Prospective holders of the Covered Bonds are advised to seek their own professional advice in relation to the FTT.

The Issuer may face difficulties in integrating, as well as potential liabilities relating to, businesses the Issuer has acquired in the past or may acquire in the future.

Despite the passage of time and the integration of acquired businesses into the Issuer's Group, Eurobank may discover issues relating to the Acquired Businesses or other businesses that Eurobank has acquired or may in the future acquire, including legal, regulatory, control, compliance and operational issues, that may have a material adverse effect on the Issuer's business, results of operations, financial condition and reputation and in turn may adversely affect the Issuer's ability to pay interest and principal on the Covered Bonds in full and in a timely manner. As a result, liabilities associated with acquired businesses, including provisions, may be substantial and may exceed the amount of liabilities that Eurobank initially anticipated. In addition, Eurobank may face difficulties integrating acquired businesses, such as the acquisition of Alpha Bank's Bulgarian branch, and may not achieve the anticipated benefits or synergies of such acquisitions.

Factors which are material for the purpose of assessing the market risks associated with Covered Bonds issued under the Programme

The Covered Bonds may not be a suitable investment for all investors

Each potential investor in the Covered Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Covered Bonds, the merits and risks of investing in the Covered Bonds and the information contained or incorporated by reference in this Base Prospectus and any applicable supplement and/or Final Terms;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Covered Bonds and the impact the Covered Bonds will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Covered Bonds, including Covered Bonds with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Covered Bonds and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Covered Bonds are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Covered Bonds which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Covered Bonds will perform under changing conditions, the resulting effects on the value of the Covered Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the Covered Bonds

Extendable obligations under the Covered Bonds

Unless specified otherwise in the Final Terms or previously redeemed as provided in the Conditions, the Covered Bonds of each Series will be redeemed at their Principal Amount Outstanding on the relevant Final Maturity Date. If the Covered Bonds are not redeemed in full on the relevant Final Maturity Date or (as described below) where the Covered Bonds are subject to an Extended Final Maturity Date, on the relevant Extended Final Maturity Date, then the Trustee shall serve a Notice of Default on the Issuer pursuant to the Conditions. Following the service of a Notice of Default: (a) any Covered Bond which has not been redeemed on or prior to its Final Maturity Date or, as applicable, Extended Final Maturity Date shall remain outstanding at its Principal Amount Outstanding, until the date on which such Covered Bond is cancelled or redeemed; and (b) interest shall continue to accrue on any Covered Bond which has not been redeemed on its Final Maturity Date or, as applicable, Extended Final Maturity Date and any payments of interest or principal in respect of such Covered Bond shall be made in accordance with the relevant Priority of Payments until the date on which such Covered Bond is cancelled or redeemed.

The applicable Final Terms may provide that the Issuer's obligations under the relevant Covered Bonds to pay the Principal Amount Outstanding on the relevant Final Maturity Date may be deferred past the Final Maturity Date until the Extended Final Maturity Date (as specified in the Final Terms) (such date the **Extended Final Maturity Date**). In such case, such deferral will occur automatically if the Issuer fails to pay any amount representing 100 per cent of the nominal amount of the Covered Bonds on the Final Maturity Date, subject to any purchase and cancellation or early redemption thereof (the **Final Redemption Amount**) in respect of the relevant Series of Covered Bonds on their Final Maturity Date provided that, any amount representing the Final Redemption Amount due and remaining unpaid on the Final Maturity Date may be paid by the Issuer on any Interest Payment Date thereafter up to (and including) the relevant Extended Final Maturity Date. Interest will continue to

accrue and be payable on any unpaid amounts on each Interest Payment Date up to the Extended Final Maturity Date in accordance with the Conditions and the Issuer (or the Servicer on its behalf) will make payments on each relevant Interest Payment Date and Extended Final Maturity Date.

Appointment of a replacement Servicer

In the event of insolvency of the Issuer, the Greek Covered Bond Legislation (in conjunction with certain Greek insolvency law provisions) provides that the Cover Pool will at all times remain segregated from the insolvency estate of the Issuer until payment of all amounts due to the Covered Bondholders have been made in full. To ensure continuation of the servicing of the Cover Pool in the event of insolvency of the Issuer, the Greek Covered Bond Legislation provides that the Transaction Documents may provide for the substitution of the Servicer (where it is the same party as the Issuer) upon the insolvency of the Issuer.

In the event that no substitute servicer is appointed pursuant to the Transaction Documents, the Bank of Greece may appoint a servicer. Any such person appointed shall be obliged to service the Cover Pool in accordance with the terms of the Servicing and Cash Management Deed. Such replacement might not be made immediately upon the Issuer's insolvency.

There can be no assurance that replacement of the Issuer as Servicer (or any delay in making such replacement) would not cause delays in payment on the Covered Bonds and Covered Bondholders might suffer loss as a result. See also "*Insolvency of the Issuer*" below.

Limited description of the Cover Pool

Covered Bondholders will not receive detailed statistics or information in relation to the Loan Assets in the Cover Pool, because it is expected that the constitution of the Cover Pool will frequently change due to, for instance:

(i) the Issuer assigning Additional Cover Pool Assets to the Cover Pool; and

(ii) the Issuer removing Cover Pool Assets from the Cover Pool or substituting existing Cover Pool Assets in the Cover Pool with Additional Cover Pool Assets.

There is no assurance that the characteristics of the Loan Assets assigned to the Cover Pool will be the same as those Loan Assets in the Cover Pool as at that date. However, each Loan Asset will be required to meet the Individual Eligibility Criteria and be subject to the representations and warranties set out in the Servicing and Cash Management Deed. In addition, the Nominal Value Test is intended to ensure that the Principal Amount Outstanding of all Series of Covered Bonds, together with all accrued interest thereon, is not greater than 93 per cent. of the Nominal Value of the Cover Pool for so long as Covered Bonds remain outstanding (although there is no assurance that it will be so) and the Asset Monitor will provide an annual agreed upon procedures report on the required tests by the Bank of Greece (including Nominal Value Test) where exceptions, if any, will be noted.

No due diligence on the Cover Pool

None of the Arrangers nor the Dealers have or will undertake any investigations, searches or other actions in respect of any assets contained or to be contained in the Cover Pool but will instead rely on the representations and warranties provided by the Issuer in the Programme Agreement.

Ratings of the Covered Bonds

The credit ratings assigned to the Covered Bonds address:

(i) the probability of default and loss given default; and

(ii) the likelihood of ultimate payment of principal in relation to Covered Bonds on the Final Maturity Date thereof.

The expected credit ratings of the Covered Bonds are set out in the relevant Final Terms for each Series of Covered Bonds. The Rating Agency may lower its rating or withdraw its rating if, in the sole judgment of the Rating Agency, the credit quality of the Covered Bonds has declined or is in question. If any credit rating assigned to the Covered Bonds is lowered or withdrawn, the market value of the Covered Bonds may reduce. A credit rating is not a recommendation to buy, sell or hold Covered Bonds and may be subject to revision, suspension or withdrawal at any time.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover page of this Base Prospectus.

Rating Agency Confirmation in respect of Covered Bonds

The terms of the Transaction Documents provide that, in certain circumstances, the Issuer must, and the Trustee may, obtain confirmation from the Rating Agency that any particular action proposed to be taken by the Issuer, the Servicer or the Trustee will not adversely affect or cause the withdrawal of the then current ratings of the Covered Bonds (a **Rating Agency Confirmation**).

By acquiring the Covered Bonds, investors will be deemed to have acknowledged and agreed that, notwithstanding the foregoing, a credit rating is an assessment of credit and does not address other matters that may be of relevance to Covered Bondholders, including, without limitation, in the case of a Rating Agency Confirmation, whether any action proposed to be taken by the Issuer, Servicer, the Trustee or any other party to a Transaction Document is either (i) permitted by the terms of the relevant Transaction Document, or (ii) in the best interests of, or not prejudicial to, some or all of the Covered Bondholders. In being entitled to have regard to the fact that one or more of the Rating Agencies have confirmed that the then current ratings of the Covered Bonds would not be adversely affected or withdrawn, each of the Issuer, the Trustee and the other Secured Creditors (including the Covered Bondholders) is deemed to have acknowledged and agreed that such confirmation does not impose or extend any actual or contingent liability on the Rating Agencies to the Issuer, the Trustee, the Secured Creditors (including the Covered Bondholders) or any other person or create any legal relations between the Rating Agencies and the Issuer, the Trustee, the Secured Creditors (including the Covered Bondholders) or any other person whether by way of contract or otherwise.

Any such Rating Agency Confirmation may or may not be given at the sole discretion of each Rating Agency. It should be noted that, depending on the timing of delivery of the request and any information needed to be provided as part of any such request, it may be the case that a Rating Agency

cannot provide a Rating Agency Confirmation in the time available or at all, and the Rating Agency will not be responsible for the consequences thereof. Such confirmation, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time, and in the context of cumulative changes to the transaction of which the securities form part since the issuance closing date. A Rating Agency Confirmation represents only a restatement of the opinions given, and is given on the basis that it will not be construed as advice for the benefit of any parties to the transaction.

Covered Bonds not in physical form

Unless the Bearer Global Covered Bonds or the Registered Global Covered Bonds are exchanged for Bearer Definitive Covered Bonds or Registered Definitive Covered Bonds, respectively, which exchange will only occur in the limited circumstances as set out under "Forms of the Covered Bonds – Bearer Covered Bonds" and "Forms of the Covered Bonds – Registered Covered Bonds" below, the beneficial ownership of the Covered Bonds will be recorded in book-entry form only with Euroclear and Clearstream, Luxembourg. The fact that the Covered Bonds are not represented in physical form could, among other things:

- result in payment delays on the Covered Bonds because distributions on the Covered Bonds will be sent by or on behalf of the Issuer to Euroclear or Clearstream, Luxembourg instead of directly to Covered Bondholders;

- make it difficult for Covered Bondholders to pledge the Covered Bonds as security if Covered Bonds in physical form are required or necessary for such purposes; and

- hinder the ability of Covered Bondholders to resell the Covered Bonds

Covered Bonds are only obligations of the Issuer

The Covered Bonds will not represent an obligation or be the responsibility of any of the Arranger, the Dealer(s), the Trustee or any other party to the Programme, their officers, members, directors, employees, security holders or incorporators, other than the Issuer. The Issuer will be liable solely in its corporate capacity for their obligations in respect of the Covered Bonds and such obligations will not be the obligations of their respective officers, members, directors, employees, security holders or incorporators.

The Trustee may agree to modifications to the Transaction Documents without the Covered Bondholders' or Secured Creditors' prior consent

Pursuant to the terms of the Trust Deed and the Deed of Charge, the Trustee may, without the consent or sanction of any of the Covered Bondholders or any of the other Secured Creditors (other than the Swap Providers in respect of modification to the Pre Event of Default Priority of Payments, the Post Event of Default Priority of Payments, the Conditions of the Covered Bonds, the Individual Eligibility Criteria or the Servicing and Cash Management Deed), concur with the Issuer or any person in making or sanctioning any modification to the Transaction Documents and the Terms and Conditions of the Covered Bonds:

(i) (other than in respect of a Series Reserved Matter) provided that the Trustee is of the opinion that such modification, waiver or authorisation will not be materially prejudicial to the interests of any of the Covered Bondholders; or

(ii) which in the sole opinion of the Trustee is of a formal, minor or technical nature or is to correct a manifest error or an error which is, in the opinion of the Trustee, proven,

and in each case, the Issuer has confirmed in writing to the Trustee that such modification will not adversely affect the then current ratings of the Covered Bonds.

Certain decisions of Covered Bondholders taken at Programme level

Any Extraordinary Resolution to direct the Trustee to take any enforcement action must be passed at a single meeting of the holders of all Covered Bonds of all Series then outstanding.

Absence of secondary market

There is not, at present, an active and liquid secondary market for the Covered Bonds, and no assurance is provided that a secondary market for the Covered Bonds will re-emerge. The Arranger is not obliged to and does not intend to make a market for the Covered Bonds. None of the Covered Bonds has been, or will be, registered under the Securities Act or any other applicable securities laws and they are subject to certain restrictions on the resale and other transfer thereof as described in the Base Prospectus in the sections entitled "*Subscription and Sale*" and "*Selling Restrictions*". If a secondary market does re-emerge, it may not continue for the life of the Covered Bonds or it may not provide Covered Bondholders with liquidity of investment with the result that a Covered Bondholder may not be able to find a buyer to buy its Covered Bonds readily or at prices that will enable the Covered Bondholder to realise a desired yield.

In addition, Covered Bondholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date hereof), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Covered Bonds. As a result of the current liquidity crisis, there exist significant additional risks to the Issuer and the investors which may affect the returns on the Covered Bonds to investors.

In addition, the current liquidity crisis has stalled the primary market for a number of financial products including instruments similar to the Covered Bonds. While it is possible that the current liquidity crisis may soon alleviate for certain sectors of the global credit markets, there can be no assurance that the market for securities similar to the Covered Bonds will recover at the same time or to the same degree as such other recovering global credit market sectors.

Credit ratings may not reflect all risks

One or more independent Rating Agency may assign credit ratings to the Covered Bonds. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Covered Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

General legal investment considerations

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Covered Bonds are legal investments for it, (2) Covered Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Covered Bonds. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Covered Bonds under any applicable risk-based capital or similar rules.

Risks related to the structure of a particular issue of Covered Bonds

A wide range of Covered Bonds may be issued under the Programme. A number of these Covered Bonds may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Covered Bonds subject to optional redemption by the Issuer

An optional redemption feature of Covered Bonds is likely to limit their market value. During any period when the Issuer may elect to redeem Covered Bonds, the market value of those Covered Bonds generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The Issuer may be expected to redeem Covered Bonds when its cost of borrowing is lower than the interest rate on the Covered Bonds. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Covered Bonds being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Covered Bonds which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates

The market values of securities issued at a substantial discount (such as Zero Coupon Covered Bonds) or with a premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

General risk factors

Set out below is a brief description of certain risks relating to the Covered Bonds generally:

The Conditions of the Covered Bonds contain provisions which may permit their modifications and waiver of any breach without the consent of all investors

The conditions of the Covered Bonds contain provisions for calling meetings of Covered Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Covered Bondholders including Covered Bondholders who did not attend and vote at the relevant meeting and Covered Bondholders who voted in a manner contrary to the majority. Further, the conditions of the Covered Bonds contain provisions allowing the Trustee to agree to changes without the consent of any Covered Bondholder, including substitution of the Issuer pursuant to Condition 18 (*Substitution of the Issuer*).

Insurance

Under the terms and conditions of the Loan Documentation, each Borrower is required to obtain and maintain fire and earthquake insurance, unless the property was built before 1 January 1960, in which case only fire insurance is available in the market. Accordingly, a claim under such policy for damage to the relevant property can be made only if the damage results from the occurrence of a fire or, for certain properties, earthquake. However, this is not inconsistent with the terms and conditions of loans similar to the Loans made by other mortgage lenders in Greece who also only require borrowers to obtain and maintain fire and earthquake insurance. In addition, certain Borrowers, at their option,

take out life insurance policies, with the Issuer as the primary loss payee, to secure their obligations under the relevant Loans.

Suspension of Enforcement Proceedings

There are various provisions of Greek law which could result in enforcement proceedings against a Borrower being delayed or suspended. Enforcement proceedings are usually commenced against a Borrower in respect of a Loan once it becomes 180 Days in Arrears, at which point the Loan is terminated. An order of payment is obtained from the Judge of the competent Court of First Instance following service of the notice of termination of the Loan on the Borrower and non-payment by the Borrower. Enforcement is commenced by service of the order for payment and a demand to pay on the Borrower, with the ultimate target being the collection of the proceeds of the auction of the relevant property securing the Loan. For further details, see "*The Mortgage and Housing Market in Greece - Enforcing Security*" and *"Regulation and Supervision of Banks in the Hellenic Republic-Restrictions on Enforcement of Granted Collateral"* below.

However, a Borrower may delay enforcement against the relevant property by contesting the order for payment and/or the procedure for enforcement which in turn will delay the receipt of proceeds from an enforcement against the property by the Issuer after the relevant Loan has been terminated. A Borrower can file a petition of annulment against the order for payment pursuant to Articles 632-633 of the Greek Civil Procedure Code (an **Article 632-633 Annulment Petition**) with the relevant Court of First Instance within 15 business days after service of the order for payment contesting the substantive or procedural validity of the order of payment (or within 30 business days if the Borrower is of an unknown address or resides abroad). If the Borrower fails to contest the order for payment, the order may be served again on the Borrower and a further 15 business days are available to the Borrower to file an Article 632-633 Annulment Petition. The order for payment will be final either if both terms of 15 business days elapse or if the Court of Appeal rejects the Article 632-633 Annulment Petition. Suspension of enforcement against a Borrower of an unknown address or residing abroad is granted by law during the thirty day period to file an Article 632-633 Annulment Petition.

The filing of an Article 632-633 Annulment Petition entitles the Borrower to file a petition for suspension of the enforcement against the relevant property pursuant to Article 632 of the Greek Civil Procedure Code (an **Article 632 Suspension Petition**). Upon filing an Article 632 Suspension Petition, enforcement procedures may be suspended until the hearing of the Article 632 Suspension Petition. Following the issue of a decision in relation to the hearing of the Article 632 Suspension Petition, enforcement may be suspended until the Court of First Instance has issued a final decision in respect of the Article 632-633 Annulment Petition. The Borrower may also file with the relevant Court of First Instance a petition for the annulment of certain actions of the foreclosure proceedings based on reasons pertaining to the validity of the order of payment or the relevant claims and to procedural irregularities (an **Article 933 Annulment Petition**) pursuant to Article 933 of the Greek Civil Procedure Code. The hearing of the Article 933 Annulment Petition is scheduled within 60 days from the date of the filing of such petition and the relevant decision must be issued within 60 days from the hearing before the court. Both annulment petitions may be filed either concurrently or consecutively, but it should be noted that both the Article 632-633 Annulment Petition and the Article 933 Annulment Petition may not be based on reasons pertaining to the validity of the order for payment, once the order for payment has become final as mentioned above. According to the provisions of Law 4335/2015, the ability of the debtor to challenge the compulsory enforcement actions, which are carried out by the creditor, is now restricted. In particular, by virtue of the provisions of the Code of Civil Procedure, as in force until 31 December 2015, the debtor was entitled to challenge separately each compulsory enforcement action and as a result the completion of the enforcement procedure was significantly delayed. However, by virtue of Law 4335/2015 the debtor is entitled to oppose to defects of the compulsory enforcement procedure in just two stages: the first one

is set before the auction and is related to any reason of invalidity of the compulsory enforcement actions carried out before the auction, whereas the second one is set after the auction and is related to any defects, which arose from the auction until the awarding.

The filing of an Article 933 Annulment Petition entitles the Borrower to file a petition for the suspension of the enforcement until the decision of the Court of First Instance on the annulment motion is issued pursuant to Article 937 of the Greek Civil Procedure Code (an **Article 937 Suspension Petition**). Again, enforcement proceedings may be suspended until the hearing of the Article 937 Suspension Petition. In cases where the Borrower seeks the suspension of the auction, the Article 937 Suspension Petition must be filed five days prior to the auction at the latest and the relevant decision must be issued by 12.00pm on the Monday prior to the day of the auction. The minimum auction price is determined within the statement of the court bailiff and can be contested by the borrower or any other lender or anyone having a legal interest by filing an annulment petition against such court bailiff statement at the latest twenty (20) days before the auction date. The relevant court's decision should be published at the latest by 12.00 p.m. ten (10) days before the auction date. The minimum auction price should be at least two third of the estimated value of the seized immoveable property. For demands for immediate payment served to the debtor after 1 January 2016, the market value of the seized immoveable property shall be taken into account for the estimation of the value of the seized immoveable property. A presidential decree shall determine the method for the calculation of the market value of the immoveable property seized, the competent body for the calculation of such market value and any further details. Until the issuance of the presidential decree, the estimation of the value of the seized immoveable property cannot be less than the property value of the immovable property for the calculation of the transfer tax (if any).

Until the issuance of the presidential decree, the following process shall apply in respect of auctions of immoveable property:

If no bidders appear at the auction, the immoveable property is awarded at the minimum auction price to the person in favour of whom the enforcement proceedings were initiated, upon the latter's request. If no such request is submitted, a repetitive auction takes place within fourteen (14) days at an auction price set at one half (1/2) of the estimated value of the seized property. If such repetitive auction is unsuccessful, the competent court, upon request of persons having legal interest, may order the conduct of another auction within thirty (30) days, at a reduced auction price or allow the sale of the property to the person in favour of whom the enforcement proceedings were initiated or to third persons at a price determined by the court, which may also provide that part of the consideration may be paid in instalments. If such auction or disposal is unsuccessful, the competent court, upon request of persons having legal interest, may rescind the seizure or order the conduct of another auction at a further reduced auction price.

In the auction, the property is sold to the highest bidder who then has 15 days to pay. Once the price of the property is paid, the notary public prepares a special deed listing all the creditors and allocating the proceeds of the auction. Each creditor must announce its claim, along with the documents substantiating its claim, to the notary public within 5 days from the day of the auction (and under the previously applicable regime within 15 days of the auction).

Once the allocation of proceeds amongst the creditors of the Borrower has been determined pursuant to a deed issued by a notary public, the creditors of the Borrower may dispute the allocation and file a petition contesting the deed. The Court of First Instance will adjudicate the matter but the relevant creditor is entitled to appeal against the decision to the Court of Appeal. This procedure may further delay the collection of proceeds and the time at which the Issuer finally receives the proceeds of the enforcement of the relevant property. However, the law provides that a creditor is entitled to the payment of its claim even if its allocation priority is subject to a challenge, provided that such creditor

provides a bank letter of guarantee on demand securing repayment of the money in the event that such challenge is upheld. In addition, there is a period of mandatory suspension for all enforcement procedures, including auctions, between 1 and 31 August of each year and prohibition of auctions of real properties on the Wednesday before and after the date of any national, municipal or European elections. For more details see "*The Mortgage and Housing Market in Greece – Enforcing Security*".

Settlement of Debts of Over-Indebted Businesses and Professionals

On 15 November 2014, the Hellenic Parliament introduced a new set of measures (Greek Law 4307/2014) for the restructuring of debts of viable small businesses and other professionals towards the State, social security funds and finance providers, consisting of (a) write-offs and/or restructuring of debts, coupled with a tax incentive for the banks implementing the new law and (b) new pre-bankruptcy proceedings that, among others, allow the banks to take control of the borrower through the appointment of an administrator.

This law may have an adverse effect on the timing and amount of collections under certain loans concluded with borrowers that fall under the scope and make use of its provisions, which may in turn affect the Issuer's ability to meet its obligations in respect of the Covered Bonds.

Settlement of Debts of Over-Indebted Individuals

On 3 August 2010, Law 3869/2010 was put in force with respect to the settlement of amounts due by indebted individuals. The law allows the settlement of amounts due, inter alia, to credit institutions by individuals evidencing permanent and general inability (without intention) to repay their due debts, by arranging the partial repayment of their due debts and writing off the remainder of their debts, provided the terms of settlement are observed. All individuals, both consumers and professionals, are subject to the provisions of Greek Law 3869/2010, with the exception of individuals who can be declared bankrupt.

Due performance by the debtor of the obligations imposed by the relevant court decision allows the discharge of all the remaining outstanding debts of the debtor against its creditors, even against those who have not announced their claims. This debt discharge could have negative implications for the Issuer in its capacity as creditor and could have a material adverse effect on its financial results, which may adversely effect the timing and amount of payments received on the Covered Bonds.

Auction Proceeds

The proceeds of an auction following enforcement against a property securing a Loan are allocated in accordance with Articles 975, 976 and 977 of the Greek Civil Procedure Code, as amended by Law 4335/2015. As of 1 January 2016 onwards and in respect of demands for immediate payment served to the debtor after 1 January 2016, the auction proceeds are allocated, after deduction of the enforcement expenses, for the satisfaction of the creditors in the following ranking order (the general privileges):

i. Medical and funeral expenses of the debtor and his family that arose within the last twelve (12) months prior to the day of the public auction or the declaration of bankruptcy and compensation claims (except claims for moral damages) due to disability exceeding eighty percent (80%) or more that arose until the day of the public auction or the declaration of bankruptcy.

ii. Claims for the provision of necessary food of vital for the support of debtor and his family that arose during the last six months before the day of the public auction or the declaration of bankruptcy.

iii. Claims based on salaried employment, claims from fees, expenses and compensation of lawyers paid under fixed regular remuneration, provided that they arose within the last two years prior to the day of the first public auction or the declaration of bankruptcy, compensation claims arising by reason of termination of employment arrangements and lawyers' compensation claims arising by reason of the termination of in-house employment arrangement. The same rank also includes claims of the State arising out of the Value Added Tax (**VAT**) and any attributable or withholding taxes together with any increments and interests imposed on such claims, as well as claims of social security organizations, alimony claims in case of death of the person owing such alimony and compensation claims due to disability exceeding sixty seven percent (67%) which arose up to the day of the public auction or the declaration of bankruptcy.

iv. Claims of farmers or agricultural cooperatives from the sale of agricultural products that arose within the last year prior to the day the public auction was first set to occur or the declaration of bankruptcy.

v. Claims of the State and municipal authorities arising out of any cause, together with any increments and interest imposed on such claims.

vi. Claims of the Greek Investor Compensation Scheme (**Syneggyitiko**) against the debtor, insofar as such debtor is or was an investment services firm and the claims of such fund were born within the two (2) years preceding the day of the public auction or the declaration of bankruptcy.

In case of concurrence of general privileges (as mentioned above) and special privileges (which include claims secured by pledge or mortgage) and non – privileged claims, the percentage of satisfaction of the creditors with general privileges is limited to up to twenty five percent (25%), whereas the percentage of satisfaction of creditors with special privileges is up to sixty five percent (65%). The remaining amount of ten percent (10%) of the auction proceeds is allocated to the non – privileged creditors. In case of concurrence of creditors with special privileges and non – privileged creditors, an amount of ninety (90%) is allocated to creditors with special privileges, while an amount of ten percent (10%) of the auction proceeds is allocated to the non-privileged creditors. In case of concurrence of claims with general privileges and non – privileged claims, the percentage of satisfaction of the former is seventy percent (70%).

Accordingly, the Issuer, as owner of a first ranking pre-notation could be limited to receiving 65% of the proceeds raised by an auction of a property securing a Loan if creditors with general privileges and non-privileged creditors exist. In such case, the proceeds may not be sufficient to discharge the amount that is owed by the Borrower to the Issuer under the Loan, which may in turn affect the Issuer's ability to meet its obligations in respect of the Covered Bonds

For further details, see "*The Mortgage and Housing Market in Greece - Enforcing Security*".

However, given that the loans are given a maximum 80 per cent. LTV indexed value for the purpose of calculating the Statutory Tests and the Amortisation Test, the value of the property securing a Loan should exceed the Outstanding Principal Balance of that portion of the Loan accredited value for the purposes of the Statutory Tests. Accordingly, the possibility that the Issuer will not receive sufficient proceeds following the enforcement against a property securing a Loan to discharge the amounts that are owed to it by the relevant Borrower is reduced.

Greek Covered Bond Legislation

In Greece, the primary legal basis for Covered Bonds issuance is Article 152 of Law 4261/2014 (**Primary Legislation**). This Provision is identical with the Provision of Article 91 of the new

repeated Law 3601/2007. The transactions contemplated in this Base Prospectus are based, in part, on the provisions of the Greek Covered Bond Legislation. So far as the Issuer is aware, as at the date of this Base Prospectus there have been several similar issues of securities based upon the Greek Covered Bond Legislation and there has been no judicial authority as to the interpretation of any of the provisions of the Greek Covered Bond Legislation. For further information on the Greek Covered Bond Legislation, see "*Overview of the Greek Covered Bond Legislation*". There are a number of aspects of Greek law which are referred to in this Base Prospectus with which potential Covered Bondholders are likely to be unfamiliar. Particular attention should be paid to the sections of this Base Prospectus containing such references.

Insolvency proceedings and subordination provisions

There is uncertainty as to the validity and/or enforceability of a provision which (based on contractual and/or trust principles) subordinates certain payment rights of a creditor to the payment rights of other creditors of its counterparty upon the occurrence of insolvency proceedings relating to that creditor. In particular, recent cases have focused on provisions involving the subordination of a Hedging Counterparty's payment rights in respect of certain termination payments upon the occurrence of insolvency proceedings or other default on the part of such counterparty.

The UK Supreme Court has affirmed that a subordination provision of similar effect is valid under English law: *Belmont Park Investments Pty Limited v BNY Corporate Trustee Services Ltd and Lehman Brothers Special Financing Inc.,* [2011] ULSC38. The U.S. Bankruptcy Court held, in respect of proceedings to the Belmont decision that subordination provision is unenforceable under US bankruptcy law and that any action to enforce such provision would violate the automatic stay which applies under such law in the case of a US bankruptcy of the counterparty. The implications of these conflicting judgments of the UK Supreme Court and the U.S. Bankruptcy Court are not yet known. Particularly as several subsequent challenges to the U.S. decisions have been settled and certain other actions which raise similar issues are pending but have not progressed for some time.

If a creditor of the Issuer (such as a Hedging Counterparty) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales (including the US), and it is owed a payment by the Issuer, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the English law governed Transaction Documents (such as a provision of the Priorities of Payments). In particular, based on the decision of the US Bankruptcy Court referred to above, there is a risk that such subordination provisions would not be upheld under US bankruptcy laws. Such laws may be relevant in certain circumstances with respect to a range of entities which may act as Hedging Counterparty, including US established entities and certain non-US established entities with assets or operations in the US (although the scope of any such proceedings may be limited if the relevant non-US entity is a bank with a licensed branch in a US state). In general, if a subordination provision included in the Transaction Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales and any relevant foreign judgment or order was recognised by the English courts, there can be no assurance that such actions would not adversely affect the rights of the Covered Bondholders, the market value of the Covered Bonds and/or the ability of the Issuer to satisfy its obligations under the Covered Bonds.

Lastly, given the general relevance of the issues under discussion in the judgments referred to above and that the Transaction Documents will include terms providing for the subordination of certain payments, there is a risk that the final outcome of the dispute in such judgments (including any recognition action by the English courts) may result in negative rating pressure in respect of the

Covered Bonds. If any rating assigned to the Covered Bonds is lowered, the market value of the Covered Bonds may reduce.

EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income, Member States were required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State. However, Directive 2003/48/EC was repealed on 10 November 2015 by the operation of Directive 2015/2060, effective from 1 January 2016. In the case of Austria, a transitional arrangement applies stating that the EU Savings Directive will be repealed in this country with effect from 1 January 2017 only. The repeal of Directive 2003/48/EC was necessary to prevent overlap with a new automatic exchange of information regime implemented under Council Directive 2011/16/EU on Administrative Cooperation in the Field of Taxation (as amended by Council Directive 2014/107/EU).

U.S. Foreign Account Tax Compliance Act Withholding

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**) impose a reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution.

Whilst the Covered Bonds are in global form and held within Euroclear Bank SA/NV or Clearstream Banking, société anonyme (together the **ICSDs**), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs (see "*Taxation – Foreign Account Tax Compliance Act*"). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Covered Bonds are discharged once it has made payment to, or to the order of, the common depositary or common safekeeper for the ICSDs (as bearer or registered holder of the Covered Bonds) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries. Further, foreign financial institutions in a jurisdiction which has entered into an intergovernmental agreement with the United States (an **IGA**) are generally not expected to be required to withhold under FATCA or an ICA (or any law implementing an IGA) from payments they made.

Changes of law

The structure of the issue of the Covered Bonds and the ratings which are to be assigned to them are based on English and Greek law, respectively, in effect as at the date of this Base Prospectus. No

assurance can be given as to the impact of any possible change to English or Greek law or administrative practice in the UK or Greece after the date of this Base Prospectus.

Covered Bonds where denominations involve integral multiples

In relation to any issue of Covered Bonds that have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Covered Bonds may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, a Covered Bondholder who, as a result of trading such amounts, holds an amount which (after deducting integral multiples of such minimum Specified Denomination) is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Covered Bond in respect of such holding (should definitive Covered Bonds be printed) and would need to purchase a principal amount of Covered Bonds such that its holding amounts to a Specified Denomination.

If definitive Covered Bonds are issued, Covered Bondholders should be aware that definitive Covered Bonds that have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Exchange rate risks and exchange controls

The Issuer (or the Servicer on its behalf) will pay principal and interest on the Covered Bonds in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit other than the Specified Currency (the **Investor's Currency**). These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency equivalent yield on the Covered Bonds, (2) the Investor's Currency-equivalent value of the principal payable on the Covered Bonds and (3) the Investor's Currency-equivalent market value of the Covered Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Greek Withholding Tax

Potential investors of Covered Bonds should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing Covered Bonds and receiving payments of interest, principal and/or other amounts or delivery of securities under the Covered Bonds and the consequences of such actions under the tax laws of those countries. Please refer to the "*Taxation*" section.

Pursuant to article 69 par. 9 of Law 3746/2009, interest payments made on Covered Bonds have the same tax treatment with the interest payments made on bonds issued by the Hellenic Republic. Further to this, according to article 64 par. 9 of the new Income Tax Code i.e. Greek Law 4172/2013, foreign legal persons or foreign entities that are not Greek tax residents and do not have a permanent establishment in Greece are exempt from any withholding tax on interest payments made on bonds issued by the Hellenic Republic. Based on the above provisions, it could be supported that foreign legal persons or foreign entities that are not Greek tax residents and do not have a permanent establishment in Greece are exempt from any withholding tax on interest payments made on Covered Bonds. However, in the absence of written guidelines, it remains unclear whether, after the enactment

of the new Income Tax Code (i.e. Greek Law 4172/2013), the aforementioned provision of Law 3746/2009 remains in force. If this is not the case, the interest income realised by the above-mentioned holders of Covered Bonds will fall under the scope of application of the new Income Tax Code and will be subject to the following taxation.

Further to the above, it should be noted that in order to benefit from the interest payment exception of article 64 par. 9 of Greek Law 4172/2013, the foreign entities should submit to the financial or credit institutions a certificate from the competent foreign authorities certifying the registered seat of such foreign entities or the articles of association of such entities (provision 17 of the circular of the Minister of Finance no. 1042/26.01.2015).

Pursuant to the Greek Income Tax Code (i.e. Greek law 4172/2013, as in force), Covered Bondholders who neither reside nor maintain a permanent establishment in Greece for Greek law tax purposes (the **Non-Resident Covered Bondholders**) will be subject to Greek withholding income tax at a flat rate of 15% if such payments are made to Non-Resident Covered Bondholders by the Issuer or by a paying or other similar agent who either resides or maintains a permanent establishment in Greece for Greek tax law purposes. Such withholding tax exhausts the tax liability of both individual and legal entities Non-Resident Covered Bondholders, subject to the submission of recent tax residence certificates or other evidence of non-residence; further, such withholding is in each case subjected to the provisions of any applicable tax treaty for the avoidance of double taxation of income and the prevention of tax evasion entered into between Greece and the jurisdiction in which such a Covered Bondholder is a tax resident.

In addition, Covered Bondholders (individuals or legal entities) who either reside or maintain a permanent establishment in Greece for Greek tax law purposes (the **Resident Covered Bondholders**) will be subject to Greek withholding income tax at a flat rate of 15 per cent if such payments are made to Resident Covered Bondholders by the Issuer or by a paying agent or other similar agent who either resides or maintains a permanent establishment in Greece for Greek tax law purposes. This withholding tax exhausts the tax liability of Covered Bondholders who are individuals, while it may not for other types of Covered Bondholders.

GENERAL DESCRIPTION OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Series or Tranche of Covered Bonds, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Covered Bonds shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, if appropriate, a supplement to the Base Prospectus or a new Base Prospectus will be published.

Words and expressions defined in the "Terms and Conditions of the Covered Bonds" below or elsewhere in this Base Prospectus have the same meanings in this summary.

PRINCIPAL PARTIES

Issuer	Eurobank Ergasias S.A. (**Eurobank** or the **Issuer**) having its registered office at 8 Othonos Street, Athens 10557, Greece.
Arrangers	Eurobank (the **Arranger**).
Dealers	Eurobank and any other dealers appointed from time to time in accordance with the Programme Agreement as specified in the relevant Final Terms.
Servicer	Eurobank (in its capacity as the servicer and, together with any replacement servicer appointed pursuant to the Servicing and Cash Management Deed from time to time, the **Servicer**) will service the Loans and Related Security in the Cover Pool pursuant to the Servicing and Cash Management Deed. The Servicer shall also undertake certain notification and reporting services together with account handling services in relation to moneys from time to time standing to the credit of the Transaction Accounts and cash management activities (the **Servicing and Cash Management Activities**) in accordance with the Servicing and Cash Management Deed and the Greek Covered Bond Legislation, including the calculation of the Statutory Tests and the Amortisation Test. See *"Servicing and Collection Procedure"* below.
Asset Monitor	A reputable firm of independent auditors and accountants, not being the auditors of the Issuer for the time being, appointed pursuant to the Asset Monitor Agreement as an independent monitor to perform tests in respect of (i) the Statutory Tests when required in accordance with the requirements of the Bank of Greece and (ii) the Amortisation Test when required in accordance with the Servicing and Cash Management Deed. The initial Asset Monitor will be Deloitte Hadjipavlou, Sofianos & Cambanis S.A. acting through its office at 3A Fragkoklissias & Granikou st., GR – 151 25 Maroussi, Athens, Greece (the **Asset Monitor**).
Account Bank	The Bank of New York Mellon acting through its London Branch at One Canada Square, London E14 5AL has agreed to act as account bank (the **Account Bank**) pursuant to the Bank Account Agreement. In the event that the Account Bank ceases to be an Eligible Institution, the Servicer will be obliged to transfer the Transaction

	Accounts to a credit institution with the appropriate minimum ratings. **Eligible Institution** means any bank whose long-term and short-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least Baa3 or P-3 by the Rating Agency.
Principal Paying Agent	The Bank of New York Mellon acting through its office at One Canada Square, London E14 5AL (the **Principal Paying Agent** and, together with any agent appointed from time to time under the Agency Agreement, the **Paying Agents**). The Principal Paying Agent will act as such pursuant to the Agency Agreement.
Registrar	The Bank of New York Mellon (Luxembourg) S.A. (the **Registrar**). The Registrar will act as such pursuant to the Agency Agreement.
Trustee	The Bank of New York Mellon (International) Limited acting through its office at One Canada Square, London E14 5AL (the **Trustee**) has been appointed to act as bond trustee for the Covered Bondholders in respect of the Covered Bonds and will also act as security trustee to hold the benefit of all security granted by the Issuer (on trust for itself, the Covered Bondholders and the other Secured Creditors) under the Deed of Charge and the Statutory Pledge granted pursuant to the Greek Covered Bond Legislation. See "*Security for the Covered Bonds*" below.
Hedging Counterparties	The Issuer may, from time to time, enter into Hedging Agreements with various swap providers to hedge certain currency and/or other risks (each a **Covered Bond Swap Provider**), interest risks (each an **Interest Rate Swap Provider**) and currency risks (each an **FX Swap Provider** and, together with the Covered Bond Swap Providers and Interest Rate Swap Providers, the **Hedging Counterparties** and each a **Hedging Counterparty**) associated with the Covered Bonds. The Hedging Counterparties will act as such pursuant to the relevant Hedging Agreements (as defined herein). The Hedging Counterparties will be required to satisfy the conditions under paragraph I. 2(b)(bb) of the Secondary Covered Bond Legislation.
Custodian	The Bank of New York Mellon SA/NV acting through its office at 46 Rue Montoyerstraat, B-1000 Brussels, Belgium operating through its branch at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom has agreed to act as initial custodian (the **Custodian**) pursuant to the terms of a Custody Agreement.
Listing Agent	The Bank of New York Mellon (Luxembourg) S.A. (the **Luxembourg Listing Agent**).
Rating Agency	Moody's Investors Service Limited (**Moody's**, the **Rating Agency**).

PROGRAMME DESCRIPTION

Description	Eurobank €5 billion Covered Bond Programme.
Programme Amount	Up to €5 billion (having been increased from €3 billion on 25 February 2016 in accordance with the terms of the Programme Agreement) (or its equivalent in other currencies determined as described in the Programme Agreement) outstanding at any time as described herein. The Issuer may increase the amount of the

	Programme from time to time in accordance with the terms of the Programme Agreement.
Issuance in Series	Covered Bonds will be issued in Series, but on different terms from each other, subject to the terms set out in the relevant Final Terms in respect of such Series. Save in respect of the first issue of Covered Bonds, Covered Bonds issued under the Programme will either be fungible with an existing Series of Covered Bonds or have different terms from an existing Series of Covered Bonds (in which case they will constitute a new Series). The Issuer may issue Covered Bonds without the prior consent of the Covered Bondholders pursuant to Condition 16 (*Further Issues*). See "*Conditions Precedent to the Issuance of a new Series or Tranche of Covered Bonds*" below. As used herein, **Tranche** means Covered Bonds which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.
Final Terms	Final terms (the **Final Terms**) will be issued and published in accordance with the terms and conditions set out herein under "*Terms and Conditions of the Covered Bonds*" (the **Conditions**) prior to the issue of each Series or Tranche detailing certain relevant terms thereof which, for the purposes of that Series only, complete the Conditions and the Base Prospectus and must be read in conjunction with the Conditions and the Base Prospectus. The terms and conditions applicable to any particular Series are the Conditions as completed by the relevant Final Terms.
Conditions Precedent to the Issuance of a new Series or Tranche of Covered Bonds	It is a condition precedent to the issuance of a new Series or Tranche of Covered Bonds that (i) there is no Issuer Event outstanding and that such issuance would not cause an Issuer Event, (ii) such issuance would not result in a breach of any of the Statutory Tests, (iii) the Rating Agency has been notified of such issuance, (iv) such issuance has been approved by the Bank of Greece in accordance with paragraph II.3 of the Secondary Covered Bond Legislation and (v) if applicable, in respect of any Series or Tranche, a Hedging Agreement is entered into.
Proceeds of the Issue of Covered Bonds	The gross proceeds from each issue of Covered Bonds will be used by the Issuer to fund its general corporate purposes.
Form of Covered Bonds	The Covered Bonds will be issued in either bearer or registered form, see "*Forms of the Covered Bonds*". Registered Covered Bonds will not be exchangeable for Bearer Covered Bonds and *vice versa.*
Issue Dates	The date of issue of a Series or Tranche as specified in the relevant Final Terms (each, the **Issue Date** in relation to such Series or Tranche).
Specified Currency	Subject to any applicable legal or regulatory restrictions, such currency or currencies as may be agreed from time to time by the Issuer and the relevant Dealer(s) (as set out in the applicable Final

	Terms).
Denominations	The Covered Bonds will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and set out in the applicable Final Terms. The minimum denomination of each Covered Bond will be €100,000 (or, if the Covered Bonds are denominated in a currency other than euro, the equivalent amount in such currency) or such other higher amount as is required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.
Redenomination	Certain Covered Bonds may be redenominated in euro in accordance with the redenomination provisions set out in Condition 6.8. The applicable Final Terms will set out whether the redenomination provisions of Condition 6.8 are applicable to the particular series of Covered Bonds.
Fixed Rate Covered Bonds	The applicable Final Terms may provide that certain Covered Bonds will bear interest at a fixed rate (**Fixed Rate Covered Bonds**), which will be payable on each Interest Payment Date and on the applicable redemption date and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms).
Floating Rate Covered Bonds	The applicable Final Terms may provide that certain Covered Bonds bear interest at a floating rate (**Floating Rate Covered Bonds**). Floating Rate Covered Bonds will bear interest at a rate determined: (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions; or (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; as set out in the applicable Final Terms. The margin (if any) relating to such floating rate (the **Margin**) will be agreed between the Issuer and the relevant Dealer(s) for each issue of Floating Rate Covered Bonds, as set out in the applicable Final Terms.
Other provisions in relation to Floating Rate Covered Bonds	In the event that the Rate of Interest of Floating Rate Covered Bonds is less than zero for an Interest Period, the Rate of Interest for that Interest Period shall be deemed to be zero. Floating Rate Covered Bonds may also have a Maximum Rate of Interest, a Minimum Rate of Interest (other than zero, as described in this paragraph) or both (as indicated in the applicable Final Terms). Interest on Floating Rate Covered Bonds in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, in each case as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms).
Zero Coupon Covered Bonds	The applicable Final Terms may provide that Covered Bonds, bearing no interest (Zero Coupon Covered Bonds), may be offered and sold at

	a discount to their nominal amount.
Ranking of the Covered Bonds	All Covered Bonds will rank *pari passu* and rateably without any preference or priority among themselves, irrespective of their Series, for all purposes.
Taxation	All payments of principal, interest and other proceeds (if any) on the Covered Bonds will be made free and clear of any withholding or deduction for, or on account of, any taxes, unless the Issuer or any intermediary that intervenes in the collection of interest and other proceeds on the Covered Bonds is required by applicable law to make such a withholding or deduction. In the event that such withholding, or deduction is required by law, the Issuer will not be required to pay any additional amounts in respect of such withholding or deduction.
Status of the Covered Bonds	The Covered Bonds are issued on an unconditional basis and in accordance with Article 152 of Greek Law 4261/2014 (published in the Government Gazette No 107/A/5-5-2014) (**Article 152**), and the Act of the Governor of the Bank of Greece No. 2598/2007, as amended and restated by the codifying Act of the Governor of the Bank of Greece No. 2620/2009 (the **Secondary Covered Bond Legislation** and, together with Article 152 the **Greek Covered Bond Legislation**)). The Covered Bonds are backed by assets forming the Cover Pool of the Issuer and have the benefit of a statutory pledge established over assets that are governed by Greek law by virtue of registration statement(s) filed with the Athens Pledge Registry (each a Registration Statement) pursuant to paragraph 5 of Article 152 (the Statutory Pledge). The form of the Registration Statement is defined in Ministerial Decree No 95630/8-9-2008 (published in the Government Gazette No 1858/B/12-9-2008) of the Minister of Justice. See also "*Overview of the Greek Covered Bond Legislation"* below.
Payments on the Covered Bonds	Payments on the Covered Bonds will be direct and unconditional obligations of the Issuer. Prior to an Issuer Event and prior to service of a Notice of Default, on each Cover Pool Payment Date the Issuer will apply any funds available to it (including, but not limited to, funds arising in relation to the assets comprised in the Cover Pool) to pay all items which are listed in the Pre-Event of Default Priority of Payments. After the occurrence of an Issuer Event (but prior to service of a Notice of Default), on each Cover Pool Payment Date, the Servicer will apply the Covered Bonds Available Funds in accordance with the Pre-Event of Default Priority of Payments. After the service of a Notice of Default, all funds deriving from the Cover Pool Assets, the Transaction Documents and standing to the credit of the Transaction Accounts shall be applied on any Athens Business Day in accordance with the Post Event of Default Priority of Payments.
Security for the Covered Bonds	In accordance with the Greek Covered Bond Legislation, by virtue of the Transaction Documents and pursuant to any Registration Statement, the Cover Pool and all cashflows derived therefrom (including any amounts standing to the credit of the Collection

	Accounts or Third Party Collection Accounts) will be available both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Covered Bondholders and the other Secured Creditors in priority to the Issuer's obligations to any other creditors, until the repayment in full of the Covered Bonds. In accordance with the Deed of Charge, security will be created for the benefit of the Trustee on behalf of the Secured Creditors in respect of the Hedging Agreements and any other Transaction Documents governed by English law. **Secured Creditors** means the Covered Bondholders, the Couponholders, the Trustee, any Receiver, the Asset Monitor, the Account Bank, the Agents, the Servicer, the Hedging Counterparties and any other creditor of the Issuer pursuant to any transaction document entered into in the course of the Programme having recourse to the Cover Pool (provided that where Eurobank performs any of the above roles, Eurobank will not be a Secured Creditor). **Receiver** means any person or persons appointed (and any additional person or persons appointed or substituted) as an administrative receiver, receiver, manager, or receiver and manager of the Charged Property by the Trustee pursuant to the Deed of Charge. **Charged Property** means the property, assets and undertakings charged by the Issuer pursuant to Clause 3 of the Deed of Charge together with, where applicable, the property pledged pursuant to the Statutory Pledge.
Cross-collateralisation and Recourse	By operation of Article 152 and in accordance with the Transaction Documents, the Cover Pool Assets shall form a single portfolio, irrespective of the date of assignment to the Cover Pool and shall be held for the benefit of the Covered Bondholders and the other Secured Creditors irrespective of the Issue Date of the relevant Series. The Covered Bondholders and the other Secured Creditors shall have recourse to the Cover Pool. The Cover Pool Assets may not be seized or attached in any form by creditors of the Issuer other than by the Trustee on behalf of the Covered Bondholders and the other Secured Creditors. In order to ensure that the Cover Pool is, at any time, sufficient to meet the payment obligations of the Issuer under the Covered Bonds, the Issuer shall be obliged, within certain limits and upon certain conditions, to effect certain changes to the Cover Pool Assets comprising the Cover Pool. See "*Optional Changes to the Cover Pool*" below.
Issue Price	Covered Bonds of each Series may be issued at par or at a premium or discount to par on a fully-paid basis (in each case, the Issue Price for such Series or Tranche) as specified in the relevant Final Terms in respect of such Series.
Interest Payment Dates	In relation to any Series of Covered Bonds, the Interest Payment Dates will be specified in the applicable Final Terms (as the case may be).

Cover Pool Payment Date	The 20th day of each month and if such day is not an Athens Business Day the first Athens Business Day thereafter (the **Cover Pool Payment Date**). **Athens Business Day** means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Athens.
Final maturity and extendable obligations under the Covered Bonds	The final maturity date for each Series (the **Final Maturity Date**) will be specified in the relevant Final Terms as agreed between the Issuer and the relevant Dealer(s). Unless specified otherwise in the Final Terms or previously redeemed as provided in the Conditions, the Covered Bonds of each Series will be redeemed at their Principal Amount Outstanding on the relevant Final Maturity Date. If the Covered Bonds are not redeemed in full on the relevant Final Maturity Date, or (as described below) where the Covered Bonds are subject to an Extended Final Maturity Date, on the Extended Final Maturity Date, then the Trustee shall serve a Notice of Default on the Issuer pursuant to Condition 10 (*Events of Default and Enforcement*). Following the service of a Notice of Default the Covered Bonds of each Series shall become immediately due and payable. The applicable Final Terms may also provide that the Issuer's obligations under the relevant Covered Bonds to pay the Principal Amount Outstanding on the relevant Final Maturity Date may be deferred past the Final Maturity Date until the extended final maturity date (as specified in the Final Terms) (such date the **Extended Final Maturity Date**). In such case, such deferral will occur automatically if the Issuer fails to pay any amount representing 100 per cent of the nominal amount of the Covered Bonds on the Final Maturity Date, subject to any purchase and cancellation or early redemption thereof (the **Final Redemption Amount**) in respect of the relevant Series of Covered Bonds on their Final Maturity Date, provided that any amount representing the Final Redemption Amount due and remaining unpaid on the Final Maturity Date may be paid by the Issuer on any Interest Payment Date thereafter up to (and including) the relevant Extended Final Maturity Date. Interest will continue to accrue and be payable on any unpaid amounts on each Interest Payment Date up to the Extended Final Maturity Date in accordance with Condition 5 (*Interest*) and the Issuer (or the Servicer on its behalf) will make payments on each relevant Interest Payment Date and Extended Final Maturity Date. Subject to any purchase and cancellation or early redemption, the Covered Bonds will be redeemed on the Final Maturity Date at 100% of their nominal amount. Following service of a Notice of Default, any amount outstanding shall bear interest in accordance with Condition 7.9 (*Late Payment*).
Ratings	Each Series issued under the Programme will be assigned a rating by the Rating Agency.
Listing and admission to trading	Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the

	Luxembourg Stock Exchange for Covered Bonds issued under the Programme after the date hereof to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List. Covered Bonds may be unlisted or may be listed or admitted to trading, as the case may be, on other stock exchanges or markets agreed between the Issuer, the Trustee and the relevant Dealer(s) in relation to each issue. The Final Terms relating to each Tranche of the Covered Bonds will state whether or not the Covered Bonds are to be listed and/or admitted to trading and, if so, on which other stock exchanges or markets.
Clearing Systems	Euroclear Bank S.A./N.V. (Euroclear), and/or Clearstream Banking, société anonyme (Clearstream, Luxembourg) in relation to any Series of Covered Bonds or any other clearing system as may be specified in the relevant Final Terms.
Selling Restrictions	There are restrictions on the offer, sale and transfer of the Covered Bonds in the United States, the European Economic Area (including the United Kingdom, the Hellenic Republic and Luxembourg), Switzerland and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Covered Bonds. See "*Subscription and Sale*" below.
Greek Covered Bond Legislation	The Covered Bonds will be issued pursuant to the Greek Covered Bond Legislation. For further information on the Greek Covered Bond Legislation, see "*Overview of the Greek Covered Bond Legislation*" below.
Governing law	The Servicing and Cash Management Deed, the Trust Deed, the Deed of Charge, the Agency Agreement, the Asset Monitor Agreement, the Bank Account Agreement, the Programme Agreement, each Custody Agreement, each Subscription Agreement and each Hedging Agreement will be governed by, and construed in accordance with, English law. The Covered Bonds will be governed by and construed in accordance with English law, save that the Statutory Pledge referred to in Condition 3 (*Status of the Covered Bonds*), will be governed by and construed in accordance with Greek law.

CREATION AND ADMINISTRATION OF THE COVER POOL

The Cover Pool	Pursuant to the Greek Covered Bond Legislation, the Issuer will be entitled to create the Statutory Pledge over the Cover Pool Assets. By virtue of the Registration Statement(s) filed with the Athens Pledge Registry on or prior to the Issue Date for the first Series of Covered Bonds, the Issuer shall segregate the Cover Pool in connection with the issuance of Covered Bonds for the satisfaction of the rights of the Covered Bondholders and the other Secured Creditors. See "*Description of the Transaction Documents*" – "*The Servicing and Cash Management Deed*"

CHANGES TO THE COVER POOL

Optional changes to the Cover Pool	The Issuer shall be entitled, subject to filing a Registration Statement so providing and subject to the satisfaction of the requirements in the Servicing and Cash Management Deed, to allocate to the Cover Pool Additional Cover Pool Assets and/or remove or substitute Cover Pool Assets. Any further assets added to the Cover Pool at the option of the Issuer in accordance with the above shall form part of the Cover Pool. Upon any addition to the Cover Pool of any Additional Cover Pool Assets where the relevant transfer date is also an Issue Date or the Issuer ceases to have the Minimum Credit Rating, the Issuer shall deliver to the Trustee a solvency certificate stating that the Issuer is, at such time, solvent. See "*Description of the Transaction Documents – The Servicing and Cash Management Deed*".
Disposal of the Loan Assets	Following the occurrence of an Issuer Event (but before an Event of Default or service of a Notice of Default), the Servicer, or any person appointed by the Servicer, acting in the name and on behalf of the Issuer, or the Trustee, as the case may be, will be obliged to sell in whole or in part the Loan Assets in accordance with the provisions of the Servicing and Cash Management Deed. The proceeds from any such sale will be credited to the relevant Transaction Account and applied in accordance with the relevant Pre-Event of Default Priority of Payments. In certain circumstances the Issuer shall have the right to prevent the sale of Loan Assets to third parties by removing the Loan Assets made subject to any sale from the Cover Pool and transferring within ten Athens Business Days from the receipt of an offer letter, to the relevant Transaction Account, an amount equal to the price set forth in such offer letter, subject to the provision of a solvency certificate. See "*Description of the Transaction Documents – The Servicing and Cash Management Deed*". Following the occurrence of an Event of Default and service of a Notice of Default, the Trustee may (and shall if so directed by the Covered Bondholders of each Series acting by way of Extraordinary Resolution and indemnified and/or secured and/or pre-funded to its satisfaction) be entitled to direct the Servicer to dispose of the Cover Pool. For the avoidance of doubt, the Cover Pool Assets shall include any Selected Loans which have previously been selected pursuant to the Servicing and Cash Management Deed for disposal in relation to any Series of Covered Bonds but which have not yet been sold.
Undertakings of the Issuer in respect of the Cover Pool	Pursuant to the Transaction Documents, the Issuer undertakes to manage the Cover Pool in the interests of the Covered Bondholders and the other Secured Creditors and undertakes to take in a timely manner any actions required in order to ensure that the servicing of the Loan Assets is conducted in accordance with the collection policy and recovery procedure applicable to the Issuer.
Representations and Warranties of the Issuer	Under the Servicing and Cash Management Deed, the Issuer has made and will make certain representations and warranties regarding

itself and the Cover Pool Assets including, *inter alia*:

(i) its status, capacity and authority to enter into the Transaction Documents and assume the obligations expressed to be assumed by it therein;

(ii) the legality, validity, binding nature and enforceability of the obligations assumed by it;

(iii) the existence of the Cover Pool Assets and the absence of any lien attaching to the Cover Pool Assets;

(iv) its full, unconditional, legal title to the Cover Pool Assets; and

(v) the validity and enforceability against the relevant debtors of the obligations from which the Cover Pool Assets arise.

(vi)

Each Loan Asset to be included in the Cover Pool shall comply with the Individual Eligibility Criteria.

See "*Description of the Transaction Documents – The Servicing and Cash Management Deed*".

Monitoring of the Cover Pool

Prior to the occurrence of an Issuer Event, the Servicer shall verify on each Applicable Calculation Date that, as at the last calendar day of the calendar month immediately preceding such Applicable Calculation Date, the Cover Pool satisfies the following aggregate criteria:

(i) the Cover Pool satisfies the Nominal Value Test;

(ii) the Cover Pool satisfies the Net Present Value Test; and

(iii) the Cover Pool satisfies the Interest Cover Test,

(collectively, the **Statutory Tests** and each a **Statutory Test**).

Calculation Date means, the 10th day of each calendar month and if such day is not an Athens Business Day the first Athens Business Day thereafter.

Applicable Calculation Date means:

(a) in respect of the Nominal Value Test, each Calculation Date; and

(b) in respect of the Net Present Value Test and the Interest Cover Test, each Calculation Date which falls in April, July, October and January of each year.

Statutory Tests

Pursuant to the Greek Covered Bond Legislation, the Cover Pool is subject to the Statutory Tests as set out in the Secondary Covered Bond Legislation and the Servicing and Cash Management Deed. Failure of the Issuer to cure a breach of any one of the Statutory Tests within five Athens Business Days will result in the Issuer not being able to issue further Covered Bonds. See "*Description of Transaction Documents – the Servicing and Cash Management Deed*".

Breach of Statutory Tests	If on any Applicable Calculation Date any one or more of the Statutory Tests being tested on such Applicable Calculation Date are not satisfied, the Issuer must take immediate action to cure any breach(es) of the relevant Statutory Tests. The Issuer or (where Eurobank is not the Servicer) the Servicer, as the case may be will immediately provide written notification to the Trustee of any breach of any of the Statutory Tests. In the event that the Issuer breaches any Statutory Test, the Issuer will not be permitted to issue any further Covered Bonds until such time as such Statutory Test breach has been cured.
Amortisation Test	In addition to the Statutory Tests and pursuant to the Servicing and Cash Management Deed, after the occurrence of an Issuer Event and so long as an Event of Default has not occurred the Cover Pool will be subject to an amortisation test (the **Amortisation Test**). The Amortisation Test is intended to ensure that the Cover Pool Assets are sufficient to meet the obligations under all Covered Bonds outstanding together with senior expenses that rank in priority or *pari passu* with amounts due on the Covered Bonds. The Amortisation Test will be tested by the Servicer on each Calculation Date following an Issuer Event. A breach of the Amortisation Test will constitute an Event of Default, which will entitle the Trustee to serve a Notice of Default declaring the Covered Bonds immediately due and repayable and the Trustee may enforce the Security over the Charged Property. The Servicer will immediately notify the Trustee of any breach of the Amortisation Test.
Amendment to definitions	The Servicing and Cash Management Deed will provide that the definitions of Individual Eligibility Criteria, Cover Pool, Cover Pool Asset, Statutory Test and Amortisation Test may be amended by the Issuer from time to time as a consequence of, *inter alia*, including in the Cover Pool, Cover Pool Assets which have characteristics other than those pertaining to the Initial Assets and/or changes to the hedging policies or servicing and collection procedures of Eurobank without the consent of the Trustee provided that the Rating Agency has provided confirmation in writing that the ratings on the Covered Bonds would not be adversely affected by, or withdrawn as a result of such amendment. The Servicing and Cash Management Deed shall set forth the conditions for any such amendment to be effected. See "*Description of the Transaction Documents – The Servicing and Cash Management Deed – Amendment to Definitions*".
Issuer Events	Prior to, or concurrent with, the occurrence of an Event of Default, if an Issuer Event occurs then (i) no further Covered Bonds will be issued, (ii) the Servicer (and the Issuer to the extent that Eurobank is no longer the Servicer) shall procure that any and all payments in respect of the Cover Pool Assets (excluding any Subsidy Payments) are henceforth directed into

	the relevant Third Party Collection Account and that all such amounts (including the Subsidy Payments) are transferred into the corresponding Transaction Account within 1 Athens Business Day of receipt, (iii) all collections of principal and interest on the Cover Pool Assets will be dedicated exclusively to the payment of interest and repayment of principal on the Covered Bonds and to the fulfilment of the obligations of the Issuer *vis-à-vis* the Secured Creditors in accordance with the relevant Priority of Payments, and (iv) if Eurobank is the Servicer, its appointment as Servicer will be terminated and a new servicer will be appointed pursuant to the terms of the Servicing and Cash Management Deed and the Covered Bond Legislation. See "*Terms and Conditions of the Covered Bonds – Condition 9 (Issuer Events)*" and "*Description of the Transaction Documents – The Servicing and Cash Management Deed*". However, for the avoidance of doubt, where the applicable Final Terms for a Series of Covered Bonds provides that such Covered Bonds are subject to an Extended Final Maturity Date, an Issuer Event shall not be deemed to have occurred where there has been a failure to pay the Principal Amount Outstanding on the Covered Bonds on the Final Maturity Date .
Authorised Investments	Pursuant to the Servicing and Cash Management Deed, the Servicer is entitled in its discretion prior to the occurrence of an Issuer Event to draw sums from time to time standing to the credit of the Transaction Accounts for effecting Authorised Investments. See "*Description of Transaction Documents – Servicing and Cash Management Agreement*"
Servicing and collection procedures	The Servicer will be responsible for the servicing of the Cover Pool, including, *inter alia*, for the following activities: (a) collection and recovery in respect of each Cover Pool Asset; (b) administration and management of the Cover Pool; (c) management of any judicial or extra judicial proceeding connected to the Cover Pool; (d) keeping accounting records of the amounts due and collected under the Loan Assets and the Hedging Agreements; (e) preparation of quarterly reports (to be submitted to the Trustee, the Asset Monitor, each Swap Provider and the Rating Agency) on the amounts due by debtors, and on the collections and recoveries made in respect of the Loan Assets and Hedging Agreements; (f) carrying out the reconciliation of the amounts due and the amounts effectively paid by the debtors under the Loans on the relevant Cover Pool Payment Date;

ACCOUNTS AND CASH FLOW STRUCTURE:

Segregation Event and Collection Accounts	Prior to the occurrence of an Issuer Event, Eurobank will deposit within three Athens Business Day of receipt, all collections of interest, principal and any other monies it receives on the Cover Pool Assets (excluding any Subsidy Payments) and all moneys received from Marketable Assets and Authorised Investments, if any, included in the Cover Pool into, in respect of amounts denominated in Swiss francs, a segregated Swiss franc denominated account maintained at Eurobank (the **CHF Collection Account**) and, in respect of amounts denominated in euro, a segregated euro denominated account maintained at Eurobank (the **EUR Collection Account** and together with the CHF Collection Account, the **Collection Accounts**). Eurobank will not commingle any of its own funds and general assets with amounts standing to the credit of the Collection Accounts. For the avoidance of doubt, any cash amounts standing to the credit of the Collection Accounts shall not comprise part of the Cover Pool for purposes of the Statutory Tests. All amounts deposited in, and standing to the credit of, the Collection Accounts shall constitute segregated property distinct from all other property of Eurobank pursuant to paragraph 9 of Article 152 and by virtue of an analogous application of paragraphs 14 through 16 of Article 10 of Greek Law 3156/2003. Prior to a reduction in the long-term unsecured, unsubordinated and unguaranteed credit rating of Eurobank to or below the Minimum Credit Rating (such occurrence, a **Segregation Event**), Eurobank will be entitled to draw sums from time to time standing to the credit of the Collection Accounts in addition to any funds available to it for any purpose including to make payments on the Covered Bonds. Following the occurrence of a Segregation Event, but prior to the occurrence of an Issuer Event, (i) all amounts deposited shall remain in the Collection Account for the benefit of the holders of the Covered Bonds and the other Secured Creditors and (ii) Eurobank shall only be entitled to withdraw Excess Amounts from the Collection Account. If Eurobank's rating(s) are reinstated above the level at which a Segregation Event occurs and so long as no Issuer Event has occurred and is continuing, then Eurobank will be entitled to draw sums standing to the credit of the Collection Accounts and make payments on the Covered Bonds using any funds available to it. **Subsidy Payments** means the aggregate of all amounts, which for the avoidance of doubt shall only be denominated in euro, actually received from the OAED, the Greek State and any other Greek State owned entity representing the Subsidised Interest Amounts in respect of the Subsidised Loans comprised in the Cover Pool.
Transaction Accounts	On or about the Programme Closing Date, a segregated Swiss franc denominated account was established with the Account Bank (the **CHF Transaction Account**) and a segregated euro denominated account was established with the Account Bank (the **EUR Transaction Account** and together with the CHF Transaction

Account, the **Transaction Accounts**). Prior to the occurrence of a Segregation Event or an Issuer Event, Eurobank will be entitled to withdraw amounts from time to time standing to the credit of the Transaction Accounts, if any, that are in excess of the sum of (i) any cash amounts required to satisfy the Statutory Tests and (ii) the Reserve Fund Required Amount. Following the occurrence of a Segregation Event, Eurobank shall no longer be entitled to withdraw moneys from the Transaction Accounts other than for purposes of making payments in accordance with the Pre-Event of Default Priority of Payments. If Eurobank's rating(s) are reinstated above the level at which a Segregation Event occurs, and so long as no Issuer Event has occurred, then Eurobank will be entitled from time to time to withdraw amounts standing to the credit of any of the Transaction Accounts equal to the amounts standing to the credit of such Transaction Account which are in excess of the sum of (i) any cash amounts required to satisfy the Statutory Tests and (ii) the Reserve Fund Required Amount.

Within two Athens Business Days of the occurrence of an Issuer Event, the Issuer shall transfer all amounts it has received in respect of any Cover Pool Assets (including any Subsidy Payments) to the CHF Transaction Account or the EUR Transaction Account (as appropriate).

Following an Issuer Event which is continuing, the Servicer (and the Issuer to the extent that Eurobank is no longer the Servicer) shall procure that (i) payments in respect of the Cover Pool Assets (excluding any Subsidy Payments) are directed into a Swiss franc denominated bank account opened in the name of the Issuer with a Greek credit institution or a Greek branch of a foreign credit institution which is an Eligible Institution (the **CHF Third Party Collection Account)** or a euro denominated bank account opened in the name of the Issuer with a Greek credit institution or a Greek branch of a foreign credit institution which is an Eligible Institution (the **EUR Third Party Collection Account**) (as appropriate) and that all such amounts are transferred into the CHF Transaction Account or the EUR Transaction Account (as appropriate) within 1 Athens Business Day of receipt and provide any requisite notices to procure that this occurs; and (ii) that all Euro denominated Subsidy Payments received from the OAED and/or the Greek State and/or any other Greek State owned entity in respect of any Subsidised Loans are deducted from the applicable Subsidy Bank Account and paid into the EUR Transaction Account within 1 Athens Business Day of receipt and provide any requisite notices to procure that this occurs. In respect of amounts transferred daily from the CHF Third Party Collection Account to the CHF Transaction Account, such amounts (with the exception of such CHF amounts which are used to make payments under any CHF denominated Covered Bonds or other liabilities secured by the Cover Pool and denominated in CHF, outstanding from time to time) shall be exchanged with the relevant Hedging Provider on the relevant payment date, when the euro amounts received under the Hedging Agreements shall be transferred henceforth to the EUR Transaction Account.

Following an Issuer Event the Transaction Accounts will be used for the crediting of, *inter alia*, moneys received in respect of the Cover Pool Assets included in the Cover Pool or to effect a payment in respect of the Covered Bonds (See "*Description of Transaction Documents – The Servicing and Cash Management Deed*") including the following amounts:

(a) any amounts standing to the credit of the Collection Accounts (or any Third Party Collection Accounts);

(b) any amounts required to be creditedpaid to the Reserve Ledger;

(c) any amounts received by the Issuer in respect of the Loan Assets and the Marketable Assets;

(d) (in the case of the EUR Transaction Account only) any Subsidy Payments received from the OAED and/or the Greek State and/or any other Greek State owned entity;

(e) any amounts credited by the Issuer for effecting payments on the Covered Bonds;

(f) all/any amounts received deposited by the Issuer when effecting optional substitution of Cover Pool Assets (including any amount deposited by the Issuer to prevent a sale of the Loan Assets to a third party);

(g) any amounts transferred by the Servicer in connection with the sale of Cover Pool Assets;

(h) any amounts paid to the Issuer by the Hedging Counterparties under the Hedging Agreements, which for the avoidance of doubt shall not include any amounts paid into any Swap Collateral Account; and

(i) any amounts deriving from maturity or liquidation of Authorised Investments carried out by the Servicer in accordance with the terms of the Servicing and Cash Management Deed.

The Issuer (or the Servicer on its behalf) will maintain records in relation to the Transaction Accounts in accordance with the Transaction Documents.

The Transaction Accounts will be maintained with the Account Bank for as long as the Account Bank is an Eligible Institution.

Event of Default

If one of the following events occurs and is continuing (an **Event of Default**):

(a) on the Final Maturity Date or Extended Final Maturity Date, as applicable, in respect of any Series of Covered Bonds or on any Interest Payment Date or any earlier date for redemption on which principal thereof is due and repayable, there is a failure to pay any amount of principal due on such Covered Bonds on such date and such default is not remedied within a period of 14 days from the due date thereof;

(b) on any Interest Payment Date, a default in the payment of the amount of interest due on any Series occurs and such default is not remedied within a period of 14 days from the due date thereof; or

(c) breach of the Amortisation Test pursuant to the Servicing and Cash Management Deed on any Calculation Date following an Issuer Event,

then the Trustee shall, upon receiving notice in writing from the Principal Paying Agent or any Covered Bondholder, or in respect of (c), the Servicer, of such Event of Default, serve a notice (a **Notice of Default**) on the Issuer.

However, for the avoidance of doubt, where the applicable Final Terms for a Series of Covered Bonds provides that such Covered Bonds are subject to an Extended Final Maturity Date, an Event of Default shall not be deemed to have occurred where there has been a failure to pay the Principal Amount Outstanding on the Covered Bonds on the Final Maturity Date.

Following the service of a Notice of Default, the Covered Bonds of each Series shall become immediately due and payable.

Following the occurrence of an Event of Default, the Trustee shall be entitled to direct the Servicer to dispose of the Cover Pool Assets. See "*Description of the Transaction Documents – the Servicing and Cash Management Deed*".

Priority of Payments prior to the delivery of a Notice of Default

At any time upon or after the occurrence of any Issuer Event but prior to the delivery of a Notice of Default, the Servicer shall apply all Covered Bonds Available Funds on each Cover Pool Payment Date in making the following payments and provisions in the following order of priority (the **Pre Event of Default Priority of Payments**) (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *first*, in or towards satisfaction of all amounts then due and payable or to become due and payable prior to the next Cover Pool Payment Date to the Trustee or any Appointee (including, remuneration or amounts by way of indemnity payable to it) under the provisions of the Trust Deed or any other Transaction Document together with interest and applicable VAT (or other similar taxes) thereon to the extent provided therein;

(ii) *second*, *pari passu* and *pro rata* according to the respective amounts thereof to pay any additional fees, costs, expenses and taxes due and payable on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date, properly incurred in respect of any notice to be given to any parties in accordance with any of the Transaction Documents or to the Covered Bondholders;

(iii) *third, pari passu* and *pro rata* according to the respective amounts thereof, to pay (i) all amounts due and payable on

the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date, to the Account Bank, the Custodian and the Agents under the Bank Account Agreement, the Custody Agreement and the Agency Agreement, respectively and (ii) to the Servicer an amount representing the cost of Levy in respect of such Loans received from Borrowers, such amount to be used by the Servicer towards satisfaction of the Issuer's obligation to pay any Levy;

(iv) *fourth*, *pari passu* and *pro rata* according to the respective amounts thereof to pay all amounts due and payable on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date (and for which payment has not been provided for elsewhere in the relevant Priorities of Payments), to any Secured Creditors other than the Covered Bondholders, Couponholders, the Agents, the Account Bank, the Custodian, the Trustee and any Appointee and other than any amount due to be paid, or that will become due and payable prior to the next Cover Pool Payment Date, to the Hedging Counterparties under the Hedging Agreements;

(v) *fifth*, *pari passu* and *pro rata*, according to the respective amounts thereof (a) to pay all amounts of interest due and payable on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date, on any Covered Bonds and (b) to pay any amounts due and payable on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date, under any Hedging Agreement other than Subordinated Termination Payments to any Hedging Counterparties under any such Hedging Agreements;

(vi) *sixth*, for as long as any Covered Bonds remain outstanding, to credit the Reserve Ledger with an amount equal to the difference between the Reserve Ledger Required Amount and the amount standing to the credit of the Reserve Ledger after having made the payments under paragraphs (i) to (v) above;

(vii) *seventh*, *pari passu* and *pro rata* according to the respective amounts thereof to pay all amounts of principal due and payable on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date (if any), on any Covered Bonds;

(viii) *eighth*, for so long as any Covered Bonds remain outstanding, any remaining Covered Bonds Available Funds will remain standing to the credit of a Transaction Account, or, as applicable, be deposited in a Transaction Account;

(ix) *ninth*, to pay *pari passu* and *pro rata*, according to the

respective amounts thereof, any amount due and payable on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date to any Hedging Counterparties which are Subordinated Termination Payments; and

(xi) *tenth*, to pay any excess to the Issuer.

Subordinated Termination Payment means, subject as set out below, any termination payments due and payable to any Hedging Counterparty under a Hedging Agreement where such termination results from (a) an Additional Termination Event "*Ratings Event*" as specified in the schedule to the relevant Hedging Agreement, (b) the bankruptcy of the relevant Hedging Counterparty, or (c) any default and/or failure to perform by such Hedging Counterparty under the relevant Hedging Agreement save in the circumstances set out in (a) or (b) above, other than the amount of any termination payment due and payable to such Hedging Counterparty in relation to the termination of such transaction to the extent of any premium received by the Issuer from a replacement hedging counterparty.

Priority of Payments following the delivery of a Notice of Default

Following delivery of a Notice of Default, all funds deriving from the Cover Pool Assets or the Transaction Documents or which are standing to the credit of the Transaction Account shall be applied on any Athens Business Day in accordance with the following order of priority of payments (the **Post Event of Default Priority of Payments** and, together with the Pre-Event of Default Priority of Payments, the **Priorities of Payments** and, each of them a **Priority of Payments**) (in each case only if and to the extent that payments of a higher priority have been made in full) provided that any such amount has not been paid by the Issuer using funds not forming part of the Cover Pool:

(i) *first*, to pay any Indemnity to which the Trustee or any Receiver or any Appointee is entitled pursuant to the Trust Deed or the Deed of Charge and any costs and expenses incurred by or on behalf of the Trustee or any Receiver or any Appointee (a) following the occurrence of a Potential Event of Default or an Issuer Event or in connection with or as a result of serving on the Issuer a Notice of Default (to the extent that any such amounts have not yet been paid out of the Covered Bond Available Funds before the delivery of a Notice of Default) and (b) following the delivery of a Notice of Default in connection with or as a result of the enforcement or realisation of (A) the security granted under the Statutory Pledge and the Deed of Charge and/or (B) any other right or remedy that the Trustee is entitled or required to pursue under or in connection with the Transaction Documents and/or the Covered Bonds for the purpose of protecting the interests of the Covered Bondholders and/or the other Secured Creditors;

(ii) *second*, *pari passu* and *pro rata* according to the respective amounts thereof, (a) to pay all amounts of interest and principal due and payable on any Covered Bonds, (b) to pay any additional fees, costs, expenses and taxes due and payable in connection

with any notice to be given to any parties in accordance with any of the Transaction Documents or to the Covered Bondholders, (c) to pay all amounts due and payable to the Secured Creditors, other than the Covered Bondholders and (d) to pay any amounts due and payable under any Hedging Agreement other than the Subordinated Termination Payments to any Hedging Counterparties under any such Hedging Agreements;

(iii) *third*, to pay *pari passu* and *pro rata*, according to the respective amounts thereof, any Subordinated Termination Payment due and payable to any Hedging Counterparties; and

(iv) *fourth*, following the payment in full of all items under (i) to (iii) above, to pay all excess amounts (if any) to the Issuer.

Indemnity means any indemnity amounts due to the Trustee pursuant to the Trust Deed, the Deed of Charge or otherwise, including (without limitation) Clause 14 of the Trust Deed.

Servicing and Cash Management Deed

Under the terms of the Servicing and Cash Management Deed entered into originally on the Programme Closing Date between the Issuer, the Trustee and the Servicer (the **Servicing and Cash Management Deed**), the Servicer has been authorised, subject to the conditions specified therein, to administer the cash flows arising from the Cover Pool.

The Servicing and Cash Management Deed sets forth the terms and conditions upon which the Servicer shall be required to administer the Cover Pool Assets.

Pursuant to the Servicing and Cash Management Deed, the Servicer has undertaken to prepare and deliver certain reports in connection with the Loan Assets. Pursuant to the Servicing and Cash Management Deed, the Servicer will agree to perform certain obligations in connection with the management of the Cover Pool.

The Servicing and Cash Management Deed contains provisions under which the Issuer shall be obliged, upon the terms and subject to the conditions specified therein, to appoint an appropriate entity to perform the Servicing and Cash Management Activities to be performed by the Servicer.

Programme Closing Date means 9 April 2010.

See "*Description of the Transaction Documents – The Servicing and Cash Management Deed*".

Asset Monitor Agreement

Under the terms of the asset monitor agreement entered into on the Programme Closing Date between the Asset Monitor, the Servicer, the Issuer and the Trustee (the **Asset Monitor Agreement**), the Asset Monitor has agreed to carry out various testing and notification duties in relation to the calculations performed by the Servicer in relation to the Statutory Tests and, if required, the Amortisation Test.

Trust Deed

Under the terms of the Trust Deed entered into originally on the Programme Closing Date between the Issuer and the Trustee, the Trustee will be appointed to act as the Covered Bondholders' representative in accordance with paragraph 2 of Article 152.

Deed of Charge	The Issuer shall assign its rights arising under the Hedging Agreements and any other Transaction Document governed by English law to the Trustee (on trust for itself and on behalf of the Covered Bondholders and the other Secured Creditors) in accordance with a deed of charge (the **Deed of Charge**). In addition, the Covered Bondholders and the other Secured Creditors have agreed that, upon the occurrence of an Issuer Event, all the Covered Bonds Available Funds will be applied in or towards satisfaction of all the Issuer's payment obligations towards the Covered Bondholders and the other Secured Creditors, in accordance with the terms of the Servicing and Cash Management Deed and the relevant Priority of Payments. The Trustee has been authorised, in accordance with the Servicing and Cash Management Deed, subject to a Notice of Default being delivered to the Issuer following the occurrence of an Event of Default, to exercise, in the name and on behalf of the Issuer, all the Issuer's rights arising out of the Transaction Documents to which the Issuer is a party. The Deed of Charge is governed by English Law.
Agency Agreement	Under the terms of an agency agreement entered into originally on the Programme Closing Date between the Issuer, the Agents and the Trustee (the **Agency Agreement**), the Agents have agreed to provide the Issuer with certain agency services and the Paying Agents have agreed, *inter alia*, to make available for inspection such documents as may be required from time to time by the rules of the Luxembourg Stock Exchange and to arrange for the publication of any notice to be given to the Covered Bondholders.
Bank Account Agreement	Under the terms of the bank account agreement entered into originally on the Programme Closing Date between the Account Bank, the Servicer, the Issuer and the Trustee (the **Bank Account Agreement**), the Account Bank has agreed to operate the Transaction Accounts and a cash collateral account to hold cash collateral posted by a relevant Hedging Counterparty pursuant to the terms of a relevant Hedging Agreement (the **Swap Cash Collateral Account** and together with the Transaction Accounts, the **Cash Bank Accounts**)) opened in accordance with the terms of any Hedging Agreement and the Bank Account Agreement and the instructions given by the Servicer.
Custody Agreement	Under the terms of the custody agreement entered into originally on or about the Programme Closing Date between the Issuer, the Servicer, the Custodian and the Trustee (the **Custody Agreement**), the Custodian has agreed to operate a securities collateral account to hold securities collateral posted by a relevant Hedging Counterparty pursuant to the terms of a relevant Hedging Agreement (the **Swap Securities Collateral Account**, together with the Swap Cash Collateral Account, the **Swap Collateral Accounts** and together with the Cash Bank Accounts, the **Bank Accounts**)) opened in accordance with the terms of any Hedging Agreement and the Custody Agreement and the instructions given by the Servicer.
Hedging Agreements	The Issuer may, from time to time during the Programme, enter into

Interest Rate Swap Agreements, FX Swap Agreements and Covered Bond Swap Agreements (together the **Hedging Agreements**) with one or more Hedging Counterparties for the purpose of, *inter alia*, mitigating certain risks (including, but not limited to, interest rate, liquidity, currency and credit) related to the Loan Assets and/or the Covered Bonds. In accordance with the terms set forth in the Servicing and Cash Management Deed, the Issuer may include the claims of the Issuer arising from the Hedging Agreements, together with the cash flows deriving therefrom, in the Cover Pool provided that, *inter alia,* the terms and conditions of such Hedging Agreements shall not adversely affect the ratings of the then outstanding Covered Bonds.

The Hedging Agreements shall be governed by English Law.

The Issuer's rights arising from any Hedging Agreement(s) will be included as part of the Cover Pool at the Issuer's discretion.

Transaction Documents

The Servicing and Cash Management Deed, the Programme Agreement, each Subscription Agreement, the Agency Agreement, the Trust Deed, the Deed of Charge, the Bank Account Agreement, the Asset Monitor Agreement, the Master Definitions and Construction Schedule, the Custody Agreement, each of the Final Terms, each Registration Statement, the Conditions, the Covered Bonds, the Coupons, the Hedging Agreements, any agreement entered into with a new Servicer, together with any additional document entered into in respect of the Covered Bonds and/or the Cover Pool and designated as a Transaction Document by the Issuer and the Trustee, are together referred to as the **Transaction Documents**.

Subscription Agreement means an agreement supplemental to the Programme Agreement (by whatever name called) in or substantially in the form set out in the Programme Agreement or in such other form as may be agreed between the Issuer and the Lead Manager or one or more Dealers (as the case may be).

Investor Report

On each Cover Pool Payment Date (each an **Investor Report Date**), the Servicer will produce an investor report (the **Investor Report**), which will contain information regarding the Covered Bonds and the Cover Pool Assets, including statistics relating to the financial performance of the Cover Pool Assets. Such report will be available to the prospective investors in the Covered Bonds and to Covered Bondholders at the offices of Paying Agent, on Bloomberg and on the website www.eurobank.gr.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the CSSF shall be incorporated by reference in, and form part of, this Base Prospectus and are available on the website of the Luxembourg Stock Exchange (www.bourse.lu),:

(i) the audited consolidated annual financial statements of the Issuer for each of the financial years ended 31 December 2014 and 31 December 2013 (as contained within the Issuer's Annual Financial Report for the Year Ended 31 December 2014 and Annual Financial Report for the Year Ended 31 December 2013), in each case prepared in accordance with International Financial Reporting Standards (**IFRS**), including the information set out at the following pages of the Issuer's 'Consolidated Financial Statements' for 2014 and 'Consolidated Financial Statements' for 2013, respectively:

	2014	*2013*
Independent auditors' report	page 1-2	page 1-2
Consolidated Income Statement	page 4	page 3
Consolidated Balance Sheet	page 3	page 4
Consolidated Cash Flow Statement	page 7	page 7
Notes to the consolidated financial statements	pages 8-118	pages 8 -117

(ii) the reviewed condensed consolidated interim financial statements for the period ended 30 September 2015:

Independent auditor's report	page 1
Consolidated Interim Income	page 3
Consolidated Interim Balance Sheet	page 2
Consolidated Interim Cash Flow	page 6
Notes to the consolidated financial statements	pages 7-43

(iii) the sections entitled "*Terms and Conditions of the Covered Bonds*" set out on pages 60 to 95 (inclusive) of the offering circular dated 9 April 2010 (for the avoidance of doubt, the applicable Final Terms for a Series or Tranche of Covered Bonds will indicate the Terms and Conditions applicable to such Series or Tranche and unless otherwise indicated in the applicable Final Terms, the Terms and Conditions of all Covered Bonds issued after the date hereof shall be those set out in full in this Base Prospectus). The remaining portions of the offering circular dated 9 April 2010 is not relevant for prospective investors.

Following the publication of this Base Prospectus, a supplement to this Base Prospectus may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London and Luxembourg.

The documents incorporated by reference in this Base Prospectus may also be viewed on the website of the Issuer at www.eurobank.gr (this uniform resource locator (URL) is an inactive textual reference only and is not intended to incorporate this website into this Base Prospectus).

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Covered Bonds, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Covered Bonds.

Any information not listed in the cross-reference list is considered to be additional information to be disclosed to investors rather than information required by the relevant Annexes of Commission Regulation (EC) No. 809/2004 (as amended) implementing the Prospective Directive.

Any websites the links to which are included in this Base Prospectus are for information purposes only and shall not be incorporated by reference in and do not form part of this Base Prospectus.

TERMS AND CONDITIONS OF THE COVERED BONDS

The following are the Terms and Conditions of the Covered Bonds which will be attached to and form part of each Global Covered Bond (as defined below) and each Definitive Covered Bond (as defined below), in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such Definitive Covered Bond will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Series or Tranche of Covered Bonds may include information which shall, to the extent applicable, complete the following Terms and Conditions for the purpose of such Covered Bonds. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Covered Bond and Definitive Covered Bond. Reference should be made to "Form of the Covered Bonds" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Covered Bonds.

This Covered Bond is one of a Series (as defined below) of Covered Bonds issued by Eurobank Ergasias S.A. (the **Issuer**) pursuant to the Trust Deed (as defined below).

References herein to the Covered Bonds shall be references to the Covered Bonds of this Series and shall mean:

(a) in relation to any Covered Bonds represented by a global Covered Bond (a **Global Covered Bond**), units of the lowest denomination specified in the relevant Final Terms (**Specified Denomination**) in the currency specified in the relevant Final Terms (**Specified Currency**);

(b) any Global Covered Bond; and

(c) any definitive Covered Bonds in bearer form (**Bearer Definitive Covered Bonds**) issued in exchange for a Global Covered Bond in bearer form; and

(d) any definitive Covered Bonds in registered form (**Registered Definitive Covered Bonds** and, together with Bearer Definitive Covered Bonds, **Definitive Covered Bonds**) (whether or not issued in exchange for a Global Covered Bond in registered form).

The Covered Bonds and the Coupons (as defined below) are constituted by a trust deed (such trust deed as amended and/or supplemented and/or restated from time to time, the **Trust Deed**) dated the Programme Closing Date and made between *inter alios* the Issuer and The Bank of New York Mellon (International) Limited (the **Trustee**, which expression includes the trustee or trustees for the time being of the Trust Deed) as trustee for the Covered Bondholders.

The Covered Bonds and the Coupons have the benefit of an agency agreement (such agency agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated the Programme Closing Date and made between *inter alios* the Issuer, The Bank of New York Mellon as principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent), the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents) and The Bank of New York Mellon (Luxembourg) S.A. as registrar (the **Registrar**, which expression shall include any successor registrar).

Interest bearing Definitive Covered Bonds have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons The Final Terms for this Covered Bond (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Covered Bond which supplement

these Terms and Conditions (the **Conditions**) and may include information which shall, to the extent applicable, complete the Conditions for the purposes of this Covered Bond. References to the applicable Final Terms are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Covered Bond.

The expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive) to the extent implemented in the relevant Member State of the European Economic Area and includes any relevant implementing measure in the relevant Member State.

Any reference to Covered Bondholders or holders in relation to any Covered Bonds shall mean the holders of the Covered Bonds and shall, in relation to any Covered Bonds represented by a Global Covered Bond, be construed as provided below. Any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Covered Bonds which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the applicable Final Terms and the other Transaction Documents are available for viewing at the registered offices of the Issuer and of each Paying Agent and copies may be obtained from those offices save that, if this Covered Bond is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms and the other Transaction Documents will only be obtainable by a Covered Bondholder holding one or more Covered Bonds and such Covered Bondholder must produce evidence satisfactory to the Issuer or the relevant Paying Agent as to its holding of such Covered Bonds and identity. The Covered Bondholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed and the applicable Final Terms and the other Transaction Documents which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the other Transaction Documents.

Except where the context otherwise requires, capitalised terms used and not otherwise defined in these Conditions shall bear the meanings given to them in the applicable Final Terms and/or the master definitions and construction schedule made between the parties to the Transaction Documents on or about the Programme Closing Date (the **Master Definitions and Construction Schedule**), a copy of each of which may be obtained as described above.

1. Form, Denomination and Title

The Covered Bonds are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of Definitive Covered Bonds, serially numbered, in the Specified Currency and the Specified Denomination(s). Covered Bonds of one Specified Denomination may not be exchanged for Covered Bonds of another Specified Denomination and Bearer Covered Bonds may not be exchanged for Registered Covered Bonds and *vice versa*.

This Covered Bond may be a Fixed Rate Covered Bond, a Floating Rate Covered Bond, a Zero Coupon Covered Bond or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

The Covered Bonds will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and set out in the applicable Final Terms save that the minimum denomination of each Covered Bond will be €100,000 (or, if the Covered Bonds are denominated in a currency other than euro, at least the equivalent amount in such currency) or such other higher amount as is required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

It is a condition precedent to the issuance of a new Series or Tranche of Covered Bonds that (i) there is no Issuer Event or Event of Default outstanding and that such issuance would not cause an Issuer Event or Event of Default, (ii) such issuance would not result in a breach of any of the Statutory Tests, (iii) the Rating Agency has been notified of such issuance, (iv) such issuance has been approved by the Bank of Greece in accordance with paragraph II.3 of the Secondary Covered Bond Legislation and if applicable, in respect of any Series or Tranche, a Hedging Agreement is entered into.

Bearer Definitive Covered Bonds are issued with Coupons attached, unless they are Zero Coupon Covered Bonds in which case references to Coupons and Couponholders in these Conditions are not applicable.

Subject as set out below, title to the Bearer Covered Bonds and Coupons will pass by delivery and title to the Registered Covered Bonds will pass upon registration of transfer in accordance with the provisions of the Agency Agreement. The Issuer, the Paying Agents and the Trustee will (except as otherwise required by law) deem and treat the bearer of any Bearer Covered Bond or Coupon and the registered holder of any Registered Covered Bond as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Covered Bond, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Covered Bonds are represented by a Global Covered Bond held on behalf of Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Covered Bonds (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Paying Agents and the Trustee as the holder of such nominal amount of such Covered Bonds for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Covered Bonds, for which purpose the bearer of the relevant Global Covered Bond shall be treated by the Issuer, any Paying Agent and the Trustee as the holder of such nominal amount of such Covered Bonds in accordance with and subject to the terms of the relevant Global Covered Bond and the expressions **Covered Bondholder** and **holder of Covered Bonds** and related expressions shall be construed accordingly.

Covered Bonds which are represented by a Global Covered Bond will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Trustee.

2. Transfers of Registered Covered Bonds

2.1 *Transfers of interests in Registered Global Covered Bonds*

Transfers of beneficial interests in Registered Global Covered Bonds will be effected by Euroclear or Clearstream, Luxembourg and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Covered Bond will, subject to compliance with all applicable legal and regulatory restrictions, be exchangeable for Registered Definitive Covered Bonds or for a beneficial interest in another Registered Global Covered Bond only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

2.2 *Transfers of Registered Covered Bonds in definitive form*

Subject as provided in Conditions 2.3 and 2.4 upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Definitive Covered Bond may be transferred in whole or in part in the authorised denominations set out in the applicable Final Terms. In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Covered Bond for registration of the transfer of the Registered Covered Bond (or the relevant part of the Registered Covered Bond) at the specified office of the Registrar, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing, and (ii) complete and deposit such other certifications as may be required by the Registrar, and (b) the Registrar must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request.

Any such transfer will be subject to such reasonable regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in the Agency Agreement).

Subject as provided above, the Registrar will, within 3 business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Registered Definitive Covered Bond of a like aggregate nominal amount to the Registered Definitive Covered Bond (or the relevant part of the Registered Definitive Covered Bond) transferred.

In the case of the transfer of part only of a Registered Definitive Covered Bond, a new Registered Definitive Covered Bond in respect of the balance of the Registered Definitive Covered Bond not transferred will (in addition to the new Registered Definitive Covered Bond in respect of the nominal amount transferred) be so authenticated and delivered or (at the risk of the transferor) sent by uninsured mail to the address specified by the transferor.

2.3 *Registration of transfer upon partial redemption*

For the avoidance of doubt, in the event of a partial redemption of Covered Bonds under Condition 7, the Issuer shall not be required to register the transfer of any Registered Covered Bond, or part of a Registered Covered Bond, which is partially redeemed.

2.4 *Costs of registration*

Covered Bondholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer or Registrar may require the payment of a sum sufficient to cover any stamp duty, Taxes or any other governmental charge that may be imposed in relation to the registration.

3. Status of the Covered Bonds

The Covered Bonds constitute direct, unconditional and unsubordinated obligations of the Issuer secured by the statutory pledge provided by paragraph 4 of Article 152 of the Greek Covered Bond Legislation (the **Statutory Pledge**) on the Greek law Cover Pool Assets. They are issued in accordance with the Greek Covered Bond Legislation and are backed by the assets of the Cover Pool. They will at all times rank *pari passu* without any preference among themselves.

4. Priorities of Payments

Notwithstanding the Deed of Charge Security but subject to Clause 8.1 (*Application*) of the Deed of Charge, at any time upon or after the occurrence of any Issuer Event but prior to the delivery of a Notice of Default, the Servicer shall apply all Covered Bonds Available Funds on each Cover Pool Payment Date in making the following payments and provisions in the following order of priority (the **Pre Event of Default Priority of Payments**) (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *first*, in or towards satisfaction of all amounts then due and payable or to become due and payable prior to the next Cover Pool Payment Date to the Trustee or any Appointee (including, remuneration or amounts by way of indemnity payable to it) under the provisions of the Trust Deed or any other Transaction Document together with interest and applicable VAT (or other similar taxes) thereon to the extent provided therein;

(ii) *second*, *pari passu* and *pro rata* according to the respective amounts thereof to pay any additional fees, costs, expenses and taxes due and payable on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date, properly incurred in respect of any notice to be given to any parties in accordance with any of the Transaction Documents or to the Covered Bondholders;

(iii) *third*, *pari passu* and *pro rata* according to the respective amounts thereof, to pay (i) all amounts due and payable on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date, to the Account Bank. the Custodian and the Agents under the Bank Account Agreement, the Custody Agreement and the Agency Agreement, respectively and (ii) to the Servicer an amount equal to any Levy received from Borrowers, such amount to be used by the Servicer towards satisfaction of the Issuer's obligation to pay any Levy;

(iv) *fourth*, *pari passu* and *pro rata* according to the respective amounts thereof to pay all amounts due and payable on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date (and for which payment has not been provided for elsewhere in the relevant Priorities of Payments), to any Secured Creditors other than the Covered Bondholders, Couponholders, the Agents, the Account Bank, the Custodian, the Trustee and any

Appointee and other than any amount due to be paid, or that will become due and payable prior to the next Cover Pool Payment Date, to the Hedging Counterparties under the Hedging Agreements;

(v) *fifth*, *pari passu* and *pro rata*, according to the respective amounts thereof (a) to pay all amounts of interest due and payable on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date, on any Covered Bonds and (b) to pay any amounts due and payable on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date, under any Hedging Agreement other than Subordinated Termination Payments to any Hedging Counterparties under any such Hedging Agreements;

(vi) *sixth*, for as long as any Covered Bonds remain outstanding, to credit the Reserve Ledger with an amount equal to the difference between the Reserve Ledger Required Amount and the amount standing equal to the credit of the Reserve Ledger after having made the payments under paragraphs (i) to (v) above;

(vii) *seventh*, *pari passu and pro rata*, according to the respective amounts thereof to pay all amounts of principal due and payable on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date (if any), on any Covered Bonds;

(vii) *eighth*, for so long as any Covered Bonds remain outstanding, any remaining Covered Bonds Available Funds will remain standing to the credit of a Transaction Account, or, as applicable, be deposited in a Transaction Account;

(ix) *ninth*, to pay *pari passu* and *pro rata*, according to the respective amounts thereof, any amount due and payable on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date to any Hedging Counterparties which are Subordinated Termination Payments; and

(x) *tenth*, to pay any excess to the Issuer.

Following delivery of a Notice of Default, all funds deriving from the Cover Pool Assets or the Transaction Documents which are standing to the credit of the Transaction Accounts shall be applied on any Athens Business Day in accordance with the following order of priority of payments (the **Post Event of Default Priority of Payments** and, together with the Pre Event of Default Priority of Payments, the **Priorities of Payments** and, each of them a **Priority of Payments**) (in each case only if and to the extent that payments of a higher priority have been made in full) provided that any such amount has not been paid by the Issuer using funds not forming part of the Cover Pool:

(i) *first*, to pay any Indemnity to which the Trustee or any Receiver or any Appointee is entitled pursuant to the Trust Deed or the Deed of Charge and any costs and expenses incurred by or on behalf of the Trustee or any Receiver or any Appointee (a) following the occurrence of a Potential Event of Default or any Issuer Event or in connection with or as a result of serving on the Issuer a Notice of Default (to the extent that any such amounts have not yet been paid out of the Covered Bond Available Funds before the delivery of a Notice of Default) and (b) following the delivery of a Notice of Default in connection with or as a result of the enforcement or realisation of (A) the security granted under the Statutory Pledge and the Deed of Charge and/or (B) any other right or remedy that the Trustee is entitled or required to pursue under or in connection with the Transaction Documents and/or the Covered Bonds for

the purpose of protecting the interests of the Covered Bondholders and/or the other Secured Creditors;

(ii) *second*, *pari passu* and *pro rata* according to the respective amounts thereof, (a) to pay all amounts of interest and principal due and payable on any Covered Bonds, (b) to pay any additional fees, costs, expenses and taxes due and payable in connection with any notice to be given to any parties in accordance with any of the Transaction Documents or to the Covered Bondholders, (c) to pay all amounts due and payable to the Secured Creditors, other than the Covered Bondholders and (d) to pay any amounts due and payable under any Hedging Agreement other than the Subordinated Termination Payments to any Hedging Counterparties under any such Hedging Agreements;

(iii) *third*, to pay *pari passu* and *pro rata*, according to the respective amounts thereof, any Subordinated Termination Payment due and payable to any Hedging Counterparties; and

(iv) *fourth*, following the payment in full of all items under (i) to (iii) above, to pay all excess amounts (if any) to the Issuer.

5. Interest

5.1 Interest on Fixed Rate Covered Bonds

Each Fixed Rate Covered Bond bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Final Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on but excluding such date (**Fixed Coupon Amount**). Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the broken amount specified in the relevant Final Terms (the **Broken Amount**) so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

5.2 Floating Rate Covered Bond Provisions

(a) Interest on Payment Dates

Each Floating Rate Covered Bond bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date and such interest will be payable in arrear on either*:*

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the **Specified Period** in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, the expression **Interest Period** shall mean the period from (and including) an Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Covered Bonds will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Covered Bonds

Where **ISDA Determination** is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent or other person specified in the applicable Final Terms under an interest rate swap transaction if the Principal Paying Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Covered Bonds (the **ISDA Definitions**), and under which:

(A) the Floating Rate Option is as specified in the applicable Final Terms;

(B) the Designated Maturity is the period specified in the applicable Final Terms; and

(C) the relevant Reset Date is the day as specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

When this subparagraph (i) applies, in respect of each relevant Interest Period the Principal Paying Agent or the above-mentioned person will be deemed to have discharged its obligations under Condition 5.2(d) below in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this subparagraph (i).

(ii) Screen Rate Determination for Floating Rate Covered Bonds

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either the London inter-bank offered rate (**LIBOR**) or the Euro-zone inter-bank offered rate (**EURIBOR**), as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement of that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

For the purposes of this subparagraph (ii), **Euro-zone** means the region comprising the member states of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

In the event that the Rate of Interest in respect of an Interest Period determined in accordance with the provisions of paragraph (b) above in less than zero, the Rate of Interest for that Interest Period shall be deemed to be zero, provided that if the applicable Final Terms for a Floating Rate Covered Bond specify a Minimum Rate of Interest for any Interest Period other than zero, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms for a Floating Rate Covered Bond specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Principal Paying Agent, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Covered Bonds for the relevant Interest Period by applying the Rate of Interest to:

(i) in the case of Floating Rate Covered Bonds which are represented by a Global Covered Bond, the aggregate outstanding nominal amount of the Covered Bonds represented by such Global Covered Bond; or

(ii) in the case of Floating Rate Covered Bonds in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Covered Bond in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Covered Bond shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

(e) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and to any stock exchange or other relevant competent authority or quotation system on which the relevant Floating Rate Covered Bonds are for the time being listed, quoted and/or traded or by which they have been admitted to listing or trading and to be published in accordance with Condition 17 (*Notices*) as soon as possible after their determination but in no event later than the fourth Business Day (as defined in Condition 5.5) thereafter and in the case of any notification to be given to the Luxembourg Stock Exchange on or before the first Business Day of each Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will be promptly notified to the Trustee and each stock exchange or other relevant authority on which the relevant Floating Rate Covered Bonds are for the time being listed, quoted and/or traded or by which they have been admitted to listing or trading and to Covered Bondholders in accordance with Condition 17 (*Notices*).

(f) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the

length of the relevant Interest Period, provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent shall determine such rate at such time and by reference to such sources as it (in consultation with the Issuer) determines appropriate.

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(g) Determination or Calculation by Trustee

If for any reason at any relevant time after the Issue Date, the Principal Paying Agent defaults in its obligation to determine the Rate of Interest or the Principal Paying Agent defaults in its obligation to calculate any Interest Amount in accordance with subparagraph 5.2(b)(i) or 5.2(b)(ii) above as the case may be, and in each case in accordance with paragraph 5.2(d) above, the Trustee may determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it may think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee may calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances. In making any such determination or calculation, the Trustee may appoint and rely on a determination or calculation by a calculation agent (which shall be an investment bank or other suitable entity of international repute). If such determination or calculation is made the Trustee shall notify the Issuer and the Stock Exchange of such determination or calculation and each such determination or calculation shall be deemed to have been made by the Principal Paying Agent.

(h) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.2, whether by the Principal Paying Agent or the Trustee shall (in the absence of wilful default or manifest error) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent, the other Paying Agents, the Trustee and all Covered Bondholders, and Couponholders and (in the absence of wilful default or fraud) no liability to the Issuer, the Covered
Bondholders or the Couponholders shall attach to the Principal Paying Agent, the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.3 Interest on Zero Coupon Covered Bonds

Zero Coupon Covered Bonds will be offered and sold at a discount to their nominal amount and will not bear interest. When a Zero Coupon Covered Bond becomes repayable prior to its Maturity Date it will be redeemed at the Early Redemption Amount calculated in accordance with Condition 7.6 (*Early Redemption Amounts*). In the case of late payment the amount due and repayable shall be calculated in accordance with Condition 7.9 (*Late Payment*).

5.4 Intentionally left blank.

5.5 Intentionally left blank.

5.6 Accrual of interest

Interest (if any) will cease to accrue on each Covered Bond (or in the case of the redemption of part only of a Covered Bond, that part only of such Covered Bond) on the due date for redemption thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event, interest will continue to accrue as provided in Condition 7.9 (*Late Payment*).

5.7 Business Day, Business Day Convention, Day Count Fractions and other adjustments

(a) In these Conditions, **Business Day** means:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and Athens and any Additional Business Centre specified in the applicable Final Terms; and

(ii) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre) or as otherwise specified in the applicable Final Terms or (B) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (**TARGET2**) System (the **TARGET2 System**) is open.

(b) If a **Business Day Convention** is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(i) in any case where Specified Periods are specified in accordance with Condition 5.2(a)(ii), the **Floating Rate Convention**, such Interest Payment Date (1) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (II) below shall apply mutatis mutandis, or (2) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (I) such Interest Payment Date shall be brought forward to the immediately preceding Business Day, and (II) each subsequent Interest Payment Date shall be the last Business Day in the month which falls within the Specified Period after the preceding applicable Interest Payment Date occurred; or

(ii) the **Following Business Day Convention**, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(iii) the **Modified Following Business Day Convention**, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(iv) the **Preceding Business Day Convention**, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

(c) **Day Count Fraction** means, in respect of the calculation of an amount of interest for any Interest Period:

(i) if **Actual/Actual (ICMA)** is specified in the applicable Final Terms:

(A) in the case of Covered Bonds where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period (as defined in Condition 5.5(e)) during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(B) in the case of Covered Bonds where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of (I) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and (II) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

(ii) if **Actual/Actual** or **Actual/Actual (ISDA)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366, and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(iii) if **Actual/365 (Fixed)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iv) if **Actual/365 (Sterling)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(v) if **Actual/360** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(vi) if **30/360, 360/360** or **Bond Basis** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\left[360 \text{x} \left(\text{Y}^2 - \text{Y}^1\right)\right] + \left[30 \text{x} \left(\text{M}^2 - \text{M}^1\right)\right] + \left(\text{D}^2 - \text{D}^1\right)}{360}$$

where:

$\mathbf{Y^1}$ is the year, expressed as a number, in which the first day of the Interest Period falls;

Y^2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M^1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M^2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D^1 is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D^1 will be 30; and

D^2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D^1 is greater than 29, in which case D^2 will be 30;

(vii) if **30E/360** or **Eurobond Basis** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\left[360 \text{x} \left(Y^2 - Y^1\right)\right] + \left[30 \text{x} \left(M^2 - M^1\right)\right] + \left(D^2 - D^1\right)}{360}$$

where:

Y^1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y^2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M^1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M^2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D^1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D^1 will be 30; and

"D^2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D^2 will be 30;

(viii) if **30E/360 (ISDA)** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\left[360 \text{x} \left(Y^2 - Y^1\right)\right] + \left[30 \text{x} \left(M^2 - M^1\right)\right] + \left(D^2 - D^1\right)}{360}$$

where:

Y^1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y^2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M^1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M^2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D^1 is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D^1 will be 30; and

D^2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Final Maturity Date or (ii) such number would be 31 and D^2 will be 30; or

such **other** Day Count Fraction as may be specified in the applicable Final Terms.

(d) **Determination Date** has the meaning given in the applicable Final Terms.

(e) **Determination Period** means each period from (and including) a Determination Date to (but **excluding**) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

(f) **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

(g) **Interest Commencement Date** means in the case of interest-bearing Covered Bonds, the date specified in the applicable Final Terms from (and including) which the relevant Covered Bonds will accrue interest.

(h) **Interest Payment Date** means, in respect of Fixed Rate Covered Bonds, the meaning given in the applicable Final Terms and in respect of Floating Rate Covered Bonds, the meaning given in Condition 5.2, together the **Interest Payment Dates**.

(i) **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

(j) **Principal Amount Outstanding** means in respect of a Covered Bond on any day the principal amount of that Covered Bond on the relevant Issue Date thereof less principal amounts received by the relevant Covered Bondholder in respect thereof on or prior to that day provided that the Principal Amount Outstanding in respect of a Covered Bond that has been purchased and cancelled by the Issuer shall be zero.

(k) If **adjusted** is specified in the applicable Final Terms against the Day Count Fraction, interest in respect of the relevant Interest Period shall be payable in arrear on the relevant Interest Payment Date and calculated from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date, as such Interest Payment Date shall, where applicable, be adjusted in accordance with the Business Day Convention.

(l) If **not adjusted** is specified in the applicable Final Terms against the Day Count Fraction, interest in respect of the relevant Interest Period shall be payable in arrear on the relevant Interest Payment Date and calculated from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date, but

such Interest Payment Dates shall not be adjusted in accordance with any Business Day Convention.

(m) **sub-unit** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, euro 0.01.

6. Payments

6.1 Method of payment

Subject as provided below:

(i) payments in a Specified Currency other than Euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively);

(ii) payments in Euro will be made by credit or electronic transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque; and

(iii) payments in U.S. Dollars will be made by transfer to a U.S. Dollar account maintained by the payee with a bank outside of the United States (which expression, as used in this Condition 6, means the United States of America, including the State and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction), or by cheque drawn on a United States bank.

In no event will payment in respect of Covered Bonds be made by a cheque mailed to an address in the United States. All payments of interest in respect of Covered Bonds will be made to accounts located outside the United States except as may be permitted by United States tax law in effect at the time of such payment without detriment to the Issuer.

Payments will be subject in all cases (i) to any fiscal or other laws and regulations applicable thereto in the place of payment and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the Code) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code or any regulations or agreements thereunder, official interpretations thereof an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law or regulation implementing such intergovernmental agreement). References to Specified Currency will include any successor currency under applicable law.

6.2 Presentation of Definitive Covered Bonds and Coupons

Payments of principal and interest (if any) will (subject as provided below) be made in accordance with Condition 6.1 (*Method of payment*) only against presentation and surrender of Definitive Covered Bonds or Coupons (or, in the case of part payment of any sum due, endorsement of the Definitive Covered Bond (or Coupon)), as the case may be, only at a specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Fixed Rate Covered Bonds in definitive bearer form (other than Long Maturity Covered Bonds (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall include Coupons falling to be issued on exchange of matured Talons), failing which an amount equal to the face value of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 11 (*Prescription*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 11 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due but in no event thereafter.

Upon amounts in respect of any Fixed Rate Covered Bond in definitive bearer form becoming due and repayable by the Issuer prior to its Final Maturity Date (or, as the case may be, Extended Final Maturity Date), all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the due date for redemption of any Floating Rate Covered Bond in definitive bearer form, all unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Covered Bond** is a Fixed Rate Covered Bond (other than a Fixed Rate Covered Bond which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Covered Bond shall cease to be a Long Maturity Covered Bond on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the Principal Amount Outstanding of such Covered Bond.

If the due date for redemption of any Definitive Covered Bond is not an Interest Payment Date, interest (if any) accrued in respect of such Covered Bond from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against presentation and surrender of the relevant Definitive Covered Bond.

6.3 Payments in respect of Bearer Global Covered Bonds

Payments of principal and interest (if any) in respect of Covered Bonds represented by any Bearer Global Covered Bond will (subject as provided below) be made in the manner specified above in relation to Bearer Definitive Covered Bonds and otherwise in the manner specified in the relevant Bearer Global Covered Bond against presentation or surrender, as the case may be, of such Bearer Global Covered Bond if the Bearer Global Covered Bond is not intended to be issued in new global covered bond (**NGCB**) form at the specified office of any Paying Agent outside the United States. On the occasion of each payment, (i) in the case of any Bearer Global Covered Bond which is not issued in NGCB form, a record of such payment made on such Bearer Global Covered Bond, distinguishing between any payment of principal and any payment of interest, will be made on such Bearer Global Covered Bond by the Paying Agent and such record shall be prima facie evidence that the payment in question has been made and (ii) in the case of any Global Covered Bond which is issued in NGCB form, the Paying Agent shall instruct Euroclear and Clearstream, Luxembourg to make appropriate entries in their records to reflect such payment.

No payments of principal, interest or other amounts due in respect of a Bearer Global Covered Bond will be made by mail to an address in the United States or by transfer to an account maintained in the United States.

6.4 *Payments in respect of Registered Covered Bonds*

Payments of principal in respect of each Registered Covered Bond (whether or not in global form) will be made against presentation and surrender of the Registered Covered Bond at the specified office of the Registrar or any of the Paying Agents. Such payments will be made in accordance with Condition 6.1 by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Covered Bond appearing in the register of holders of the Registered Covered Bonds maintained by the Registrar (the **Register**) at the close of business on the business day (**business day** being for the purposes of this Condition 6.4 a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date (the **Record Date**). Notwithstanding the previous sentence, if

(i) a holder does not have a Designated Account, or

(ii) the principal amount of the Covered Bonds held by a holder is less than U.S.$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** means the account (which, in the case of a payment in Yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest in respect of each Registered Covered Bond (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Covered Bond appearing in the Register at the close of business on the Record Date at the holder's address shown in the Register on the Record Date and at the holder's risk. Upon application of the holder to the specified office of the Registrar not less than 3 business days before the due date for any payment of interest in respect of a Registered Covered Bond, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Registered Covered Bonds which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Covered Bond on redemption will be made in the same manner as payment of the principal in respect of such Registered Covered Bond.

Holders of Registered Covered Bonds will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Covered Bond as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Covered Bonds.

None of the Issuer, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Covered Bonds or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

6.5 General provisions applicable to payments

The bearer of a Global Covered Bond or the Trustee shall be the only person entitled to receive payments in respect of Covered Bonds represented by such Global Covered Bond and the obligations of the Issuer will be discharged by payment to, or to the order of, the holder of such Global Covered Bond (or the Trustee, as the case may be) in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Covered Bonds represented by such Global Covered Bond must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Covered Bond (or the Trustee, as the case may be). No person other than the holder of the relevant Global Covered Bond (or, as provided in the Trust Deed, the Trustee) shall have any claim against the Issuer in respect of any payments due on that Global Covered Bond.

Notwithstanding the foregoing provisions of this Condition, payments of principal and/or interest in respect of Bearer Covered Bonds in U.S. Dollars will only be made at the specified office of a Paying Agent in the United States if:

(i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. Dollars at such specified offices outside the United States of the full amount of principal and/or interest on the Bearer Covered Bonds in the manner provided above when due;

(ii) payment of the full amount of such principal and interest at such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. Dollars; and

(iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer adverse tax consequences to the Issuer.

6.6 Payment Day

If the date for payment of any amount in respect of any Covered Bond or Coupon is not a Payment Day (as defined below), the holder thereof shall not be entitled to payment of the relevant amount due until the next following Payment Day and shall not be entitled to any interest or other sum in respect of any such delay. In this Condition (unless otherwise specified in the applicable Final Terms), **Payment Day** means any day which (subject to Condition 11 (*Prescription*)) is:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(A) the relevant place of presentation;

(B) London;

(C) Athens; and

(D) any Additional Financial Centre specified in the applicable Final Terms; and

(ii) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, Athens, London and any Additional Financial Centre) or as otherwise specified in the applicable Final Terms or (ii) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

6.7 Interpretation of principal and interest

Any reference in these Conditions to **principal** in respect of the Covered Bonds shall be deemed to include, as applicable:

(i) any additional amounts which may be payable with respect to principal under Condition 8 (*Taxation*) or under any undertakings or covenants given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;

(ii) any amount representing 100 per cent of the nominal amount of the Covered Bonds on the Final Maturity Date, subject to any purchase and cancellation or early redemption thereof (the **Final Redemption Amount**) of the Covered Bonds;

(iii) the Early Redemption Amount of the Covered Bonds but excluding any amount of interest referred to therein;

(iv) the Optional Redemption Amount(s) (if any) of the Covered Bonds;

(v) in relation to Zero Coupon Covered Bonds, the Amortised Face Amount (as defined in Condition 7.5(ii)); and

(vi) any premium and any other amounts (other than interest) which may be payable under or in respect of the Covered Bonds.

Any reference in these Conditions to interest in respect of the Covered Bonds shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 (*Taxation*) or under any undertakings given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

6.8 Redenomination

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Covered Bondholders and the Couponholders, on giving prior written notice to the Trustee and the Agents, Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Covered Bondholders in accordance with Condition 17 (*Notices*), elect that, with effect from the Redenomination Date specified in the notice, the Covered Bonds shall be redenominated in euro. In relation to any Covered Bonds where the applicable Final Terms provides for a minimum Specified Denomination in the Specified Currency which is equivalent to at least Euro 100,000 and which are admitted to trading on a regulated market in the European Economic Area, it shall be a term of any such redenomination that the holder of any Covered Bonds held through Euroclear and/or Clearstream, Luxembourg must have credited to its securities account with the relevant clearing system a minimum balance of Covered Bonds of at least Euro 100,000.

The election will have effect as follows:

(i) the Covered Bonds shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Covered Bond equal to the nominal amount of that Covered Bond in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, in consultation with the Agents that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Trustee, the Covered Bondholders, the competent listing authority, stock exchange and/or market (if any) on or by which the Covered Bonds may be listed and/or admitted to trading and the Paying Agents of such deemed amendments;

(ii) save to the extent that an Exchange Notice has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Covered Bonds will be calculated by reference to the aggregate nominal amount of Covered Bonds presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;

(iii) if Definitive Covered Bonds are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denomination of Euro 100,000 and/or such higher amounts as the Agents may determine and notify to the Covered Bondholders and any remaining amounts less than Euro 100,000 shall be redeemed by the Issuer and paid to the Covered Bondholders in Euro in accordance with Condition 8 (*Taxation*);

(iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Covered Bonds) will become void with effect from the date on which the Issuer gives notice (the **Exchange Notice**) that replacement euro-denominated Covered Bonds and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Covered Bonds and Coupons so issued will also become void on that date although those Covered Bonds and Coupons will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Covered Bonds and Coupons will be issued in exchange for Covered Bonds and Coupons denominated in the Specified Currency in such manner as the Agents may specify and as shall be notified to the Covered Bondholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Covered Bonds;

(v) after the Redenomination Date, all payments in respect of the Covered Bonds, and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Covered Bonds to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;

(vi) if the Covered Bonds are Fixed Rate Covered Bonds and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-

unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention;

(vii) (if the Covered Bonds are Floating Rate Covered Bonds), the applicable Final Terms will specify any relevant changes to the provisions relating to interest; and

(viii) such other changes shall be made to this Condition (and the Transaction Documents) as the Issuer may decide, after consultation with the Trustee and the Agents and as may be specified in the notice, to conform it to conventions then applicable to instruments denominated in euro.

6.9 Definitions

In these Conditions, the following expressions have the following meanings:

Accrual Yield has, in relation to a Zero Coupon Covered Bond, the meaning given in the applicable Final Terms.

Calculation Amount has the meaning given in the applicable Final Terms.

Earliest Maturing Covered Bonds means, at any time, the Series of the Covered Bonds (other than any Series which is fully collateralised by amounts standing to the credit of the Transaction Accounts) that has or have the earliest Final Maturity Date as specified in the applicable Final Terms (ignoring any acceleration of amounts due under the Covered Bonds prior to an Event of Default).

Early Redemption Amount means the amount calculated in accordance with Condition 7.5 (*Early Redemption Amounts*).

Established Rate means the rate for the conversion of the relevant Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty.
euro means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty.

Extraordinary Resolution means a resolution of the Covered Bondholders passed as such under the terms of the Trust Deed.

Minimum Rate of Interest means in respect of Floating Rate Covered Bonds, the percentage rate per annum (if any) specified as such in the applicable Final Terms.

Notice of Default has the meaning given to it in Condition 10 (*Events of Default and Enforcement*).

Optional Redemption Amount has the meaning (if any) given in the applicable Final Terms.

Potential Event of Default means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute an Event of Default.

Rate of Interest means the rate of interest payable from time to time in respect of Fixed Rate Covered Bonds, and Floating Rate Covered Bonds, as determined in, or as determined in the manner specified in, the applicable Final Terms.

Redenomination Date means (in the case of interest bearing Covered Bonds) any date for payment of interest under the Covered Bonds or (in the case of Zero Coupon Covered Bonds) any date, in each case specified by the Issuer in the notice given to the Covered Bondholders pursuant to Condition 6.8 (*Redenomination*) above and which falls on or after the date on which the country of the relevant Specified Currency first participates in the third stage of European economic and monetary union.

Reference Price has, in respect of a Zero Coupon Covered Bond, the meaning given in the applicable Final Terms.

Screen Rate Determination means, if specified as applicable in the applicable Final Terms, the manner in which the Rate of Interest on Floating Rate Covered Bonds is to be determined in accordance with Condition 5.2(b)(ii).

Secured Creditors means the Covered Bondholders, the Couponholders, the Trustee, any Receiver, the Asset Monitor, the Account Bank, the Custodian, the Agents, the Servicer, the Hedging Counterparties and any other creditor of the Issuer pursuant to any Transaction Document entered into in the course of the Programme having recourse to the Cover Pool (provided that where Eurobank performs any of the above roles, Eurobank will not be a Secured Creditor).

Treaty means the Treaty establishing the European Community, as amended.

7. Redemption and Purchase

7.1 Final redemption

(i) Unless previously redeemed in full or purchased and cancelled as specified below, each Covered Bond will be redeemed by the Issuer at its Final Redemption Amount in the relevant Specified Currency on the Final Maturity Date.

(ii) Without prejudice to Conditions 9 and 10, if an Extended Final Maturity Date is specified in the applicable Final Terms for a Series of Covered Bonds and the Issuer has failed to pay the Final Redemption Amount on the Final Maturity Date specified in the Final Terms, then (subject as provided below) payment of any unpaid Final Redemption Amount by the Issuer shall be deferred until the Extended Final Maturity Date, provided that any amount representing the Final Redemption Amount due and remaining unpaid on the Final Maturity Date shall be paid by the Issuer on any Interest Payment Date occurring thereafter up to (and including) the relevant Extended Final Maturity Date, in accordance with and subject to the relevant Priority of Payments, subject to the Issuer having funds available for such purpose in accordance with the Priority of Payments and Condition 7.5 (*Early Redemption Amounts*).

(iii) The Issuer shall confirm to the relevant Covered Bondholders (in accordance with Condition 17), the Rating Agency, any relevant Hedging Counterparty, the Trustee, the Registrar (in the case of a Registered Covered Bond) and the Principal Paying Agent as soon as reasonably practicable and in any event at least five Athens Business Days prior to the Final Maturity Date of any inability of the Issuer to pay in full the Final Redemption Amount in respect of a Series of Covered Bonds on the Final Maturity Date. Any failure by the Issuer to notify such parties shall not affect the validity of effectiveness of the extension nor give rise to any rights in any such party.

(iv) Where the applicable Final Terms for a relevant Series of Covered Bonds provides that such Covered Bonds are subject to an Extended Final Maturity Date, such failure

to pay by the Issuer on the Final Maturity Date shall not constitute a default in payment.

7.2 Redemption for taxation reasons

The Covered Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time (if the relevant Covered Bond is not a Floating Rate Covered Bond) or on any Interest Payment Date (if the relevant Covered Bond is a Floating Rate Covered Bond), on giving not less than 30 nor more than 60 days' notice to the Trustee and, in accordance with Condition 17 (*Notices*), the Covered Bondholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that on the occasion of the next date for payment of interest on the relevant Covered Bonds, the Issuer is or would be required to pay additional amounts as provided or referred to in Condition 8 (*Taxation*). Covered Bonds redeemed pursuant to this Condition 7.2 (*Redemption for taxation reasons*) will be redeemed at their Early Redemption Amount referred to in Condition 7.5 (*Early Redemption Amounts*) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

7.3 Redemption at the option of the Issuer (Issuer Call)

If an issuer call is specified in the applicable Final Terms (**Issuer Call**), the Issuer may (to the extent funds are available for such purpose), having given:

(i) not less than 15 nor more than 60 days' notice to the Covered Bondholders in accordance with Condition 17 below with a copy of such notice to be provided to the Trustee; and

(ii) not less than 5 days before the giving of the notice referred to in (i), notice to the Trustee and the Principal Paying Agent,

which notice shall be irrevocable and shall specify the date fixed for redemption (the **Optional Redemption Date**), redeem all or some only of the Covered Bonds then outstanding on any Optional Redemption Date and at the **Optional Redemption Amount(s)** specified in, or determined in the manner specified in, the applicable Final Terms together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date. Upon expiry of such notice, the Issuer shall redeem the Covered Bonds accordingly. Any such redemption must be for an amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount (if any) as specified in the applicable Final Terms. In the case of a partial redemption of Covered Bonds, the Covered Bonds to be redeemed (the **Redeemed Covered Bonds**) will be selected individually by lot, in the case of Redeemed Covered Bonds represented by Definitive Covered Bonds, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Covered Bonds represented by a Global Covered Bond, in each case, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Covered Bonds represented by Definitive Covered Bonds, a list of the serial numbers of such Redeemed Covered Bonds will be published in accordance with Condition 17 (*Notices*) not less than 15 days (or such shorter period as may be specified in the applicable Final Terms) prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Covered Bonds represented by Definitive Covered Bonds or represented by Global Covered Bonds shall, in each case, bear the same proportion to the aggregate nominal amount of all Redeemed Covered Bonds as the aggregate nominal amount of Definitive Covered Bonds or Global Covered Bonds outstanding bears, in each case, to the aggregate nominal amount of the Covered Bonds

outstanding on the Selection Date, provided that such nominal amounts shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination. No exchange of the relevant Global Covered Bond will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 7.3 and notice to that effect shall be given by the Issuer to the Covered Bondholders in accordance with Condition 17 (*Notices*) at least five days (or such shorter period as is specified in the applicable Final Terms) prior to the Selection Date.

7.4 Intentionally Blank.

7.5 Early Redemption Amounts

For the purpose of Condition 7.1 (*Final redemption*), Condition 7.2 (*Redemption for taxation reasons*) and Condition 10 (*Events of Default and Enforcement*), each Covered Bond will be redeemed at the Early Redemption Amount calculated as follows:

(i) in the case of a Covered Bond with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; and

(ii) in the case of a Zero Coupon Covered Bond, at an amount (the **Amortised Face Amount**) equal to the sum of:

(A) the Reference Price; and

(B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date of the first Tranche of the Covered Bonds to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Covered Bond becomes due and repayable.

Where such calculation in this paragraph (ii) is to be made for a period which is not a whole number of years, it shall be made (A) in the case of a Zero Coupon Covered Bond payable in a Specified Currency other than euro, on the basis of a 360-day year consisting of 12 months of 30 days each, or (B) in the case of a Zero Coupon Covered Bond payable in euro, on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed falls in a leap year, the sum of (x) the number of those days falling in a leap year divided by 366 and (y) the number of those days falling in a non leap year divided by 365) or (C) on such other calculation basis as may be specified in the applicable Final Terms.

7.6. Intentionally Blank.

7.7 Purchases

The Issuer or any subsidiary of the Issuer may at any time purchase or otherwise acquire Covered Bonds (provided that, in the case of Bearer Definitive Covered Bonds, all unmatured Coupons and Talons appertaining thereto are attached thereto or surrendered therewith) at any price in the open market either by tender or private agreement or otherwise. If purchases are made by tender, tenders must be available to all Covered Bondholders alike. Such Covered Bonds may be held, reissued, resold or, at the option of the Issuer or the relevant subsidiary, surrendered to any Paying Agent and/or the Registrar for cancellation.

7.8 Cancellation

All Covered Bonds which are redeemed will forthwith be cancelled (together with, in the case of Bearer Definitive Covered Bonds, all unmatured Coupons and Talons attached thereto or

surrendered therewith at the time of redemption). All Covered Bonds so cancelled and any Covered Bonds purchased and surrendered for cancellation pursuant to Condition 7.7 (*Purchases*) and cancelled (together with, in the case of Bearer Definitive Covered Bonds, all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

7.9 Late Payment

If any amount payable in respect of any Covered Bond is improperly withheld or refused upon its becoming due and repayable or is paid after its due date, the amount due and repayable in respect of such Covered Bond (the **Late Payment**) shall itself accrue interest (both before and after any judgment or other order of a court of competent jurisdiction) from (and including) the date on which such payment was improperly withheld or refused or, as the case may be, became due, to (but excluding) the Late Payment Date in accordance with the following provisions:

(i) in the case of a Covered Bond other than a Zero Coupon Covered Bond at the rate determined in accordance with Condition 5.1 (*Interest on Fixed Rate Covered Bonds*) or 5.2 (*Floating Rate Covered Bond*), as the case may be; and

(ii) in the case of a Zero Coupon Covered Bond, at a rate equal to the Accrual Yield.

in each case on the basis of the Day Count Fraction specified in the applicable Final Terms or, if none is specified, on a 30/360 basis.

For the purpose of this Condition 7.9, the **Late Payment Date** shall mean the earlier of:

(i) the date which the Principal Paying Agent determines to be the date on which, upon further presentation of the relevant Covered Bond, payment of the full amount (including interest as aforesaid) in the relevant currency in respect of such Covered Bond is to be made; and

(ii) the seventh day after notice is given to the relevant Covered Bondholder (whether individually or in accordance with Condition 17 (*Notices*)) that the full amount (including interest as aforesaid) in the relevant currency in respect of such Covered Bond is available for payment,

provided that in the case of both (i) and (ii), upon further presentation thereof being duly made, such payment is made.

8. Taxation

(a) All payments of principal and interest (if any) in respect of the Covered Bonds and the Coupons (if any) by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the Hellenic Republic or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. Neither the Issuer nor any other entity shall be obliged to pay any additional amount to any Covered Bondholder on account of such withholding or deduction.

(b) If the Issuer becomes subject at any time to any taxing jurisdiction other than the Hellenic Republic, references in the Conditions to the Hellenic Republic shall be construed as references to the Hellenic Republic and/or such other jurisdiction.

9. Issuer Events

Prior to, or concurrent with the occurrence of an Event of Default, if any of the following events (each, an **Issuer Event**) occurs:

(i) an Issuer Insolvency Event (as defined below);

(ii) the Issuer fails to pay any amount of principal or interest in respect of the Covered Bonds of any Series on the due date for payment thereof and such failure continues for a period of 7 days;

(iii) the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Covered Bonds or Coupons of any Series and such default remains unremedied for 30 days after written notice thereof has been delivered by the Trustee to the Issuer requiring the same to be remedied;

(iv) the repayment of any indebtedness owing by the Issuer is accelerated by reason of default and such acceleration has not been rescinded or annulled, or the Issuer defaults (after whichever is the longer of any originally applicable period of grace and 14 days after the due date) in any payment of any indebtedness or in the honouring of any guarantee or indemnity in respect of any indebtedness, provided that no such event shall constitute an Issuer Event unless the indebtedness whether alone or when aggregated with other indebtedness relating to all (if any) other such events which shall have occurred and be continuing shall exceed €15,000,000 (or its equivalent in any other currency or currencies) or, if higher, a sum equal to 0.025 per cent. of the gross consolidated assets of the Issuer and its Subsidiaries as shown by the then latest published audited consolidated balance sheet of the Issuer and its Subsidiaries; or

(v) there is a breach of a Statutory Test on an Applicable Calculation Date and such breach is not remedied within five Athens Business Days,

then (i) no further Covered Bonds will be issued, (ii) the Servicer (and the Issuer to the extent that Eurobank is no longer the Servicer) shall procure that any and all payments in respect of the Cover Pool Assets (excluding any Subsidy Payments) are henceforth directed into the relevant Third Party Collection Account and that all such amounts (including the Subsidy Payments) are transferred into the corresponding Transaction Accounts within 1 Athens Business Day of receipt, (iii) all collections of principal and interest on the Cover Pool Assets will be dedicated exclusively to the payment of interest and repayment of principal on the Covered Bonds and to the fulfilment of the obligations of the Issuer vis-à-vis the Secured Creditors in accordance with the relevant Priority of Payments and (iv) if Eurobank is the Servicer, its appointment as Servicer will be terminated and a new servicer will be appointed pursuant to the terms of the Servicing and Cash Management Deed and the Secondary Covered Bond Legislation.

Issuer Insolvency Event means, in respect of Eurobank:

(i) any order shall be made for the winding-up or dissolution of the Issuer (other than for the purpose of amalgamation, merger or reconstruction on terms approved by an Extraordinary Resolution of the Covered Bondholders of all Series taken together as a single Series and converted into Euro at either the relevant Covered Bond Swap Rate (if applicable) or the Established Rate); or

(ii) the Issuer shall cease to carry on the whole or substantially the whole of its business (other than for the purpose of an amalgamation, merger or reconstruction on terms

approved by an Extraordinary Resolution of the Covered Bondholders of all Series taken together as a single Series and converted into Euro at either the relevant Covered Bond Swap Rate (if applicable) or the Established Rate; or

(iii) the Issuer shall stop payment or shall be unable to, or shall admit inability to, pay its debts as they fall due, or shall be adjudicated or found insolvent or shall make a conveyance or assignment for the benefit of, or shall enter into any composition or other arrangement with, its creditors generally; or

(iv) a receiver, trustee or other similar official shall be appointed in relation to the Issuer or in relation to the whole or over half of the assets of the Issuer, or an interim supervisor of the Issuer is appointed or an encumbrancer shall take possession of the whole or over half of the assets of the Issuer, or a distress or execution or other process shall be levied or enforced upon or sued out against the whole or a substantial part of the assets of the Issuer and in any of the foregoing cases it or he shall not be discharged within 60 days; or

(v) any action or step is taken which has a similar effect to the foregoing,

in each case, other than where any of the events set out in (i) to (v) above occurs in connection with a substitution in accordance with Condition 18 and Clause 20 of the Trust Deed.

Subsidiary means, in respect of the Issuer at any particular time, any other entity:

(i) whose affairs and policies the Issuer controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of such entity or otherwise; or

(ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles or standards, consolidated with those of the Issuer.

10. Events of Default and Enforcement

10.1 Events of Default

If any of the following events occurs, and is continuing:

(a) on the Final Maturity Date or Extended Final Maturity Date, as applicable, in respect of any Series of Covered Bonds or on any Interest Payment Date or any earlier date for redemption on which principal thereof is due and repayable, there is a failure to pay any amount of principal due on such Covered Bonds on such date and such default is not remedied within a period of 14 days from the due date thereof;

(b) on any Interest Payment Date, a default in the payment of the amount of interest due on any Series of Covered Bonds occurs and such default is not remedied within a period of 14 days from the due date thereof; or

(c) breach of the Amortisation Test pursuant to Clause 8 of the Servicing and Cash Management Deed on any Calculation Date following an Issuer Event,

then the Trustee shall, upon receiving notice in writing from the Issuer, the Principal Paying Agent or any Covered Bondholder or, in respect of (c), the Servicer of such Event of Default, serve a notice (a **Notice of Default**) on the Issuer.

Following the service of a Notice of Default, the Covered Bonds of each Series shall become immediately due and payable.

10.2 Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings or steps against the Issuer and/or any other person as it may think fit to enforce the provisions of the Deed of Charge, the Trust Deed, the Covered Bonds or any other Transaction Document in accordance with its terms and the pledge created under the Greek Covered Bond Legislation and may, at any time after the Security has become enforceable, take such proceedings or steps as it may think fit to enforce the Security, but it shall not be bound to take any such proceedings or steps or exercise such rights or powers unless (i) (A) it shall have been so directed by an Extraordinary Resolution of the Covered Bondholders of all Series (with the Covered Bonds of all Series taken together as a single Series and converted into Euro at either the relevant Covered Bond Swap Rate (if applicable) or the Established Rate) or (B) a request in writing by the holders of not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into Euro at either the relevant Covered Bond Swap Rate (if applicable) or the Established Rate, and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

In exercising any of its powers, trusts, authorities and discretions under this Condition 10.2 the Trustee shall only have regard to the interests of the Covered Bondholders of all Series taken equally and shall not have regard to the interests of any individual Covered Bondholders (whatever their number) or any other Secured Creditors.

No Covered Bondholder or Couponholder shall be entitled to proceed directly against the Issuer, the Guarantor or to take any action with respect to the Trust Deed, any other Transaction Document, the Covered Bonds, the Coupons, or the Security unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and such failure shall be continuing.

11. Prescription

Claims against the Issuer for payment of principal and interest in respect of the Covered Bonds (whether in bearer or registered form) will be prescribed and become void unless made, in the case of principal, within ten years or, in the case of interest, five years after the Relevant Date.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for paying in respect of which would be void pursuant to this Condition 11 or Condition 6 (*Payments*).

As used herein, the **Relevant Date** means the date on which payment in respect of the Covered Bond or Coupon first becomes due and payable but, if the full amount of the moneys payable on such date has not been received by the Principal Paying Agent on or prior to such date, the Relevant Date shall be the date on which such moneys shall have been so received and notice to that effect has been given to Covered Bondholders in accordance with Condition 17 (*Notices*).

12. Replacement of Covered Bonds, Coupons and Talons

If any Covered Bond or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Covered

Bonds or Coupons) or the Registrar (in the case of Registered Covered Bonds), or any other place approved by the Trustee, of which notice shall be given to the Covered Bondholders in accordance with Condition 17 (and, if the Covered Bonds are then listed on any stock exchange which requires the appointment of an Agent in any particular place, the Paying Agent having its specified office in the place required by such stock exchange), subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Covered Bonds, Talons or Coupons must be surrendered before replacements will be issued.

13. Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Covered Bond to which it appertains) a further Talon, subject to the provisions of Condition 11 (*Prescription*). Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relevant Coupon sheet matures.

14. Trustee and Agents

(a) In acting under the Agency Agreement and in connection with the Covered Bonds and the Coupons, the Agents act solely as agents of the Issuer (or, in the circumstances specified in the Agency Agreement, the Trustee) and do not assume any obligations towards or relationship of agency or trust for or with any of the Covered Bondholders or Couponholders.

(b) The initial Agents and their initial specified offices are set forth in the Base Prospectus and in the Master Definitions and Construction Schedule. If any additional agents are appointed in connection with any Series, the names of such Agents will be specified in Part B of the applicable Final Terms. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time with the prior written consent of the Trustee to vary or terminate the appointment of any Agent and to appoint a successor Principal Paying Agent or Calculation Agent and additional or successor paying agents *provided, however, that*:

(i) so long as the Covered Bonds are listed on any stock exchange or admitted to listing by any other relevant authority there will at all times be a Paying Agent (which may be the Principal Paying Agent), in the case of Covered Bonds, with a specified office in such place as may be required by the rules and regulations of such stock exchange or other relevant authority;

(ii) if a Calculation Agent is specified in the relevant Final Terms, the Issuer (or following the occurrence of an Issuer Event, the Servicer) shall at all times maintain a Calculation Agent;

(iii) if and for so long as the Covered Bonds are listed on any stock exchange which requires the appointment of an Agent in any particular place, the Issuer (or following the occurrence of an Issuer Event, the Servicer) shall maintain an Agent having its specified office in the place required by such stock exchange; and

(iv) the Issuer (or following the occurrence of an Issuer Event, the Servicer) shall at all times maintain a paying agent in an EU member state that will not be obliged to

withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

Notice of any variation, termination, appointment or change in any of the Agents or in their specified offices shall promptly be given by the Issuer to the Covered Bondholders by the Issuer in accordance with Condition 17 (*Notices*).

(c) Under the Trust Deed and the Deed of Charge, the Trustee is entitled to be indemnified and/or secured and/or pre-funded to its satisfaction and relieved from responsibility in certain circumstances and to be paid its remuneration, costs and expenses and all other liabilities in priority to the claims of the Covered Bondholders and the other Secured Creditors.

15. Meetings of Covered Bondholders, Modification and Waiver

(a) *Meetings of Covered Bondholders:*

The Trust Deed contains provisions for convening meetings of the Covered Bondholders of any Series to consider any matters affecting their interests, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer upon the request in writing signed by Covered Bondholders holding not less than one-tenth of the aggregate principal amount of the outstanding Covered Bonds. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing a clear majority of the aggregate principal amount of the outstanding Covered Bonds of such Series or, at any adjourned meeting, one or more persons being or representing Covered Bondholders of such Series whatever the principal amount of the Covered Bonds of such Series held or represented; *provided, however, that* certain Series Reserved Matters, as defined below and as described in the Trust Deed, may only be sanctioned by an Extraordinary Resolution passed at a meeting of Covered Bondholders of such Series at which one or more persons holding or representing not less than two-thirds of, or, at any adjourned meeting, not less than one-quarter, of the aggregate principal amount of the outstanding Covered Bonds of such Series form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Covered Bondholders and Couponholders of such Series, whether present or not.

Notwithstanding the provisions of the immediately preceding paragraph, any Extraordinary Resolution to direct the Trustee to take any enforcement action pursuant to Condition 10.2 (*Enforcement*) (each a **Programme Resolution**) shall only be capable of being passed at a single meeting of the holders of the Covered Bonds of all Series then outstanding. Any such meeting to consider a Programme Resolution may be convened by the Issuer or the Trustee or by Covered Bondholders holding at least 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series then outstanding. The quorum at any such meeting for passing a Programme Resolution is one or more persons holding or representing a clear majority of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing Covered Bonds whatever the nominal amount of the Covered Bonds of all Series then outstanding. A Programme Resolution passed at any meeting of the Covered Bondholders of all Series shall be binding on all Covered Bondholders of all Series, whether or not they are present at the meeting, and on all related Couponholders in respect of such Covered Bonds.

In connection with any meeting of the holders of Covered Bonds of more than one Series where any Series of such Covered Bonds is not denominated in Euro, the nominal amount of

the Covered Bonds of such Series not denominated in Euro shall be deemed, for the purposes of such meeting, to be an amount in Euro equal to the Principal Amount Outstanding of such Covered Bonds, converted into Euro at either the relevant Covered Bond Swap Rate (if applicable) or the Established Rate.

In addition, a resolution in writing signed by or on behalf of a clear majority of Covered Bondholders who for the time being are entitled to receive notice of a meeting of Covered Bondholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Covered Bondholders.

(b) *Modification*

The Trustee may, without the consent or sanction of any of the Covered Bondholders of any Series or any of the other Secured Creditors (other than the Hedging Counterparties in respect of a modification to the Pre Event of Default Priority of Payments, the Post-Event of Default Priority of Payments, the Conditions of the Covered Bonds, the Individual Eligibility Criteria or the Servicing and Cash Management Deed (such consent not to be unreasonably withheld or delayed)) at any time and from time to time concur with the Issuer and any other party, to:

(i) any modification (other than in respect of a Series Reserved Matter) of the terms and conditions applying to the Covered Bonds of one or more Series (including these Conditions), the related Coupons, the Trust Presents and/or any Transaction Document provided that in the sole opinion of the Trustee such modification is not materially prejudicial to the interests of the Covered Bondholders of such Series; or

(ii) any modification of the terms and conditions applying to Covered Bonds of any one or more Series (including these Conditions), the related Coupons or any Transaction Document which is in the sole opinion of the Trustee of a formal, minor or technical nature or is to correct a manifest error or an error which is, in the opinion of the Trustee, proven.

Series Reserved Matter means in relation to Covered Bonds of a Series:

(i) reduction or cancellation of the amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of payment or, where applicable, modification of the method of calculating the date of payment in respect of any principal or interest in respect of the Covered Bonds other than in accordance with the terms thereof;

(ii) alteration of the currency in which payments under the Covered Bonds and Coupons are to be made other than in accordance with Condition 6.8 (*Redenomination*);

(iii) alteration of the quorum or majority required to pass an Extraordinary Resolution;

(iv) the sanctioning of any such scheme or proposal for the exchange or sale of the Covered Bonds for or the conversion of the Covered Bonds into, or the cancellation of the Covered Bonds in consideration of, shares, stock, covered bonds, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, bonds, covered bonds, debentures, debenture stock and/or other obligations;

(v) alteration of this proviso or the proviso to paragraph 6 of Schedule 3 (*Provisions for meetings of Covered Bondholders)* of the Trust Deed; and

(vi) alteration of this definition of Series Reserved Matter.

(c) The Trustee may without the consent of any of the Covered Bondholders of any Series and/or Couponholders and any Secured Creditors and without prejudice to its rights in respect of any subsequent breach, Issuer Event or Event of Default from time to time and at any time but only if in so far as in its opinion the interests of the Covered Bondholders of any Series shall not be materially prejudiced thereby, waive or authorise any breach or proposed breach by the Issuer of any of the covenants or provisions contained in the Trust Presents or the other Transaction Documents or determine that any Event of Default shall not be treated as such for the purposes of the Trust Presents PROVIDED ALWAYS THAT the Trustee shall not exercise any powers conferred on it by this Condition 15(c) in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 10 (Events of Default) but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Trustee may determine, shall be binding on the Covered Bondholders, and/or the Couponholders and shall be notified by the Issuer (i) (if, but only if, the Trustee shall so require) to the Covered Bondholders and (ii) to the Rating Agency in accordance with Condition 17 (Notices) as soon as practicable thereafter.

16. Further Issues

The Issuer may from time to time, without the consent of the Covered Bondholders or the Couponholders, create and issue further Covered Bonds having the same terms and conditions as the Covered Bonds in all respects (or in all respects except for the first payment of interest thereon, issue date and/or issue price) so as to form a single series with the Covered Bonds provided that (i) there is no Issuer Event or Event of Default outstanding and that such issuance would not cause an Issuer Event or an Event of Default, (ii) such issuance would not result in a breach of any of the Statutory Tests, (iii) the Rating Agency has been notified of such issuance, (iv) such issuance has been approved by the Bank of Greece in accordance with paragraph II.3 of the Secondary Covered Bond Legislation and if applicable, in respect of any Series or Tranche, a Hedging Agreement is entered into.

17. Notices

All notices regarding the Bearer Covered Bonds will be valid if published in one leading English language daily newspaper of general circulation in London or any other daily newspaper in London approved by the Trustee and (for so long as any Bearer Covered Bonds are listed on the official list of the Luxembourg Stock Exchange) if published in a daily newspaper of general circulation in Luxembourg or on the website of the Luxembourg Stock Exchange www.bourse.lu. It is expected that such publication will be made in the Financial Times in London and (in relation to Bearer Covered Bonds listed on the official list of the Luxembourg Stock Exchange) in the *Luxemburger Wort* or the *Tageblatt* in Luxembourg. The Issuer or, in the case of a notice given by the Trustee, the Trustee shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or any other relevant authority on which the Bearer Covered Bonds are for the time being listed. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers or where published in such newspapers on different dates, the last date of such first publication). If publication as

provided above is not practicable, notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices regarding the Registered Covered Bonds will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Covered Bonds are listed, quoted or traded on a stock exchange or are admitted to listing or trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice will be deemed to have been given on the date of such publication. If the giving of notice as provided above is not practicable, notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Bearer Covered Bondholders.

Notices to be given by any Covered Bondholder shall be in writing and given by lodging the same, together (in the case of any Covered Bond in definitive form) with the relevant Covered Bond or Covered Bonds, with the Principal Paying Agent.

Whilst the Covered Bonds are represented by Global Covered Bonds any notice shall be deemed to have been duly given to the relevant Covered Bondholder if sent to the Clearing Systems for communication by them to the holders of the Covered Bonds and shall be deemed to be given on the date on which it was so sent and (so long as the relevant Covered Bonds are admitted to trading on, and listed on the official list of, the Luxembourg Stock Exchange), any notice shall also be published in accordance with the relevant listing rules (which includes publication on the website of the Luxembourg Stock Exchange, www.bourse.lu).

18. Substitution of the Issuer

(a) If so requested by the Issuer, the Trustee may, without the consent of any Covered Bondholder, r Couponholder or any other Secured Creditor, agree with the Issuer to the substitution in place of the Issuer (or of the previous substitute under this Condition) of a company as the principal debtor under the Trust Presents and all other Transaction Documents (the **New Company**) upon notice by the Issuer and the New Company to be given to the Covered Bondholders and the other Secured Creditors in accordance with Condition 17 (*Notices*), *provided that*:

(i) the Issuer is not in default in respect of any amount payable under the Covered Bonds;

(ii) the Issuer and the New Company have entered into such documents (the **Documents**) as are necessary, in the opinion of the Trustee, to give effect to the substitution and in which the New Company has undertaken in favour of each Covered Bondholder to be bound by these Conditions and the provisions of the Trust Deed as the debtor in respect of the Covered Bonds in place of the Issuer (or of any previous substitute under this Condition 18 (*Substitution of the Issuer*));

(iii) If the New Company is resident for tax purposes in a territory (the **New Residence**) other than that in which the Issuer prior to such substitution was resident for tax purposes (the **Former Residence**), the Documents contain an undertaking and/or such other provisions as may be necessary to ensure that each Covered Bondholder has the benefit of an undertaking in terms corresponding to the provisions of this Condition

18 (*Substitution of the Issuer*), with the substitution of references to the Former Residence with references to the New Residence;

(iv) the New Company and the Issuer have obtained all necessary governmental approvals and consents for such substitution and for the performance by the New Company of its obligations under the Transaction Documents;

(v) if two directors of the New Company (or other officers acceptable to the Trustee) have certified that the New Company is solvent both at the time at which the relevant transaction is proposed to be effected and immediately thereafter (which certificate the Trustee can rely on absolutely), the Trustee shall not be under any duty to have regard to the financial conditions, profits or prospect of the New Company or to compare the same with those of the Issuer;

(vi) the rights of the Covered Bondholders and the other Secured Creditors in respect of the Cover Pool shall continue in full force and effect in relation to the obligations of the New Company;

(vii) legal opinions in form and substance satisfactory to the Trustee shall have been delivered to the Trustee (with a copy of such legal opinions also to be provided to the Rating Agency) from lawyers of recognised standing in the jurisdiction of incorporation of the New Company, in England and in Greece as to matters of law relating to the fulfilment of the requirements of this Condition 18 *(Substitution of the Issuer)* and that the Covered Bonds and any Coupons and/or Talons are legal, valid and binding obligations of the New Company;

(viii) if Covered Bonds issued or to be issued under the Programme have been assigned a credit rating by the Rating Agency, the Rating Agency has been notified of the proposed substitution and has not downgraded the Covered Bonds outstanding as a result of such substitution;

(ix) each stock exchange on which the Covered Bonds are listed shall have confirmed that, following the proposed substitution of the New Company, the Covered Bonds will continue to be listed on such stock exchange; and

(x) if applicable, the New Company has appointed a process agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Covered Bonds and any Coupons.

(b) Upon such substitution the New Company shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under the Covered Bonds, any Coupons and the Trust Deed with the same effect as if the New Company has been named as the Issuer herein, and the Issuer shall be released from its obligations under the Covered Bonds, any Coupons and/or Talons and under the Trust Deed.

(c) After a substitution pursuant to Condition 18(a), the New Company may, without the consent of any Covered Bondholder or Couponholder, effect a further substitution. All the provisions specified in Conditions 18(a) and 18(b) shall apply *mutatis mutandis,* and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further New Company.

(d) After a substitution pursuant to Condition 18(a) or 18(c), any New Company may, without the consent of any Covered Bondholder or Couponholder, reverse the substitution, *mutatis*

mutandis.

(e) The Transaction Documents shall be delivered to, and kept by, the Principal Paying Agent. Copies of the Transaction Documents will be available free of charge during normal business hours at the specified office of the Principal Paying Agent.

19. Renominalisation and Reconventioning

If the country of the Specified Currency becomes or, announces its intention to become, a participating Member State, the Issuer may, without the consent of the Covered Bondholders and Couponholders, on giving at least 30 days' prior notice to the Covered Bondholders and the Paying Agents, designate a date (the **Redenomination Date**), being an Interest Payment Date under the Covered Bonds falling on or after the date on which such country becomes a participating Member State to redenominate all, but not some only, of the Covered Bonds of any series.

20. Governing Law and Jurisdiction

The Covered Bonds and any non-contractual obligations arising out of or in connection with the Covered Bonds are governed by, and shall be construed in accordance with, English law, save that the security under the Statutory Pledge referred to in Condition 3 (*Status of the Covered Bonds*) above, shall be governed by, and construed in accordance with Greek law.

The courts of England have exclusive jurisdiction to settle any dispute (a **Dispute**), arising from or connected with the Covered Bonds.

21. Submission to Jurisdiction

(a) Subject to Condition 21(c) below, the English courts have exclusive jurisdiction to settle any dispute (a Dispute), arising out of or in connection with the Covered Bonds and the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Covered Bonds and the Coupons (a Dispute) and accordingly each of the Issuer and the Trustee and the Covered Bondholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

(b) For the purposes of this Condition 21, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(c) To the extent allowed by law, the Trustee, the Covered Bondholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

22. Appointment of Process Agent

The Issuer irrevocably appoints Eurobank Private Bank Luxembourg S.A., London Branch at Eurobank Private Bank Luxembourg S.A., London Branch, at 25 Berkeley Square, London W1J 6HN, United Kingdom, (Attn.: Mr. Athos Kaissides), Email: AKaissides@eurobankpb.co.uk, Fax: +44 (0)20 7009 1818), as its agent for service of process

in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of Eurobank Private Bank Luxembourg S.A., London Branch being unable or unwilling for any reason so to act, it will immediately appoint another person approved by the Trustee as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

23. Third Parties

No person shall have any right to enforce any term or condition of this Covered Bond under the Contracts (Rights of Third Parties) Act 1999.

FORMS OF THE COVERED BONDS

The Covered Bonds of each Series will be in either bearer form, with or without interest coupons and/or talons attached, or registered form, without interest coupons and/or talons attached. Bearer Covered Bonds will be issued outside the United States in reliance on Regulation S and Registered Covered Bonds may be issued outside the United States in reliance on Regulation S.

Bearer Covered Bonds

Each Tranche of Bearer Covered Bonds will be in bearer form initially issued in the form of a temporary global covered bond without interest coupons attached (a **Temporary Global Covered Bond**) which will:

(a) if the Bearer Global Covered Bonds (as defined below) are issued in new global covered bond (**NGCB**) form, as stated in the applicable Final Terms, be delivered on or prior to the issue date of the relevant Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**); and

(b) if the Bearer Global Covered Bonds are not issued in NGCB form, be delivered on or prior to the issue date of the relevant Tranche to a common depositary (the **Common Depositary**) for Euroclear and Clearstream, Luxembourg.

Bearer Covered Bonds will only be delivered outside the United States and its possessions.

Where the Global Covered Bonds issued in respect of any Tranche are in NGCB form, the applicable Final Terms will also indicate whether such Global Covered Bonds are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Covered Bonds are to be so held does not necessarily mean that the Bearer Global Covered Bonds of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The common Safekeeper for NGCBs will either be Euroclear or Clearstream Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg, as indicated in the applicable Final Terms. Whilst any Bearer Covered Bond is represented by a Temporary Global Covered Bond, payments of principal, interest (if any) and any other amount payable in respect of the Bearer Covered Bonds due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Covered Bond if the Temporary Global Covered Bond is not issued in NGCB form) only to the extent that certification (in a form to be provided by Euroclear and/or Clearstream, Luxembourg) to the effect that the beneficial owners of interests in such Bearer Covered Bond are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Covered Bond is issued, interests in such Temporary Global Covered Bond will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a permanent global covered bond without interest coupons attached (a **Permanent Global Covered Bond** and, together with the Temporary Global Covered Bonds, the **Bearer Global Covered Bonds** and each a **Bearer Global Covered Bond**) of the same Series or (b) for Definitive Covered Bonds of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of Bearer Definitive Covered Bonds, to such notice period as is specified in the applicable Final Terms), in each case against certification of non-U.S. beneficial ownership as described above unless such certification has already been given. Purchasers in the United States and certain United States

persons will not be able to receive Bearer Definitive Covered Bonds or interests in the Permanent Global Covered Bond. The holder of a Temporary Global Covered Bond will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Covered Bond for an interest in a Permanent Global Covered Bond or for Definitive Covered Bonds is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Covered Bond will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Global Covered Bond (if the Permanent Global Covered Bond is not issued in NGCB form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Covered Bond will be exchangeable (free of charge), in whole but not in part, for Bearer Definitive Covered Bonds with, where applicable, interest coupons and talons attached upon either (a) provided the Covered Bonds have a minimum Specified Denomination, or integral multiples thereof, not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Covered Bond) to the Principal Paying Agent as described therein or (b) upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, whether statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (ii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Bearer Global Covered Bond (and any interests therein) exchanged for Bearer Definitive Covered Bonds. The Issuer will promptly give notice to Covered Bondholders of each Series of Bearer Global Covered Bonds in accordance with Condition 17 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Covered Bond) or the Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (b)(ii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

Bearer Global Covered Bonds, Bearer Definitive Covered Bonds and any Coupons or Talons attached thereto will be issued pursuant to the Trust Deed.

The following legend will appear on all Bearer Covered Bonds (other than Temporary Global Covered Bonds) talons and interest coupons relating to such Bearer Covered Bonds where TEFRA D is specified in the applicable Final Terms:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Covered Bonds, talons or interest coupons and will not be entitled to capital gains treatment of any gain on any sale or other disposition in respect of such Bearer Covered Bonds, talons or interest coupons.

Covered Bonds which are represented by a Bearer Global Covered Bond will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Covered Bonds

Registered Global Covered Bonds will be (a) if the applicable Final Terms specify the Registered Global Covered Bonds are intended to held in a manner which would allow Eurosystem eligibility (being the new safekeeping structure (**NSS**)), deposited on the relevant Issue Date with the Common Safekeeper; or (b) if the applicable Final Terms specify the Registered Global Covered Bonds are not intended to be held in a manner which would allow Eurosystem eligibility, deposited on the relevant Issue Date with a nominee or Common Depositary for Euroclear or Clearstream, Luxembourg, as applicable.

Any indication that the Registered Global Covered Bonds are to be held in a manner which would allow Eurosystem eligibility does not necessarily mean that the Registered Global Covered Bonds of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria.

Payments of principal, interest and any other amount in respect of the Registered Global Covered Bonds will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6.4) as the registered holder of the Registered Global Covered Bonds. None of the Issuer, the Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Covered Bonds or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Covered Bonds in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6.4) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Covered Bond will be exchangeable (free of charge), in whole but not in part, for Registered Definitive Covered Bonds without Coupons or Talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (a) in the case of a Registered Global Covered Bond registered in the name of the Common Depositary or its nominee, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, whether statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (b) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Registered Global Covered Bond (and any interests therein) exchanged for Registered Definitive Covered Bonds. The Issuer will promptly give notice to Covered Bondholders of each Series of Registered Global Covered Bonds in accordance with Condition 17 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any registered holder of an interest in such Registered Global Covered Bond) or the Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (b) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Covered Bonds*"), the Principal Paying Agent shall arrange that, where a further Tranche of Covered Bonds is issued which is intended to form a single Series with an existing Tranche of Covered Bonds, the Covered Bonds of such further Tranche shall be assigned a common code and ISIN and, where applicable, CINS number which are different from the common code, ISIN and CINS number assigned to

Covered Bonds of any other Tranche of the same Series until at least the Exchange Date applicable to the Covered Bonds of such further Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any successor operator and/or successor clearing system and/or additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Trustee.

No Covered Bondholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become so bound to proceed, fails so to do within a reasonable period and the failure shall be continuing.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Covered Bonds issued under the Programme.

[*Date*]

EUROBANK ERGASIAS S.A.
Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Covered Bonds*]
Under the €5 billion
Global Covered Bond Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Covered Bonds (the **Terms and Conditions**) set forth in the Base Prospectus dated 29 February 2016 [and the supplement to the Base Prospectus dated [*date*]] which [together] constitute[s] a base prospectus (the **Base Prospectus**) for the purposes of the Prospectus Directive (Directive 2003/71/EC as amended) (the **Prospectus Directive**). This document constitutes the final terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of this Final Terms and the Base Prospectus. Copies of the Base Prospectus [and the supplement to the Base Prospectus] are available free of charge to the public at the registered office of the Issuer and from the specified office of each of the Paying Agents. The Base Prospectus [and the supplement to the Base Prospectus] are published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

[*The following alternative language applies if the first Tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the **Terms and Conditions**) set forth in the Base Prospectus dated 9 April 2010 which are being incorporated by reference in the Base Prospectus dated 29 February 2016. This document constitutes the final terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC as amended) (the **Prospectus Directive**) and must be read in conjunction with the Base Prospectus dated 29 February 2016 [and the supplement to it dated [*date*]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Base Prospectus**). Full information on the Issuer and the Group and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus The Base Prospectus [and any supplements to the Base Prospectus] will be published on the Luxembourg Stock Exchange website (www. bourse.lu). [*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted) [Italics denote direction for completing the final Terms]*.]

1.	(i)	Series Number:	[●]
	(ii)	Tranche Number	[●]
	(iii)	Date on which the Covered Bonds will be consolidated and form a single Series:	The Covered Bonds will be consolidated and form a single Series with [*Provide issued amount/ISIN/maturity date/issue date of earlier Tranches*] on [the Issue Date/exchange of the Temporary Global Covered Bond for interests in the Permanent Global Covered Bond, as referred to in paragraph [●] below, which is expected to occur on or about [date]][Not Applicable]
2.	Specified Currency or Currencies		[●]
3.	Aggregate Nominal Amount of Covered Bonds:		[●]
	[(i)]	Series:	[●]
	[(ii)	Tranche:	[●]
4.	Issue Price:		[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
5.	(i)	Specified Denominations:	[●] *N.B. Where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:* *€100,000 and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Covered Bonds in definitive form will be issued with a denomination above [€199,000].)* *(N.B. Covered Bonds must have a minimum denomination [€100,000] (or equivalent.)*
	(ii)	Calculation Amount:	[●]
6.	(i)	Issue Date:	[●]
	(ii)	Interest Commencement Date:	[●][*NB An Interest Commencement Date will not be relevant for certain Covered Bonds, for example Zero Coupon Covered Bonds.]*
7.	(i)	Final Maturity Date:	[*Fixed rate - specify date/Floating Rate - Interest Payment Date falling in or nearest to [Specify month and year*]
	(ii)	Extended Final Maturity Date	[*Fixed rate – specify date/Floating rate* – Interest Payment Date falling in or nearest to [*specify month and year, in each case falling one year after the Final Maturity Date*]] [If an Extended Final Maturity Date is specified and the Final Redemption Amount is not paid in full on the Final Maturity Date, payment of the unpaid amount will be automatically deferred until the Extended Final Maturity Date, provided that any amount representing the Final Redemption Amount due and remaining

		unpaid on the Final Maturity Date may be paid by the Issuer on any Interest Payment Date occurring thereafter up to (and including) the relevant Extended Final Maturity Date. See Condition 6 (*Payments*) *(N.B. Zero Coupon Covered Bonds are not to be issued with an Extended Final Maturity Date unless otherwise agreed with the Dealers and the Trustee)*
8.	Interest Basis:	*[[●] per cent. Fixed Rate]* *[LIBOR/EURIBOR] [●] per cent. Floating Rate* *[Zero Coupon]*
9.	Intentionally left blank	
10.	Change of Interest Basis	*[Specify date on which any fixed to floating rate change occurs] [Not applicable]*
11.	Put/Call Options:	*[Not Applicable]* *[Issuer Call]* *[(further particulars specified below under Provisions relating to Redemption)]*
12.	[Date [Board] approval for issuance of Covered Bonds obtained:]	*[●]* *(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Covered Bonds)*
13.	Redenomination:	*[Applicable/Not Applicable]*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Covered Bond Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Rate[(s)] of Interest:	[●] per cent. per annum payable in arrear on each Interest Payment Date
	(ii)	Interest Payment Date(s):	[[●] in each year up to and including the Final Maturity Date, or the Extended Final Maturity Date, if applicable] [Applicable/Not Applicable]
	(iii)	Business Day Convention	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[Not applicable]
	(iv)	Business Day(s)	[●]

	(v)	Additional Business Centre(s)	[●]
	(vi)	Fixed Coupon Amount[(s)]: *(Applicable to Covered Bonds in definitive form)*	[●] per Calculation Amount
	(vii)	Broken Amount(s): (Applicable to Covered Bonds in definitive form)	[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]/[Not applicable]
	(viii)	Day Count Fraction:	[30/360/Actual/Actual [(ICMA/ISDA] [adjusted/not adjusted]
	(ix)	Determination Date	[[●] in each year]/[Not Applicable] [*Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*]
15.	Floating Rate Covered Bond Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Interest Period(s):	[●]
	(ii)	Specified Interest Payment Dates:	[●] [subject to adjustment in accordance with the Business Day Convention set out in (iv) below / , not subject to adjustment, as the Business Day Convention in (iv) below is specified to be not Applicable]
	(iii)	First Interest Payment Date:	[●]
	(iv)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention/[Not Applicable]]
	(vi)	Additional Business Centre(s):	[●]
	(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/]
	(viii)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	[●]
	(viii)	Screen Rate Determination:	
		(i) Reference Rate:	[●] Month *[LIBOR/EURIBOR]*
		(ii) Interest Determination Date(s):	[●] *(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or Euro LIBOR or EURIBOR), first day of*

		each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or Euro LIBOR) *N.B. Specify the Interest Determination Date(s) up to and including the Extended Final Maturity Date, if applicable*
	(iii) Relevant Screen Page:	[●] (*In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
(ix)	Linear Interpolation	: [Not Applicable/Applicable – the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
(x)	ISDA Determination:	
	(i) Floating Rate Option:	[●]
	(ii) Designated Maturity:	[●]
	(iii) Reset Date:	[●] (*In the case of a LIBOR or EURIBOR based option, the first day of the interest Period*)
(xi)	Margin(s):	(*In the case of a LIBOR or EURIBOR based option the first day of the Interest period) [+/-][*●] per cent. per annum
(xii)	Minimum Rate of Interest:	[●] per cent. per annum
(xiii)	Maximum Rate of Interest:	[●] per cent. per annum
(xiv)	Day Count Fraction:	[Actual/ Actual (ISDA)/(ICMA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [30/360] [Bond Basis] [30E/360] [30E/360 (ISDA)] [adjusted/not adjusted]
16.	Zero Coupon Covered Bond Provisions	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) [/Accrual] Yield:	[●] per cent. Per annum
	(ii) Reference Price:	[●]

(iii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention/[*Not Applicable*]]
(iv)	Business Day(s):	[●]
(v)	Additional Business Centre(s):	[●]
(vi)	Day Count Fraction in relation to Early Redemption Amounts and late payments:	[30/360] [[Actual/Actual][(ISDA/ICMA)]]

PROVISIONS RELATING TO REDEMPTION

17.	Issuer Call	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Optional Redemption Date(s):	[●]
(ii)	Optional Redemption Amount(s):	[●] per Calculation Amount
(iii)	(If redeemable in part:	
	(a) Minimum Redemption Amount:	[●] per Calculation Amount
	(b) Maximum Redemption Amount:	[●] per Calculation Amount
(iv)	Notice period (if other than as set out in the Terms and Conditions)	[●] (*N.B. If setting notice periods which are different to those provided in the Terms and Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent and the Trustee*)
18.	Intentionally left blank.	
19.	Final Redemption Amount of each Covered Bond	[●] per Calculation Amount/*specify other*/see Appendix
20.	Early Redemption Amount	
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default	[●] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

21.	Form of Covered Bonds:	[Bearer Covered Bonds: [Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Definitive Covered Bonds [on 60 days' notice given at any time/only upon an Exchange Event]] (*N.B. The exchange upon notice should not be expressed to be applicable if the Specified Denomination of the Covered Bonds in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]."*) [Registered Covered Bonds registered in the name of a nominee of the [Common Safekeeper]/[common depositary] for Euroclear and Clearstream, Luxembourg]
22.	[New Global Covered Bond]/[New Safekeeping Structure]:	[Yes/No]
23.	Additional Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/*give details*]. *Covered Bond that this item relates to the date and place of payment, and not interest period end dates, to which items [14(ii)] relates*]
24.	Talons for future Coupons to be attached to Definitive Covered Bonds:	[Yes, as the Covered Bonds have more than 27 Coupon payments if, on exchange into definitive form, more than 27 coupon payments are still to be made/No. *If yes, give details*]

THIRD PARTY INFORMATION

((*Relevant third party information*) has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of Eurobank Ergasias S.A. By:

Duly Authorised:

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i)	Admission to trading and admission to listing:	[Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on [the *regulated market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange] [Specify relevant regulated market and, if relevant, listing on an official list]* with effect from [●]. [Application is expected to be made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on [the *regulated market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange] [Specify relevant regulated market and, if relevant, listing on an official list* with effect from [ ].] [Not Applicable.] *((NB: Where documenting a fungible issue need to indicate that original Covered Bonds are already admitted to trading.)*
(ii)	Estimate of total expenses related to admission to trading:	[●]

2. RATINGS

Ratings:	The Covered Bonds to be issued [[have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Covered Bonds of this type issued under the Programme General]: Moody's: [●] Moody's is established in the European Union and is registered under Regulation (EC) No 1060/2009 (as amended) (the **CRA Regulation**).]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save:	Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. – *Amend as appropriate if there are other interests.* *[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]*

4. YIELD (Fixed Rate Covered Bonds only)

Indication of yield:	[●] (Not Applicable]

5. HISTORIC INTEREST RATES (Floating Rate Covered Bonds only)

Details of historic (LIBOR/EURIBOR] rates can be obtained from Reuters.

6. OPERATIONAL INFORMATION

ISIN Code:	[●]
Common Code:	[●]
(*insert here any other relevant codes such as CINS codes*):	[●]
Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s):	[Not Applicable/*give name(s) and address/es*]
Delivery:	Delivery [against/free of] payment
Names and addresses of initial Paying Agent(s):	[●]
Names and addresses of additional Paying Agent(s) (if any):	[●]
Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes Note that the designation "yes" simply means that the Covered Bonds are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as Common Safekeeper)] *[include this text for registered Covered Bonds*] and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Covered Bonds are capable of meeting them the Covered Bonds may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] [include this text for registered Covered Bonds]. Note that this does not necessarily mean that the Covered Bonds will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

7. DISTRIBUTION

Method of distribution:	[Syndicated/Non-syndicated]
If syndicated, names of managers:	[Not applicable/give names]
Date of [Subscription] Agreement:	[ ]

Stabilising Manager(s) (if any):	[Not Applicable/give name]
If non-syndicated, name of relevant Additional selling restrictions:	[Not Applicable/give name]
	[Not Applicable/give name]

INSOLVENCY OF THE ISSUER

The Greek Covered Bond Legislation contains provisions relating to the protection of the Covered Bondholders and other Secured Creditors upon the insolvency of the Issuer.

In the event of insolvency of the Issuer, the Greek Covered Bond Legislation provides that the Cover Pool will at all times remain segregated from the insolvency estate of the Issuer until payment of any amounts due to the Covered Bondholders has been made in full. Upon registration of the Registration Statements with the public registry, the issue of the Covered Bonds, the creation of the Statutory Pledge and the security governed by foreign law (including pursuant to the Deed of Charge), the payments to Covered Bondholders and other Secured Creditors and the entry into of any agreement relating to the issue of Covered Bonds will not be affected by the commencement of insolvency proceedings in respect of the Issuer. All collections from the Cover Pool Assets shall be applied solely towards payment of amounts due to the Covered Bondholders and other Secured Creditors.

Pursuant to the Greek Covered Bond Legislation, both before and after the commencement of insolvency proceedings in respect of the Issuer, the Cover Pool may be autonomously managed until full payment of the amounts due to the Covered Bondholders and the other Secured Creditors has been made. To ensure continuation of the servicing in the event of insolvency of the Issuer acting as the Servicer the Greek Covered Bond Legislation provides that the Transaction Documents may provide for the substitution of the Servicer upon the insolvency of the Issuer.

In the event that no substitute servicer is appointed pursuant to the Transaction Documents, continuation of the servicing is ensured as follows; in the event of the Issuer's insolvency under Greek Law 4261/2014, the Bank of Greece may appoint a servicer, if the trustee fails to do so. Such person will be specifically carrying out the servicing of the Cover Pool. Any such person appointed as described above shall be obliged to service the Cover Pool in accordance with the terms of the Servicing and Cash Management Deed.

Any of the aforementioned parties performing the role of the servicer, as well as the special liquidator that will be appointed by the Bank of Greece to undertake the management of the Issuer, will be required to treat the Cover Pool as a segregated pool of assets on the basis of the segregation provisions of Article 152 and in accordance with the Servicing and Cash Management Deed, the terms of which, including, *inter alia*, the termination, substitution and replacement provisions, will at all times apply.

USE OF PROCEEDS

The net proceeds from each issue of Covered Bonds will be applied by the Issuer for its general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

OVERVIEW OF THE GREEK COVERED BOND LEGISLATION

The following is an overview of the provisions of the Greek Covered Bond Legislation relevant to the transactions described in this Base Prospectus and of which prospective Covered Bondholders should be aware. The summary does not purport to be, and is not, a complete description of all aspects of the Greek legislative and regulatory framework pertaining to covered bonds and prospective Covered Bondholders should also read the detailed information set out elsewhere in this Base Prospectus.

Introduction

The transactions described in this Base Prospectus are the subject of specific legislation, the Greek Covered Bond Legislation. As mentioned elsewhere in the Base Prospectus, the Greek Covered Bond Legislation includes Article 152 of Greek Law 4261/2014 (such law being published in the Government Gazette No. 107/A/5-05-2014 and dealing with, *inter alia*, the access to the activity of credit institutions, (defined elsewhere in this Base Prospectus as Article 152) and the Act of the Governor of the Bank of Greece No. 2598/2007 entitled "Regulatory framework for covered bonds issued by credit institutions" and published in the Government Gazette No. 2236/B/21-11-2007, as amended and restated by the codifying Act of the Governor of the Bank of Greece No. 2620/2009 (published in the Government Gazette No. 2107/B/29-9-2009). The Greek Covered Bond Legislation has been enacted, with a view, *inter alia*, to complying with the standards of article 52(4) of Directive 2009/65/EF (as amended), and entitles credit institutions to issue (directly or through a special purpose vehicle) covered bonds with preferential rights in favour of the holders thereof and certain other creditors over a cover pool comprised by certain assets discussed in further detail below.

The provisions of the Greek Covered Bond Legislation that are relevant to the Programme may be summarised as follows:

Article 152

Credit institutions may issue Covered Bonds pursuant to the provisions of Article 152 and the general provisions of Greek law on bonds (articles 1-9, 12 and 14 of Greek Law 3156/2003).

In deviation from the Greek general bond law provisions, the bondholders' representative (also referred to as the trustee) may be a credit institution or an affiliated company of a credit institution entitled to provide services in the European Economic Area. Unless otherwise set out in the terms and conditions of the bonds the trustee is liable towards bondholders for wilful misconduct and gross negligence.

Cover Pool – composition of assets

Paragraph 3 of Article 152 provides that the assets forming part of the cover pool may include receivables deriving from loans and credit facilities of any nature and, on a supplementary basis, receivables deriving from financial instruments (such as, but not limited to, receivables deriving from interest rate swaps contracts), deposits with credit institutions and securities, as specified by a decision of the Bank of Greece.

Following an authorisation originally provided by Article 91 of Greek Law 3601/2007 and repeated by Article 152, the Bank of Greece has defined, in the Secondary Covered Bond Legislation, the cover pool eligible assets as follows:

(a) certain eligible assets set out in paragraph 8(b) of Section B of the Bank of Greece Act No. 2588/20-8-2007 which should be read from 1 January 2014 onwards as a reference to Article 129 of Regulation 575/2013;

(b) derivative financial instruments satisfying certain requirements as to the scope thereof and the capacity of the counterparty;

(c) deposits with credit institutions (including any cash flows deriving therefrom) provided that such deposits comply with paragraph 8(b) of Section B of the Bank of Greece Act No 2588/20-8-2007, as amended as of 21 December 2010 by the Bank of Greece Act No 2631/29-10-2010 and by the Bank of Greece Act 7/10-01-2013; and

(d) Marketable Assets.

Loans that are in arrears for more than 90 days shall not be included in the Cover Pool for the purposes of the calculations required under the Statutory Tests.

The Bank of Greece has also set out requirements as to the substitution and replacement of cover pool assets by other eligible assets (including, *inter alia*, marketable assets, as defined in the Act of the Monetary Policy Council of the Bank of Greece No. 54/27-2-2004).

Benefit of a prioritised claim by way of statutory pledge

Claims comprised in the cover pool are named in a document (defined elsewhere in this Base Prospectus as a Registration Statement) signed by the issuer and the trustee and registered in a summary form including the substantial parts thereof, in accordance with paragraph 5 of article 152 of Greek law 4261/2014, in conjunction with article 3 of Greek Law 2844/2000. The form of the Registration Statement has been defined by Ministerial Decree No. 95630/8-9-2008 (published in the Government Gazette No 1858/B/12-9-2008) of the Minister of Justice. Receivables forming part of the cover pool may be substituted for others and receivables may be added to the cover pool in the same manner.

Holders of covered bonds and certain other creditors having claims relating to the issuance of the covered bonds (such as, *inter alios*, the trustee, the servicer and financial derivatives counterparties) named as secured creditors in the terms and conditions of the covered bonds are secured (by operation of paragraph 4 of Article 152) by a statutory pledge over the cover pool, or, where a cover pool asset is governed by foreign law, by a security *in rem* created under applicable law.

With respect to the preferential treatment of covered bondholders and other secured creditors and pursuant to paragraph 6 of Article 152, claims that have the benefit of the statutory pledge rank ahead of claims referred to in article 975 of the Code of Civil Procedure (a general provision of Greek law on creditors' ranking), unless otherwise set out in the terms and conditions of the covered bonds. In the event of bankruptcy of the issuer, covered bondholders and other creditors secured by the statutory pledge shall be satisfied in respect of the portion of their claims that is not paid off from the cover pool in the same manner as unsecured creditors from the remaining assets of the issuer.

To ensure bankruptcy remoteness of the assets in the cover pool, paragraph 7 of Article 152 provides that upon registration of the Registration Statement with the public registry, the validity of the issue of the covered bonds, the creation of the statutory pledge and the real security governed by foreign law, if any, the payments to covered bondholders and other creditors secured by the statutory pledge, as well as of the entry into force of any agreement relating to the issue of covered bonds may not be affected by the commencement of insolvency proceedings in respect of the issuer.

Paragraph 8 of Article 152 safeguards the interests of covered bondholders and other secured creditors in providing that assets included in the cover pool may not be attached/seized nor disposed by the issuer without the written consent of the trustee, unless otherwise set out in the terms and conditions of the covered bonds.

Paragraph 9 of Article 152 deals with the servicing of the cover pool. In particular, it provides that the terms and conditions of the covered bonds may specify that either from the beginning or following the occurrence of certain events, such as, but not limited to, the commencement of insolvency proceedings in respect of the issuer, the trustee may assign to third parties or carry out itself the collection of and, in general, the servicing of the cover pool assets by virtue of an analogous application of the Greek provisions on servicing applicable to securitisations (paragraphs 14 through 16 of article 10 of Greek Law 3156/2003).

Paragraph 9 of Article 152 also provides that the trustee may also, pursuant to the terms and conditions of the bonds and the terms of its relationship with the bondholders, sell and transfer the assets forming part of the cover pool either by virtue of an analogous application of articles 10 and 14 of Greek Law 3156/2003 concerning securitisation of receivables or pursuant to the general legislative provisions and utilise the net proceeds from the sale to pay the claims secured by the statutory pledge, in deviation from articles 1239 and 1254 of the Greek Civil Code on enforcement of pledges and any other legislative provision to the contrary. For the purposes of facilitating the transfer pursuant to the above mentioned securitisation provisions of Greek Law 3156/2003 the transferor shall not be required to have a permanent establishment in Greece.

In the event of the issuer's insolvency the Bank of Greece may appoint a servicer, if the trustee fails to do so. Sums deriving from the collection of the receivables that are covered by the statutory pledge and the liquidation of other assets covered thereby are required to be applied towards the payment of the covered bonds and other claims secured by the statutory pledge pursuant to the terms and conditions of the covered bonds.

Paragraph 9 of Article 152 also deals with banking secrecy and personal data processing. In particular, it provides that the provisions of paragraphs 20 through 22 of article 10 of Greek Law 3156/2003 that regulate these issues for Greek securitisation transactions shall apply *mutatis mutandis* to the sale, transfer, collection and servicing, in general, of the assets constituting the cover pool.

Paragraph 11 of Article 152 confirms that covered bonds may be listed on a regulated market within the meaning of paragraph 10 of Article 2 of Greek Law 3606/2007, as in force, and paragraph 14 of Article 4 of Directive 2004/39/EC and offered to the public pursuant to applicable provisions.

Article 152 authorises the Bank of Greece to deal both with specific issues, such as, the definition of the cover pool, the ratio between the value of the cover pool assets and that of covered bonds, the method for the evaluation of cover pool assets and requirements to ensure adequacy of the cover pool and any details in general for the implementation of Article 152.

The Secondary Covered Bond Legislation

The Secondary Greek Covered Bond Legislation has been issued by the Bank of Greece by virtue of authorisations given by Article 152 as aforesaid. To this effect, the Secondary Greek Covered Bond Legislation sets out requirements for the supervisory recognition of covered bonds, including requirements in respect of: the issuer's risk management and internal control systems; a minimum amount of regulatory own funds on a consolidated basis and capital adequacy ratio; definition and eligibility criteria as to the initial cover pool and the substitution and replacement of cover pool assets; the ratio between the value of the cover pool assets and the value of covered bonds, the ratio between the net present value of liabilities under the covered bonds and the net present value of the cover assets, the ratio between interest payments on covered bonds and interest payments on cover pool assets and the revaluation of the value of the real estate property mortgaged; the performance of quarterly reviews by the servicer and annual audits thereof by independent chartered accountants; appointing a trustee; provisions regarding measures to be taken in the event of insolvency procedures in respect of the issuer; procedures for the submission of documents to obtain approval by the Bank of Greece in respect of the issuance of covered bonds; provisions relating to the position weighting of covered bonds; and data reporting and disclosure requirements.

EUROBANK ERGASIAS S.A.

Overview

The Issuer and its consolidated subsidiaries (the **Group**) is one of the four systemic banks in Greece (see "*The Mortgage and Housing Market in Greece*" in relation to the Bank of Greece's review which concluded there are, and identified, four systemic banks), operating in key banking product and service markets. As at 30 September 2015, the Issuer had €73.8 billion, €51.7 billion and €30.5 billion in consolidated total assets, gross loans and advances to customers and customer deposits, respectively, a network of 927 branches and a worldwide workforce of 16,662 employees. Eurobank's registered office is at 8 Othonos Street, Athens 10557, Greece and its telephone number is +30 210 333 7000.

Eurobank offers a wide range of financial services to the Issuer's retail and corporate clients. Eurobank has a strategic focus in Greece in fee-generating activities, such as asset management, private banking, equity brokerage, treasury sales, investment banking, leasing, factoring, life insurance, real estate and trade finance. The Issuer is also among the leading providers of banking services and credit to SMEs, small businesses and professionals, large corporates and households. Eurobank's Greek operations for the year ended 30 September 2015 accounted for 72.0 per cent. of the Issuer's operating income, with international operations accounting for the remaining 28.0 per cent.

Eurobank has an international presence in six countries outside of Greece, with operations in Romania, Bulgaria, Serbia, Cyprus, Luxembourg and the United Kingdom, which, at 30 September 2015, collectively represented 372 branches and 30 business centres and 35 per cent. of the Issuer's total workforce. As at 30 September 2015, the Issuer's international operations had €12.0 billion in total assets (16.3 per cent. of the Group's total), €7.6 billion in gross loans (14.7 per cent. of the Group's total) and €8.5 billion in customer deposits (28.1 per cent. of the Group's total). Eurobank also has a presence in the Ukraine, which is accounted as held for sale.

In 2013, the Issuer expanded its operations through the acquisitions of New TT Hellenic Postbank S.A. (**New TT HPB**) and New Proton Bank S.A. (**New Proton Bank**) (the **Acquisitions**), which occurred in the context of the on-going consolidation of the Greek banking sector. The Issuer acquired full ownership of New TT HPB and New Proton Bank on 30 August 2013.

Greek Economy Liquidity Support Program

The Issuer participates in the Hellenic Republic's plan to support liquidity in the Greek economy under Law 3723/2008 as in force, as follows:

(a) First stream - preference shares

345,500,000 non-voting, preference shares, with nominal value of €950 million, were subscribed to by the Hellenic Republic on 21 May 2009.

(b) Second stream - bonds guaranteed by the Hellenic Republic

As at 30 September 2015, the government guaranteed bonds, of face value of €15,412 million, were fully retained by the Issuer. During the period, the Issuer issued new government guaranteed bonds of face value of €4,605 million, while €2,910 million matured. By the end of October 2015, the face value of government guaranteed bonds was decreased by €1,369 million.

(c) Third stream - lending of Greek Government bonds

Liquidity obtained under this stream must be used to fund mortgages and loans to small and medium-size enterprises. In August 2015, the special Greek Government bonds of face value of €1,918 million, borrowed by the Issuer, were returned in full.

Recapitalisation

Eurobank's share capital increases

In March 2012, the Bank of Greece prepared a strategic review of the Greek banking sector. The review evaluated the sustainability prospects of Greek banks by applying a wide set of supervisory and operational data, as well as data from BlackRock's 2011 diagnostic assessment of the Greek banking sector commissioned by the Bank of Greece. Eurobank's capital needs were estimated at approximately €5,800 million. Eurobank completed its recapitalisation in the first half of 2013 and received capital support from Hellenic Financial Stability Fund (**HFSF**) of approximately €5,800 million. Following this, HFSF owned approximately 95% of the shares in Eurobank.

Pursuant to the terms of the May 2013 Memorandum of Economic and Financial Policies (**MEFP**) of the Second Adjustment Programme for Greece, the Bank of Greece conducted follow up stress tests on the basis of data as at 30 June 2013, to update its assessment of the capital needs of Greek banks. The Bank of Greece also commissioned BlackRock to conduct a second independent diagnostic exercise on the loan portfolios of Greek banks, including updated stress tests. The Bank of Greece assessed Eurobank's capital needs at that time to be €2,945 million under the baseline scenario. Eurobank completed a further recapitalisation in May 2014, increasing its share capital by €2,771.6 million. The new shares were placed entirely with private investors and following this share capital increase, HFSF owned approximately 35% of the share capital of Eurobank.

In November 2015, Eurobank completed a further recapitalisation, this time increasing its share capital by €2,039 million. This was in response to the findings of the European Central Bank's Comprehensive Assessment exercise in 2015. See "*Eurobank Ergasias S.A. - European Central Bank's Comprehensive Assessments"* below.

Restructuring plan

In the context of the recent recapitalization of the Bank in November 2015, the restructuring plan was revised and resubmitted for approval to the European Commission. On 26 November 2015, the European Commission approved the Issuer's revised restructuring plan.

The revised Restructuring Plan is based on macroeconomic assumptions in line with those provided by the European Commission and the HFSF and comprises revisions to the commitments undertaken by the Greek state under the Second Economic Adjustment Programme, to be implemented by 31 December 2018. The principal revisions to the Commitments include, among others, further reductions in the number of branches, number of employees and total costs in Greece and an extension of the timeframe within which the Issuer is required to reduce the net loan to deposit ratio for its Greek banking activities, sell down certain portfolios of equity securities and subordinated and hybrid bonds and reduce the portfolio of foreign assets.

European Central Bank's Comprehensive Assessment

The ECB conducted the 2015 Comprehensive Assessment (**CA**) of the four systemic banks in line with the decision by the Euro Area Summit on 12 July 2015 and the Memorandum of Understanding.

The 2015 Comprehensive Assessment comprised an Asset Quality Review (**AQR**) and a forward-looking stress test, including a baseline and an adverse scenario, in order to assess the specific recapitalisation needs of the individual banks under the Third Economic Adjustment Programme.

On 31 October 2015, the ECB published the results of the 2015 CA and announced that the Issuer's capital shortfall, following any AQR-related adjustments, was €339 million under the baseline scenario and €2,122 million under the adverse scenario. Overall, the stress test identified a capital shortfall following any AQR-related adjustments across the four participating banks of €4.4 billion under the baseline scenario and €14.4 billion under the adverse scenario after comparing the projected solvency ratios against the thresholds defined for the exercise. Among the four systemic banks, the Issuer had the lowest capital shortfall under the adverse scenario, the second lowest under the baseline scenario and the lowest proportion of debtors reclassified as non-performing exposures (each, a **NPE**) in the AQR.

To ensure consistency, the methodology applied was based substantially on the methodology applied in the 2014 comprehensive assessment performed by the European Banking Authority (**EBA**) and the European Central Bank (**ECB**). It consisted of both a baseline and an adverse scenario, applied for the period from 30 June 2015 to 31 December 2017. The Greek banks were required to maintain a minimum Common Equity Tier 1 ratio of 9.5% under the baseline scenario and 8% under the adverse scenario.

The ECB requested that the Issuer submit its capital plan setting out actions the Issuer proposed to take to enhance its capital position. This would start a recapitalisation process under the Third Economic Adjustment Programme. Eurobank submitted its capital plan on 3 November 2015, which proposed actions aimed at ensuring that the Issuer will be adequately capitalised, including an offering of new ordinary shares in the Issuer (which completed in November 2015) (the **Share Offering**) and tender offers by the Issuer and, separately, its subsidiary ERB Hellas Funding Limited (the **Tender Offers**). The Issuer's proposed capital plan was approved by the ECB on 13 November 2015, which accepted for the purposes of covering the Issuer's capital shortfall the Share Offering, the Tender Offers and the positive difference between the realised pre-provision income for the third quarter of 2015 and the respective figure projected in the baseline scenario of the stress test of the 2015 CA (an amount of €83 million).

Thorough quality assurance of the AQR results was performed by the ECB on the local and central levels. Significant AQR adjustments were identified in this exercise, despite the effort made by the four systemic banks to record in their accounts an important part of the AQR findings from 2014. These were primarily driven by the deterioration in the macroeconomic environment in Greece, which led to higher NPE volumes, as well as lower collateral values and cash flow valuations. Moreover, the standardisation of the definition of key metrics across the EU resulted in further NPE and impairment recognition in the AQR. For example, the full implementation of the EBA's implementing technical standards on NPE meant that forborne exposures could be better identified and tested for impairment. Finally, the disallowance of tax offsets within the AQR has amplified the adjustments of the 2015 AQR compared to 2014.

The Issuer completed the recapitalisation in November 2015, increasing its share capital by €2,039 million. Following the recapitalisation, which was fully covered by private investors, HFSF's participation decreased to 2.38%.

Eurobank's Strategy

The issuer has developed a strategy to enable its business to operate profitably and maintain a strong capital base in the current economic situation in Greece. The medium term aim of this strategy is to

restore the annual profit before tax of the Issuer to approximately €1.0 billion. The initial phase of this strategy has been implemented and the key components of the next phase of this strategy are as follows:

Focus on segments with liquidity and profitability potential, aiming to become Eurobank's clients' primary bank

The Issuer will focus its business generation activity on those parts of its customer base where it has a strong market position, in particular, corporate, SME, SB and affluent individual customers. These customer segments also have the potential to provide high levels of liquidity (e.g. deposits) and profitable business opportunities to the Issuer. Within each such customer segment, the Issuer will focus on those customers who have the highest business opportunities potential, based on the liquidity, resilience in the financial crisis, and competitiveness within their respective business sectors, and will aim to become the primary banking relationship for such customers. The Issuer has adopted a segment-based organisational structure, which identifies clients according to client size, complexity and revenue potential. The Issuer also uses advanced client profitability measurement tools and key performance indicators, such as economic value added and risk-adjusted return on capital. The Issuer believes that the combination of its organisational structure and its advanced analytics tools will enable it to identify and develop the customer relationships that deliver the highest levels of profitability and liquidity.

Offer differentiated service levels based on customer value to the Group

The Issuer will differentiate its customer service, offering a high quality service model to targeted customer segments and a low cost service model to other customer segments. This strategy will be enabled by its dual-brand network, digital distribution channels (such as phone banking, e-Banking and m-Banking) and customer analytics capabilities, which will assist the Issuer in identifying what matters most to different customers.

Offer a wide array of ancillary services through dedicated teams and enabling tools, aiming to increase the Issuer's fee and commission income and deposit gathering

The Issuer's leading market positions in key fee-generating businesses provides an opportunity to increase its fee and commission income and to enhance its deposit gathering. The Issuer intends to achieve this through:

- offering risk and liquidity management services for business clients, combined with its transaction banking and cash management offering;
- cross-selling capital-light products, in particular, pursuing opportunities to cross-sell its products to customers of the former New TT HPB; and
- expanding the POS terminal network and range of e-products, demand for which is growing in response to capital controls and anti-tax evasion measures.

The Issuer believes its expertise in providing advisory services on European funding programmes, as well as its "Exportgate" platform and leading position in fee generating activities, including factoring, cash management, trade finance, corporate finance, debt capital markets and brokerage, will support this strategy.

Pursue digital transformation to become a leader in digital banking

The Issuer aims to enhance efficiency, improve service excellence and become a digital banking leader through the adoption and increased use of advanced IT systems and tools. The Issuer has established the role of a dedicated Chief Digital Officer to oversee its initiatives in this field, which include the accelerated development and promotion of all the Issuer's alternative distribution channels, such as e-Banking and m-Banking, as well as the end-to-end digitisation of its operations.

Reduce costs through an efficient operating model and structural changes to increase efficiency

The Issuer has identified a number of initiatives that it is pursuing to increase efficiency and reduce costs. These initiatives include:

- further centralising its service and support functions and consolidating reporting lines;
- optimising its network footprint;
- reducing its non-staff related costs, including real estate and procurement;
- streamlining its operational processes and procedures, and organisational structure;
- reviewing selective outsourcing and in-sourcing opportunities;
- streamlining its product portfolios and reducing the number of product codes; and
- further rationalising its international operations with a focus on liquidity and profitability.

History and Development of the Eurobank Group

The Issuer was incorporated under the laws of Greece on 11 December 1990 under the name "Euromerchant Bank S.A." Following the acquisition of a controlling interest in the Bank of Athens (incorporated as a legal entity in 1924) in 1998, the Issuer was absorbed by the latter in March 1999 and is presently operating as a credit institution in the form of a société anonyme under Law 2190/1920, Law 4261/2014, Law 3606/2007 and other laws applicable to credit institutions and listed companies in general, and is registered with the Hellenic Ministry of Economy, Development and Tourism (General Electronic Commercial Registry (G.E.MI.) with registration number 000223001000). The Issuer's ordinary shares were listed on the ATHEX in 1999. Today, Eurobank is the principal operating company of the Group and the direct or indirect parent company of the operating subsidiaries in the Group.

Retail Banking

Overview

Eurobank is one of the leading financial institutions in Greece with a significant role in the country's retail banking landscape, with over seven million deposit accounts, 491 branches (of which 138 are operating under the New Hellenic Postbank (**HPB**) brand of the former New TT HPB) and 837 ATMs as at 30 September 2015. The Issuer offers its retail customers a broad range of deposit, loan, investment and bancassurance products as well as other retail banking services.

The Issuer's current retail banking model is structured around its core customer segments, a multi-channel distribution platform and centralised, integrated product units. The Issuer's core segments cover individuals (which includes affluent individuals, salary earners and mass clients), as well as

small businesses and professionals (**SBs**). The Issuer's multi-channel distribution platform includes a nationwide network of lean branches with segment-oriented relationship managers, digital distribution channels (such as phone banking, e-Banking and m-Banking), the Greek postal offices network, as well as other third party partners (e.g. car dealers). Finally, the Issuer's centralised product units deliver the whole spectrum of retail banking products and services with a focus on customer-relevance and efficiency.

Eurobank has consistently differentiated itself against the competition primarily through its customer-driven and technology-enabled innovation as well as its customer service. Eurobank's objective is to set the client at the epicentre of its business model based on the principles of simplicity, transparency and seamlessness and to build solid, well-rounded banking relationships with its clients. On this front, Eurobank's on-going transformation from a product-centric to a customer-centric approach focuses on developing an end-to-end segment-driven sales and service model with an efficient multi-channel distribution platform. In addition, the Retail Customer Experience unit was established, reporting to senior management, which aims to improve customer complaints management and customers' overall experience with the Issuer.

In light of current economic conditions in Greece, the Issuer has continued to follow a conservative credit expansion policy, through low-risk promotion channels, approaching customers selected based on strict criteria.

Demand for mortgage lending was negatively affected by the prolonged recession in economic activity, which resulted in consumers becoming increasingly reluctant to take out mortgage loans. The overall demand for consumer credit has remained limited, as well. In the nine months ended 30 September 2015, the Group disbursed €61 million in mortgage loans, €66 million in consumer loans (including personal loans and car loans) and granted €130 million in new loans to small-sized enterprises. The Group's total retail lending portfolio in Greece amounted to €28.6 billion as at 30 September 2015, compared to €28.7 billion as at 31 December 2014. Eurobank has offered alternative solutions and special repayment facilities to customers in substantial economic hardship.

The Issuer's operations cover the whole spectrum of banking products and services, ranging from deposit and investment products, cards, household lending products, transactional services, to bancassurance products.

Consumer lending

The Group's consumer loan portfolio in the Greek market, including car loans, stood at €4.0 billion of outstanding balance as at 30 September 2015.

During the nine months ended 30 September 2015, Eurobank continued to promote consumer loan products through tailored promotional activities directed towards existing customers. Through its "Risk & Value Based Pricing" policy that offers more favourable and customised pricing terms to low credit risk customers, Eurobank extended €66 million of consumer loans in the nine months ended 30 September 2015, under adverse economic conditions. In addition, special emphasis was given to the financing of employees of Greek public sector organisations through the New TT HPB network.

The Issuer has also continued its efforts to support existing customers who seek to improve their overall repayment ability by offering a number of customised debt consolidation programmes or settlement schemes that take account of each customer's financial circumstances, while at the same time protecting the interests of the Issuer.

Going forward, the Issuer's strategy in the consumer loans business is to focus on purpose-specific loans and loans addressed to Group Sales customers, while implementing a sophisticated multichannel sales approach for both existing and prospective clients.

Mortgage lending

The Group's mortgage loan portfolio balances in the Greek market amounted to €16.6 billion as at 30 September 2015.

The prolonged economic crisis has severely affected the property market, resulting in a significant decrease in the number of new mortgage loans. Within this context, Eurobank has been one of the leading players in this market, with total mortgage lending disbursements of €76 million in 2014 and €61 million for the first nine months of 2015.

Eurobank applies its customised "Risk & Value Based Pricing" policy in the sector of mortgage loans as well, which is designed to reward customers with a better credit profile and a broader relationship with the Issuer. Particular emphasis is given to the pricing policies applied to certain customer groups with special characteristics, such as customers who have maintained their deposit or investment relationship with the Issuer, as well as customers meeting certain other criteria, such as Group Sales customers and Personal and Private Banking customers. The pricing policies the Issuer applies to these customer groups aim to preserve such customer groups in the Issuer's customer base and enhance their relationship and co-operation with the Issuer. Going forward, the Issuer is planning to maintain its market share in Mortgage Lending.

Credit, debit and prepaid cards and acceptance services

Eurobank offers a wide variety of products in the credit, debit and prepaid cards market. The total number of cards (credit, debit and prepaid) under management by the Issuer amounted to 2.1 million cards in September 2015. Total turnover (purchases and cash withdrawals) was €1.2 billion for the nine months ended 30 September 2015 and €1.4 billion for the year ended 31 December 2014. The Issuer's total credit card balances in the Greek market stood at €1.4 billion as at 30 September 2015.

The Issuer's primary strategy for its credit cards issuing business is to capitalise on the growth potential of its well-established loyalty programme "Epistrofi", as well as focus on major co-brand partnerships. With a view to maintaining and satisfying its customers, the Issuer has significantly enhanced "Epistrofi" to comprise more than 7,000 merchants as at 30 September 2015, constituting the most advanced and widespread card loyalty scheme in the Greek market. The programme's 12 strategic partners hold leading positions in their respective industries with broad national networks covering almost all consumer needs.

In addition, the Issuer currently offers some of the most powerful co-branded credit card schemes in the Greek market, providing customised rewards to customers according to their needs, in collaboration with Greece's largest telephone provider, OTE, largest mobile telecommunications provider, Cosmote, largest petrol retailer, EKO, and the developer of the three largest shopping malls in Greece, Lamda Development.

Since 2012, the loyalty programme has been accompanied by "Epistrofi App", a smartphone application that provides a comprehensive tool to users for information and offers relating to the programme. In recent years, the programme's recognition has increased, benefitting the Issuer's customer loyalty.

Responding to customers' tendency to increase debit card usage in points-of-sale (**POS**) terminals, the Issuer designed the most sophisticated tool compared to any other in the Greek market. Eurobank's debit card can be instantly obtained, has contactless functionality and rewards the customer through the "Epistrofi" loyalty scheme.

The Issuer's card transactions acceptance and clearance services (**POS Acquiring Services**) comprise approximately 48,000 physical POS, together with a network of more than 2,500 e-commerce associates. During the first nine months of 2015, the Issuer's total Acquiring Services reached €1.9 billion compared to €1.6 billion for the same period in 2014.

The Greek market has seen a significant expansion in cards usage (estimated to reach 20% of total transactions, compared to 6% as at the end of 2014); resulting in increased demand for POS terminals installation, even in sectors such as private entrepreneurs and freelancers who have historically preferred to be paid by cash or cheque. The Issuer expects the number of POS terminals in the market to more than double in 2016 (from approximately 150,000 as at the end of 2014), driven not only by increased demand, but also by proposed government initiatives to control tax evasion and the "shadow economy" in Greece.

The Issuer remains aligned with its strategic focus on the "Travel & Entertainment" industry and take advantage of increasing international volumes. Moreover, emphasis will be placed on launching card acceptance initiatives in areas without terminals.

Finally, the Issuer is a pioneer in Greece in digital technologies by applying advanced electronic payment methods to its credit and debit card offerings as well as to its card acceptance terminals. During the last period the Issuer has introduced "Dynamic Currency Conversion" functionality, and it also become a member of the "China Union Pay" payment scheme. Already more than 220,000 cards carry the contactless functionality and can be used for payment transactions at 12,000 acceptance points across the Greek market.

Small Business

Despite the challenging environment in the Greek market for loan financing of small businesses and professionals (with an annual turnover of up to €5 million), Eurobank has managed to maintain its strong position in the SB lending sector in Greece, with a loan portfolio of €6.5 billion as at 30 September 2015, €130 million in new loans and approximately €504 million of total new financing (including existing lines of credit and post-dated cheques financing). In 2014, new financing to SBs totalled over €780 million.

Eurobank's products and services in this sector include: working capital, finance for business equipment and premises, leasing, factoring, post-dated cheques financing, cheque books issuance, commercial transaction services, letters of guarantee, insurance, deposit products and overdraft facilities. The Issuer also offers the dedicated Eurobank Business Debit MasterCard. Eurobank customers have the option to fully manage their banking needs online with the Issuer's e-Banking service.

The Group actively participates in all Greek and European state sponsored funding programs for small and medium enterprises, with significantly higher capital consumption share in all programs relative to the market share of the bank, such as the European Investment Bank – State Guarantee loan, the National Fund for Entrepreneurship and Development's (**ETEAN**) Entrepreneurship Fund, the European Investment Fund – Jeremie initiative and the Greek Investment Fund (**IfG**).

The Issuer's strategy for small businesses and professionals focuses on business sectors and companies that have demonstrated resilience and competitiveness throughout the economic crisis in Greece, are typically export-oriented and have the potential for multi-product relationships.

In the first nine months of 2015, the Issuer experienced increases in its transactional banking business, i.e., on a year-on-year basis, the volume of imports and exports realised through Small Business Banking increased by 9% and 8%, respectively, and POS turnover increased by 20%; eBanking active users increased by 23%; and sight account balances of clients taking the tourist bundle offering increased by 47%, in a period of significant deposit outflows from the banking system.

Finally, in the first nine months of 2015, an additional €52 million in lending to small businesses and professionals was secured with mortgage pre-notations, raising the portfolio to an 80% secured level (75% covered primarily via financial collaterals and mortgage pre-notations). In 2010 the Issuer introduced an early warning signal system allowing the timely detection of potential credit risk in currently non delinquent customers. This system has now been incorporated in all procedures.

Deposit products

Acquiring client deposits is one of the top priorities of the Issuer. Group customer deposits amounted to €30.5 billion as at 30 September 2015 compared to €40.9 billion as at 31 December 2014 and €41.5 billion as at 31 December 2013.

In 2014, the Issuer's customer-centric approach platform called "My own account" was enhanced with time deposit products, offering to the Issuer's clients the possibility to design their own time deposit account based on their specific needs and preferred product features, and at the same time to choose how to gain extra benefits in the form of Epistrofi or health insurance. More than 43,000 customers have opened an account with the Issuer since the launch of this platform and have selected one or more of the Issuer's innovative products and services.

The Group is supporting the Greek economy and companies in the tourism industry. In order to further support businesses which operate in the areas focused and linked to tourism, Eurobank created a specific package addressing enterprises spread all over Greece to boost their returns and reward them for selecting the Issuer as their main collaborative partner.

During the first nine months of 2015 more than 16,000 customers deposited their savings with Eurobank in Greece, by opening "Megalo Tamieftirio" ("Big Savings") accounts. Stressing the importance of saving as a new way of life, the Issuer continues supporting clients who make the extra effort to save by providing incentives to regular savers. Acknowledging customer loyalty and trust as major assets, the Issuer focuses on savings, supporting families and children to realise their dreams. 182,000 children are already owners of the saving account "Megalono" (Growing Up) and are entitled to participate in the weekly draws linked to the Greek "Laiko" Lottery.

A large number of new customers were attracted by Epistrofi, the Issuer's card loyalty scheme, which is offered to the Issuer's deposit accounts through debit card usage. All deposit accounts provide additional value to the Issuer's clients' deposits by rewarding them for using their transactions debit card instead of cash while they perform their everyday shopping.

Group sales

Group Sales play an important role in the Issuer's strategy and as the primary channel for acquisition of new payroll clients and pensioners and development of existing customers, under the principles of

"track the customers' income, capture the customers' spending". Eurobank has developed both a B2B and B2C approach, which aims to increase profitability and customers, enhance loyalty and provide a unique customer experience.

For the B2B approach, Eurobank offers human resources and payroll business process outsourcing advisory and technology services through its subsidiary Eurobank Business Services S.A., the leading company in the Greek market in the field of payroll processing and human resources outsourcing, servicing more than 550 customers and 40,000 employees. Eurobank Business Services S.A. offers payroll processing and human resources administration services (**BPaaS**) as an outsourced payroll process solution, payroll software (**SaaS**) for customers desiring an in house solution, as well as consulting services in labour law and tax. Moreover, Eurobank Business Services S.A. supports the monthly pension calculation of 25,000 retirees.

In the B2C field, Eurobank has developed the "Privileged Payroll Account" (**PPA**), a special payroll package for employees who receive their payroll through the Issuer. Bundling several products and services, the PPA offers the Issuer's customer benefits and privileges in all key banking products and services. As at 30 September 2015, the Issuer's total client base exceeded 9,000 companies and 587,000 customers (out of which 228,000 are private sector employees, 113,000 are public sector and 246,000 are retirees).

Distribution channels

Retail banking network

The retail banking network of Eurobank was comprised of 491 branches in Greece as at 30 September 2015. Of these branches, 138 are branches operating under the HPB brand that support the Issuer's dual-brand strategy (one bank, two brands). In addition to its retail banking network, the Issuer also has eight private banking centres and 26 corporate banking centres.

The New TT HPB-branded branch network caters for the needs of the average Greek family, through the recently introduced Family Banking advisors, and Eurobank Personal Banking was launched in 2007. Currently, Eurobank Personal Banking serves approximately 100,000 customers as at September 2015. Its clients have access to a number of exclusive products and services with preferential pricing, including a full assortment of deposit, transactional banking, investment and bancassurance products. Services vary from "branded" branch space and dedicated Relationship Managers accredited by the Bank of Greece, to global statement and exclusive phone-banking line.

The Issuer's Individual Banking Segment accounts for over 90% of the total retail client base (4.4 million customers) as at 30 September 2015.

Retail Network is supported by the Branch Network Customer Experience and Retail Transaction Banking Departments. Retail Transaction Banking specialises in developing and enhancing transactional banking services across all channels and segments with the goal of increasing fees from daily transactions.

On 19 November 2001, TT Hellenic Postbank S.A. (**TT HPB**) entered into a co-operation agreement with ELTA S.A. (**ELTA**), Greece's national postal services provider, which in 2007 was extended until 31 December 2021. Eurobank has already taken specific actions to mobilise the ELTA channel in a mutually beneficial manner.

In addition to providing specific products and services for each customer segment, Eurobank is one of the main Greek bancassurers.

Digital banking services

In 2015, Eurobank maintained its strategic focus for continuous growth and development of sophisticated electronic services. For the nine months ended 30 September 2015, visits to Eurobank's website exceeded 12.6 million which was an increase of more than 2.3 million compared to the same period in 2014.

Self-service banking terminals

As at 30 September 2015, the Issuer's self-service terminals network comprised 1,317 points of service, including 517 ATMs and 480 automated transaction centres ("ATCs") located in branches of the Retail Banking network, as well as 220 ATMs located outside branches and 100 ATMs located in ELTA sites. In Greece, Eurobank ATMs and ATCs account for 46% of the banking monetary transactions of the Group.

Eurobank Phone Banking

Eurobank's call centre, which operates on a 24-hour basis, both with live agents and a voice banking self-service platform, offers 550 different transactions in total, covering the entire range of Retail Banking products and services offered, and is also a major sales channel for bancassurance products. Through the end of September 2015, the call centre processed approximately 2.45 million monetary and information transactions, with an aggregate value of approximately €194 million.

Eurobank e-Banking

The Issuer's e-Banking service offers a broad range of online transactions, advanced security mechanisms and interactive 24-hour support, as well as a number of innovative services including e-statements and Cheque Express, a solution tailored to companies that collect a large part of their receivables using cheques.

For the nine months ended September 2015, 377,660 users (individuals and businesses) used the e-Banking service. The number of active e- Banking customers and the number of transactions increased by 31 per cent. and 21 per cent. respectively, compared to the same period in 2014.

Eurobank e-Statements

E-Statements penetration has increased within e-Banking users, resulting in continuous cost containment. As at 30 September 2015, e- Statements users have stopped receiving 549,600 paper statements.

Eurobank m-Banking

Eurobank offers an integrated banking service via mobile phones, which is supported by the most widely available technologies and channels (sms, mobile site, mobile apps). Eurobank's m-Banking application, launched in November 2009, is available through several online application stores (Apple iTunes, Google Play, Windows Phone Store). Eurobank's m-Banking service allows customers to conduct transactions using their mobile phone or tablet. In addition, m-Banking provides customers with online banking information, the smart location of the nearest ATM and branch and phone

support. For the nine months ended 30 September 2015, more than 211,000 users have installed the m-Banking application, and approximately 100,000 have used it for online statements and transactions. Active m-Banking users increased by 36 per cent. and transactions by 45.2 per cent. in the first nine months of 2015 (as compared to the same period in 2014).

Live-Pay payments and collections centre

In May 2011, Eurobank launched its new Live-Pay e-payments service, which offers retail customers the ability to pay their public sector bills via the Internet, using their credit card and computer or mobile phone.

Specialised B2B e-commerce services

Eurobank offers collection and payment services to its customers through its e-payments platform, which allows suppliers to directly charge buyers' accounts or credit lines.

Group Corporate & Investment Banking

The main objective of Group Corporate & Investment Banking (**GCIB**) is to provide fully integrated business solutions to very large and complex corporate clients. Recently restructured internally to better address the needs of the Issuer's corporate client base in a challenging business environment, the basic pillars of the Issuer's Group Corporate & Investment Banking business model are the following:

Global Corporate Clients

Global Corporate Clients (**GCC**) is responsible for covering the rising and complex strategic, financial, structuring and banking needs of very large and sophisticated corporate clients, private concerns as well as major enterprises in Southeastern Europe. GCC serves as the main point of contact for all financial solutions and products included in the Issuer's portfolio. In total, the portfolio consists of more than 90 groups in Greece and is mainly focused on the energy, industrials, consumer and retail, services, health and construction sectors. The lending portfolio amounted to approximately €3.4 billion as at 30 September 2015. In addition to its autonomous presence in Greece, GCC manages major clients in association with specialised teams in the Group's subsidiary banks in Romania, Serbia and Bulgaria, having arranged several landmark transactions over the last few years.

Commercial Banking

The main objective of Commercial Banking (**CB**) is to build a strong holistic relationship with large and medium-sized enterprises, through providing both standard and tailor-made financing solutions, as well as the full spectrum of banking services (i.e. Transaction Banking), in the most efficient manner. The calibre and drive of the experienced Relationship Managers comprising the CB team are key to providing prompt delivery and quality service to the Issuer's clients.

The CB lending portfolio amounted to €8.9 billion as at 30 September 2015. Within CB, there are two main business divisions: Central Commercial Banking (**CCB**), which is responsible for the coverage of the largest CB clients, principallly in the Attica region; and Commercial Banking Network (**CBN**), which oversees the relationship with medium-sized clients nationwide, via a network of 19 business centres.

This structure aims to ensure:

(i) proximity and quality of services offered to clients through better business understanding; and

(ii) closer monitoring of clients' performance and proactive action in order to mitigate risks and maintain the quality of the Issuer's assets.

In co-ordination with the Group's specialised units, CB offers a range of commercial banking products and services to clients, including a wide variety of funding solutions, treasury products, cash management and transaction services, investment banking and structured financing.

In its mission to be the partner of choice for its customers and to actively contribute to the Greek economy, CB has taken a series of initiatives and launched a number of campaigns, including Greek exporters' support, financing of raw materials and intermediate goods and a medium-sized (viable) business support initiative. Moreover, in the fourth quarter of 2014, CB launched a major effort to support strong medium-sized companies that maintain a solid domestic or foreign market share. As a result, new financing was provided to a selective customer base of approximately 200 companies.

CB extended jointly with the European Investment Bank (**EIB**) new credit facilities totalling €92 million to SMEs and local authorities in 2014 and, in the first nine months of 2015, signed lending agreements of approximately €81 million with Greek SMEs through joint financing programmes such as ETEAN, the Entrepreneurship Fund (an independent financing unit within the framework of operation of ETEAN) and Investment for Growth. In December 2014, Eurobank signed an agreement with Investment for Growth for funding of nearly €100 million.

Structured Finance

Structured Finance is responsible for providing specialised structured financing and operates as a centre of expertise for all the countries of SEE where the Group has a presence. Structured Finance has three units, offering full and integrated services in the following areas:

Project Finance

Project Finance provides a broad range of services, primarily involving financial consulting, structuring and arrangement of complex financing for major infrastructure and energy projects in Greece and the countries of Southeastern Europe, as well as public private partnerships (**PPPs**). Since 2005, Project Finance has arranged transactions worth approximately €3 billion, although the unit's own debt portfolio has never exceeded €350 million. A material part of this loan portfolio has been allocated to the Greek Motorway's Concession Projects, and following the restructurings successfully concluded in 2013, the performance of the portfolio has been positive. Finally, the renewable energy generation units' exposure, all of which is in the wind sector and comprises approximately one-third of the portfolio, is fully performing.

Commercial Real Estate Finance

Commercial Real Estate Finance provides financial consulting services and the structuring and arrangement of complex financing transactions for all kinds of major commercial real estate (office, retail, mixed use). The unit is responsible for the Group's commercial real estate finance portfolio in Greece and in the countries of SEE and for financing in excess of €20 million. Over the last six years, the unit has co-arranged 13 financings in four countries. The unit's portfolio aggregates loans with a total value of approximately €500 million. The unit also provides real estate financial advisory services on a case-by-case basis, such as advising the Hellenic Republic Asset Development Fund on the monetisation aspect of its real estate portfolio through a sale and leaseback transaction.

Leverage Finance and Special Situations

Leverage Finance and Special Situations is responsible for the structuring and arrangement of complex leverage finance transactions (LBOs, Public to Private, Pre-IPO financing, special cases of structured financing), and for managing relations with specialist investment capital companies (Private Equity and Special Situation Funds). The unit is responsible for the Issuer's leverage finance portfolio in Greece and Southeastern Europe, which despite Eurobank's leadership in arranging transactions in fee generating businesses, currently consists of approximately €100 million in pre-2013 transactions and approximately €50 million in post-2013 transactions, as well as approximately €150 million of exposures in the Hotel and Leisure sector. Due to its structuring know-how and capabilities, the unit undertakes to support as an internal advisory department some of the most demanding and complex cases of loan restructuring in Greece and the other countries where the Group operates.

Hotels and Leisure

The Hotels and Leisure unit was established in 2013 as a specialised unit aiming to provide integrated services and meet the specialised needs of corporate clients in the hotel industry. The unit's loan portfolio of €0.9 billion as at 30 September 2015 focuses primarily on hotel capital and operating expenditure financing and cash management, as well as balance sheet and operational restructurings. This unit's core strategy is to capitalise on the strong fundamentals and macroeconomic trends of the hotel sector in order to improve the cash flow of the existing portfolio and assets, but also to pursue selective investments on the basis of strong cash flow and premium collaterals. Hotels and Leisure will also act as an integrated business advisor to Greek hoteliers, offering expertise on revenue management, strategic co-operations with international hotel companies and investors and cost-effective operations. The Issuer is strategically positioned in the largest hotel groups that collaborate with the top international tour operators. Currently, 80% of the Issuer's exposure pertains to the 30 largest Greek hotel groups (160 medium/large resorts).

Over 85% of the hotels that receive financing are located at the three most popular holiday destinations for international tourists in Greece: Crete (40%), Rhodes (28%) and Kos (18%).

Shipping

The Shipping business unit finances shipping companies with an established presence either as private family companies (approximately 50 borrowing groups) or as parent companies listed on the stock exchange (6 borrowing groups). Shipping finance is extended solely to companies representing Greek interests with large or medium fleets, primarily in connection with the financing of purchases of second hand vessels (and less frequently) newly constructed vessels employed in transporting dry bulk cargo, liquid cargo and containers.

The Shipping unit's primary strategic objective is to develop the Group's position in the Greek shipping market as a strategic player, extending financing under conservative terms using a full range of products and services. The Group's established coverage of the Greek shipping sector has enabled the Issuer to establish a large deposit base (USD 450 million as at 30 September 2015) , which, despite outflows due to sovereign risks exposure, continues to provide a solid funding base for its shipping loans (USD 1.046 billion as at 30 September 2015). In collaboration with other Eurobank teams (Treasury, Private Banking, Investment Banking, Structured Finance, Mortgage Lending), the specialised Shipping unit offers comprehensive services in the areas of corporate and private wealth management. The Group seeks to maintain the high credit quality of its shipping portfolio, further developing its long-standing relationships with its core client base and entering into new client relationships.

Loan Syndications & Debt Capital Markets

Loan Syndications & Debt Capital Markets is responsible for arranging and implementing a broad range of specialised and highly structured financing deals. The unit undertakes the role of lead arranger for corporate syndicated loans/bond loans, convertible bonds and exchangeable bonds (in co-operation with Treasury and/or Investment Banking), holding a leading position in the syndicated loan market in Greece and acting as mandated lead arranger and coordinator in some of the most prominent transactions. In the last five years 2010 through to 30 September 2015, Eurobank has arranged more than 85 transactions, raising over €16 billion of debt financing overall. The unit is also responsible for secondary loan trading, reinforcing the position of Eurobank in the European markets and assisting in optimising the quality of its lending portfolio. In the last five years, Eurobank's Secondary Loan trading platform has traded over €450 million of loans and loan portfolios.

Investment Banking and Principal Capital Strategies

Eurobank Investment Banking offers M&A and ECM advisory services to a wide range of corporate clients and private equity firms. In 2013, 2014 and the first nine months of 2015, Eurobank Investment Banking (**IB**) participated in a number of important M&A and ECM transactions. In particular, during this period, the IB unit in its capacity as financial advisor to Hellenic Republic Asset Development Fund (**HRADF**) completed certain important transactions, such as the sale of two key real estate properties, (Kassiopi in Corfu and Paliouri in Chalidiki), while continuing to be engaged as an advisor to HRADF for certain important privatisations, such as the privatisation of certain of the regional airports in Greece, as well as financial advisor to a potential investor in the privatisation of Independent Power Transmission Operator ("ADMIE"). Furthermore, during the period from 2013 through the first nine months of 2015, the IB unit was engaged as advisor in a number of significant transactions in the private sector, such as advising OPAP S.A. on its privatisation, Grivalia Properties on the formation of a strategic alliance of Eurobank with Fairfax, Lamda Development, the board of directors of Inform P.Lykos, M.J.Maillis, Athens Medical Center, DOL and Geniki Bank on their tender offers, and Delphi Luxembourg Holdings on its tender offer launched for S & B. During the period from 2013 through the first nine months of 2015, the IB unit acted as advisor to Lamda Development, Tiletypos and Attica Bank on their share capital increases. In December 2014, IB and Principal Capital Strategies executed the sale of Eurobank's stake in Chipita to Olayan Group. IB and Principal Capital Strategies maintain a portfolio of €30.1 million under management.

Cash and Trade Services

Cash and Trade Services (**CTS**) was established in 2008 with the objective to offer comprehensive and innovative transactional banking services to Eurobank's corporate clients by assisting them in streamlining and automating their daily processes, mitigating risk and expanding their reach. The primary services offered by CTS include cash management, liquidity management and trade finance. In addition, CTS offers end-to-end support to Greek exporters through the dedicated "Ask the Experts" team and Exportgate.gr, an innovative online portal that facilitates networking of Greek exporters with international buyers.

CTS's successful servicing model, the quality and completeness of its offering and Eurobank's strong long lasting relations with clients has been recognised by the following international awards:

- Best Domestic Cash Manager 2015 award in Greece, by Euromoney for the fifth consecutive year;

- Best Corporate/Institutional Internet Bank for 2015, by Global Finance for the third consecutive year;

- Best Treasury & Cash Management Provider 2015 in Greece, by Global Finance for the second year; and

- The Innovators' in Transaction Processing by Global Finance with ExportGate B2B Trade platform.

Securities Services

Eurobank has built a strategic position in the securities services business since 1992. The Group's success in this area has been driven primarily by its long-standing commitment to high service standards and the provision of a full range of post-trading services both in Greece and in Southeastern Europe.

Eurobank is the only provider in Greece to offer a full range of products, including local and global custody, issuer services, derivatives clearing, margin lending, middle-office services and funds services, to both local and foreign investors, across all type of instruments.

The quality of the Issuer's regional securities services offering is internationally recognised by specialised industry magazines such as "Global Custodian" and "Global Finance", which have annually recognised Eurobank's leading market position.

Interbank Relations and Payment Services

Eurobank maintains a dedicated Correspondent Banking Division offering specialised relationship management for all its clients. The Group is the only bank in Greece with centralised payment services, enabling cost-effective payments execution and optimal cash management solutions. The Issuer's payment services are ISO 9001:2008 certified and were recognised with the 2014 Citi Performance Excellence Award for global electronic payments leadership and excellence, as well as Deutsche Issuer's International Award for Exceptional Quality in international payments in USD and Euros.

Leasing

Eurobank Ergasias Leasing S.A. (**Eurobank Leasing**), a 100% subsidiary of Eurobank, has been the largest Greek leasing company for the last ten years, in terms of total volumes as well as new business, holding an approximate market share of approximately 24% (Source: Association of Greek Leasing Companies). Eurobank Leasing's key strengths are its personnel's extensive experience, which has led to a sound knowledge of the Greek leasing market.

Eurobank Leasing operates as a separate product centre within the Eurobank Group, thus enabling it to make use of important economic and cost synergies, while at the same time retaining an independence which ensures flexibility and speed in dealing with key legal and business aspects of leasing.

Eurobank Leasing's main goals are to provide financing to export-oriented dynamic companies in the form of leasing for production equipment. At the same time, it participates jointly with Eurobank in restructuring deals aiming to help viable existing clients face temporary financial distress due to current macroeconomic conditions.

Finally, Eurobank Leasing has undergone significant cost reduction and internal operations optimisation, in order to effectively deal with issues arising from the current adverse economic situation and merged with T CREDIT S.A. on 31 December 2015.

Factoring

The Issuer is the leading factoring company in Greece and a two-time worldwide winner of Best Export Import Factor Award (2009 and 2011), granted by Factors Chain International, the largest world factoring association. The Issuer's market share for 2014 stood at 38.4% (Source: Hellenic Factors Association) with a 43.8% market share in export factoring (Source: Hellenic Factors Association).

The Group also has a strong factoring presence in Bulgaria and a factoring footprint in Romania and Serbia.

Eurobank Equities

Eurobank Equities is Eurobank's leading brokerage providing a full range of trading and investment services to over 20,000 private, corporate and institutional clients in Greece and abroad. The firm's dominant capital market position is underpinned by its leading market share (ranked first in the last five years) (Source: Hellenic Stock Exchange) and its ranking as the "Leading Brokerage Firm" in Greece category twice (2014, 2015) in the Thompson Reuters Extel Survey.

The Eurobank Equities Institutional Sales and Trading desk offers sales and execution services to the largest Greek and global institutional clients involved in domestic equities and derivatives through its valuable local insight and idea-focused investment advice.

Through its broad sales network, Eurobank Equities also maintains a leading position in the retail brokerage segment offering full and discount brokerage services for both Greek and international markets. Finally, as a market, Eurobank Equities provides market making services to a significant amount of securities in both the cash and derivatives market.

Global Markets & Wealth Management

The Group offers its clients a wide range of wealth management services, as well as access to global capital markets. These services include private investments, advisory services, brokerage services, portfolio management, asset management and research services in Greece and Southeastern Europe.

Global Markets & Treasury Services

The Global Markets & Treasury General Division is engaged in four primary categories of activities:

- sales of products to corporate, institutional, retail and private banking clients;
- taking of investment positions;
- management of the local banking books; and
- liquidity management.

The Global Markets & Treasury General Division is organised based on a centralised model based in Greece where all positions and risks are consolidated and offers an integrated approach to Greece and the countries of Southeastern Europe in which the Group operates. In each country, treasury operations are standardised and report directly to Athens.

The Group sets strict limits for transactions that it enters into, and the Risk Management Division monitors such transaction on a daily basis. Limits include exposures towards individual counterparties (in accordance with the evaluation of the credit risk of the particular counterparty), country exposures and concentration limits, as well as control of Value at Risk (**VaR**). The Group uses an automated transaction control system, which supports the dealing room in its monitoring and management of Group positions and exposures.

In 2014, the Group was ranked fourth among a total of 22 dealers in the primary and secondary Greek sovereign bond market, according to the Bank of Greece.

The Group is also actively engaged in trading, interest rate derivatives and bond derivatives traded on EUREX, as well as the trading of bonds through EuroMTS and other platforms. The Group's investment, market making and customer execution activities also include trading in corporate bonds in Western Europe, as well as government bonds in foreign or local currency on the local markets of Southeastern Europe.

Asset Management

The Group provides asset and fund management services in Greece and abroad through its specialised subsidiary, Eurobank Asset Management. Eurobank Asset Management holds the leading position in Greece in the areas of mutual fund management, institutional asset management, advisory services and fund selection, with total assets under management of approximately €5.9 billion as at 30 September 2015. . Eurobank Asset Management had a market share of approximately 49.3% in the mutual funds market in Greece as at 30 September 2015, ranking first among the fund management companies in Greece, with €3.8 billion of total assets in 66 mutual funds, €928 million of institutional mandates in segregated accounts, and €1.2 billion under advice, mainly through fund section, in mutual funds of 14 internationally recognised fund managers (Source: Hellenic Fund and Asset Management Association).

Through Eurobank Fund Management Co. (LUX) SA., one of the Group's subsidiaries in Luxembourg, the Group offers a wide variety of mutual funds under the brands Eurobank (LF) Funds and Eurobank (LF) Funds of Funds, which are distributed in Romania, Bulgaria, Cyprus, Greece and Luxembourg.

The mutual funds offered by the Group cover a broad range of investment options and provide access to capital and money markets in Greece, Europe, the United States and Japan, as well as emerging markets, satisfying a diverse range of investment profiles.

As at 30 September 2015, Eurobank Asset Management managed 871 discretionary asset management portfolios with total assets under management of more than €540 million and 25 segregated accounts, of which 22 were institutional investors, with combined assets under management of more than €388 million.

Private Banking

The Group continues to enhance the breadth of its Private Banking offering in several areas. For example, the Group focused its efforts this year on its Luxembourg-based private bank subsidiary which, among other services, opened a new branch in London, United Kingdom. In 2015, the Group's Private Banking Greece unit was awarded the "Best Private Bank Greece" award by World Finance and is also a front runner in two other similar surveys. As at 30 September 2015, Eurobank had over 6,200 clients and €5.27 billion of assets under management, of which 47.5% came from Greece, 31.2% from Luxembourg and 21.2% from Cyprus.

Insurance

The Group announced in December 2015 an agreement with Fairfax Financial Holdings Limited (**Fairfax**) to sell 80% of Eurolife ERB Insurance Group Holdings S.A. (**Eurolife**) following a competitive bidding process, in which a number of international parties participated. Under the terms of the transaction, Fairfax will acquire 80% of Eurolife from Eurobank for a cash consideration of €316 million, while Eurobank will retain a 20% stake in Eurolife. The transaction includes Eurolife's Greek Life and Non-Life insurance activities, Eurolife's Romanian Life and Non-Life insurance activities, Eurolife's Brokerage subsidiary in Greece and the bancassurance agreements between Eurolife subsidiaries and Eurobank, for the exclusive distribution of insurance products in Greece and Romania through Eurobank's sales network. The completion of the transaction is subject to various regulatory approvals and is expected to be completed before the end of the third quarter of 2016.

Eurolife (through its Greek insurance subsidiaries) is the third largest insurer in Greece with approximately 10% total market share (gross written premiums of €242 million as at 30 September 2015) and offers (through its Greek insurance subsidiaries) both life and non-life insurance products as well as brokerage services (through its brokerage subsidiary) (Source: Hellenic Association of Insurance Companies[2]). Eurolife's insurance subsidiaries distribute their insurance products and services through the network of Eurobank in Greece and Bancpost in Romania. In addition to the bancassurance channel, in Greece, such subsidiaries have been increasingly boosting their product distribution through independent sales partners and their own sales force.

International Operations

The Group has established a strong regional presence in Central, Eastern and Southeastern Europe that includes Member States in the euro area (Cyprus, Luxemburg), EU member states (Romania and Bulgaria), one EU candidate state (Serbia) and Ukraine (accounted as held for sale). As at 30 September 2015, the Group's international operations accounted for total loans and advances to customers amounting to €7.6 billion, total deposits of €8.5 billion, 372 branches and 30 business centres. A key priority of the Group is to support dynamic businesses and households in these countries, thereby confirming its systemic role in the wider region.

The Group continues to support the economies of the wider region through its participation in the "Vienna Initiative". The Vienna Initiative envisions specific issues such as the faster absorption of funds provided by various sources, the strengthening of local currencies through more extensive use in lending and more effective management of bad debts.

In addition, Eurobank continues its collaboration with international institutions, such as the EBRD, the International Finance Corporation (**IFC**) and the EIB for the granting of financing through the

[2] Market share calculated as Eurolife's statutory gross written premiums (including policy fees and inwards premium) as a percentage of total Greek market (including policy fees and excluding inwards) as disclosed by the Hellenic Association of Insurance Companies.

Group's subsidiary banks in Romania, Bulgaria and Serbia, with the aim of supporting small and medium sized enterprises in the region. These arrangements have been supplemented with additional specialised trade finance facilities by the same institutions.

On 26 November 2015 the European Commission approved the Issuer's restructuring plan, which includes a commitment to reduce the Issuer's portfolio of foreign assets (defined as assets related to the activities of customers outside Greece, independently of the country where the assets are booked) to a maximum of €8.77 billion by the end of 2018. As at 30 September 2015, the Issuer's portfolio of foreign assets under this definition amounted to €11.1 billion. For the nine months ended 30 September 2015, Eurobank's international operations reported a net profit of €53.8 million, as compared to a net loss of €133.3 million over the same period the previous year.

Other activities

In addition to the products and services described above, the Issuer is also engaged in the following activities, both in Greece and in the other countries in which Eurobank operates.

Troubled Assets Group

Following the publication of the Bank of Greece Executive Committee's Act No. 42/30.5.2014, as amended by Act No. 47/9.2.2015, which details the supervisory directives for the administration of exposures in arrears and non-performing loans, Eurobank has proceeded with a number of initiatives to adopt the regulatory requirements and provide for the management of troubled assets. In addition to responding to the new regulatory requirements, these initiatives are also a product of Eurobank's long-standing focus on distressed assets management, as demonstrated by the proactive identification and handling of risks and the effective management of the troubled assets portfolio.

Eurobank has established the Troubled Assets Group (**TAG**) which has overall responsibility for the management of the Group's troubled assets portfolio, ensures close monitoring, tight control, as well as continuous improvement and adjustment of policies and procedures, by assessing and taking into account the macroeconomic developments the regulatory and legal requirements and changes, international best practices and any existing or new internal requirements.

TAG cooperates with Risk Management to reach a mutual understanding and develop an appropriate methodology for the evaluation of the risks inherent in every type of modification and delinquency bucket, per portfolio. TAG's recommendations and reports to the Board of Directors are submitted for consideration by the Group Chief Risk Officer (the **GCRO**).

TAG has built a strategic framework that conforms to international best practices and an operating model that is effective, flexible and conducive to change. The key strategic objectives of TAG are the following:

- preserve the clear demarcation line between the business units and troubled assets management;
- ensure direct senior management involvement in setting the strategy of troubled assets management and in closely monitoring of the respective portfolio;
- prevent non-performing loan (**NPL**) formation through early intervention, the deployment of appropriate dynamic and sustainable strategies and a clear definition of primary financial objectives of troubled assets;

- closely and thoroughly monitor the loan delinquency statistics, as well as define targeted risk mitigating actions to ensure portfolio risk reduction;
- deploy a sound credit workout strategy that will lead to viable solutions, ensuring a consistent approach for managing troubled assets across portfolios;
- develop and implement innovative propositions that will enable the effectiveness of the sustainable long term modification solutions;
- consolidate know-how and capabilities and increase efficiency by segregating collateral workout management for non-cooperative and non-viable borrowers;
- utilize an appropriate and dedicated mix of collections, credit and legal workout practices to maximize value;
- engineer improvements in monitoring and offering targeted solutions by segmenting delinquent borrowers and tailoring the remedial and workout approach to specific segments; and
- shift management from bad debt minimisation to bad debt value management, ensuring maximisation of benefits to the Issuer's profitability and capital position, while reducing the troubled assets perimeter and associated risks.

Over 2,500 full-time equivalent personnel (including external resources) are involved in NPL management operations across and for Eurobank to ensure the more efficient management of this portfolio, over 1,150 of whom are dedicated professionals within the various operating units of TAG.

The main organisational pillars of TAG are:

- the Retail Remedial General Division, a dedicated collections and remedial management unit for retail borrowers, incorporating FPS/ERS, the only wholly owned subsidiary servicing platform in the market;
- the Corporate Special Handling Sector, a specialised remedial unit covering high risk Corporate clients;
- the Non-Performing Clients Sector, a unit handling late delinquent (denounced) clients across Retail and Corporate portfolios, focusing primarily on collateral workout and enforcement of legal actions;
- Retail Remedial Credit Sector, an independent unit responsible for the assessment of all modifications applications of HLB and SBB; and
- TAG Risk Management & Business Policies Sector, a unit responsible for ensuring policies alignment, regulatory compliance, quality assurance and performance measurement.

The Troubled Assets Committee (**TAC**) was also established in order to provide strategic guidance and monitoring of the troubled assets of Eurobank. The strategy implemented by TAC is closely monitored by the CEO, while TAC regularly reports to the Board Risk Committee, in order to present the results of the management of troubled assets.

Real Estate

The Group's real estate subsidiary, Grivalia Properties is the largest real estate investment company listed on the ATHEX, with a high quality portfolio of investments. The Group currently holds, directly and indirectly, through fully controlled subsidiaries, 20.48% of the share capital of Grivalia Properties.

As at 30 September 2015, Grivalia Properties' portfolio consisted of 86 properties. Most of the Group's portfolio properties are located in Greece, 52 located in the greater Athens area, 28 located in other major cities and one plot of land in Sparta. In Eastern Europe, the Group owns two commercial properties in Serbia and three in Romania.

As at 30 September 2015, the fair value of Grivalia's Group's investments properties was €821.9 million. Grivalia Group recorded net profit after tax of €47.9 million for the period.

On 18 March 2015 and 19 May 2015, Grivalia Properties acquired two properties from Praktiker Hellas SA (**Praktiker**) located in Heracleion, Crete and Mandra, Western Attica, respectively, with their immediate long-term lease back to Praktiker. The acquisition price was €8.5 million and €6.5 million respectively.

On 26 June 2015, Grivalia Properties established a 100% subsidiary company with its corporate seat in Luxembourg under the name "Grivalia Hospitality S.A." The objective of Grivalia Hospitality S.A. is the acquisition, development and management of hospitality real estate, mainly in Greece.

On 10 July 2015, Grivalia Properties established a 100% subsidiary company with its corporate seat in Luxembourg under the name "Grivalia New Europe S.A." The objective of Grivalia New Europe S.A. is the acquisition and management of commercial real estate in countries where the company already has its presence, provided that such investment opportunities arise.

On 12 August 2015, Grivalia Properties completed an agreement with Sklavenitis Group regarding the sale and leaseback of a portfolio of nine retail assets, owned by the recently acquired by Sklavenitis Group, MAKRO Cash & Carry S.A. The agreement involves the acquisition of the portfolio gross leasable area of approximately 99,300 square metres by Grivalia Properties for €60 million. The portfolio consists of two assets in Athens, two in Thessaloniki and one in each of the following cities: Heraclion, Patra, Larissa, Volos and Xanthi.

Through Eurobank Property Services S.A., the Group is also active in the real estate services market in Greece, Romania, Bulgaria and Serbia, offering a wide range of services including advisory, brokerage, valuations, technical and asset management, with specialised products such as the legalisation of illegal properties, evaluation of investments in green development and renegotiation of rents.

Disaster Recovery and Information Technology

The Group's operations are supported by three state-of-the-art fault tolerant IT data centres which fully meet information security standards, including Disaster Recovery capabilities, and are certified to the ISO 27001:2013, ISO 9001:2008 and ISO 22301:2012 standards. They are designed according to international best practices, widely utilising private cloud, virtualisation and environment protection controls.

The core banking applications in Greece and in the countries of Central, Eastern and Southeastern Europe in which the Group operates are integrated within the framework of a customer-centric and

multichannel fault tolerant architecture. They are also supported by specialised analysis, information dissemination and risk management systems based on the corporate data warehouse platforms.

The Group's IT operates in accordance with a modern IT service management model, certified to the ISO 20000:2013 standard. Measurements conducted on an international level confirm its effectiveness and efficient cost management, placing it among the top bank IT units in Europe over the last six years.

Organisational Structure

Following the increase of the share capital of the Issuer with the issuance of 2,038,920,000 new ordinary shares, with nominal value €0.30 and offer price €1.00 each, to raise €2,038,920,000 in total, through payment in cash and abrogation of the pre-emption rights of its ordinary shareholders, including HFSF and its sole preference shareholder, as this increase has been resolved, among other items, at the Extraordinary General Meeting of the Issuer's shareholders held on 16 November 2015 and which was fully covered by institutional and other investors, the percentage of the ordinary shares with voting rights of Eurobank's major shareholders, are held as follows:

- based on notification received from the HFSF on 2 December 2015, the percentage of the ordinary shares with voting rights held by the HFSF out of the total number of ordinary shares with voting rights issued by the Issuer amounted to 2.38%, which corresponds to 52,080,673 ordinary shares with voting rights out of total 2,185,998,765 ordinary shares with voting rights issued by the Issuer. On the above HFSF's ordinary shares are applicable the provisions of article 7a par. 2, 3 and 6 of l. 3864/2010 (restricted voting rights);

- based on notification received from the company "Fairfax Financial Holdings Limited" (**Fairfax**) on 4 December 2015, the percentage of the Issuer's voting rights held indirectly by Fairfax, on 2 December 2015, through its controlled subsidiaries, out of the total number of the Issuer's voting rights, excluding those held by the HFSF, amounted to 17.29%, corresponding to 369,028,211 voting rights of the Issuer's ordinary shares; and

- based on notification received from the company "The Capital Group Companies, Inc." (**Capital**) on 4 December 2015, the percentage of the Issuer's voting rights held on 2 December 2015 indirectly by Capital, out of the total number of the Issuer's voting rights, excluding those held by the HFSF, amounted on 2 December 2015 to 8.5457%. The above percentage relates to 182,358,578 voting rights of "Capital Research and Management Company", a company controlled by Capital.

The remaining voting rights are held by natural and legal persons, none of which, to the knowledge of the Issuer, holds 5 per cent. or more.

Finally, the Greek State holds 100% of the non-voting preference shares of the Issuer, issued according to l. 3723/2008 and consequently has no voting rights.

As at 30 September 2015, the Issuer is not consolidated with another company. On 30 September 2015, the Issuer consolidated 83 companies under the full consolidation method and 7 companies under the equity method.

Eurobank Management Team

Board of Directors

The current Board consists of twelve Directors, of whom three executives, three non-executives, four independent non-executives, one representative of the Greek State and one representative of the HFSF who have been appointed as non-executive Directors in accordance with relevant legal requirements. In accordance with the RFA's provisions, the number of the Board members must be odd. The Issuer benefits from an exemption in this regards, (i.e. having an even number of Board members) which will be valid until the Issuer's Annual General Meeting in June 2016.

The Board of Directors of Eurobank, along with their positions held on the Board, the Committees to which they are appointed and their principal activities outside the Eurobank Group, which are significant to Eurobank, as at 23 February 2016 comprises the following persons:

Principal activities outside Eurobank Group

Name	*Position held on the Board of Directors (BoD) of Eurobank*	*Positions held on BoD Committees of Eurobank*	*Company*	*Position*
Nikolaos V. Karamouzis	Chairman, Non-Executive Director	1. Risk Committee, Member 2. Nomination Committee, Member 3. Strategic Planning Committee, Chairman	1.Hellenic Federation of Enterprises (SEV) 2. Foundation for Economic and Industrial Research (IOBE) 3. Hellenic Bank Association (HBA)	1. Vice Chairman 2. Member 3. Vice Chairman
Spyros L. Lorentziadis	Vice Chairman, Non-Executive Independent Director	1. Audit Committee, Chairman 2. Risk Committee, Member 3. Remuneration Committee, Member	1. Lorentziadis Loudovikos L.P.	1. Limited Partner
Fokion C. Karavias	Chief Executive Officer	1. Strategic Planning Committee, Member	-	-
Stavros E. Ioannou	Deputy Chief Executive Officer	1. Strategic Planning Committee, Member	-	-
Theodoros A. Kalantonis	Deputy Chief Executive Officer	1. Strategic Planning Committee, Member	-	-
Wade Sebastian R.E. Burton	Non-Executive Director	1. Risk Committee, Chairman 2. Remuneration Committee, Member 3. Nomination Committee, Member	1. Hamblin Watsa Investment Counsel Ltd 2. Mytilineos Holdings S.A. 3. S.D. Fiber Tech, LLC 4. Praktiker Hellas S.A.	1. Vice Chairman 2. BoD, non-executive 3. BoD, Observer 4. BoD, non-executive
George K. Chryssikos	Non-Executive Director	-	1. Lamda Hellix S.A. 2. Praktiker Hellas S.A. 3. British Hellenic Chamber of Commerce	1. BoD, non-executive 2. BoD, non-executive 3. BoD, non-executive
Jon Steven B.G. Haick	Non-Executive Independent Director	1. Nomination Committee, Member	1. Brookfield Multiplex PTY Ltd[1] 2. Brookfield Capital Partners IV GP Ltd[1] 3. 1670365 Ontario Limited[1] 4. Brookfield Capital Partners Ltd. [1] 5. Brookfield Asset Management Inc. 6. Stork Holdings Limited[2] 7. Songbird Finance Limited[2] 8. Brookfield Capital Partners GP (SMA) LTD[1] 9. Canary Wharf Group Investment Holdings PLC[2] 10. Canary Wharf Finance II PLC[2]	1. Director 2. Officer (Senior Managing Partner) 3. Officer (Senior Managing Partner) 4. Officer (Senior Managing Partner) 5. Officer (Senior Managing Partner) 6. Director 7. Director 8. Officer (Senior Managing Partner) 9. Director 10. Director

1 Indicates controlled affiliate of Brookfield Asset Manamgent Inc.

2 Indicates jointly controlled by Brookfield

			Asset Management Inc.	
Bradley Paul L. Martin	Non-Executive Independent Director	1. Audit Committee, Member 2. Risk Committee, Member 3. Remuneration Committee, Chairman 4. Nomination Committee, Chairman	1. Bank of Ireland 2. Blue Ant Media Inc. 3. Resolute Forest Products Inc. 4. Fairfax Financial Holdings Limited	1. BoD, non-executive 2. BoD, non-executive 3. Chairman 4. Vice President, Strategic Investments
Stephen L. Johnson	Non-Executive Independent Director	1. Audit Committee, Member 2. Remuneration Committee, Member 3. Nomination Committee, Member	1. NBNK Investments Plc	1. Non-Executive Director
Christina G. Andreou	Non-Executive Director (representative of the Greek State under law 3723/2008)	-	-	-
Kenneth Howard K. Prince-Wright	Non-Executive Director (representative of the HFSF under Law 3864/2010)	1. Audit Committee, Member 2. Risk Committee, Member 3. Remuneration Committee, Member 4. Nomination Committee, Member	1.Basil Mansions Management Company Limited 2.Make a Wish Charitable Foundation 3.South Asian Real Estate limited 4.Belsize Capital Partners LLP 5.Cellular Plc 6.Basil Capital Ltd	1. Chairman Non-Executive and Shareholder 2. Director 3. Shareholder 4. Partner, no shareholding 5. Chairman, non-executive 6. Shareholder and Director

For the purposes of this Prospectus, the business address of each member of the Board of Directors of Eurobank is that of Eurobank Ergasias S.A.'s registered office.

Executive Board

The Chief Executive Officer establishes committees to assist him as required, the most important of which is the Executive Board. The Executive Board's members along with their principle activities outside the Group, which are significant with respect to Eurobank, as at 23 February 2016, are the following:

Name	*Position held on Executive Board of Eurobank*	*Principal activities outside Eurobank Group*	
		Company	*Position*
Fokion C. Karavias	Chairman	-	-
Stavros E. Ioannou	Member	-	-
Theodoros A. Kalantonis	Member	-	-
Christos N. Adam	Member	-	-
Dimosthenis I. Archontidis	Member	-	-
Harris V. Kokologiannis	Member	-	-
Christina Th. Theofilidi	Member	1. Tiresias Bank Information Systems S.A.	BoD, non-executive
Konstantinos V. Vassiliou	Member	1. Kultia S.A. 2. Karampela Bros S.A. 3. Hellenic Exchanges – Athens Stock Exchange S.A.	1. Shareholder (49%) 2. Shareholder (<3.5%) 3. BoD, non-executive
Constantinos A. Vousvounis	Member	1. PG Nikas S.A. 2. Global Finance S.A.	1. BoD, non-executive 2. BoD, Director
Iakovos D. Giannaklis	Member	-	-
Michalis L. Louis	Member	-	-
Anastasios L. Panoussis	Member	1. Axileys III Energy Ltd	1. Shareholder (50%)

For the purposes of this Prospectus, the business address of each member of the Executive Board is that of Eurobank Ergasias S.A.'s registered office.

There are no potential conflicts of interest between the duties to Eurobank of each of the members of the Board of Directors and the members of the Executive Board listed above and their private interests or other duties.

Subsidiaries and Associates

In its effort to provide its clients with an active and competitive presence in all categories of financial products and services, Eurobank has established specialised subsidiaries and forged alliances with other organisations for the joint development and distribution of products.

The proportions of shares in subsidiary undertakings which are included in Eurobank's Group consolidated financial statements are shown below:

Subsidiary Undertakings	*%* **as at 30.09.2015**	*Country of Incorporation*	*Category of Business*
Be-Business Exchanges S.A. of Business Exchanges Networks and Accounting and Tax Services	98.01	Greece	Business-to business e-accounting and tax services
Cloud Hellas S.A.	20.48	Greece	Real estate
ERB Insurance Services S.A.	100.00	Greece	Insurance brokerage
Eurobank Asset Management MutualFund Mngt Company S.A.	100.00	Greece	Mutual fund and asset management
Eurobank Business Services S.A.	100.00	Greece	Payroll and advisory services
Eurobank Equities S.A.	100.00	Greece	Capital markets and advisory services
Eurobank Ergasias Leasing S.A.	100.00	Greece	Leasing
Eurobank Factors S.A.	100.00	Greece	Factoring
Eurobank Financial Planning Services S.A.	100.00	Greece	Management of overdue loans
Eurobank Household Lending Services	100.00	Greece	Promotion/management of household products
GRIVALIA PROPERTIES R.E.I.C.	20.48	Greece	Real estate
Eurobank Property Services S.A.	100.00	Greece	Real estate services
Eurobank Remedial Services S.A.	100.00	Greece	Notification to overdue debtors
Eurolife General Insurance S.A.	100.00	Greece	Insurance services
Eurolife Life ERB Insurance S.A.	100.00	Greece	Insurance services
Hellenic Post Credit S.A.	50.00	Greece	Credit card management and services
Hellenic Postbank - Hellenic Post Mutual Funds Mngt	100.00	Greece	Mutual fund management
T Credit S.A.	100.00	Greece	Vehicle and equipment leasing
T Leasing S.A.	100.00	Greece	Leasing
Eurolife ERB Insurance Group Holdings S.A.	100.00	Greece	Holding company
Herald Greece Real Estate development services company 1	100.00	Greece	Real estate
Herald Greece Real Estate development services company 2	100.00	Greece	Real estate
Diethnis Ktimatiki S.A.	100.00	Greece	Real Estate
Eurobank Bulgaria A.D.	99.99	Bulgaria	Banking
Bulgarian Retail Services A.D.	100.00	Bulgaria	Rendering of financial services and credit card management
ERB Property Services Sofia A.D.	100.00	Bulgaria	Real Estate Services
ERB Leasing E.A.D.	100.00	Bulgaria	Leasing
IMO 03 E.A.D.	100.00	Bulgaria	Real estate services
IMO Central Office E.A.D.	100.00	Bulgaria	Real estate services
IMO Property Investments Sofia E.A.D.	100.00	Bulgaria	Real estate services
IMO Rila E.A.D.	100.00	Bulgaria	Real estate services

ERB Hellas (Cayman Islands) Limited	100.00	Cayman Islands	Special purpose financing vehicle
Berberis Investments Ltd	100.00	Channel Islands	Holding company
ERB Hellas Funding Ltd	100.00	Channel Islands	Special purpose financing vehicle
Eurobank Cyprus Ltd	100.00	Cyprus	Banking
CEH Balkan Holdings Ltd	100.00	Cyprus	Holding company
Chamia Enterprises Company Ltd	100.00	Cyprus	Special purpose investment vehicle
ERB New Europe Funding III Ltd	100.00	Cyprus	Finance company
Foramino Ltd.	100.00	Cyprus	Real estate

Subsidiary Undertakings	**% as at 30.09.2015**	*Country of Incorporation*	*Category of Business*
NEU 03 Property Holdings Ltd	100.00	Cyprus	Holding company
NEU II Property Holdings Ltd	100.00	Cyprus	Holding company
NEU BG Central Office Ltd	100.00	Cyprus	Holding company
NEU Property Holdings Ltd	100.00	Cyprus	Holding company
Eurobank Private Bank Luxembourg S.A.	100.00	Luxembourg	Banking
Eurobank Fund Management Company (Luxembourg) S.A.	100.00	Luxembourg	Fund Management
Eurobank Holding (Luxembourg) S.A.	100.00	Luxembourg	Holding Company
Grivalia Hospitality S.A.	20.48	Luxembourg	Real Estate
Grivalia New Europe S.A.	20.48	Luxembourg	Holiday Company
ERB New Europe Funding B.V.	100.00	Netherlands	Finance company
ERB New Europe Funding II B.V.	100.00	Netherlands	Finance company
ERB New Europe Holding B.V.	100.00	Netherlands	Holding company
Bancpost S.A.	99.15	Romania	Banking
Eliade Tower S.A.	20.48	Romania	Real estate
ERB IT Shared Services S.A.	100.00	Romania	Informatics data processing
ERB Leasing IFN S.A.	100.00	Romania	Leasing
ERB Retail Services IFN S.A.	100.00	Romania	Credit card management
ERB ROM Consult S.A.	100.00	Romania	
Eurobank Finance S.A.	100.00	Romania	Investment banking
Eurobank Property Services S.A. (Romania)	100.00	Romania	Real estate services
Eurolife ERB Asigurari De Viata	100.00	Romania	Insurance services
Eurolife ERB Asigurari Generale	100.00	Romania	Insurance services
IMO Property Investments Bucuresti S.A.	100.00	Romania	Real estate services
IMO-II Property Investments S.A.	100.00	Romania	Real estate services
Retail Development S.A.	20.48	Romania	Real estate
Seferco Development S.A.	20.48	Romania	Real estate
Eurobank A.D. Beograd	99.98	Serbia	Banking
ERB Asset Fin d.o.o. Beograd	100.00	Serbia	Asset management
ERB Leasing A.D. Beograd	99.99	Serbia	Leasing
ERB Property Services d.o.o. Beograd	100.00	Serbia	Real estate services
IMO Property Investments A.D. Beograd	100.00	Serbia	Real estate services
Reco Real Property A.D.	20.48	Serbia	Real estate
EFG Istanbul Holding A.S.	100.00	Turkey	Holding company
Public J.S.C. Universal Bank	99.97	Ukraine	Banking
ERB Property Services Ukraine LL	100.00	Ukraine	Real estate services
ERB Hellas Plc	100.00	United Kingdom	Special Purpose Financing Vehicle

Anaptyxi II Plc	-	United Kingdom	Special purpose financing vehicle
Anaptyxi SME I Plc	-	United Kingdom	Special purpose financing vehicle
Daneion 2007-1 Plc	-	United Kingdom	Special purpose financing vehicle
Daneion APC Ltd	-	United Kingdom	Special purpose financing vehicle
Karta II Plc	-	United Kingdom	Special purpose financing vehicle
Themeleion II Mortgage Finance Plc	-	United Kingdom	Special purpose financing vehicle
Themeleion III Mortgage Finance Plc	-	United Kingdom	Special purpose financing vehicle
Themeleion IV Mortgage Finance Plc	-	United Kingdom	Special purpose financing vehicle
Themeleion Mortgage Finance Plc	-	United Kingdom	Special purpose financing vehicle

Associate Undertakings	*% as at 30.09.2015*	*Country of Incorporation*	*Category of Business*
(1) Not consolidated due to immateriality			
Odyssey GP S.a.r.l	20.00	Luxembourg	Special Purpose Investment Vehicle
Tefin S.A.	50.00	Greece	Motor Vehicle sales financing
Rosequeens Properties SRL	33.33	Romania	Real Estate company
Rosequeens Properties Ltd	33.33	Cyprus	Special purpose Investment Vehicle
Sinda Enterprises Company Ltd	48.00	Cyprus	Special purpose Investment Vehicle
Femion Ltd	66.45	Cyprus	Special purpose Investment Vehicle
Unitfinance S.A.	40.00	Greece	Financing Company

Legal Matters

As at 30 September 2015, there were a number of legal proceedings outstanding against the Group for which a provision of €66 million was recorded compared to €60 million as at 31 December 2014. In addition, the Group has recognised adequate provisions for tax receivables mainly in relation to withholding tax claims against the Greek state and amounts of income tax already paid but further pursued in courts.

As regards to the CHF loans a number of lawsuits, have been filed against the Issuer. Up to date a small number of lower court decisions have been issued, the majority of which are in favor of the Issuer. No judgment of the Court of Appeals or the Supreme Court has yet been issued on the subject.

Neither Eurobank nor any other member of the Group is involved in any administrative, judicial or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) which the Issuer believes may have or which have had a material effect on the Issuer's financial condition or the Issuer's results of operations or that of the Group in the 12 months preceding the date of this Prospectus.

REGULATION AND SUPERVISION OF BANKS IN THE HELLENIC REPUBLIC

The Group is subject to financial services laws, regulations, administrative actions and policies in each location where its members operate. In addition, due to the trading of the Issuer's ordinary shares on the ATHEX, the Issuer is also subject to the applicable capital markets laws.

The Regulatory Framework for Bank Supervision - The Bank of Greece and the Single Supervisory Mechanism (SSM)

The Bank of Greece is the central bank in Greece and the national supervisory authority for credit institutions in Greece, in accordance with Law 4261/2014 which transposed the Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the **CRD IV**).

The ECB is the central bank for the euro and administers the monetary policy of the Eurozone. With the goal of establishing the SSM to oversee credit institutions in the Eurozone, Regulation No. 1024/2013/EC gave to the ECB, in conjunction with the national supervisory authorities of the Eurozone Members, direct supervisory responsibility over "banks of systemic importance" in the Eurozone. Banks of systemic importance include, among others, any Eurozone bank that has: (i) assets greater than €30 billion; (ii) assets constituting at least 20 per cent. of its home country's gross domestic product; (iii) requested or received direct public financial assistance from the EFSF or the ESM; or (iv) is one of the three most significant credit institutions in its home country.

The ECB fully assumed the following supervisory responsibilities, among others, on 4 November 2014:

- to grant and revoke authorisations regarding credit institutions;
- with respect to credit institutions establishing a branch or providing cross border services in EU Member States that are not part of the Eurozone, to carry out the tasks of the competent authority of the home Member State;
- to assess notifications regarding the acquisition and disposal of qualifying holdings in credit institutions;
- to ensure compliance with respect to provisions regarding requirements on credit institutions in the areas of own funds requirements, securitisation, large exposure limits, liquidity, leverage, as well as reporting and public disclosure of information on those matters;
- to ensure compliance with respect to corporate governance, including requirements for the persons responsible for the management of credit institutions, risk management processes, internal control mechanisms, remuneration policies and practices and effective internal capital adequacy assessment processes (including internal ratings based models);
- to carry out supervisory reviews, including, where appropriate and in coordination with the EBA, stress tests and their possible publication and on the basis of such reviews to impose on credit institutions specific additional own funds requirements, specific publication requirements, specific liquidity requirements and other measures;

- to supervise the credit institutions on a consolidated basis over parent entities established in one of the Eurozone Members including in colleges of supervisors; and

- to carry out supervisory tasks in relation to recovery plans, provide early intervention where a credit institution or group does not meet or is likely to breach the applicable prudential requirements and, only in the cases explicitly permitted under law, implement structural changes to prevent financial stress or failure, excluding any resolution powers.

As regards the monitoring of credit institutions, the national supervisory authorities will continue to be responsible for supervisory matters not conferred on the ECB, such as consumer protection, money laundering, payment services, and branches of third country banks. The ECB, on the other hand, is exclusively responsible for prudential supervision of "banks of systemic importance", which includes the power to: (i) authorise and withdraw authorisation of banks in the Eurozone; (ii) assess acquisition and disposal of qualifying holdings in banks; (iii) ensure compliance with all prudential requirements on credit institutions; (iv) set, where necessary, higher prudential requirements for capital buffers aimed at addressing systemic or macroprudential risk under the conditions provided by EU law; (v) ensure compliance with requirements that impose, among others, robust corporate governance practices and internal capital adequacy assessment controls; and (vi) intervene at the early stages when a credit institution does not meet or is likely to breach the applicable prudential requirements.

The ECB also has the right to impose pecuniary sanctions on credit institutions and adopt regulations only to the extent necessary to organise or specify the arrangements for the carrying out of the tasks conferred on it.

The ECB and the national central banks of Eurozone Members together constitute the Eurosystem, the central banking system of the Eurozone. The ECB exercises its supervisory responsibilities in co-operation with the national regulatory authorities in the various Member States. As such, in Greece, the ECB cooperates with the Bank of Greece.

The operation and supervision of credit institutions within the EU is governed by the CRD IV and the Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (the **CRR**).

Capital Adequacy Framework

In December 2010, the Basel Committee on Banking Supervision issued two prudential regulation framework documents ("Basel III: A global regulatory framework for more resilient banks and banking systems" and "Basel III: International framework for liquidity risk measurement, standards and monitoring", as subsequently revised and/or superseded) which contain the Basel III capital and liquidity reform package. The Basel III framework has been implemented in the EU through the CRD IV and the CRR.

Full implementation of the above framework began on 1 January 2014, with particular elements being phased in over a period of time (the requirements will be largely fully effective by 2019 and some minor transitional provisions provide for the phase-in until 2024) but it is possible that in practice implementation under national laws may be delayed until after such date.

Some major points of the new framework include the following:

Quality and Quantity of Capital

The CRR revised the definition of regulatory capital and its components at each level. It also introduced a minimum Common Equity Tier 1 capital ratio of 4.5 per cent. and Tier 1 capital ratio of 6.0 per cent., and a requirement for Additional Tier 1 instruments to have a mechanism that requires them to be written off on the occurrence of a trigger event.

Capital Conservation Buffer

In addition to the minimum Common Equity Tier 1 capital ratio and Tier 1 capital ratio, credit institutions will be required to hold an additional buffer of 2.5 per cent. of their RWAs consisting of Common Equity Tier 1 items as capital conservation buffer. Depletion of the capital conservation buffer will trigger limitations on dividends, distributions on capital instruments and compensation and it is designed to absorb losses in stress periods.

Systemic Risk Buffer

According to the CRD IV, competent authorities may require the creation of a buffer against systemic risk in the financial sector or subsets thereof, in order to prevent and mitigate long-term non-cyclical systemic or macroprudential risks not covered by the CRR (i.e., a risk of disruption to the financial system with the potential to have serious negative consequences to the financial system and the real economy in the relevant Member State). The buffer may vary from 1 per cent. to 5 per cent. and is constituted by Common Equity Tier 1 elements.

Deductions from Common Equity Tier 1

The CRR revises the definition of items that should be deducted from regulatory capital. In addition, most of the items that are now required to be deducted from regulatory capital will be deducted in whole from the Common Equity Tier 1 component.

Limits for grandfathering of items within Common Equity Tier 1, Additional Tier 1 and Tier 2 capital

Capital instruments that no longer qualify as Common Equity Tier 1 capital, Additional Tier 1 or Tier 2 capital will be phased out over a period beginning 1 January 2014 and ending 31 December 2021. The regulatory recognition of capital instruments qualifying as own funds until 31 December 2011 will be reduced by a specific percentage in subsequent years. Step-up instruments will be phased out at their effective maturity date if the instruments do not meet the new criteria for inclusion in Tier 1 or Tier 2. Existing public sector capital injections will be grandfathered until 31 December 2017.

No Grandfathering for Instruments issued after 1 January 2014

Only those instruments issued before 31 December 2013 will likely qualify for the transition arrangements discussed above.

Countercyclical Buffer

To protect the banking sector from excess aggregate credit growth, credit institutions will be required under the CRD IV to build up an additional buffer of 0-2.5 per cent. of Common Equity Tier 1 during periods of excess credit growth, according to national circumstances. The countercyclical buffer, when in effect, will be introduced as an extension of the conservation buffer range.

Central Counterparties

To address the systemic risk arising from the interconnectedness of credit institutions and other financial institutions through the derivatives markets, the Basel Committee supported the efforts of the Committee on Payments and Settlemetn Systems (**CPSS**) and International Organisation of Securities Commissions (**IOSCO**) to establish strong standards for financial market infrastructures, including central counterparties. A 2.0 per cent. risk-weight factor was introduced to all trade exposures to qualifying central counterparties (replacing the previous 0 per cent. risk-weighting). The capitalisation of credit institution exposures to central counterparties will be based in part on the compliance of the central counterparty with the IOSCO standards (since non-compliant central counterparties will be treated as bilateral exposures and will not receive the preferential capital treatment referred to above). As mentioned above, a credit institution's collateral and mark-to-market exposures to central counterparties meeting these enhanced principles will be subject to a 2.0 per cent. risk-weight, and default fund exposures to central counterparties will be capitalised based on a risk-sensitive waterfall approach.

Asset Value Correlation Multiplier for Large Financial Sector Entities

A multiplier of 1.25 is to be applied to the correlation parameter of all exposures to large financial sector entities meeting particular criteria that are specified in the CRR.

Counterparty Credit Risk

The CRR raised counterparty credit risk management standards in a number of areas, including for the treatment of so-called wrong-way risk, i.e., cases where the exposure increases when the credit quality of the counterparty deteriorates either due to general market risk factors or to the nature of the transactions with the counterparty. The CRR introduced an additional capital charge for potential mark-to-market losses (i.e., credit valuation adjustment risk) associated with a deterioration in the creditworthiness of a counterparty and the calculation of "Expected Positive Exposure" by taking into account stressed parameters.

Leverage Ratio

The leverage ratio is calculated by dividing the institution's capital measure (which is Tier 1 capital) by that institution's total exposure measure and is expressed as a percentage. A key distinction between the minimum capital ratio and the leverage ratio is that no risk-weighting is applied to the assets, while a decision on whether to introduce a binding leverage ratio is expected to be made within 2016. The provisions of the CRR on leverage were recently amended and supplemented pursuant to the Commission Delegated Regulation 2015/62 of 10 October 2014, the purpose of which is to ensure that EU credit institutions and investment firms use the same methods to calculate, report and disclose their leverage ratios.

Systemically Important Institutions

Systemically important credit institutions should have loss-absorbing capacity beyond the minimum standards and work on this issue is ongoing. Under the new framework, a systemically important institution may be required to maintain a buffer of up to 2 per cent. of the total risk exposure amount, taking into account the criteria for its identification as a systematically important bank. That buffer shall consist of and be supplemental to Common Equity Tier 1 capital.

Liquidity Requirements

The CRR introduced a liquidity coverage ratio which is an amount of unencumbered, high quality liquid assets that must be held by a credit institution to offset estimated net cash outflows over a 30-day stress scenario, and will be phased in gradually, having started at 60 per cent. in 2015, and expected to be 100 per cent. in 2018 and a net stable funding ratio which is the amount of longer-term, stable funding that must be held by a credit institution over a one year timeframe based on liquidity risk factors assigned to assets and off-balance sheet liquidity exposures, and which is being developed with the aim of introducing it from 1 January 2018, allowing in both cases for Member States to maintain or introduce national provisions until binding minimum standards are introduced by the European Commission. The provisions of the CRR on liquidity requirements were recently specified pursuant to the Commission Delegated Regulation 2015/61 of 10 October 2014, laying down a full set of rules on the liquid assets, cash outflows, cash inflows needed to calculate the precise liquidity coverage requirement.

In order to foster consistency and efficiency of supervisory practices across the EU, the EBA is continuing to develop the EBA Single Rulebook, a supervisory handbook applicable to EU Member States. However, the EBA Single Rulebook has not yet been finalised.

The CRR contains specific mandates for the EBA to develop draft regulatory or implementing technical standards as well as guidelines and reports related to liquidity, in order to enhance regulatory harmonisation in Europe through the Single Rulebook. Specifically, the CRR assigns the EBA with advising on appropriate uniform definitions of liquid assets for the liquidity coverage ratio buffer. In addition, the CRR states that the EBA shall report to the Commission on the operational requirements for the holdings of liquid assets. Furthermore the CRR also assigns the EBA with advising on the impact of the liquidity coverage requirement, on the business and risk profile of institutions established in the European Union, on the stability of financial markets, on the economy and on the stability of the supply of bank lending.

The above topics were addressed by the EBA in two reports published in December 2013: (i) a report on the impact assessment for liquidity measures, followed by a second report thereon on December 2014 and (ii) a report on appropriate uniform definitions of extremely high quality assets and high quality liquid assets and on operational requirements for liquid assets. On 10 October 2014, the European Commission adopted a Delegated Act, specifying the liquidity coverage ratio framework. In view of that, the EBA has amended its Implementing Technical Standards on supervisory reporting of liquidity coverage ratio for EU credit institutions. Also, the Basel Committee's oversight body issued in January 2013 the revised "Basel III Liquidity Coverage Ratio and Liquidity Risk Monitoring Tools", defining, among others, certain specific aspects in relation to the interaction between the liquidity coverage ratio and the use of the central bank committed liquidity facility. On 12 January 2014, the Basel Committee issued final requirements for banks' liquidity coverage ratio-related disclosures, which must be complied with from the date of the first reporting period after 1 January 2015.

In addition to the substantial changes in capital and liquidity requirements introduced by Basel III, the CRR and the CRD IV, there are several new global initiatives, in various stages of finalisation, which represent additional regulatory pressure over the medium term and will impact the EU's future regulatory direction. These initiatives include among others, the Directive on markets in financial instruments repealing Directive 2004/39/EC (*2014/65/EU*) (**MiFID II**) and the Regulation on markets in financial instruments and amending Regulation on OTC derivatives, central counterparties and trade repositories (*Regulation 600/2014*) (**MiFIR**) (see—"*MiFID—MiFID II—MiFIR*" below). The Basel Committee has also published certain proposed changes to the current securitisation framework which may be accepted and implemented in due course.

Compliance and Reporting Requirements

The CRD IV was transposed into Greek law by Law 4261/2014 and is applicable from 1 January 2014, although certain provisions (including provisions relating to the requirements to maintain a capital conservation buffer and an institution-specific countercyclical capital buffer, the global and other systematically important institutions, the recognition of a systemic risk buffer rate, the setting of countercyclical buffer rates, the recognition of countercyclical buffer rates in excess of 2.5 per cent., the decision by designated authorities on third country countercyclical buffer rates, the calculation of institution-specific countercyclical capital buffer rates, restrictions on distributions and the capital conservation plan) shall gradually enter into force from 1 January 2016. In addition, certain provisions related to administrative penalties and other administrative measures entered into force on 5 May 2014. The CRR is directly applicable from 1 January 2014, with the exception of certain of its provisions which are entering into force gradually during the transition period provided for in the respective articles of the CRR.

According to article 166 of Law 4261/2014, regulatory acts issued under Law 3601/2007 (which was replaced in its entirety by Greek Law 4261/2014) will remain in force, to the extent that they are not contrary to the provisions of Law 4261/2014 or the CRR, until replaced by new regulatory acts issued under Law 4261/2014.

Under the current regulatory framework, credit institutions operating in Greece are required, among others, to:

- observe the liquidity ratios prescribed by the CRR and Bank of Greece Governor's Act 2614/2009;
- maintain efficient internal audit, compliance and risk management systems and procedures, as determined in the Bank of Greece Governor's Act 2577/2006, as supplemented and amended by subsequent decisions of the Governor of the Bank of Greece and of the Banking and Credit Committee of the Bank of Greece;
- disclose data regarding the credit institution's financial position and its risk management policy;
- provide the Bank of Greece and the ECB with such further information as they may require;
- in connection with certain operations or activities, notify or request the prior approval of the ECB acting in co-operation with the Bank of Greece; and
- permit the Bank of Greece and the ECB to conduct audits and inspect books and records of the credit institution.

If a credit institution breaches any law or a regulation falling within the scope of the supervisory power attributed to the ECB or, as the case may be, the Bank of Greece, the ECB or the Bank of Greece respectively, is empowered to:

- require the relevant bank to take appropriate measures to remedy the breach;
- impose fines;
- appoint a commissioner; and

- where the breach cannot be remedied, revoke the licence of the bank and place it in a state of special liquidation.

In particular, the Bank of Greece or the ECB, as the case may be, may:

- require any bank actually or potentially failing to comply with the requirements set out by Law 4261/2014 and/or the CRR to take any necessary actions at an earlier stage to address relevant problems including prohibitions or restrictions on dividends, proceeding with a share capital increase or seeking the prior approval of the supervisory authority for future transactions that the supervisory authority finds might be detrimental to the solvency of the bank;

- require a bank to increase its capital within a deadline, pursuant to the provisions of article 136 of Law 4261/2014;

- appoint a commissioner to a bank for a period of up to 12 months pursuant to the provisions of article 137 of Law 4261/2014. This period may be extended several times by up to six months. The commissioner will assess the bank's overall financial, administrative and organisational situation and financial condition and take any necessary next steps in order to either prepare the bank for recovery or implementation of resolution measures or place it into special liquidation. The commissioner will be subject to the oversight of the ECB or, as the case may be, the Bank of Greece;

- pursuant to article 138 of Law 4261/2014, extend, after the appointment of a commissioner, by up to 20 working days the period set for the bank to comply with some or all of its obligations, if the bank's liquidity has been significantly reduced and it is expected that its own funds will not be sufficient. The 20-day period may be further extended by 10 working days by decision of the ECB or, as the case may be, the Bank of Greece; and

- appoint a special liquidator to manage the bank pursuant to the provisions of articles 145 to 146 of 4261/2014, if the bank's licence has been withdrawn. The Credit and Insurance Affairs Committee of the Bank of Greece, through its Decision No.21/2/4.11.2011, as amended and in force, has issued a regulation for the special liquidation of banks, which contains provisions regarding the liquidation of a bank.

The CRR imposes reporting requirements to the EU credit institutions. These provisions have been supplemented by the EBA Final Guidelines on disclosure requirements for the EU banking sector, issued on 23 December 2014. In addition, with respect to matters not governed by the CRR, periodic reporting requirements of credit institutions towards the Bank of Greece are also set out in Act of the Governor of the Bank of Greece no. 2651/2012.

The reporting requirements include the submission of reports on the below items:

- capital structure, qualifying holdings, persons who have a special affiliation with the bank and loans or other types of credit exposures that have been provided to these persons by the bank;

- own funds and capital adequacy ratios;

- capital requirements for credit risk, counterparty credit risk and delivery settlement risk;

- capital requirements for market risk of the trading portfolio (including foreign exchange risk);
- information on the underlying elements of the trading portfolio;
- capital requirements for operational risk;
- large exposures and concentration risk;
- liquidity risk;
- interbank market details;
- financial statements and other financial information;
- covered bonds;
- internal control systems;
- prevention and suppression of money laundering and terrorist financing;
- information technology systems; and
- other information.

The Issuer submits to the Bank of Greece and/or the ECB regulatory reports both at individual and group level, on a daily, monthly, quarterly, semi-annually or annually basis.

Recovery and Resolution of Credit Institutions

On 15 May 2014 the European Parliament and the Council of the European Union adopted the Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms (the **BRRD**) which entered into force on 2 July 2014. The BRRD was transposed into Greek law by virtue of Law 4335/2015, which came into force on 23 July 2015, with the exception of its provisions on the bail-in tool which were initially applicable as at 1 January 2016. Further to the enactment of Law 4340/2015, the bail-in tool came into force as of 1 November 2015, except for the provisions of par. 9 and 11 of article 44 thereof (relating to the loss absorption and other requirements for the contribution of the resolution fund to the resolution of a credit institution when an eligible liability is excluded therefrom or for the resolution authority's funding from alternative financing sources) which came into force on 1 January 2016. In addition, par. 2(b) of article 56 of Law 4335/2015 (relating to the loss absorption requirement for the implementation of government financial stabilisation tools) came into force on 1 January 2016.

The BRRD relies on a network of national authorities and resolution funds to resolve banks. Pursuant to Law 4335/2015, with respect to Greek credit institutions, the Bank of Greece has been designated as the national resolution authority and the Resolution Branch of the Hellenic Deposit Guarantee Fund (**HDIGF**) as the national resolution fund. On 15 July 2014, the European Parliament adopted the Regulation No 806/2014 (the **SRM Regulation**) establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism (the **SRM**) and a Single Resolution Fund (the **SRF**). The SRM became fully operational as of 1 January 2016 and complements the Single Supervisory Mechanism. Pursuant to the SRM Regulation, the authority to plan the resolution and resolve credit institutions which are subject to direct supervision by the ECB has been conferred from the current resolution authority, the Bank of

Greece, to the Single Resolution Board (**SRB**) as from 1 January 2016 (For further details, see "*Single Resolution Mechanism*" below).

Recovery and resolution powers

The framework set out in Law 4335/2015 applies in relation to credit institutions of all sizes as well as investment firms that are subject to an initial capital requirement of EUR 730,000. The powers provided to the competent Greek authorities for credit institutions, the Bank of Greece and the resolution authority, in Law 4335/2015 in respect of credit institutions are divided into three categories:

(a) *Preparation and prevention:* Law 4335/2015 provides for preparatory steps and plans to minimise the risks of potential problems. Under Law 4335/2015, credit institutions are required to prepare recovery plans while the resolution authority prepares a resolution plan for each credit institution. Law 4335/2015 also reinforces authorities' supervisory powers to address or remove impediments to resolvability. Financial groups may also enter into intra-group support agreements to limit the development of a crisis;

(b) *Early intervention*: In the event of incipient problems, Law 4335/2015 grants powers to the competent authority to arrest a bank's deteriorating situation at an early stage so as to avoid insolvency. Such powers include, among others, requiring an institution to implement its recovery plan, replace existing management, draw up a plan for the restructuring of debt with its creditors, change its business strategy and change its legal or operational structures. If such tools prove to be insufficient, new senior management or management body will be appointed subject to the approval of the competent authority which is also entitled to appoint one or more temporary administrators; and

(c) *Resolution*: Resolution is the means to reorganise or wind down the bank in an orderly fashion outside insolvency while preserving its critical functions and limiting to the maximum extent any exposure of taxpayers to losses.

Conditions for resolution

The conditions that have to be met before the resolution authority takes a resolution action in relation to a credit institution are the following:

(a) the competent authority, after consulting with the resolution authority, determines that the institution is failing or likely to fail. An institution will be deemed to be failing or likely to fail in one or more of the following circumstances:

(i) it infringes or is likely to infringe the requirements for continuing authorisation in a way that would justify the withdrawal of its authorisation such as, including but not limited to, incurring losses that will deplete all or a significant amount of its own funds);

(ii) the institution's assets are or there are objective indications to support a determination that the assets of the institution will, in the near future, be less than its liabilities;

(iii) the institution is or there are objective indications to support a determination that the institution will, in the near future, be unable to pay its debts or other liabilities as they fall due; or

(iv) extraordinary public financial support is required, unless the support takes one of the forms specified in Article 32(3)(d)(i),(ii) or (iii) of Law 4335/2015, which mirrors the relevant provisions of the BRRD.

(b) having regard to timing and other relevant circumstances, there is no reasonable prospect that any alternative private sector or supervisory action, including early intervention measures or the write down or conversion of relevant capital instruments taken in respect of the institution, would prevent the failure of the institution within a reasonable timeframe; and

(c) a resolution action is necessary for promoting the public interest, i.e., it is necessary for the achievement of, and is proportionate to, one or more of the resolution objectives set out in Article 31 of Law 4335/2015 and the winding up of the institution under normal insolvency proceedings would not meet those resolution objectives to the same extent.

Resolution tools

When the trigger conditions for resolution are satisfied, Law 4335/2015 sets out a minimum set of resolution tools that the resolution authority shall have the power to apply individually or in combination in line with the provisions of the BRRD. These tools are the following:

(a) the sale of business tool, which enables the resolution authority to transfer the shares or other titles of ownership or all or any assets, rights or liabilities of the institution to a purchaser (that is not a bridge institution) on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply except those procedural requirements set out in Law 4335/2015;

(b) the bridge institution tool, which enables the resolution authority to transfer shares or other titles of ownership or all or any assets, rights or liabilities of the of an institution to a bridge institution, a publicly controlled entity, without requiring the consent of the shareholders. The operations of the bridge institution are temporary, the aim being to sell the business to the private sector when market conditions are appropriate;

(c) the asset separation tool, which enables the resolution authority to transfer assets, rights and liabilities, without obtaining the consent of shareholders of the institution under resolution to an asset management vehicle to allow them to be managed and worked out over time. Such a transfer may only be made either: (i) where the market situation for said assets is such that liquidation of said assets under normal insolvency proceedings could have an adverse effect on one or more financial markets, or (ii) the transfer is necessary to ensure the proper functioning of the institution under resolution or bridge institution, or (iii) the transfer is necessary to maximise liquidation proceeds. This tool may be used only in conjunction with other tools to prevent an undue competitive advantage for the failing institution; and

(d) the bail-in tool. Through this tool, the resolution authority has the power to write down eligible liabilities of a failing institution and/or to convert such claims to equity. The resolution authority may use this tool only (i) to recapitalise the institution to the extent sufficient to restore its ability to comply with the conditions for its authorisation, to continue to carry out the activities for which it is authorised and to restore the institution to financial soundness and long-term viability or (ii) to convert to equity or reduce the principal amount of obligations or debt instruments that are transferred to a bridge institution (with a view to providing capital to such bridge

institution) or that are transferred under the sale of business tool or the asset separation tool.

Law 4335/2015 establishes the sequence in which the resolution authority should apply the power to write down or convert obligations of an entity under resolution. Obligations should be reduced in the following order:

(a) Common Equity Tier 1;

(b) Additional Tier 1 instruments;

(c) Tier 2 instruments;

(d) other subordinated debt, in accordance with the normal insolvency ranking; and

(e) other eligible liabilities, in accordance with the normal insolvency ranking.

The following liabilities are excluded from the bail-in tool:

(a) Covered deposits;

(b) secured liabilities including covered bonds and liabilities in the form of financial instruments used for hedging purposes which form an integral part of the cover pool and which according to national law are secured in a way similar to covered bonds;

(c) any liability that arises by virtue of the holding by the institution of client assets or client money including client assets or client money held on behalf of UCITS as defined in paragraph 2 of Article 2 of Greek Law 4099/2012 or of AIFs as defined in point (a) of paragraph 1 of Article 4 of Greek Law 4209/2013, provided that such a client is protected under the applicable insolvency law;

(d) any liability that arises by virtue of a fiduciary relationship between the institution (as fiduciary) and another person (as beneficiary) provided that such beneficiary is protected under the applicable insolvency or civil law;

(e) liabilities to institutions, excluding entities that are part of the same group, with an original maturity of less than seven days;

(f) liabilities with a remaining maturity of less than seven days, owed to systems or operators of systems designated according to Greek Law 2789/2000 or their participants and arising from the participation in such a system;

(g) deposits of the HDIGF and the Investment Guarantee Fund;

(h) a liability to any one of the following:

(i) an employee, in relation to accrued salary, termination compensation, pension benefits or other fixed remuneration, except for the variable component of remuneration that is not regulated by a collective bargaining agreement;

(ii) a commercial or trade creditor arising from the provision to the institution of goods or services that are critical to the daily functioning of its operations, including IT services, utilities and the rental, servicing and upkeep of premises;

(iii) tax and social security authorities, provided that those liabilities are preferred under the applicable law; and

(iv) deposit guarantee schemes arising from contributions due in accordance with Directive No. 2014/49/EU.

For the purposes of the bail-in tool, institutions are required under Law 4335/2015 to maintain at all times a sufficient aggregate amount of own funds and eligible liabilities, the aim of which is to ensure that banks have sufficient loss-absorbing capacity. Such requirement is calculated as the amount of own funds and eligible liabilities expressed as a percentage of the total liabilities and own funds of the institution.

Extraordinary Public Financial Support

In cases of an exceptional systemic crisis, extraordinary public financial support may be provided, by virtue of a decision of the Minister of Finance, following a recommendation of the Systemic Stability Board and a consultation with the resolution authorities, through public financial stabilization tools as a last resort and only after having assessed and utilized, to the maximum extent, the other resolution tools, in order to avoid, through the direct intervention, the winding-up of the said institutions and in order for the resolution purposes to be accomplished. The public financial stabilization tools are:

(a) public capital support provided by the Ministry of Finance or by the HFSF following a decision by the Minister of Finance; and

(b) temporary public ownership of the institution, i.e. the transfer of the shares of an institution to a transferee of the Greek State or a company which is fully owned and controlled by the Greek State.

The following conditions must be cumulatively met in order for the public financial stabilization tools to be implemented:

(a) the institution meets the conditions for resolution;

(b) the shareholders, owners of other instruments of ownership, holders of relevant capital instruments and the holders of eligible liabilities have contributed, through conversion, write down or by any other means, to the absorption of losses and the recapitalization by an amount equal to at least 8% of the total liabilities, including own funds of the institution under resolution, calculated at the time of the resolution action in accordance with the valuation conducted, and

(c) prior and final approval by the European Commission regarding the EU state aid framework for the use of the chosen tool has been granted.

In addition to the above, for the provision of public financial support, one of the following conditions must be met:

(a) the application of the resolution tools would not suffice to avoid a significant adverse effect on the financial stability;

(b) the application of the resolution tools would not suffice to protect the public interest, where extraordinary liquidity assistance from the central bank has previously been given to the institution; and

(c) in respect of the temporary public ownership tool, the application of the resolution tools would not suffice to protect the public interest, where capital support through the public capital support tool has previously been given to the institution.

By way of exception, extraordinary public financial support may be granted to a credit institution in the form of an injection of own funds or purchase of capital instruments without implementation of resolution measures, under the following cumulative conditions:

- in order to remedy a serious disturbance in the economy and preserve financial stability;
- to a solvent credit institution in order to address a capital shortfall identified in a stress test, assets quality reviews or equivalent exercises;
- at prices and on terms that do not confer an advantage upon the institution;
- on a precautionary and temporary basis;
- subject to final approval of the European Commission;
- being proportional to remedy the consequences of the serious disturbance;
- not to be used to offset losses that the institution has incurred or is likely to incur in the near future;
- the credit institution has not infringed and there are no objective elements to support that the credit institution will, in the near future, infringe its authorization requirements in a way that would justify the withdrawal of its authorization;
- the assets of the credit institution are not and there are no objective elements to support that the assets of the credit institution will, in the near future, be less than its liabilities;
- the credit institution is not and there are no objective elements to support that the credit institution will be unable to pay its debts or other liabilities when they fall due; and
- the circumstances for the exercise of the write down or conversion powers in respect of Additional Tier 1 and Tier 2 capital instruments of the institution do not apply.

Resolution authority's powers

The resolution authority has a broad range of powers when applying resolution measures and tools. The following are general powers, and may be exercised individually or in any combination:

(a) to require any person to provide any information required for the resolution authority to decide upon and prepare a resolution action, including updates and supplements of information provided in the resolution plans and requiring information to be provided through on-site inspections;

(b) to take control of an institution under resolution and exercise all the rights and powers conferred upon the shareholders, other owners and the management body of the institution under resolution;

(c) to transfer shares or other instruments of ownership issued by an institution under resolution;

(d) to transfer to another entity, with the consent of that entity, rights, assets or liabilities of an institution under resolution;

(e) to reduce or eliminate the principal amount of or outstanding amount due in respect of eligible liabilities, of an institution under resolution;

(f) to convert eligible liabilities of an institution under resolution into ordinary shares or other instruments of ownership of that institution or entity referred to in point (b), (c) or (d) of Article 1(1) of Law 4335/2015, a relevant parent institution or a bridge institution to which assets, rights or liabilities of the institution or the entity are transferred;

(g) to cancel debt instruments issued by an institution under resolution except for secured liabilities;

(h) to reduce or eliminate the nominal amount of shares or other instruments of ownership of an institution under resolution and to cancel such shares or other instruments of ownership;

(i) to require an institution under resolution or a relevant parent institution to issue new shares or other instruments of ownership or other capital instruments, including preference shares and contingent convertible instruments;

(j) to amend or alter the maturity of debt instruments and other eligible liabilities issued by an institution under resolution or amend the amount of interest payable under such instruments and other eligible liabilities, or the date on which the interest becomes payable, including by suspending payment for a temporary period, except for secured liabilities;

(k) to close out and terminate financial contracts or derivatives contracts;

(l) to remove or replace the management body and senior management of an institution under resolution; and

(m) to require the competent authority to assess the buyer of a qualifying holding in a timely manner by way of derogation from the time limits prescribed in relation to the notification obligations for qualifying holdings.

The resolution authority, when applying the resolution tools and exercising the resolution powers, must have regard to the following objectives:

(a) ensure the continuity of critical functions;

(b) avoid significant adverse effects on financial stability, including by preventing contagion, and maintaining market discipline;

(c) protect public funds by minimising reliance on extraordinary public financial support;

(d) avoid unnecessary deterioration of value and seek to minimise the cost of resolution;

(e) protect depositors and investors covered by deposit guarantee schemes and investor compensation schemes, respectively; and

(f) protect client funds and client assets;

as well as the following principles:

(a) the shareholders of the institution under resolution bear losses first;

(b) the creditors of the institution under resolution bear losses after the shareholders in accordance with the order of priority of their claims under normal insolvency proceedings;

(c) senior management or the management body of the institution under resolution are replaced unless it is deemed that retaining management is necessary for the resolution purposes;

(d) senior management or the management body of the institution under resolution shall provide all necessary assistance for the achievement of the resolution objectives;

(e) natural and legal persons remain liable, under Greek civil or criminal law for the failure of the institution;

(f) except where specifically provided in Law 4335/2015, creditors of the same class are treated in an equitable manner;

(g) no creditor incurs greater losses than would be incurred if the institution would have been wound down under normal insolvency proceedings ("No Creditor Worse Off" principle);

(h) covered deposits are fully protected; and

(i) resolution action is taken in accordance with the relevant safeguards provided in Law 4335/2015.

Valuation

With regard to valuation of assets, the implementation of the resolution tools and powers is based on an assessment of the real value of the assets and liabilities of the institution failing or about to fail. Therefore, the resolution authority ensures that a fair, prudent and realistic valuation of the assets and liabilities of the institution is carried out by a person independent from any public authority, including the resolution authority and the institution. Such valuer is appointed by the resolution authority.

Single Resolution Mechanism

The SRM Regulation builds on the rulebook on bank resolution set out in the BRRD and establishes the SRM, which complements the SSM and centralises key competences and resources for managing the failure of any bank in the Eurozone and in other Member States participating in the Banking Union. The SRM Regulation also established the SRB, vested with centralised power for the application of the uniform resolution rules and procedures, and the SRF, supporting the SRM. The main objective of the SRM is to ensure that potential future bank failures in the banking union are managed efficiently, with minimal costs to taxpayers and the real economy. The SRB started its work as an independent EU agency on 1 January 2015 and is fully operational as of January 2016. Pursuant to the SRM Regulation, the authority to plan the resolution and resolve credit institutions which are

subject to direct supervision by the ECB has been conferred from the current resolution authority, the Bank of Greece, to the SRB as at 1 January 2016. The SRM Regulation establishes the following:

The SRM applies to all banks supervised by the SSM. If a bank supervised by the SSM infringes or is likely to infringe in the near future capital or liquidity requirements (e.g., because of a rapidly deteriorating financial condition such as a deterioration of the liquidity situation, an increase of the level of leverage and non-performing loans), the ECB will have the power to impose early intervention measures. These measures include the power to require changes to the legal or operational structure of a bank, or the business strategy, and the power to require the managing board to convene a general meeting of shareholders, with the power of the ECB to set the agenda and require certain decisions to be considered for adoption by the general meeting.

The SRB shall prepare resolution plans for, and directly resolve all credit institutions directly supervised by the ECB and cross-border groups. National resolution authorities shall prepare resolution plans and resolve banks which only operate nationally and are not subject to full ECB direct supervision, provided that this does not involve any use of the SRF. Member States can opt to have the SRB directly responsible for all their credit institutions. The SRB would decide in any case for all credit institutions, including those that operate nationally and are not subject to full ECB direct supervision, whether resolution will involve the use of the SRF.

Centralised decision-making is built around a strong SRB and involves permanent members as well as the European Commission, the European Council, the ECB and the national resolution authorities. In most cases, the ECB would notify that a bank is failing to the SRB, the European Commission, and the relevant national resolution authorities. The SRB would then assess whether there is a systemic threat and any private sector solution.

In certain circumstances, including if a bank reaches a point of non-viability or where certain forms of extraordinary public financial support are required, the SRB in close co-operation with the relevant national resolution authority could take pre-resolution measures. These measures include the write-down and cancellation of shares or other instruments of ownership for shares, and the conversion of capital instruments such as Tier 2 instruments into shares or other instruments of ownership.

If a bank meets the conditions for resolution, the SRB may adopt a resolution plan (for the conditions of resolution, please see *"—Recovery and Resolution of Credit Institutions*" above).

In drawing up the resolution plan SRB identifies all material impediments to resolvability and where necessary, may require the removal of such impediments. To that effect, the resolution plan will set out options for applying the resolution tools and exercising the resolution powers on the credit institution (for a description of such tools and powers, please see *"—Recovery and Resolution of Credit Institutions*" above).

The European Commission is responsible for assessing the discretionary aspects of the SRB's decision and endorsing or objecting to the resolution scheme. The European Commission's decision is subject to approval or objection by the European Council only when the amount of resources drawn from the SRF is modified or if there is no public interest in resolving the bank. If the European Council or the European Commission objects to the resolution scheme, the SRB will need to amend it. The resolution scheme will be implemented by the national resolution authorities. If resolution entails state aid, the European Commission would need to approve the aid prior to the adoption of the resolution scheme by the SRB.

In its plenary session, the SRB shall take all decisions of a general nature and any individual resolution decisions involving the use of the SRF in excess of €5 billion. In its executive session, the SRB shall take decisions in respect of individual entities or banking groups where the use of the SRF

remained below this threshold. The SRB shall be composed of the Chair, four further full-time members and a member appointed by each participating Member State, representing their national resolution authorities. The Commission and the ECB shall each designate a representative entitled to participate in the meetings of executive sessions and plenary sessions as a permanent observer. In addition, to ensure that the interests of all Member States on which the resolution had an impact were considered, Member States that could potentially be affected by the resolution based on the institution being resolved would also participate in the session. None of the participants in the deliberation would have a veto.

SRB also determines the minimum requirement levels for own funds and eligible liabilities that banks are required to comply with at all times expressed (please see "*—Recovery and Resolution of Credit Institutions*"). Eligible liabilities are deemed those that may be bailed in using the bail-in tool. Similarly, the Financial Stability Board has issued a proposal for implementing principles on Total Loss Absorbency Capacity (**TLAC**) as a standard for global systemically important banks. The proposals currently contemplate that only Common Equity Tier 1 capital in excess of that required to satisfy minimum regulatory capital requirements and minimum TLAC requirements may count towards regulatory capital buffers.

All the banks in the participating Member States shall contribute to the SRF. The SRF has a target level of €55 billion and can borrow if decided by the SRB in its plenary session. The SRF is owned and administrated by the SRB. The SRF would reach a target level of at least 1% of covered deposits of all credit institutions in Member States participating in the Banking Union over an eight-year period. During this transitional period, the SRF, established by the SRM Regulation, would comprise national compartments corresponding to each participating Member State. The resources accumulated in those compartments would be progressively mutualised over a period of eight years. The establishment of the SRF and its national compartments and decisions as to their use are regulated by the SRM Regulation, while the transfer of national funds into the SRF and the activation of the mutualisation of the contributions are provided for in an inter-governmental agreement signed between the participating Member States in the SRM on 21 May 2014 and ratified by the Greek Parliament on 30 November 2015, by virtue of Greek law 4350/2015. Furthermore, on 24 November 2014 the Commission adopted a Council implementing Act to calculate the contributions of banks to the SRF whereas on 22 January 2015, the Council Implementing Regulation EU 2015/81 specifying uniform conditions of application of the SRM Regulation with regard to *ex ante* contributions to the SRF was issued.

Deposit and Investment Guarantee Fund

The HDIGF is a private law entity and the universal successor of the former Hellenic Deposit Guarantee Fund. All credit institutions licenced to operate in Greece, with certain exemptions, and the local branches of credit institutions which have been established in non-EU Member States and are not covered by a guarantee scheme equivalent to that of the HDIGF mandatorily participate in the HDIGF. Greek branches of foreign credit institutions established in EU Member States may also become members of the HDIGF at their discretion.

The HDIGF is supervised by the Minister of Finance and managed by a seven-member Board of Directors, of which the Chairman is one of the Deputy Governors of the Bank of Greece, while, of the remaining six members, one comes from the Ministry of Finance, three from the Bank of Greece and two from the Hellenic Bank Association. The Board of Directors, consisting of the members that are proposed as above, is appointed by decision of the Minister of Finance for a five-year term. Where it is called to decide upon resolution matters concerning a particular credit institution, HDIGF's Board of Directors will not comprise the members proposed by the Hellenic Bank Association.

The purpose of the HDIGF is (a) to indemnify (i) depositors of the participating credit institutions that become unable to fulfil their obligations towards their depositors (the **Deposits Cover Scheme**), and (ii) investors who are clients of participating credit institutions which may become unable to fulfil their obligations towards their clients in connection with the provision of "covered" investment services defined in Law 3606/2007 (article 4, par. 1(a)-(d), (f) and (g), as well as the ancillary investment service provided for under article 4, par. 2(a)) (the **Investments Cover Scheme**), and (b) to provide financing, either in the case of (i) the transfer of a credit institution's assets to another credit institution or another entity or (ii) a bridge bank established by the Bank of Greece under the reorganisation measures of articles 38 and 40 of Law 4335/2015 (the **Resolution Scheme**).

Following the enactment of Law 4335/2015, the Resolution Scheme has become Greece's "resolution fund" for the purpose of ensuring the effective application by the Bank of Greece, in its capacity of the country's resolution authority, of the resolution tools and powers in accordance with the resolution objectives and the principles set out in Articles 31 and 34 of Law 4335/2015 (which mirror Articles 31 and 34 of the BRRD).

Under the Deposits Cover Scheme, the maximum coverage limit under Law 3746/2009 for every depositor with deposits not falling in the "exempted deposits" category, taking into account the total amount of his deposits with a credit institution minus any due and payable obligations he has towards the latter, is €100,000. Under the Investments Cover Scheme, the maximum coverage limit is €30,000 for the total of claims of an investor-client against the credit institution, irrespective of covered investment services, number of accounts, currency and place of provision of the service. Certain deposits and investment services, provided for by articles 11 and 12 of Law 3746/2009, are excluded from the HDIGF coverage.

Pursuant to Law 3746/2009, all credit institutions licenced to operate in Greece must participate in the Resolution Scheme, while pursuant to Law 4335/2015 the Resolution Scheme is empowered to collect from participating credit institutions, including from the local branches of credit institutions which have been established in non-EU Member States, *ex ante* contributions and, where Article 99 of Law 4335/2015 applies, extraordinary *ex post* contributions, which are calculated pursuant to a decision of the Bank of Greece in its capacity as the Greek resolution authority and, as far as *ex ante* contributions are concerned, depending on the risk profile of credit institutions in accordance with the criteria laid down in the Commission's delegated act adopted pursuant to Article 103(7) of the BRRD.

Each scheme of the HDIGF has its own assets and is funded mainly by the annual/regular contributions and extraordinary contributions of the participating credit institutions, donations, the liquidation of claims and the revenues deriving from the management of its assets, while the Resolution Scheme is funded by the *ex ante* and *ex post* contributions referred to above and alternative funding means of the type contemplated in Article 105 of the BRRD. Also, pursuant to Law 4340/2015 and Law 4346/2015, which also amended Law 3864/2010, the HDIGF may receive a resolution loan from the HFSF to cover its expenses for the funding of resolution procedures. The repayment of such loan will be guaranteed by the credit institutions participating in the HDIGF proportionately to their contributions to the Resolution Scheme or the Deposits Cover Scheme, as the case may be.

Directive 2014/49/EU on deposit guarantee schemes was enacted in June 2014 and is intended to strengthen the protection of citizens' deposits in case of bank failures and enhances the role of deposit guarantee schemes in the financial safety net. On 22 January 2016, a draft law for the transposition into Greek law of Directive 2014/49 on deposit guarantee schemes, has been placed under public consultation by the Ministry of Finance. The public consultation period ended on 1 February 2016, but the new law of the HDIGF has not yet been voted by the Greek Parliement. Upon entry into force of the new law on the HDIGF, the provisions of Greek Law 3746/2009 shall be repealed.

Management of non-performing loans

Pursuant to Law 4224/2013 and Cabinet Act 6/2014, an intergovernmental council for the management of private debt (the **Private Debt Management Governmental Council**) has been created with the following objectives:

- to define policies in connection with the organisation of a comprehensive mechanism for the efficient management of non-performing private loans;
- to make proposals for the amendment of the existing legal framework on matters of substance and procedure to enhance the effectiveness of private debt resolution issues, including the acceleration of the procedures relating to delayed loan repayment and the improvement of the legal framework governing the real estate market;
- to define actions of public awareness for the purpose of directly and efficiently informing and supporting citizens and other interested parties with respect to taking decisions on the above matters;
- to create a network providing advisory services on debt management issues, and
- to set any timetables required for the implementation of a strategic plan for the efficient management of private debt and monitor whether such timetables are respected.

Moreover, Law 4224/2013 provides that the Private Debt Management Governmental Council defines the principles related to the "cooperating borrower" and assesses, based on annual data published by the Hellenic Statistical Authority, "reasonable living expenses".

The Act of the Executive Committee of the Bank of Greece No. 42/30.5.2014 (**Decision 42/2014**) determined the framework of obligations of the credit institutions in relation to the administration of loans in arrears and non-performing loans, providing for an independent unit of each credit institution for the administration of such loans, the establishment of a separate procedure for the administration thereof supported by appropriate IT systems and periodic filing of reports to the management of the credit institutions and the Bank of Greece. Further, Decision 42/2014 provided an indicative list of standard loan rescheduling models.

Decision 42/2014 was supplemented by Decision No. 116/25.8.2014 of the Credit and Insurance Affairs Committee of the Bank of Greece establishing a code of conduct for the management of non-performing loans (the **Code of Conduct**), issued pursuant to the authorisation granted to the Bank of Greece under Law 4224/2013.

The Code of Conduct sets general behaviour principles for creditors and debtors and introduces best practices, aimed to strengthen the climate of confidence, ensure mutual engagement and information exchange between borrowers and lending institutions, so that each party can weigh the benefits or consequences of alternative forbearance or settlement solutions for loans in arrears for which the loan agreement has not been terminated, with the ultimate goal of working out the most appropriate solution, while taking into account the specificities of each debtor. It applies to credit and financial institutions within the meaning of article 4 of the CRR. For the purposes of the Code of Conduct, "loan" means any indebtedness to an institution applying the Code of Conduct.

The Code of Conduct (which was subsequently amended and supplemented by further decisions of the Bank of Greece) adopts the definitions of "cooperating debtor" and "reasonable living expenses" under Law 4224/2013. A "debtor" is considered cooperating if: (i) it provides its creditor with its own or its representative's full and up-to-date contact details; (ii) it is available to communicate with its

creditor and reverts with honesty and clarity on its creditor's calls and letters within 15 business days; (iii) it notifies its creditor fully and honestly of its current economic condition within 15 business days from any change thereto or from the relevant creditor's request; (iv) it communicates fully and honestly to its creditor any information that may significantly impact its economic condition within 15 business days from the date it obtained such information; and (v) it consents to explore any alternative options for the restructuring of its debt.

The Code of Conduct requires detailed written procedures for loans in arrears by reference to categories of debtors, written procedures for the assessment of objections by a three-member objections committee, appropriate personnel for the efficient handling of cases falling with the scope of the Code of Conduct, detailed written procedures for communications with debtors, standardisation of the content of communications, compliance with the guidelines of the Code of Conduct as to the manner, timing and confidentiality of communications, training arrangements for personnel, communications facilities for submission by debtors of queries, declarations, documents and supporting material, and the availability of information leaflets and other information material for the debtors (in hard copy and on an easily accessible user-friendly website page designated for loans in arrears).

Specific requirements are further included as to the procedures for loans in arrears, the procedures for the assessment of objections and the handling of "non-cooperating" debtors. Each credit or financial institution bound by the Code of Conduct must be in a position to evidence to the Bank of Greece its compliance with the requirements of the Code of Conduct.

Law 4224/2013 provides that the Consumer Ombudsman will act as mediator between lenders and borrowers for the purpose of settling non-performing loans mainly in connection with matters relating to the application of the Code of Conduct for the management of non-performing debts. The terms and procedures for the mediation performed by the Consumer Ombudsman are determined by virtue of Ministerial Decision 5921/2015.

Law 4224/2013 was recently amended by Law 4336/2015, which provides for the creation of a special secretariat for the management of private debt. The secretariat will assist the Private Debt Management Governmental Council, set policies for the provision of information and advice to debtors qualifying as consumers and coordinate the work of all competent bodies. It will comprise 30 regional centres staffed with specialised external counsels whereby debtors may obtain information and economic or legal advice.

Finally, pursuant to Law 4340/2015 which also amended Law 3864/2010, the HFSF may facilitate the management of non-performing loans of credit institutions in the context of its objective to contribute to the maintenance of the stability of the Greek banking system.

Further to the above, Greek law 4354/2015 (the **New NPL Law**) has been recently enacted setting out the framework for the management and the transfer of non-performing loans. According to article 3 par. 1 of the New NPL Law, the entities which are eligible to purchase claims from non-performing loans pursuant to the New NPL Law are credit institutions, financial institutions and the entities specifically licensed under the provisions of the New NPL Law, while according to article 2 of the New NPL Law, in conjunction with article 1 of the New NPL Law, the entities which are eligible to manage the claims from NPLs are solely the entities specifically licensed under the provisions of the New NPL Law.

Under the New NPL Law, in order for entities to be able to purchase and/or manage claims from non-performing loans, it is necessary that such entities:

(a) have the form of a *société anonyme;*

(b) are domiciled either in Greece or within the EU/EEA area (i.e. no third country entities permitted);

(c) in the event that the entities are domiciled within the EU/EEA area, they should have established a branch in Greece, the object of which shall be, *inter alia*, the purchase and/or management of the non-performing loans.

The above entities shall obtain a *special license* from the Bank of Greece, subject to governance and organizational requirements imposed by the New NPL Law and shall be subject to the supervision of the Bank of Greece. More specifically, certain information must be provided to the Bank of Greece including, among others, information on the identity of the shareholders of the applicant company, of the members of the board of directors, the constitutional documents of the applicant company and the business plan of the applicant company. Also, certain questionnaires have to be filled in by the shareholders and the directors of the applicant company in order to assess their capacity and suitability for this position ('fit-and-proper' test). Irrespective of the above, the Bank of Greece may request any additional information that it considers important for the assessment of the application. The shares of the applicant company shall be registered shares, to the extent these are not listed entities. Please note that all of the above licensing requirements are also applicable to companies that are eligible for servicing non-performing loans under the New NPL Law.

More detailed licensing requirements under the New NPL Law as well as procedural aspects are expected to be determined through implementing decisions of the Bank of Greece which are due to be issued in the next weeks.

Settlement of Amounts Due by Over-Indebted Individuals

Law 3869/2010 on the "settlement of amounts due by over-indebted individuals" was enacted on 3 August 2010 and subsequently modified mainly by Laws 3996/2011, 4161/2013 and, most recently, by Law 4336/2015, Law 4346/2015 and Law 4366/2016. Law 3869/2010 allows over-indebted debtors who have unintentionally come into an evidenced state of permanent and general inability to repay their due debts to file a petition for the settlement of their due debts by arranging a partial repayment of their debts and writing off the remainder of their due debts, provided the terms of settlement are complied with. All individuals, both consumers and professionals, are subject to the provisions of Law 3869/2010, provided that they do not have the capacity to be declared bankrupt under the Bankruptcy Code.

The purpose of the recent amendment of Law 3869/2010 by Law 4336/2015 was to make it more efficient by ensuring effective judicial protection to over-indebted individuals, while at the same time protecting creditors from abuses of the proceedings by debtors. In addition to several amendments intended to expedite and standardise the proceedings, Law 4336/2015 introduced: (a) a requirement for the debtor to act as a "cooperating borrower" both as a prerequisite to special court protection for small claims and as an ongoing general obligation throughout the proceedings; and (b) the concept of "reasonable living expenses", which is taken into account for the determination by the court of the instalments to be paid by the debtor. Further, Law 4336/2015 introduced measures to address the large backlog of cases (e.g., by increasing the number of judges and judicial staff).

The new amendments effected by Law 4346/2015, among others, lay out the conditions for: (a) the protection of the primary residence of a debtor from forced sale, and (b) the partial funding by the Greek state of the amount of monthly payments set by court decision. In addition, it is provided that the debtor's obligation to act as a cooperating borrower also applies throughout the settlement plan period. The amendments of Law 3869/2010 by virtue of Law 4346/2015 became effective as from 1 January 2016.

Law 3869/2010 initially allowed the settlement of all amounts due to credit institutions (consumer, mortgage and business loans either promptly serviced or in arrears), as well as those due to third party creditors with the exception of debts from intentional torts, administrative fines, monetary sanctions, debts from taxes, charges due to the Greek state or levies to social security funds and debts from loans granted from social security funds under the provisions of articles 15 and 16 of Law 3586/2007.

Pursuant to the amendments effected by virtue of Law 4336/2015 the ambit of the law now covers all debts to private parties (but excluding ascertained debts from torts caused by wilful misconduct or gross negligence, administrative fines and monetary sanctions and debts from alimony or child maintenance) and it has been extended to also cover debts to the Greek state, tax authorities, local government organisations of first and second degree as well as social security funds, under the condition that such debts co-exist with debts owed to private parties. In addition, pursuant to the latest amendments of the law, the debtor may opt to include debts which at the date of filing of the petition are subject to an administrative, judicial or legal suspension or have been included in a restructuring or facilitation of partial payment which is still valid at the time of filing of the petition.

Debts must have arisen at least one year before the petition date and relief may be used only once. The procedure has three steps: (1) a discretionary pre-court mediation process; (2) an in-court settlement; and (3) a judicial re-structuring of debts.

For the purposes of these proceedings, banks must deliver a full analysis of their claims (including capital, interest expenses, as well as the interest rate), charge free, within 10 working days from the debtor's request, and simultaneously inform the debtor of the amount that corresponds to the 10 per cent. of the last performing instalment. Similarly, according to the amendments effected by virtue of Law 4336/2015, within the above time period, and following the submission of a relevant request by the debtor, the state, tax authorities, local government organisations of first and second degree and social security funds must provide the debtor with a full analysis of its certified debts towards such parties.

For the commencement of the proceedings, the debtor must apply to the local justice of the competent magistrate's court and present evidence regarding its property, income, creditors, debts, any transfer of the debtor's rights *in rem* over property for the three year period prior to the date of filing of the petition, a settlement proposal or a request for a total discharge of the debt (where available, in accordance with the amendment effected by Law 4336/2015). Law 4346/2015 introduced a requirement for petitions filed before its entry into force and not yet heard, obliging the debtor to submit updates of the above data; failure by the debtor to comply with that obligation constitutes a breach of the duty to make an honest disclosure.

As from the submission of the petition for settlement and until the issuance of the relevant judicial decision the debtor must pay a portion of his income to his or her creditors in monthly instalments. Specifically, the minimum amount paid by the debtor, subject to the occurrence of certain exceptional circumstances in respect of the debtor, shall not be less than 10 per cent. of the aggregate monthly instalments the debtor had to pay to all the creditors at the day of the filing of the petition (in any case, the minimum amount to be paid to all the creditors shall not be less than €40 per month).

Until the "day of ratification" (when pre-court mediation is ratified by the court or the issuance of a temporary order is discussed) or, in the case of an application for submission in the procedure for the fast settlement of small debts, until the hearing of such a petition, the taking of any enforcement measures against the debtor in relation to claims which have been included in the petition is prohibited and the same stands for any change in the actual and legal status of the debtor's assets. The duration of the temporary order which may be issued on the "day of ratification" may not exceed six months. In

case the hearing date for the petition has been set at a date earlier than the six month mark, the duration of the temporary order may not exceed such hearing date.

If the settlement proposal is not accepted by the creditors, or the requirements for the substitution of consent of the creditors who do not agree are not met, the procedures for the judicial debt discharge and restructuring are activated. In that case, the court proceeds with issuing its ruling on the petition. If, after taking into consideration the particular circumstances of the case, the court rules that the debtor's property and income are inadequate, it will specify an amount that the debtor has to pay directly to all its creditors (except if the court rules otherwise), on a monthly basis for a period of three to five years (maximum three years for petitions under the new amended provisions).

If the court rules that liquidation of the property of the debtor is required, it appoints a liquidator. However, it is possible for the debtor to request the exemption of its primary residence (not only in case of full ownership but also in case of bare ownership and usufruct) from the property to be liquidated. In particular, in accordance with the new amendment effected by virtue of par. 1 of article 14 of Law 4346/2015 (which takes effect from 1 January 2016), it is provided that:

The debtor is entitled, until 31 December 2018, to submit to the court a liquidation proposal and a settlement plan and also to apply for the exemption of its primary residence, irrespective of whether it is encumbered or not, provided that all of the following conditions are satisfied: (a) the specific property must be used as the debtor's primary residence, (b) the monthly available family income must not exceed the amount of reasonable living expenses as determined by Law 3869/2010, increased by 70%, (c) the objective value of the primary residence at the time of hearing of the petition must not exceed €180,000 for an unmarried debtor, increased by €40,000 for a married debtor and by €20,000 per child up to three children, and (d) the debtor must have acted as a cooperating borrower (within the meaning of the Code of Conduct). The debt settlement plan must provide for payments by the debtor to the full extent of the debtor's ability to repay and the amount payable by the debtor must be set so as not to result in the creditors being placed in a worse financial position than in the case of enforcement proceedings. Decision of the Bank of Greece no. 54/15.12.2015 (Government Gazette B 2740/16.12.2015), which entered into force as of 01.01.2016, sets out the procedure and the criteria for the determination of: (a) the debtor's repayment ability and (b) the amount that the creditors would have received in case of enforcement proceedings.

Until 31 December 2018, as long as the following conditions are cumulatively met: (a) the particular property is used as primary residence of the debtor; (b) the available monthly family income does not exceed the reasonable living expenses; (c) the objective value of the primary residence at the time of the hearing of the petition does not exceed €120,000 for an unmarried debtor, increased by €40,000 for a married debtor and by €20,000 per child up to three children; (d) the debtor is a cooperating borrower (within the meaning of the Code of Conduct); and (e) the debtor is unable to pay the monthly instalments as set in the debt settlement plan, then the debtor is entitled to apply for contribution by the Greek state to the partial repayment of the monthly instalments. The debtor must pay the maximum amount allowed by reference to the debtor's repayment ability and in any case not less than the minimum contribution of the debtor. The contribution of the Greek state may not extend beyond a three-year period and is subject to the payment of the minimum contribution of the debtor. The conditions for setting the amount of contribution of the Greek state, the minimum contribution of the debtor and the procedure for the implementation of that economic support mechanism was determined by the Joint Ministerial Decision no. 130377 (Government Gazette issue B' 2723/16.12.2015). Until 31 December 2016 the State is entitled to proceed with the payment of part of the difference between the amount paid by a debtor qualifying for the Greek state contribution and the amount set by the settlement plan. In such a case the restructuring plan is treated as performing and any amount remaining so unpaid is aggregated to the amount outstanding under the remaining amount of the debt

settlement plan. The terms and conditions for any payments by the Greek State in 2016 will be determined by the above mentioned Joint Ministerial Decision.

The servicing of the loan is done at an interest rate not exceeding the contractually applicable interest rate or the average floating interest rate for residential loans during the last month for which data is available (in accordance with the Bank of Greece bulletin) to be readjusted on the basis of the ECB refinancing interest as reference interest rate or, in case of a fixed interest rate, the average fixed interest rate for residential loans of a comparable term (again, in accordance with the Bank of Greece bulletin) and without compounding of interest. The amortization period is determined taking into account the overall amount of the indebtedness as well as the economic ability of the debtor, and it may not exceed 20 years, unless the original loan term is longer than 20 years, in which case the court may set a longer period but in any event not more than 35 years. Creditors' claims are satisfied out of the payments by the debtor and articles 974 et seq. of the Greek Code of Civil Procedure apply by analogy in this respect.

In case of a sale of the property during the settlement term, if the sale price exceeds the amount of the settlement plan amount (as determined by the court decision), then half of the difference is paid to secured and preferential creditors.

Due performance by the debtor of the obligations under the settlement plan releases the debtor from any remaining unpaid balance of the claims, including claims of creditors who had not announced their claims. On application by the debtor, the court certifies such release. If the debtor delays performance of the obligations under the settlement plan for more than three months or otherwise disputes the settlement plan, the court may order cancellation of the settlement plan upon the application of any harmed creditor submitted within four months of the breach. A cancellation has the effect of restoring the claims to the amount prior to ratification of the settlement plan, subject to the deduction of any amount paid by the debtor.

The rights of creditors against co-borrowers or guarantors of the debtor as well as rights in rem of the secured creditors are not affected, unless such co-borrowers, guarantors or other beneficiaries are also subject to the same insolvency proceedings. Co-borrowers, guarantors or other beneficiaries have no rights of recourse against the debtor for any amount paid by them. The rights of secured creditors over the secured assets are not affected.

Law 4336/2015 has also introduced a new procedure for the fast settlement of small debts. It applies to debts less than or equal to 20,000 Euros and debtors whose overall assets do not exceed 1,000 Euros. The debtor may be fully discharged of its debts following an initial supervision period of 18 months on condition that it submits information to the secretariat of the competent court, on a quarterly basis at the latest, on any change in the property or income condition of the debtor and the debtor’s family.

Special Procedures for Over-Indebted Business Undertakings and Professionals

Law 4307/2014 enacted on 15 November 2014 introduced a new set of extraordinary temporary measures for the relief of debts owed by business undertakings and professionals to finance providers, the Greek state and social security funds. Law 4307/2014 (articles 60 *et seq.*) provides for:

(a) the restructuring or write-off of debts of qualifying small business undertakings and professionals by application to the relevant finance provider(s) not later than 31 March 2016, subject to certain criteria set out below;

(b) an extraordinary procedure for the ratification of an agreement with a specified majority of creditors, for the restructuring or settlement of debts, available to business undertakings (having bankruptcy capacity) by application that must be submitted to

the court of the place of the debtor's business in Greece not later than 31 March 2016; and

(c) an extraordinary procedure for the placement into special administration of business undertakings (with bankruptcy capacity) with their principal place of business in Greece.

"Finance providers" within the meaning of Law 4307/2014 are any credit institutions (including credit institutions under special liquidation), financial leasing companies and factoring companies, in each case subject to the supervision of the Bank of Greece.

In order for small businesses and professionals to qualify for the purposes of restructuring or write-off of debts under Law 4307/2014 (option (a) above):

(i) they must not have filed a petition for submission to the provisions of Law 3869/2010, or they have validly waived their respective petition;

(ii) they must not have been dissolved or ceased their activities;

(iii) they must not have filed a petition for submission to any procedure provided for in Law 3588/2007 or they have validly waived their respective petition;

(iv) no final judgment must have been issued against them for tax evasion or fraud offences against the Greek state or social security funds; and

(v) their turnover of the fiscal year 2013 must not exceed the limit of €2,500,000.

The eligible finance provider's claim for such restructuring or write-off has to be overdue for a period of at least 90 days or under judicial procedures or restructured, in each case as at 30 June 2014. The finance provider's claim will be considered eligible for restructuring or write-off, when the debtor either is unable to obtain tax and social security clearance owing to overdue debts or it has obtained clearance following settlement pursuant to the provisions of Law 4305/2014. Also, the amount which is due to be settled or written off cannot exceed €500,000 per financing provider. The relevant finance provider may reject the debtor's application or propose a settlement or write-off on different terms.

For the purposes of the court procedure of item (b) above, the debtor must have settled any outstanding amount owed to the tax authorities or the social security funds. The agreement with a qualifying majority of creditors representing at least 50.1% of the total indebtedness (which must include at least 50.1% of the secured indebtedness) is submitted to the court of first instance in the jurisdiction of which the debtor has its registered seat and it is ratified under this procedure and is binding on all creditors; however, subject to certain requirements, creditors who did not consent to the restructuring agreement and whose receivables have decreased due to such settlement are entitled to claim damages from the debtor.

The court procedure for the placement of a debtor into special administration (item (c) above) is opened by one or more creditors (necessarily including at least one finance provider with claim(s) at least equal to 40% of the aggregate debtor's indebtedness) by petition submitted to the court of first instance of the debtor's principal place of business. The application must specify the appointed special administrator, which must have accepted its appointment. For the purposes of the special administration procedure, qualifying debtors must either: (a) be generally and permanently unable to pay their debts as they fall due; or (b) in respect of a debtor being a company limited by shares, meet the criteria for an application for dissolution of the company by court decision under article 48 of Law 2190/1920 for at least two consecutive financial years.

Greek Legislation and Regulation Pertaining to Insolvency

The bankruptcy code was enacted by Law 3588/2007 (the **Bankruptcy Code**), amending and replacing older provisions on insolvency (both in connection with winding up and rehabilitation). The Bankruptcy Code has been amended several times and most recently by virtue of Law 4336/2015 (effective as at 19 August 2015). The latest amendments modified and replaced several provisions of the Bankruptcy Code, with respect to the conciliation agreement (or settlement agreement) and special liquidation and also with respect to the ranking of creditors.

Law 4336/2015 (which, among others, includes the latest amendment to the Bankruptcy Code and amendments to Law 3869/2010 on over-indebted individual debtors) was enacted as a prior action for the purposes of the Third Economic Adjustment Programme, with the intention to improve the legal framework pertaining to business and non-business insolvency in line with the reforms agreed between the Hellenic Republic and the European Commission, the ECB and the ESM in co-operation with the IMF.

The Bankruptcy Code only applies to business undertakings, which include sole traders, partnerships, companies and unincorporated legal entities that pursue a financial purpose and have the place of their main interests in Greece, but excluding certain regulated entities (such as credit institutions and insurance companies).

Under the Bankruptcy Code (as amended), the following insolvency proceedings are currently available for debtors meeting the insolvency criteria of the Bankruptcy Code:

(a) bankruptcy, which is regulated by Articles 1-98 of the Bankruptcy Code (except for the simplified bankruptcy proceedings in respect of small debtors (where the value of the bankruptcy estate does not exceed €100,000), which are regulated by Articles 162-163 of the Bankruptcy Code). Bankruptcy proceedings commence by a declaration of the bankruptcy by the court on the application of any creditor, the debtor or the attorney general. Furthermore, the debtor itself is obliged to commence bankruptcy proceedings within 30 days of the date on which it became unable to repay its debts. From the declaration of bankruptcy a bankruptcy officer (*syndikos*) is appointed and is responsible for the administration of the debtor's assets for the purposes of liquidating and distributing the proceeds of liquidation to the creditors, in accordance with their respective rights of priority;

(b) a rehabilitation agreement under the Bankruptcy Code (Articles 99-106) between a debtor and a qualifying majority of its creditors. The rehabilitation agreement proceedings are available on the application of the debtor, provided that there is evidence of an actual or foreseeable financial inability on the part of the debtor to pay its debts as they fall due in a general manner, or if the court forms the view that such financial inability is likely to occur. The court may also sustain the debtor's application if it assesses that the debtor is already in cessation of payments, provided that the debtor, at the same time, files for bankruptcy and also files an expert report;

(c) a restructuring plan under the Bankruptcy Code (Articles 107-131) following its approval by the court and the creditors which may be initiated on the application to the court of:

(i) the debtor, either at the same time as its application to be declared bankrupt or within four (or maximum seven, if extended by the court) months of the date of the declaration of bankruptcy; or

(ii) the bankruptcy officer appointed by the Bankruptcy Court (if no application for a restructuring plan has been submitted by the debtor together with its

bankruptcy application, but not later than within three months of the expiry of the four-month period set out above); and

(d) special liquidation under Article 106(ia) of the Bankruptcy Code is available to debtors with a proven inability to pay their due monetary obligations in a general and permanent manner (cessation of payments) on application of the debtor or of creditors representing at least 20% of creditors' claims.

Bankruptcy and special liquidation are liquidation proceedings; note, however, that special liquidation is primarily intended to transfer the assets of an undertaking as a whole (and may therefore manage to preserve the business but not the insolvent entity). Rehabilitation agreements (also available pre-bankruptcy in the case of a foreseeable inability to pay debts as they fall due) and restructuring plans (only available after declaration of bankruptcy) are rehabilitation proceedings.

The Bankruptcy Code includes detailed provisions on each of the above insolvency proceedings and the requirements that need to be met in respect of each proceeding, including the rights of creditors thereunder.

The latest amendment of the Bankruptcy Code by Law 4336/2015 includes provisions intended to make these proceedings more expedient and efficient, including by setting stricter timeframes for completion of various stages of these proceedings and by strengthening documentary and expert evidence requirements in connection with the rehabilitation prospects.

A most significant change introduced by the latest amendment concerns the insolvency practitioners. Commencing from 1 January 2016, the functions of a bankruptcy officer (*syndikos*), mediator, representative of creditors or liquidator (as the case may be under the Bankruptcy Code, depending on the type of proceedings) may be carried on by an individual or legal entity registered in a special register and qualified to act as insolvency practitioner. A Presidential Decree is expected to be issued on recommendation of the Minister of Justice providing for the necessary formal and substantive qualifications of insolvency practitioners, their appointment and termination of appointment, their powers and duties and their supervision and liability.

Distributional priorities before and after insolvency

The Bankruptcy Code, the Code of Civil Procedure and the Code for the Collection of Public Revenues include specific provisions on the priority of claims of creditors and distinguish between: (1) claims with a general privilege (a general privilege applies by operation of law and concerns, among others, claims on account of VAT and other taxes, claims of public law entities, claims of employees and social security funds and, under the Bankruptcy Code, also concerns credit facilities granted as rescue funding after the opening of insolvency proceedings); (2) claims with a special privilege (which include those of secured creditors); and (3) unsecured claims.

The opening of insolvency proceedings does not affect the priority ranking of validly created security (claims of item (2) above) and secured creditors (as opposed to unsecured creditors) can initiate individual enforcement proceedings for their secured claim following the opening of insolvency proceedings against the debtor (provided that, depending on the type and stage of the insolvency proceedings, a stay may be imposed in accordance with the Bankruptcy Code).

The distinction between claims with a general privilege, claims with a special privilege and unsecured claims is critical in the context of distribution of the proceeds of liquidation of the assets over which security has been created. Claims with a general or special privilege are satisfied in priority over unsecured claims.

As Greek law now stands, if claims with a general privilege co-exist with claims with a special privilege, claims with a general privilege are entitled to up to one-third of the proceeds of liquidation, provided that certain claims with a general privilege (claims on account of VAT and claims of employees and social security funds) have absolute priority over all other claims without being restricted to one-third of the proceeds of liquidation. Unsecured claims will only be satisfied pro rata out of any remainder of the proceeds of liquidation of the insolvency estate, following satisfaction of all claims with a general or special privilege.

However, following the amendment of the provisions of the Code of Civil Procedure by Law 4335/2015 and the enactment of the Bankruptcy Code by Law 4336/2015 on the ranking of creditors in enforcement and insolvency proceedings respectively, the currently applicable absolute priority of the above generally privileged claims will not apply for enforcement proceedings initiated after 1 January 2016 and bankruptcies declared after 1 January 2016. This will benefit secured creditors and also unsecured creditors. The latter will also be entitled to a specific percentage of the enforcement proceeds, depending on whether generally privileged claims and secured claims co-exist with unsecured claims or not.

Both Law 4335/2015 and Law 4336/2015 were enacted as a prior action for the purposes of the New Stability Support Programme. In addition to the changes made in the provisions on the distributional priorities, these laws introduce extensive procedural changes, intended to standardise and expedite court and enforcement proceedings before and after insolvency, and to protect against abuses of the proceedings.

Interest Rates

Under Greek law, interest rates applicable to bank loans and bank credit in general are not subject to a legal maximum, but they must comply with certain requirements intended to ensure clarity and transparency, including with regard to their readjustments. Specifically, the Bank of Greece Governor's Act No. 2501/2002 and Decision No. 178/2004 of the Banking and Credit Committee of the Bank of Greece provide that credit institutions operating in Greece should determine their interest rates in the context of the open market and free competition rules, taking into consideration the risks undertaken on a case-by-case basis, as well as potential changes in the financial conditions and data and information specifically provided by parties for this purpose.

Limitations apply to the compounding of interest under Greek law. In particular, the compounding of interest with respect to bank loans and credits only applies if the relevant agreement so provides and is subject to limitations that apply under article 12 of Law 2601/1998, article 30 of Law 2789/2000 and article 39 of Law 3259/2004. Greek credit institutions must also apply article 150 of Law 4261/2014 on interest rates of loans and other credits. Pursuant to article 150 of Law 4261/2014, credit institutions are precluded from accounting for interest income from loans which are overdue for more than a three-month period or a six-month period in case of loans fully secured by real estate which are made to individuals.

Default interest may not exceed the aggregate of annual, contractual interest plus a maximum percentage determined by the Bank of Greece, currently two point five percent over and above the normally applicable interest rate.

Secured Lending

Greek credit institutions are permitted to grant customers loans and credit that are secured by real estate, movable assets and receivables of the debtor (including cash).

The provisions of Legislative Decree 17.7/13.08.1923 regulate issues regarding the granting of loans secured by *in rem* rights and Law 3301/2004 regulates issues regarding financial collateral arrangements.

Mortgage lending is extended mostly on the basis of mortgage pre-notations, which are less expensive and easier to record than mortgages and may be converted into full mortgages within 90 days from the final (non appealable) court judgment.

European Directive 2014/17 on credit agreements for consumers relating to residential immovable property lays down a common framework for certain aspects of the laws, regulations and administrative provisions of the EU Member States concerning agreements covering credit for consumers secured by a mortgage or otherwise relating to residential immovable property, including an obligation to carry out a creditworthiness assessment before granting a credit, as a basis for the development of effective underwriting standards in relation to residential immovable property in the EU Member States, and for certain prudential and supervisory requirements, including for the establishment and supervision of credit intermediaries, appointed representatives and non-credit institutions. The deadline for the transposition of this Directive is at the latest until 21 March 2016 and the provisions of this directive shall not apply to credit agreements existing before 21 March 2016.

Restrictions on Enforcement of Granted Collateral

According to Law 3814/2010, the forced auctions initiated either by credit institutions or by companies providing credit or by their assignees to satisfy claims not exceeding €200,000 were suspended initially until and including 30 June 2010 and subsequently until 31 December 2013.

Moreover, according to article 2 of Law 4224/2013, from 1 January 2014 until 31 December 2014 enforcement of auctions concerning the primary residence declared as such in the debtor's last income tax return were suspended provided that the real estate's objective value did not exceed €200,000, and that the following criteria were met; (a) the debtor's family annual declared income excluding social security contributions, income tax and the one-off solidarity contributions was equal to or lower than €35,000; (b) the total value of the debtor's assets and property did not exceed €270,000 and; (c) the total value of the debtor's deposits and investments in securities in Greece and abroad as at 20 November 2013 did not exceed €15,000, excluding any periodic payments under pension and insurance plans. Those properties that did not meet the criteria of the above law were no longer protected from foreclosure and auction proceedings. During the aforementioned suspensions, debtors were obliged to pay monthly instalments. Nevertheless, in exceptional cases (e.g., debtors with no income) debtors could be exempted from payment. The Hellenic Bank Association announced on 21 July 2015 that banks operating in Greece will continue until the end of 2015, to provide protection of primary residence to borrowers under the provisions of Greek Law 4224/2013. The aforementioned restriction expired, but may be re-introduced with the same or different criteria.

Further to the Act of 18 July 2015 on capital controls, a general stay of enforcement action was imposed until 31 July 2015, by Joint Ministerial Decision No. 49214/21.7.2015. The stay was extended until 31 October 2015 by Joint Ministerial Decision No. 70905/29.9.2015. No further extension has been granted so far and, therefore, as at 31 October 2015, such general stay of enforcement has ceased to apply.

Finally, enforcement of collateral has been affected by Law 3869/2010 (see *"—Settlement of Amounts Due by Over-Indebted Individuals*" above).

MiFID - MiFID II - MiFIR

MiFID, the EU Council Directive 2006/73 and Council Regulation 1287/2006 were transposed in Greece by Law 3606/2007 and subsequent decisions of the Hellenic Capital Market Commission (**HCMC**) as well as Bank of Greece Governor's Acts. Relevant provisions introduced significant changes with a view to improving the legal framework of investment services: investment services providers were required to categorise their clients as per the client's risk profile, offer increased transparency on fees and expenses charged to said clients, ensure timely and duly forwarding of clients' orders concerning transactions on the ATHEX, and locate and prevent conflicts of interest and other relevant matters.

MiFID II and MiFIR were issued on 15 May 2014, and MiFiD II should be transposed into national law by 3 July 2016 and apply the new rules as at 3 January 2017, subject to certain exemptions. The new framework aims to make financial markets more efficient, resilient and transparent. It introduces rules on high frequency trading, improves the transparency and oversight of financial markets, including derivatives markets, and addresses the issue of excessive price volatility in commodity derivatives markets. Furthermore, it expands supervision to all financial instruments admitted to trading, over-the-counter transactions and trading venues. Building on the rules already in place, MiFID II also strengthens the protection of investors by introducing robust organisational and conduct requirements or by strengthening the role of management bodies. The new framework also increases the role and supervisory powers of regulators and establishes powers to prohibit or restrict the marketing and distribution of certain products in well-defined circumstances.

Solvency II

The EU is adopting a full scale revision of the solvency framework and prudential framework applicable to insurance, reinsurance companies and insurance groups known as **Solvency II**. The framework for Solvency II is set out in the Solvency II Directive and the Omnibus II Directive. Greece transposed the Solvency II framework by virtue of law 4364/2016 (Government Gazette issue 13/05.02.2016).

Solvency II is aimed at creating a new solvency framework under which the financial requirements that apply to an insurance company, reinsurance company and insurance group better reflect such company's specific risk profile. Solvency II introduces economic risk based solvency requirements across all Member States for the first time. While Solvency I includes a relatively simple solvency formula based on technical provisions and insurance premiums, Solvency II introduces a new "total balance sheet" type regime where insurers' material risks and their interactions are considered. In addition to these quantitative requirements (**Pillar I**), Solvency II also sets requirements for governance, risk management and effective supervision (**Pillar II**), and disclosure and transparency requirements (**Pillar III**).

Payment Services and Single Euro Payments Area

Payment Services

Greece has transposed Directive 2007/64/EC on payment services, also known as the Payment Services Directive (the **PSD**) pursuant to Law 3862/2010, requiring every payment service provider, such as the Issuer, to ensure in an accessible form a minimum level of information and transparency regarding the provided payment services, under the terms and conditions set forth in such law. Law 3862/2010 also provides further protection regarding the rights of the users of the payment services, while it only applies where both the payer's payment service provider and the payee's payment service provider are located in the EU, with the exception of the provision regarding the value date of the transaction.

On 24 July 2013, the European Commission published a proposal for a directive of the European Parliament and of the Council "on payment services in the internal market and amending Directives 2002/65/EC, 2013/36/EU and 2009/110/EC and repealing Directive 2007/64/EC", which intended to incorporate and repeal the PSD. On 23 December 2015, the Directive 2015/2366/EU (the **PSD2**) was published in the Official Journal of the European Union. The PSD2 is expected to improve the functioning of the internal market for payment services and more broadly for all goods and services given the need for innovative, efficient and secure means of payments. The PSD2 entered into force on 12 January 2016 and EU Member States are required to transpose the same into national law by 13 January 2018. The PSD is repealed with effect from 13 January 2018.

On 24 July 2013, the European Commission also published a proposal for a Regulation on interchange fees for card-based payment transactions which led to the adoption on 29 April 2015 of Regulation EU 2015/751 of the European Parliament and of the Council on interchange fees for card-based payment transactions.

Single Euro Payments Area (SEPA)

Regulation EC 2560/2001 on cross-border payments in euro laid the foundations of the SEPA policy by establishing the principle that banks are not permitted to impose different charges for domestic and cross-border payments or automated teller machine (ATM) withdrawals within the EU. After the publication of PSD and prior to the issuance of Law 3862/2010, Regulation 924/2009/EC on cross-border payments in the European Community (which repealed Regulation 2560/2001/EC) entered into force on 1 November 2009, introduced additional provisions, which further promoted EU financial integration in general and SEPA implementation in particular, and reduced significantly the charges payable by consumers and other payment service users for regulated payment services, such as credit transfers, direct debits, cash withdrawals and money remittance. Regulation 924/2009/EC applies to payments in euro in all EU member States.

Regulation 924/2009/EC has been amended by Regulation 260/2012/EU, which is also known as the SEPA (migration) Regulation. The SEPA Regulation established technical and business requirements for credit transfers and direct debits in euro. According to its transitional provisions, credit transfers and direct debits shall be carried out in accordance with the relevant requirements set out in it by 1 February 2014, subject to certain limited exemptions mentioned in such regulation. Regulation 248/2014 amended the SEPA Regulation and introduced a transition period of six months – until 1 August 2014 – to ensure minimal disruption for consumers and businesses; Member States apply the rules on the penalties applicable to infringements of the articles of the SEPA Regulation from 2 August 2014. In non-euro countries, the provisions of the SEPA Regulation will become effective as at 31 October 2016. Effectively, this means that as at these dates, existing national euro credit transfer and direct debit schemes will be replaced by SEPA Credit transfer and SEPA Direct Debit schemes, which should comply with the technical requirements detailed in the SEPA Regulation. The currency of the funds exchanged through such schemes is also euro.

Full compliance with the SEPA Regulation is expected to lead to more streamlined internal processes, lower IT costs, reduced costs based on bank charges, a consolidated number of bank accounts and cash management systems, and more efficiency and integration of any organisation's payment business.

Consumer Protection

Credit institutions in Greece are also subject to legislation that seeks to protect consumers from abusive terms and conditions, most notably Law 2251/1994, as in force. Such legislation sets forth rules on the marketing and advertisement of consumer financial services, prohibits unfair and misleading commercial practices and includes penalties for violations of such rules and prohibitions.

At the same time, numerous consumer protection issues are regulated through administrative acts, such as Decision No. Z1-798/2008 of the Minister of Development on the prohibition of general terms which have been found to be abusive by final court decisions (as amended by Decisions Z1-21/2011 and Z1-74/2011 of the Deputy Minister of Labor and Social Insurance). Also, the Governor of the Bank of Greece Act No. 2501/2002 includes certain disclosure obligations relating to the provision of banking services by credit institutions.

Joint Ministerial Decision Z1-699/2010 transposed into Greek law Directive 2008/48/EC of the European Parliament and of the Council on credit agreements for consumers and repealing Council Directive 87/102/EEC, as amended and in force. Joint Ministerial Decision Z1-699/2010 provides for increased consumer protection in the context of consumer credit transactions and prescribes, among others, the inclusion of standard information in advertising and the provision of pre-contractual and contractual information to consumers.

Joint Ministerial Decision Z1-699/2010 has been amended by Joint Ministerial Decision Z1-111/2012, which, among others, transposed into Greek law Directive 2011/90/EU as at 1 January 2013 and introduced additional criteria for the calculation of the real total annual interest rate.

In 2013, Greece also transposed Directive 2011/83/EU on consumer protection pursuant to Joint Ministerial Decision Z1-891/2013, which amended Law 2251/1994 in many respects. Such decision, as amended and supplemented by Ministerial Decision 27764/2014, entered into force on 13 June 2014 and applies to consumer contracts entered into after that date.

Most recently, Ministerial Decision 56885/2014 set a code of conduct for the protection of consumers during sales, offer periods and promotional actions while Joint Ministerial Decision 70330/2015 transposed Directive 2013/11/EU on alternative dispute resolution for consumer disputes and introduced supplementary measures for the application of Regulation EU 524/2013 on online dispute resolution for consumer disputes.

Prohibition of Money Laundering and Terrorist Financing

Greece, as a member of the Financial Action Task Force (**FATF**) and as a Member State of the EU, fully complies with FATF recommendations and the relevant EU legal framework. Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC were transposed into Greek law by virtue of Law 3691/2008, as in force. Moreover, the International Convention for the Suppression of the Financing of Terrorism was ratified pursuant to Law 3034/2002.

In 2012, the FATF recommendations were revised to strengthen the requirements for higher risk situations, and to allow financial institutions to take a more focused approach in areas where high risks remain or implementation could be enhanced. According to the recommendations, banks should first identify, assess and understand the risks of money laundering and terrorist finance, and then adopt appropriate measures to mitigate the risk. The risk-based approach allows them, within the framework of the FATF requirements, to adopt a more flexible set of measures, in order to target their resources more effectively and apply preventive measures that are commensurate to the nature of risks, in order to focus their efforts in the most effective way.

In view of the above, the Bank of Greece issued Governor's Act 2652/29.2.2012 and Decision 94/23/15.11.2013 of the Credit and Insurance Affairs Committee amending Decision 281/5/2009, as well as Decision 95/10/22.11.2013 amending Bank of Greece Governor's Act 2651/2012, which further strengthen the regulatory framework within which the supervised entities in Greece operate. The amendments mainly harmonise the applicable regulations to the revised FATF recommendations. In particular, the amendments introduce criteria for high risk customers as well as the use of simplified

due diligence for electronic money transactions. They also impose additional obligations for suspicious transactions reporting to the supervised banks, pertaining to the cross-border transfer of funds as well as data on high-risk banking products and customers.

Furthermore, the Bank of Greece has issued a number of enabling acts which reflect the obligations imposed by the European Regulation 1781/2006 "on information on the payer accompanying transfers of funds".

On 20 May 2015, the European Parliament and the Council adopted (i) Directive 2015/849/EU (required to be transposed into national law on or before 26 June 2017) on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation EU No. 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC and (ii) Regulation EU 2015/847 (which will come into force on 26 June 2017) on information accompanying transfers of funds and repealing Regulation EC No 1781/2006. In view of that, the relevant provisions of Greek law mentioned above will need to be amended or replaced in the future accordingly to be in line with the recently adopted European legislation.

Finally, the Group has put in processes to procure compliance with the "USA PATRIOT Act" of 2001, which includes provisions relating to banks and financial institutions with respect to money laundering worldwide.

Equity Participation in Greek Credit Institutions

Article 23 of Law 4261/2014 and the relevant Acts of the Governor of the Bank of Greece, establish a specific procedure for the notification in writing to the Bank of Greece of a natural or legal person's intention, acting individually or in concert, to acquire or increase, directly or indirectly, a qualifying holding (i.e., a participation of at least 10%) in a credit institution thus reaching or exceeding certain enumerated thresholds (i.e., 20%, 33.3% and 50%) of voting rights or equity participation in, or acquiring control of a bank that has been licenced by the Bank of Greece. The applicant acquirer is assessed by the Bank of Greece in accordance with article 24 of Law 4261/2014, which approves or rejects the contemplated acquisition. The notification obligations also apply, according to article 26 of Law 4261/2014, in case an individual or legal entity decides to cease to hold, directly or indirectly, a qualifying holding in a Greek bank or to reduce its qualifying holding resulting in a decrease of its voting rights or equity participation below the legally defined thresholds set out above, or to cease to control, directly or indirectly, a Greek credit institution.

Article 23 also provides that any natural or legal person, who has made a decision either to acquire, directly or indirectly, a qualifying holding in a credit institution in Greece or to further increase such a qualifying holding as a result of which the proportion of the voting rights or of the capital held would reach or exceed 5%, is required to notify the Bank of Greece of the size of the intended holding. The Bank of Greece assesses, within five business days, if such a holding would lead to a material influence and if so, it proceeds with the assessment of the potential acquirer in accordance with article 24 of the same law.

Article 15 of Law 4261/2014 provides that the Bank of Greece may at any time request, amongst others, personal and financial details on (i) the natural or legal persons who directly or indirectly hold more than 1% of the capital or voting rights of a Greek bank, (ii) the twenty largest shareholders of a Greek bank and of the natural persons who directly or indirectly control such shareholders if such shareholders are legal persons, and (iii) the natural persons who exercise through written or other agreements or through concerted action control on a Greek bank.

Executive Committee Act No. 22/2013 of the Bank of Greece specifies certain provisions regarding the authorisation for the establishment and operation of credit institutions in Greece and the acquisition of a qualifying holding in a credit institution. Furthermore, this act specifies the necessary information for the prudential assessment of the proposed shareholders, the proposed members of the management body and the proposed key function holders of a credit institution by the Bank of Greece under the Committee of European Banking Supervisors and EBA guidelines. Moreover, according to Executive Committee Act No. 48/2015 of the Bank of Greece, the aforementioned information should be accompanied by appropriate privacy statements included in the aforesaid Act concerning personal data processing.

As at 4 November 2014, the supervisory tasks described above were conferred to the ECB in co-operation with the Bank of Greece.

Equity Participation by Banks in Other Companies

Contrary to Law 3601/2007, Law 4261/2014 does not contain any specific provisions on equity participation by banks in other companies. However, article 89 of the CRR provides that in respect of (i) a qualifying holding exceeding 15% of the eligible capital of a bank in undertakings outside the financial sector and (ii) a total amount of qualifying holdings exceeding 60% of the eligible capital of a bank in undertakings outside the financial sector, competent national authorities have to elect between the following two options:

(a) for the purpose of calculating the capital requirement in accordance with the provisions of the CRR, banks shall apply a risk weight of 1.250% to the greater of the amount of qualifying holdings referred to under (i) above in excess of 15% of eligible capital of the bank and the total amount of qualifying holdings referred to under (ii) above that exceed 60% of the eligible capital of the bank; or

(b) the competent authorities shall prohibit banks from having qualifying holdings referred to under (i) and (ii) above, the amount of which exceeds the percentages of eligible capital laid down in those items.

Pursuant to Decision 114/2014 of its Credit and Insurance Affairs Committee, the Bank of Greece has elected option (a) above.

Furthermore, according to Bank of Greece Governor's Act 2604/2008 (the provisions of which have been specified in Decision 281/10/2009 of the Banking and Credit Committee) which has been issued pursuant to Law 3601/2007, credit institutions must obtain the prior approval of the Bank of Greece to acquire or increase a qualifying holding in the share capital of credit institutions, financial institutions, insurance and re-insurance companies, investment firms, IT and financial data collection processing companies, asset and liability management companies, real property management companies, paying systems management companies and external credit assessment institutions. Under article 166 of Law 4261/2014, such regulatory decisions that have been issued pursuant to articles of Greek Law 3601/2007 remain in force until their replacement by new regulatory decisions, as long as they are not contradictory to the provisions of Law 4261/2014 or the CRR.

New and significant holdings or concentrations that can confer control over an undertaking must be notified to the Hellenic Competition Commission according to Greek Law 3959/2011 or to the European Commission, provided they have a Community dimension pursuant to the Council Regulation (EC) 139/2004 on the control of concentrations between undertakings (as supplemented by Commission Regulation (EC) 802/2004). The HCMC and the ATHEX must be notified once certain ownership thresholds are crossed with respect to companies listed on the ATHEX, according to Law 3556/2007 and the ATHEX Regulation.

Other Laws and Regulations Governing Banks in Greece

The Hellenic Republic Bank Support Plan

The Hellenic Republic Bank Support Plan comprised the following three pillars, each of which is summarised below:

Pillar I: Up to €5 billion in non-dilutive capital designed to increase Tier I ratios. The capital takes the form of preference shares with a 10% fixed return. The fixed return is payable in any case, unless either article 44a of Law 2190/1920 applies or payment of the relevant amount would result in the reduction of the Core Tier I capital of the participating bank below the prescribed minimum level. The issue price of the preference shares must be the nominal value of the common shares of the last issue of each participating bank. The preference shares are redeemable at their issue price either within five years from the date of their issue or, at the election of a participating bank, earlier with the approval of the Bank of Greece, against Greek Government bonds of equal value or cash of equal value. At the time the preference shares are redeemed for Greek Government bonds, the nominal value of the bonds must be equal to the initial nominal value of the bonds used for the subscription of the preference shares. Moreover, the bonds should mature on the redemption date of the preference shares or within a period of up to three months from such date. In addition, on the redemption date of the preference shares, the market price of the Greek Government bonds should be equal to their nominal value. If this is not the case, then any difference between their market value and their nominal value shall be settled by payment in cash between the participating bank and the Hellenic Republic. On the date of redemption, the fixed dividend return of 10% will also be paid to the Hellenic Republic. In the case they are not redeemed within five years from their issue or no decision has been adopted by the participating bank's general meeting of shareholders on redemption, the Minister of Finance shall impose, pursuant to a recommendation by the Bank of Greece, a cumulative increase of 2% per year on the 10% fixed return. Pursuant to a decision by the Minister of Finance, following a recommendation by the Governor of the Bank of Greece, the participating banks will be required to convert the preference shares into ordinary shares or another existing class of shares if redemption is not possible due to noncompliance by the participating bank with the minimum capital adequacy requirements set by the Bank of Greece. The conversion ratio will be determined by virtue of the above decision of the Minister of Finance and will take into account the average market price of the participating bank's ordinary shares during the calendar year preceding such conversion. Pillar I ceased to apply as at 1 January 2014.

Pillar II: Up to €85 billion in Hellenic Republic guarantees. These guarantees are in respect of new borrowings by all participating banks (excluding interbank borrowings) concluded through 30 June 2016 (whether in the form of debt instruments or otherwise) and with a maturity ranging from three months to three years. These guarantees are granted to participating banks that meet the minimum capital adequacy requirements set by the Bank of Greece as well as criteria set out in Decision 54201/B2884/2008 of the Minister of Finance regarding capital adequacy, market share size and the maturity of liabilities and share of the mortgage and SME lending market. The terms under which guarantees are granted to participating banks are included in Decisions 2/5121/2009 and 29850/B1465/2010 of the Minister of Finance.

Pillar III: Up to €8 billion in debt instruments. These debt instruments have maturities of less than three years and were issuable by the Greek Public Debt Management Agency (the **PDMA**) until 30 June 2015 to participating banks meeting the minimum capital adequacy requirements set by the Bank of Greece. The debt instruments bear no interest and were issued at their nominal value in denominations of €1 million. They were issued by virtue of a bilateral agreement executed between the participating bank and the PDMA. At the applicable termination date of the bilateral agreement (irrespective of the maturity date of the debt instruments) or at the date Law 3723/2008 ceases to apply

to a bank, the debt instruments must be repaid. The participating banks must use the debt instruments received only as collateral for refinancing, in connection with fixed facilities from the ECB, and/or for purposes of interbank financing. The proceeds of liquidation of such instruments must be used to finance mortgage loans and loans to SMEs on competitive terms.

Law 3723/2008 provides for the appointment of a director designated by the Greek state in those of the participating banks that have used and continue to use either the capital (Pillar I) or guarantee (Pillar II) facilities. Such director has veto power over certain corporate decisions at the board level pertaining to directors and senior management compensation and dividend policy, as well as regarding matters of strategic importance or which may materially change the financial and legal standing and require approval by the general meeting of the participating banks' shareholders. This director, however, may only use his or her veto power following a decision of the Minister of Finance or if he or she considers that the relevant corporate decisions may jeopardise the interests of depositors or materially affect the solvency and orderly operation of the participating bank. In addition, participating banks are required to limit maximum executive compensation to that of the Governor of the Bank of Greece, and must not pay bonuses to senior management as long as they participate in the Hellenic Republic Bank Support Plan. Also, during that period, dividend payouts for those banks will be limited to up to 35% of distributable profits of the participating bank (at the parent company level). According to Law 3756/2009 and subsequent legislation, participating banks may only distribute dividends to holders of ordinary shares exclusively in the form of ordinary shares in relation to financial years 2008-2013, which must not be from treasury shares, and may not purchase treasury shares.

Further, participating banks are obliged not to pursue aggressive commercial strategies, including advertising the support they receive from the plan, in an attempt to compete favourably against competitors that do not enjoy the same support. Participating banks are also obliged to avoid expanding their activities or pursuing other aims, in such a way that would lead to unjustifiable distortions of competition. To this end, the participating banks must ensure that the mean growth rate of their assets on a yearly basis will not exceed the highest of the following ratios:

the Hellenic Republic's nominal GDP growth rate for the preceding year;

the mean annual asset growth rate of the banking sector during the 1987–2007 period; or

the mean annual asset growth rate of the EU banking sector during the past six months.

To oversee the implementation and regulation of the Hellenic Republic Bank Support Plan, Law 3723/2008 provided for the establishment of a supervision council (the **Council**). The Council is chaired by the Minister of Finance. Members currently include the Governor of the Bank of Greece, the Deputy Minister of Finance (who is responsible for the Greek General Accounting Office) and the government-appointed directors of each of the participating banks. The Council convenes on a monthly basis and has a mandate to supervise the correct and effective implementation of the Hellenic Republic Bank Support Plan and to ensure that the resulting liquidity is used for the benefit of the depositors, the borrowers and the Greek economy overall. Participating banks that fail to comply with the terms of the Hellenic Republic Bank Support Plan will be subject to certain sanctions, and the liquidity and guarantees provided to them may be revoked in whole or in part.

Monitoring Trustees

In line with the EU state aid rules, in January and February 2013, Monitoring Trustees were appointed in all Greek banks under restructuring, including Eurobank, in accordance with the commitments undertaken by the Hellenic Republic towards the European Commission in December 2012 regarding banks under restructuring, in the Memorandum of Economic and Financial Policies (**MEFP**), between

the Hellenic Republic and the Institutions contained in the First Review of the Second Economic Adjustment Programme, which was approved pursuant to Law 4046/2012.

Monitoring Trustees are respected international auditing or consulting firms endorsed by the European Commission on the basis of their competence, their independence from the banks and the absence of any potential conflict of interest. In each Greek credit institution undergoing restructuring, the Monitoring Trustees work under the direction of the European Commission, within the terms of reference agreed with the Institutions' staff. They submit quarterly reports on governance and operations, *ad hoc* reports as needed and share their reports with the HFSF and the Ministry of Finance. In line with the EU state aid rules, the Monitoring Trustees are responsible for overseeing the implementation of restructuring plans submitted by Greek banks under restructuring and approved by the European Commission. This includes, *inter alia*, verifying proper governance and the use of commercial based criteria in key policy decisions even in the absence of an approved restructuring plan. Finally, the Monitoring Trustees closely follow the operations of the bank concerned, have permanent access to board committee meeting minutes and are observers at the executive committees and other critical committees, including risk management and internal audit committees.

Grant Thornton S.A. was appointed as the Issuer's Monitoring Trustee on 22 February 2013. The mandate of the Issuer's Monitoring Trustee was amended and extended on 29 May 2014 to incorporate the monitoring of (i) the Restructuring Plan and (ii) all Commitments, as required under the State Aid Decision.

The Commitments

In April 2014, the Issuer's Restructuring Plan was approved pursuant to Decision C (2014)2993 of the European Commission "on THE STATE AID SA.34825 (2012/C), SA.34825 (2014/NN), SA.36006 (2013/NN), SA.34488 (2012/C) (ex2012/NN), SA.31155 (2013/C) (2013/NN) (ex2010/N)" implemented by Greece for the Eurobank Group (the **State Aid Decision**). Pursuant to the State Aid Decision, the Hellenic Republic has undertaken the Commitments that are binding upon the Issuer and, in addition to the amendment and extension of the mandate of the Issuer's Monitoring Trustee, include the following:

- the reduction of the number of the Issuer's branches in Greece, to a maximum of 546 by the end of 2017, and the number of the Issuer's employees in Greece, to a maximum of 10,950 by the end of 2017;
- the reduction of the Issuer's total costs in Greece, i.e., costs of Greek banking and non-banking activities, to below €800 million for the year ending 31 December 2017;
- the reduction of the Issuer's cost of deposits collected in Greece (including savings, sight and term deposits and other similar products offered to customers and the costs of which are borne by the Issuer);
- the reduction of the net loan to deposit ratio for the Issuer's Greek banking activities to no higher than 115% by 31 December 2017;
- the reduction of the Issuer's portfolio of foreign assets (defined as assets related to the activities of customers outside Greece, independently of the country where the assets are booked) to a maximum of €8.77 billion by 30 June 2018;
- the sale of a minimum 80% shareholding in the Group's life and non-life insurance activities;

- the reduction of the Issuer's shareholding in Grivalia Properties to 20% by 31 December 2016, with the remainder of the Issuer's shareholding to be sold by 31 December 2018;

- selling down the Issuer's portfolio of equity securities and subordinated bonds and hybrid bonds, subject to certain exceptions, to less than €35 million by 31 December 2015;

- commitments not to provide the Issuer's foreign subsidiaries with additional equity or subordinated capital in excess of a specified threshold (calculated as a percentage of the weighted assets of each subsidiary up to a maximum percentage per subsidiary, unless the regulatory framework of each relevant jurisdiction requires otherwise), not to purchase any non-investment grade securities (subject to certain exceptions) and to introduce a cap on the remuneration of the Issuer's employees and managers, in each case subject to certain exceptions;

- commitments relating to the credit policy to be adopted by the Group, including specific requirements applying to connected borrowers (including, among others, the Group's employees, management and shareholders, public institutions and government-controlled organisations and political parties); and

- certain other commitments, including restrictions on the Issuer's ability to make certain acquisitions, commitments not to make coupon payments or discretionary payments of coupons in accordance with the terms of the notes included in the Issuer's regulatory capital, not to pay dividends on own funds instruments and subordinated instruments, unless there is a legal obligation to do so, not to purchase any of the Issuer's ordinary shares or exercise voluntary call options on own funds instruments and subordinated debt instruments or buy back hybrid capital instruments, in each case unless the prior approval of the European Commission has been granted and subject to certain conditions and exemptions.

The text of the State Aid Decision, including the Commitments, is available on the website of the European Union at: http://ec.europa.eu/competition/state_aid/cases/252578/252578_1563411_5_2.pdf). The website of the European Union and the information contained therein are not part of this Offering Memorandum.

In the context of the new recapitalisation process, the Restructuring Plan was revised and resubmitted for approval to the European Commission. on 26 November 2015, the European Commission approved the Issuer's revised Restructuring Plan.

The principal revisions to the Commitments include, among others:

- further reductions in the number of the Issuer's branches in Greece, to a maximum of 510 by the end of 2017, and to the number of employees in Greece, to a maximum of 9,800 by the end of 2017;

- a further reduction of the Issuer's total costs in Greece (Greek banking and non-banking activities) for the year ending 31 December 2017 to below €750 million (compared to the previously agreed target of €800 million;

- an extension of the timeframe within which the Issuer is required to reduce the net loan to deposit ratio for its Greek banking activities to no higher than 115% by one year to 31 December 2018;

- an extension by six months of the deadline to reduce the portfolio of foreign assets (defined as assets related to the activities of customers outside Greece, independently of the country where the assets are booked) by 31 December 2018;

- an extension of the deadline to 30 June 2016 for selling down the Issuer's portfolio portfolio of equity securities and subordinated bonds and hybrid bonds (subject to certain exceptions) to less than €35 million (previously 31 December 2015); and

- a prohibition on payments of dividends on own funds instruments and subordinated debt instruments until the earlier of 31 December 2017 or the repayment of any State-owned preference shares instruments.

The Relationship Framework Agreement

Following completion of the Issuer's share capital increase in May 2014, fully covered by investors, institutional and others, the percentage of the ordinary shares with voting rights held by the HFSF decreased from 95.23% to 35.41% and the HFSF and the Issuer entered into a new relationship framework agreement (**RFA**) on 26 August 2014, which replaced the initial relationship framework agreement of 12 July 2013.

Following the completion of the Issuer's share capital increase in November 2015 fully covered by investors, institutional and other, the percentage of the ordinary shares with voting rights held by the HFSF decreased further from 35.41% to 2.38%. Pursuant to Law 3864/2010 (the **HFSF Law**), as in force, on 4 December 2015, the Issuer and the HFSF entered into a relationship framework agreement replacing the previous one that was signed on 26 August 2014.

The RFA regulates, among others, (a) the corporate governance of the Issuer, (b) the Restructuring Plan and its monitoring, (c) the monitoring of the implementation of the Issuer's non-performing loan management framework and of the Issuer's performance on non-performing loan resolution. Furthermore it deals with (d) the Material Obligations and the switch to full voting rights, (e) monitoring of Bank's actual risk profile against the approved Risk and Capital Strategy (f) the HFSF's consent for Material Matters, and (g) the duties, rights and obligations of HFSF's Representative in the Board.

The RFA and the applicable HFSF Law do not preclude, reduce or impair the Issuer's management to continue to determine independently, among others, the Issuer's commercial strategy and policy in compliance with the restructuring plan and the decisions on the day-to-day operations.

According to HFSF Law, the HFSF has the following rights:

- restricted voting rights in the Issuer's General Meetings; under this framework, the HFSF exercises its full voting rights in the General Meetings only for decisions concerning the amendments of the Issuer's Articles of Association, including the increase or reduction of the capital or the corresponding authorization to the Board, the mergers, divisions, conversions, revivals, extension of term or dissolution of the Issuer, the transfer of assets (including the sale of subsidiaries), or any other issue requiring increased majority as provided for in the Law 2190/1920

- the right to be represented with one (1) member in the Board of Directors

- the right to preferential reimbursement, in priority to all other shareholders and pari passu with the Greek State as of preference shareholder under Law 3723/2008, from the proceeds of the Issuer's liquidation, in the event the Issuer is liquidated

- free access to the Issuer's books and records for the purposes of HFSF Law 3864/2010, with executives or consultants of its choice

- the responsibility to perform, assisted by an independent consultant of international reputation, evaluation of the Issuer's corporate governance framework, Board and Committees, as well as their members, in accordance with HFSF Law provisions

- the right to approve the Restructuring Plan or any amendment on it before its submission by the Ministry of Finance to European Commission for approval. HFSF also monitors and reviews the performance of the Restructuring Plan's implementation.

Furthermore, HFSF's representative, according to the provisions of HFSF Law, has the right to:

- request the convocation of the Shareholders' General Meeting

- request the convocation of the Board

- veto any resolution of the Board (i) related to dividend distributions and the remuneration policy and the additional meanings (bonus) of Board members, of General Managers or of those to whom have been assigned the duties of a General Manager as well as of their deputies (ii) which may jeopardise depositors' interests or materially affect liquidity, solvency or, in general, the prudent and orderly operation of the Issuer (such as business strategy and asset/liability management etc.) or (iii) concerning corporate actions resulting in the amendments of the Issuer's Articles of Association, including the increase or reduction of the capital or the corresponding authorization to the Board, the mergers, divisions, conversions, revivals, extension of term or dissolution of the Issuer, the transfer of assets (including the sale of subsidiaries), or any other issue requiring increased majority as provided for in the Law 2190/1920 which may materially impact HFSF's participation in the Issuer's share capital

- request the postponement of a Board meeting or the discussion of any item for up to three (3) business days so as to receive HFSF's Executive Board's instructions

- approve the Chief Financial Officer (**CFO**) of the Issuer.

In exercising these rights, the HFSF representative should take into account the business autonomy of the Issuer.

Additional to the rights provided for in HFSF Law, according to the RFA provisions, the HFSF has the right to:

- appoint HFSF's representative as member in Audit, Risk, Nomination and Remuneration Committees

- appoint an observer in the Board and in the Audit, Risk, Nomination and Remuneration Committees with no voting rights

- review the annual Board and the Committees' self-assessment for the purpose of identifying weaknesses and improving working methods and effectiveness

- monitor the implementation of the Issuer's non-performing loan management framework and of the Issuer's performance on non-performing loans resolution.

The HFSF's representative, according to the RFA provisions, has the additional right to:

- participate in the Audit, Risk, Remuneration and Nomination Committees
- request the convocation of the Board Committees he participates
- include items on the agenda of the General Meetings, the Board and the Audit, Risk, Nomination and Remuneration Committees meetings
- request the postponement of a Board meeting in case he was not been informed for the agenda items according to the RFA provisions
- veto any decision is related to corporate actions referred above under HFSF representative rights under HFSF Law which might substantially influence the HFSF's participation at the Issuer's share capital.

Finally, the Issuer is obliged to receive HFSF's prior written consent for the Issuer's Group Risk and Capital strategy and for the Issuer's Group Strategy, Policy and Governance regarding the management of its Arrears and Non-Performing Loans.

Moreover, under the terms of the relationship framework agreement, the Issuer also has the obligation to seek and obtain the prior written consent of the HFSF in relation to the Issuer Group Risk and Capital strategy documents especially the risk appetite statements and risk governance and any amendment, extension, revision or deviation thereof and the Issuer Group Strategy, Policy and Governance regarding the management of its arrears and non-performing loans and any amendment, extension, revision or deviation thereof.

The HFSF

The First Economic Adjustment Programme required the establishment of the HFSF, funded by the Greek government out of the resources made available by the IMF and the EU, to ensure adequate capitalisation of the Greek banking system. The HFSF was established in July 2010 pursuant to Law 3864/2010 as a private law entity, with the initial objective of helping to maintain the stability of the Greek banking system by providing capital support to credit institutions established in Greece and meeting certain eligibility criteria. The scope, governance, terms, conditions and processes for the provision of capital support by the HFSF, as well as the type of such support under Law 3864/2010 was amended in 2011, 2012, 2013, 2014 and, most recently, on 1 November 2015, pursuant to Law 4340/2015 and on 20 November 2015, pursuant to Law 4346/2015, establishing the new recapitalisation framework.

Scope

The HFSF is established as a private law entity, with the objective of contributing to the maintenance of the stability of the Greek banking system for the sake of public interest, with the HFSF acting in line with the commitments of the Hellenic Republic under Law 4046/2012 relating to the Second Economic Adjustment Programme and Law 4336/2015 relating to the Third Economic Adjustment Programme.

In pursuing its objective, the HFSF:

- Provides capital support to licenced credit institutions operating in Greece (including cooperative banks, braches of Greek credit institutions operating outside of Greece and branches of Greek subsidiaries of international credit institutions in Greece) in compliance with Law 3864/2010 and the EU state aid rules.

- Monitors and assesses how credit institutions that have received capital support from the HFSF comply with their restructuring plans, safeguarding at the same time their business autonomy. The HFSF ensures that such credit institutions operate on market terms such that the participation of private investors therein in a transparent manner is promoted and the EU state aid rules are complied with.

- Exercises its rights as shareholder deriving from its participation in the credit institutions that have received capital support from the HFSF, as such rights are set forth in Law 3864/2010 and in relationship framework agreements entered into with such credit institutions, in compliance with rules serving the prudent management of the HFSF's assets and the EU rules with respect to state aid and competition.

- Disposes of, in whole or in part, the financial instruments issued by the credit institutions in which it participates, according to the provisions of article 8 of Law 3864/2010.

- Grants loans to the HDIGF for resolution purposes in accordance with article 16 of Law 3864/2010.

- Facilitates the management of non-performing loans of credit institutions.

- Enters into relationship framework agreements (and amends, as the case may be, relationship framework agreements already in place) with the credit institutions receiving (or having received) financial assistance from the EFSF and the ESM in order to ensure the implementation of its objectives and the exercise of its rights for as long as it holds equity or other capital instruments of such institution or it monitors the implementation of the restructuring plan of such credit institutions.

The HFSF's purpose is fulfilled in accordance with an integrated strategy for the banking sector and the management of non-performing loans that is agreed among the Ministry of Finance, the Bank of Greece and the HFSF. The short-term liquidity enhancement provided under the provisions of Law 3723/2008 or in the context of the operation of the Eurosystem and the Bank of Greece is expressly not included in the HFSF's scope.

The duration of the HFSF is set until 30 June 2020 and may be extended following a decision by the Minister of Finance, if it is necessary for the achievement of its objectives.

Governance of the HFSF

The HFSF is managed by two administrative bodies with decision-making powers, namely the General Council and the Executive Committee. Given the HFSF's critical role, the recent amendments to Law 3864/2010 provided for the establishment of an independent, high profile selection committee to pre-select and remove the members of those two administrative bodies, determine their remuneration and the other terms of their mandate and assess their performance annually on the basis of criteria that it shall develop. The General Council monitors the compliance of the Executive Committee with the provisions of Law 3864/2010, as amended, and resolves on issues of financial support to credit institutions the exercise of voting rights and the disposal of participations of the HFSF in credit institutions. The Executive Committee is in turn competent for the preparation of the

task entrusted to HFSF, the application of the resolution of competent bodies and the implementation of acts required for the administration, operation and fulfilment of the HFSF's mission.

Funding

Under Law 3864/2010, the HFSF is funded out of: (a) resources raised within the context of the EU's and the IMF's support mechanism for Greece by virtue of Law 3845/2010 and Law 4060/2012 and (b) resources raised pursuant to the FAFA. Such funds may be gradually paid by the Greek state and are evidenced by instruments which shall not be transferable until the expiry of the term of the HFSF. The Minister of Finance may request the return of funds from the HFSF to the Greek state under the conditions of article 12 of Law 3869/2010.

Before the expiry of the HFSF's term or the initiation of its liquidation process, the Minister of Finance together with the EFSF and the ESM will determine the institution to receive HFSF's capital and assets (which must be independent from the Greek state as a legal person), as well as the way for such transfer. The EFSF's and ESM's economic and legal status must not be affected as a result of the transfer. If upon the expiration of the HFSF's term and before the initiation of its liquidation process, the HFSF has no obligations to the EFSF or the ESM and its assets are not burdened with security interests or other rights in favour of the EFSF or the ESM, HFSF's assets will be transferred to the Hellenic Republic by operation of law after the completion of its liquidation process.

Powers of the HFSF

Under Law 3864/2010, the HFSF has certain powers over the credit institutions receiving capital support from it which it exercises through a representative appointed in the board of directors of the relevant credit institution. Such representative has the right to:

- request convocation of a general meeting of the institution's shareholders;
- veto any decision at the board level: (i) regarding dividend distributions and remuneration and bonuses policies relating to the chairman, the chief executive officer and the other board members, the general managers and their deputies, (ii) if the decision under discussion might set at risk the rights of depositors or have a material adverse effect on the liquidity, solvency or, in general, the prudent and orderly operation of the credit institution (including its business strategy and the management of its assets and liabilities) or (iii) relating to resolutions regarding an amendment of the institution's articles of association, including resolutions relating to the increase or decrease of its share capital or the granting of a relevant authorisation to its board of directors, resolutions relating to mergers, divisions, conversions, revivals, extensions of the term or dissolution of the institution, resolutions relating to transfers of assets, including the sale of subsidiaries or resolutions with respect to any other matter requiring approval by an increased majority in accordance with Law 2190/1920, to the extent such decision is likely to significantly affect HFSF's participation in the credit institution's share capital;
- request an adjournment of a board meeting for three business days in order to receive instructions from the Executive Committee of the HFSF;
- request convocation of a board meeting; and
- approve the appointment of the chief financial officer.

The HFSF has free access to all books and records of the credit institution for the purpose of exercising its rights.

Further to the recent legislative amendments, the HFSF is now empowered to assess the corporate governance framework of credit institutions with which a relationship framework agreement is in place. In this context, the HFSF shall: (i) assess the size, structure and the distribution of powers within the board of directors, board committees (as well as their members in order to ensure that the size and structure of such bodies and committees are appropriate) and, if necessary, any other committees of the credit institution on the basis of criteria that it will develop. The size and collective knowledge of the board of directors and the board committees must reflect the business model and the financial condition of the institution, and (ii) propose improvements and amendments to the institution's current corporate governance framework. Other than the criteria to be set by the HFSF, Law 4340/2015 and Law 4346/2015 have introduced certain minimum requirements with respect to the size, the structure and the members of the boards of directors and the board committees of the credit institutions assessed. In particular, all members of such bodies and committees must (i) have a minimum of ten years of experience as senior executives in banking, auditing, risk management or management of risk-bearing assets (with three years of experience, with respect to the non-executive members, as a board members of a credit institution, a financial sector enterprise or an international financial institution), (ii) not serve or have been entrusted during the last four years with prominent public functions, such as heads of state or of government, senior politicians, senior government, judicial or military officials or prominent positions as senior executives of state owned corporations or political party officials, and (iii) has declared any economic connections with the credit institution prior to its appointment. In addition, the boards of directors must comprise at least: (i) three experts as independent non-executive directors, with sufficient knowledge and international experience of at least 15 years with financial institutions (of which at least three years as members of an international banking group which is not active in the Greek market) unrelated to any Greek credit institution during the past decade, which shall chair all board committees, and (ii) one member with at least five years of international experience and specialisation in risk or NPL management, who shall be responsible for NPL management at board level and shall chair any special board committee for NPL management.

If the HFSF assesses that the above criteria are not met, it will notify accordingly the board of directors of the institution concerned. The assessment results are also communicated to the competent supervisory authorities. If the board fails to comply with HSFS's proposals, the HFSF shall convene the general meeting of shareholders to inform them of its proposals (which may even include the substitution of certain members). In case the general meeting does not agree within three months with HFSF's proposals for substitution, the HFSF will publish on its website within four weeks a report on the assessed credit institution, the assessment criteria used, the names of he institution's members not having met the criteria and the HFSF's proposals.

In the event of liquidation of a credit institution, the HFSF, in its capacity as a shareholder of such credit institution will be satisfied preferentially towards any other shareholders together with the Hellenic Republic as holder of preference shares.

Cabinet Act 36 on the application of Law 3864/2010 (as amended by Law 4340/2015 and Law 4346/2015)

I. Means and allocation of capital support by the HFSF

The means and allocation of capital support by the HFSF pursuant to Law 3864/2010 in the form of ordinary shares and contingent convertible securities, the conditions for the issuance of contingent convertible securities by credit institutions and the HFSF's subscription therefor, the terms of such

securities and the conditions for the conversion of such securities have been determined by Cabinet Act No. 36 issued on 2 November 2015 (the **Cabinet Act 36**).

Allocation of capital support of the HFSF

In accordance with article 2 of Cabinet Act 36 the allocation of the HFSF participation in ordinary shares and convertible contingent securities is as follows:

(a) If the HFSF provides capital support under article 7 of Law 3864/2010 and the credit institution receiving such support qualifies for the precautionary recapitalisation of article 32, par. 3(d), case (cc) of Law 4335/2015, such capital support is allocated as follows:

(i) 25% in ordinary shares; and

(ii) 75% in contingent convertible securities;

(b) If the HFSF provides capital support under article 7 of Law 3864/2010 after the imposition of the burden sharing measures of 6B of such law (measures of public financial stabilisation under article 56 of Law 4335/2015), such capital support is allocated as follows:

(i) in ordinary shares up to the amount required to cover losses which the credit institution has already incurred or may incur in the proximate future; and

(ii) for the remaining amount, which would correspond to precautionary recapitalisation, 25% in ordinary shares and 75% in contingent convertible securities.

Contingent Convertible Securities

Contingent convertible securities issued to the HFSF by a credit institution pursuant to Law 3864/2010 and the Cabinet Act 36 are governed by Greek law, may be issued in a dematerialised form and, following an application by the HFSF, may be registered with the electronic registry of non-listed securities maintained by the ATHEX.

Pursuant to article 1, paragraph 2 of Cabinet Act 36, a credit institution may issue contingent convertible securities further to a decision of the general meeting of its shareholders prior to or after completion of the institution's share capital increase. From a regulatory treatment perspective the contingent convertible securities, will qualify as own funds whereas their exact classification will depend on the applicable legislation. The contingent convertible securities will be issued pursuant to a detailed programme which will include the following terms and conditions:

(a) Each contingent convertible security has a nominal value of 100,000 Euros, is issued at par and is perpetual without a fixed repayment date.

(b) The contingent convertible securities constitute direct, unsecured and subordinated investments in the credit institution ranking at all times *pari passu* without any preference amongst themselves. On a special liquidation of the credit institution the rights and claims of the holders of contingent convertible securities will rank:

(i) junior to all claims of all creditors (including all subordinated creditors), including but not limited to claims on the credit institution in respect of

obligations which constitute Additional Tier 1 or Tier 2 Capital, but excluding parity obligations (**Senior Obligations**);

(ii) *pari passu* with the parity obligations, which consist in ordinary shares of the credit institution and any claims agreed to rank *pari passu* to the contingent convertible securities.

Holders of the contingent convertible securities will, upon a special liquidation of the credit institution prior to any conversion date, be entitled to a claim upon any residual assets of the credit institution (available for distribution after all Senior Obligations have been paid in full) for the nominal value of the contingent convertible securities, plus any accrued but unpaid interest.

Subject to applicable law, holders of the contingent convertible securities will have no right of set-off and will benefit from no security interest or guarantee that would enhance the seniority of their claim in special liquidation.

(c) If at any time the Common Equity Tier 1 ratio (calculated on a consolidated basis or solo basis) falls below 7% (**Trigger Event**), the credit institution must:

(i) convert the contingent convertible securities by issuing to each holder conversion shares. The total number of conversion shares will be determined by dividing:

- 116% of the initial principal outstanding amount under the contingent convertible securities by
- the price per ordinary share as determined pursuant to the share capital increase of the credit institution (**Conversion Price**),

and the conversion shares issued to each holder of contingent convertible securities will be proportionate to the number of such securities held by the relevant holder (**Conversion Shares**);

(ii) arrange for the publication of a conversion notice to holders of contingent convertible securities, promptly and at the latest five days before the conversion date (which may not fall later than a month (or any earlier date requested by the ECB) after the occurrence of a Trigger Event (the **Conversion Date**). The conversion notice must inform holders of contingent convertible securities of the occurrence of the Trigger Event, the Conversion Date, the Conversion Price and any procedures for the delivery of the Conversion Shares to the holders of contingent convertible securities; and

(iii) promptly inform the ECB of the occurrence of the Trigger Event.

Once so converted, the contingent convertible securities will be cancelled and will not be reissued nor will their nominal amount be restored under any circumstances. The terms and conditions of the contingent convertible securities will include market standard provisions on adjustments to the Conversion Price in case of certain corporate actions.

(d) The contingent convertible securities will bear interest at (i) a rate of 8 per cent (8%) per annum from and including the date of issue up to and including the seventh anniversary thereof and (ii) thereafter, if not repaid, at the applicable reset interest rate for each reset period, as determined pursuant to Cabinet Act 36.

The first reset period commences after the seventh anniversary and each successive reset period commences on the expiry of its preceding reset period and expires on its seventh anniversary.

Interest accrued will be payable on an annual basis on each interest payment date.

(e) The contingent convertible securities will automatically convert into ordinary shares if the credit institution does not pay, in whole or in part, interest accrued on two interest payment dates (which do not need to be consecutive). The holders of the contingent convertible securities will receive an amount of Conversion Shares derived pursuant to the calculation described in paragraph (c)(i) above.

(f) The credit institution may, at its absolute discretion, redeem all or some only of the contingent convertible securities at any time, at their initial par value plus any accrued and unpaid interest (but excluding any cancelled interest), subject to the conditions below:

(i) the credit institution obtaining such approval or non-objection or waiver as required on the part of the ECB under the banking laws and regulations applicable at the relevant time; and

(ii) payment of any obligations that must be repaid as a prerequisite to repayment or redemption, as may be required by the laws and regulations applicable at the relevant time.

Discretionary repayment of contingent convertible securities must be in cash. Holders of contingent convertible securities have no right to require the credit institution to repay such securities at any time but will have the right on the seventh anniversary to convert their securities into Conversion Shares, following which conversion they will receive a number of shares calculated as described in paragraph (c)(i) above.

(g) Payment of interest, whether in whole or in part, lies entirely at the discretion of the board of directors of the credit institution, but if the board decides payment of interest, such interest will be paid in cash. Any interest elected not to be paid shall not accumulate.

The board of directors of the credit institution will have the option, at its absolute discretion, to pay interest in kind, by delivering ordinary shares of the credit institution which will be issued for such purpose and the number of which will be determined by reference to the amount of interest payable at the relevant interest payment date and the share price (determined pursuant to paragraph 11 of article 1 of the Cabinet Act 36). At the option of the board of directors, a share capital increase for these purposes may take effect automatically, without the need to comply with any further procedural and corporate requirements (including with respect to any waivers of existing shareholders' pre-emption rights).

(h) No dividend shall be paid on the credit institution’s ordinary shares if the credit institution has resolved not to make an interest payment to holders of contingent convertible securities at the immediately preceding interest payment date.

(i) The terms and conditions of the contingent convertible securities must not provide for events of default. Accordingly, the holders of contingent convertible securities may only be able to enforce the terms and conditions of the contingent convertible securities only upon the liquidation process.

(j) All payments are to be made free and clear of and without deduction or withholding for all taxes of the Hellenic Republic unless required by law. If so required, additional amounts will be payable by the credit institution subject to conventional limitations on such gross up.

(k) If, in respect of a series of contingent convertible securities:

(i) a regulatory event occurs upon a change (or pending change which the ECB considers to be sufficiently certain) in the regulatory classification of the securities under the applicable capital regulations, as a result of which the entire nominal amount of the securities will cease to qualify as Common Equity Tier 1 capital of the credit institution (on a consolidated basis or a solo basis); or

(ii) a tax event occurs, in case any change in, or amendment of, the laws or regulations of any taxing jurisdiction (or a change of such jurisdiction or taxing authority) including without limitation changes in the interpretation of such laws and regulations and changes in international tax treaties, resulting in the credit institution being obliged to pay holders any additional amounts, or not being able to claim a deduction of the payment of interest on the securities (or such deduction would be materially reduced) or being obliged to account for a taxable credit in the event of a conversion of the securities,

and such event is continuing, the credit institution may substitute or modify the terms of all (but not some only) of the contingent convertible securities of such series, without any requirement for the consent or approval of the holders, so that they become or remain qualifying regulatory capital securities on terms that may not be materially less favourable than the terms of the contingent convertible securities.

(l) Transfer of contingent convertible securities is only permitted to another holder of contingent convertible securities with the consent of the credit institution (not to be unreasonably withheld) and the ECB.

II. Preference Shares

In connection with the mandatory burden-sharing measures of article 6a of Law 3864/2010, Cabinet Act 36 expressly provides that the preference shares are included in the instruments being subject to such measures, in accordance with the valuation made on the basis of the ranking, type, percentage and amount of such instruments as provided for in article 6a of Law 3864/2010.

III. Recapitalisation Framework Reform

Set out below is a summary of the main terms under which capital support may be provided by the HFSF pursuant to Law 3864/2010, as amended by Law 4340/2015 and Law 4346/2015, to credit institutions licenced to operate in Greece. This summary does not discuss specific terms which are applicable to banking cooperatives and non-systemic banks.

Process and Conditions for the Provision of Capital Support by the HFSF as Precautionary Recapitalisation (paragraph 3, indent (cc) of article 32 of Law 4335/2015, implementing article 32(4) of the BRRD) – Voluntary and Mandatory (burden-sharing) Measures

(a) To receive capital support from the HFSF in accordance with Law 3864/2010, a credit institution should submit a relevant application to the HFSF up to an amount which is

determined by the competent authority (within the meaning of article 4(40) of the CRR), after the observance of a detailed process described in article 6 of Law 3864/2010. Such process includes, *inter alia*:

(i) the carrying out of a viability assessment of the credit institution concerned by the competent authority for a period between three and five years on the basis of a restructuring plan (or an amended restructuring plan where there is an approved restructuring plan, in the case of a credit institution that has already received capital support from the HFSF) submitted by such credit institution;

(ii) the approval of such restructuring plan by the HFSF and the European Commission (with such amendments as may be requested by the HFSF and the European Commission); and

(iii) the publication of a Cabinet Act issued on the recommendation of the Bank of Greece ordering the implementation of the mandatory (burden-sharing) measures referred to below (article 6a of Law 3864/2010) and compliance with the EU state aid rules and the practices observed by the European Commission.

(b) The restructuring plan or the amended restructuring plan, as the case may be, should describe, based on conservative estimations, the ways in which the credit institution will recover satisfactory profitability within the following three to five years. The restructuring plan or the amended restructuring plan should enumerate the voluntary measures to be undertaken by the credit institution concerned to resolve any capital shortfall.

Once the restructuring plan or the amended restructuring plan, as the case may be, is approved by the HFSF, it is forwarded to the Ministry of Finance for submission to the European Commission for approval. Following the approval of the restructuring plan by the European Commission, and only after the Cabinet Act provided for in par. 1 of the amended article 6a of Law 3864/2010 has been issued, the HFSF provides its capital support in accordance with article 7 of Law 3864/2010, with the objective of minimising the need for state aid in compliance with the state aid rules of the European Union and the applicable practices of the European Commission. The HFSF monitors and evaluates the due implementation of the restructuring plan, as well as any amended restructuring plan, as the case may be, and is obliged to provide to the Ministry of Finance all necessary information for the purposes of ensuring that the European Commission is properly apprised of all developments. To fulfil this task, the HFSF and the relevant credit institution enter into a framework agreement.

(c) In the event that (i) the voluntary measures set out in the credit institution's restructuring plan or amended restructuring plan, as the case may be, are insufficient to cover its capital shortfall and (ii) there is a need to avoid significant side effects to the economy with adverse effects upon the public, and in order to ensure that the use of public funds remains the minimum necessary, the Cabinet, following a recommendation by the Bank of Greece, would issue an Act for the mandatory application of the measures provided for below (burden-sharing measures), aimed at allocating the residual amount of the capital shortfall of the credit institution to the holders of its capital instruments and other obligations, as may be deemed necessary.

Such allocation is completed upon publication of such Cabinet Act in the Government Gazette and made in the following order:

(i) firstly, to ordinary shares;

(ii) secondly, if needed, to preference shares and other Common Equity Tier 1 capital instruments;

(iii) thirdly, if needed, to Additional Tier 1 instruments;

(iv) fourthly, if needed, to Tier 2 instruments;

(v) fifthly, if needed, to all other subordinated obligations; and

(vi) if needed, to unsecured senior liabilities non-preferred by mandatory provisions of law.

In case of conversion of the preference shares into ordinary shares in accordance with article 6a of Law 3864/2010, the HFSF *ipso jure* acquires ownership of such ordinary shares. Also, the ordinary shares into which preference shares may be converted will have full voting rights. Such voting rights will be transferred to the HFSF as of conversion without any formalities being required.

Claims ranking *pari passu* would be treated equally, unless a deviation from this ranking and the principle of equal treatment may be justified when there are objective reasons to do so, as set out below.

(d) The mandatory (burden-sharing) measures which may be ordered pursuant to the Cabinet Act mentioned above include:

(i) the absorption of losses by the existing shareholders in order to ensure that the net asset value of the credit institution is equal to zero, where appropriate, pursuant to a decrease of the nominal value of its shares following a decision of the competent corporate body of the credit institution;

(ii) the decrease of the nominal value of preference shares and other capital instruments qualifying as Common Equity Tier 1 capital and then, if needed, of the nominal value of other Tier 1 instruments and then, if needed, of the nominal value of Tier 2 instruments and other subordinated liabilities of the credit institution and, then, if needed, of the nominal value of unsecured senior liabilities non-preferred by mandatory provisions of law, in order to ensure that the net asset value of the credit institution is equal to zero; or

(iii) if the net asset value of the credit institution is above zero, the conversion into ordinary shares of other Tier 1 instruments and, then, if needed, of Additional Tier 1 instruments and then, if needed, of Tier 2 instruments and then, if needed, other subordinated liabilities and, then if needed, of unsecured senior liabilities of the credit institution non- preferred by mandatory provisions of law, in order to restore the target level of the capital adequacy ratio of the credit institution prescribed by the competent authority.

In addition, the above measures may also concern:

(i) any obligations undertaken through the provision of guarantees granted by such credit institution with regard to debt or equity instruments issued by legal entities included in the consolidated financial statements of the credit institution; and

(ii) any claims against the credit institution under loan agreements which are in force and entered into between the credit institution and the above legal entities.

(e) The mandatory (burden-sharing) measures described above may not be ordered and implemented, whether in whole or in part with respect to specific instruments, provided that a positive decision of the European Commission in accordance with articles 107 to 109 of the Treaty on the Functioning of the European Union has been obtained and the Cabinet has ascertained, following recommendation by the Bank of Greece, that (i) such measures may jeopardise financial stability and (ii) the implementation of such measures may have disproportional effects, as it would be the case if the proposed capital support by the HFSF is low compared to the risk-weighted assets of the credit institution concerned and/or a significant portion of the credit institution's capital shortfall has been raised by private investors.

The final assessment of the above risks rests with the European Commission on a case-by-case basis.

These mandatory (burden-sharing) measures are, for the purposes of recapitalisation under Law 3864/2010, reorganisation measures pursuant to the definition in Article 2 of the EU Directive 2001/24/EC, which was transposed into Greek law by Law 3458/2006.

(f) The implementation of the voluntary or mandatory (bail-in) measures described above cannot, in any case:

(i) trigger contractual clauses which become effective upon liquidation, insolvency or the occurrence of any other event which may be classified as a credit default or insolvency event; or

(ii) be treated as a breach of contract by the credit institution concerned in order to substantiate the early termination of any contract by the credit institution's counterparty.

Contractual clauses which are contrary to the above shall have no legal effects.

(g) The holders of capital instruments or other liabilities of a credit institution, including unsecured senior liabilities non-preferred by mandatory provisions of law, who are the subject of the recapitalisation measures set forth in article 6a of Law 3864/2010 described above, should not, after the implementation of such measures, be in a worse financial position than if the credit institution had been placed under special liquidation (no creditor worse-off principle). In the event that such principle is not observed, such holders and beneficiaries would be entitled to compensation from the Greek state, provided that they prove that their damages arising from the implementation of the mandatory measures are higher than if the credit institution concerned was put under special liquidation. In any case, their compensation cannot be higher than the difference between the value of their claims after the implementation of the mandatory measures and the value of their claims if the credit institution concerned had been placed under special liquidation, as such value is determined in accordance with the valuation conducted by an independent valuator appointed by the Bank of Greece.

(h) A summary of the Cabinet Act mentioned above will be published in the Greek Government Gazette, the Official Journal of the European Union in Greek and two

daily newspapers circulated throughout the territory of the Member State in which the credit institution has a branch or in which it directly provides cross-border banking and other financial services, in the official language of such Member State. Such summary will include the following information:

(i) the grounds and legal basis for issuing the Cabinet Act;

(ii) the judicial remedies which are available against the Cabinet Act and the deadline for seeking them; and

(iii) the competent courts before which the abovementioned judicial remedies may be sought.

The necessary details for the implementation of article 6a of Law 3864/2010 in relation to the adoption of the mandatory (burden-sharing) measures, including the process for the appointment of independent valuators, the content of the independent valuations and the proposal of the Bank of Greece, the methods for the calculation of capital instruments or other obligations that are converted, the possibility of change of the issuer of these securities, the method of implementing such conversions as well as details on any indemnification of the security holders will be set out in a Cabinet Act provided for in paragraph 11 of article 6a of Law 3864/2010.

Process and Conditions for the Provision of Extraordinary Public Capital Support by the HFSF (articles 56 of Law 4335/2015, implementing articles 37(10) and 56 of the BRRD – Public Equity Support Tool

Under article 6b of Law 3864/2010, the HFSF provides extraordinary capital support following a decision of the Minister of Economy in accordance with paragraph 4 of article 56 of Law 4335/2015, in which case the HFSF participates in the recapitalisation process of the credit institution concerned by providing capital to the latter in exchange for Common Equity Tier 1 capital instruments or Additional Tier 1 instruments, in accordance with article 57 of Law 4335/2015 (article 57 of the BRRD).

Capital Support

(A) The HFSF provides capital support as determined by the competent authority, but only up to the amount of the relevant credit institution's capital shortfall remaining outstanding after the implementation of the aforementioned voluntary measures and mandatory (burden-sharing) measures and following any potential participation of private investors and the approval of the restructuring plan by the European Commission and further following completion of the mandatory (burden-sharing) measures of article 6a of Law 3864/2010 and confirmation by the European Commission (as part of the approval of the restructuring plan) that the credit institution concerned falls within the ambit of the exception of the last sub-paragraph of paragraph 4 of article 32 of Law 4335/2015; or placement of the credit institution concerned into resolution (articles 56 and 57 of Law 4335/2015), and taking of the measures required by Law 4335/2015.

(B) The provision of capital support is in any case conditional upon the execution of the relationship framework agreement and will be made through the subscription of HFSF for ordinary shares, contingent convertible securities or other convertible financial instruments issuable by the credit institution concerned. For these purposes, the HFSF may exercise, dispose of or waive any pre-emption rights in the context of a

share capital increase or issue of contingent convertible securities or other convertible financial instruments.

Capital support by the HFSF in the form of ordinary shares, contingent convertible securities or other convertible financial instruments must be in accordance with: (i) a general meeting resolution of the credit institution to this effect, specifically referring to Law 3864/2010; and (ii) the provisions of a relevant Cabinet Act, which also sets out the means and allocation of the capital support and the conditions for the issuance of contingent convertible securities or other convertible financial instruments by credit institutions and the HFSF's subscription, as well as the conditions for the conversion of such securities and instruments and any other necessary details, if required. Transfer of such securities or other financial instruments is subject to approval by the competent authority.

(C) The HFSF's subscription for such securities would be made by means of cash or bonds issuable by the ESM. Subject to certain exceptions applicable to credit institutions which do not currently have a restructuring plan approved by the European Commission and to credit institutions which are recapitalised by the Greek state pursuant to the public equity support tool under Law 4335/2015, the subscription price would be determined by the book building process conducted by the credit institution concerned (which must be at least equal to the nominal value of the shares) and accepted by the General Council of the HFSF following the opinion of an independent financial adviser appointed by the HFSF, that the book building process is in accordance with the best international practice in these circumstances.

According to article 7 of Law 3864/2010, a credit institution is not permitted to offer new shares to private investors at a subscription price lower than the HFSF's subscription price in the context of the same issue of shares. However, the price at which private investors may subscribe for shares may be lower than (i) the price at which the HFSF has subscribed for shares in previous capital increases of the credit institution concerned, or (ii) the current stock market price of the shares of such credit institution.

(D) The HFSF may, prior to the observance of the process set out in article 6a of Law 3864/2010 involving the implementation of mandatory (burden-sharing) measures pursuant to a Cabinet Act as outlined above, provide credit institutions that have requested capital support and fall within the exception of paragraph 4 of article 32 of Law 4335/2015 (precautionary recapitalisation of article 32(4) of the BRRD) with a commitment letter that the HFSF will participate in their share capital increase up to the amount determined by the competent authority and that such participation will be in accordance with article 7 of Law 3864/2010.

The HFSF would provide the requested capital support pursuant to a commitment letter only if the European Commission has approved such support and the Cabinet Act regarding the implementation of the mandatory (bail-in) measures has been published, as discussed above.

The above commitment of the HFSF would cease to be effective in the event that (i) the licence of the credit institution is revoked for any reason pursuant to article 19 of Law 4261/2014, (ii) the resolution measures provided for in paragraph 1 of article 37 of Law 4335/2015 (article 37 of the BRRD) are taken, before the commencement of the procedure for its share capital increase.

Cabinet Act No. 44/5.12.2015, issued under article 6a, paragraph 11 of Law 3864/2010, set out:

(i) the procedure for the appointment by the Bank of Greece of a valuator for the valuation of the assets and liabilities of the credit institution in case of and prior to the implementation of the burden sharing measures of article 6a of Law 3864/2010, as well as the content and purpose of such valuation; and

(ii) the details for the implementation of the mandatory measures of article 6a of Law 3864/2010 and the details for the determination of any compensation claimed by the holders of the capital instruments and liabilities subject to the mandatory burden sharing measures of article 6a of Law 3864/2010.

Regulatory Treatment of Deferred Tax Assets

Background

Article 36, par. 1(c) of the CRR establishes a general rule stating that credit institutions shall deduct from their Common Equity Tier 1 deferred tax assets that rely on future profitability, meaning those deferred tax assets which may only be realised in the event the credit institution concerned generates taxable profits in the future.

Notwithstanding, article 39, par. 2 of the CRR allows the non-deduction from own funds of certain deferred tax assets that do not rely on future profitability establishing, however, that these "*shall be limited to deferred tax assets arising from temporary differences, where all the following conditions are met:*

(a) they are automatically and mandatorily replaced without delay with a tax credit in the event that the institution reports a loss when the annual financial statements of the institution are formally approved, or in the event of liquidation or insolvency of the institution;

(b) an institution shall be able under the applicable national tax law to offset a tax credit referred to in point (a) against any tax liability of the institution or any other undertaking included in the same consolidation as the institution for tax purposes under that law or any other undertaking subject to the supervision on a consolidated basis in accordance with Chapter 2 of Title II of Part One;

(c) where the amount of tax credits referred to in point (b) exceeds the tax liabilities referred to in that point, any such excess is replaced without delay with a direct claim on the central government of the Member State in which the institution is incorporated."

Summary of Greek legislation

Against this background, Article 27A of Law 4172/2013, as amended by Law 4340/2015, introduced a number of measures which apply to Greek credit institutions, leasing and factoring companies supervised by the Bank of Greece, with the purpose of allowing the conversion of certain DTAs into deferred tax credits (**DTCs**). Entering or exiting from such conversion mechanism (the **Regime**) is optional and is subject to prior approval by the shareholders' general meeting of the institution concerned (**GM**), following a relevant recommendation by its Board of Directors.

The GM's decision to opt-in the Regime concerns the creation of a special reserve, the issuance of securities giving the right to acquire ordinary shares (**conversion rights**) in favour of the Greek state, the increase of the share capital of the institution concerned through the capitalisation of the special

reserve resulting from the exercise of the conversion rights. In addition, for the opt-out, regulatory pre-approval is required.

In this regard, under certain preconditions, DTAs related to:

(a) the remaining unamortised amount of the debit difference (according to the Greek tax legislation) resulting from the participation in the PSI and the Buy-Back Program; and

(b) accumulated provisions and other losses in general due to credit risk (excluding the ones potentially raised for group companies or related parties) accounted for by 30 June 2015,

could convert into DTCs according to a predetermined formula as follows:

$$\textbf{DTC} = \textbf{Eligible accumulated DTA} \times \frac{\textbf{IFRS Loss of the year after tax}}{\textbf{Equity (excl. IFRS loss of the year after tax)}}$$

The DTCs created pursuant to the above are subject to an audit /correction to be performed by the Greek tax authorities.

As a result of the above mechanism, DTAs could be converted into DTCs from the fiscal year 2016 onwards and allow the institution concerned to offset these DTCs against its corporate income tax liability (including corporate income tax liabilities of its affiliates (as defined in Law 4172/2013), as the case may be, once group relief provisions are introduced into Greek law) of the respective year. This may happen in case there is a loss recorded in accordance with the IFRS but, following the necessary adjustments provided for in the Greek tax legislation, the result would be taxable profit with an income tax obligation in this respect (for example, the loan loss provisions treatment is different between IFRS and the Greek tax rules). In case the corresponding income tax liability for the year where the annual loss was recorded is not enough to offset the DTC in full, for the remaining non-offsetable DTCs held by the institution concerned give rise to a direct payment claim against the Greek state. In this case, the institution concerned issues, without consideration, conversion rights in favour of the Greek state. These conversion rights issued to the Greek state correspond to the ordinary shares of the institution concerned having a total market value representing 100% of the whole DTC converted part (i.e. before offsetting with the corporate income tax). In relation to institutions the shares of which are listed on the ATHEX, such as the Issuer, the market price for its shares is equal to the weighted average stock exchange price during the last 30 business days before the date where its DTC becomes a receivable. The exercise of the conversion rights is without consideration and is realised with the capitalisation of the special reserve created by the institution concerned.

The conversion rights are convertible into ordinary shares, may be issued above par and are freely transferable by their holders. Within a reasonable time after the issuance date of the conversion rights, the existing shareholders of the institution concerned have a call option to acquire the conversion rights *pro rata* to their percentage participation in the share capital of the institution concerned at the time the conversion rights were issued.

The conversion mechanism (DTA to DTC) is also triggered in case of bankruptcy, liquidation or special liquidation of the institution concerned, as provided for in the Greek or EU legislation, as the latter has been transposed into the Greek legislation. In this case, any amount of DTCs which is not

offset with the corresponding annual corporate income tax liability of the institution concerned gives rise to a direct payment claim against the Greek state.

Finally, article 27A of Law 4172/2013 also provides for the issuance of a Cabinet Act to address issues with respect to the implementation of the Regime, such as the monitoring and certification of the annual non-offsetable DTC, its collection method, which would be either in cash or cash equivalents as they are defined in IAS 7, the basic terms governing the conversion rights, the transfer details, the transfer value, the time and the procedure for the exercise of the call options by the shareholders of the institutions concerned, the time at which they become tradable on a regulated market.

Capital Controls

On 28 June 2015, pursuant to a Legislative Act of the same date, as subsequently amended (the **Act of 28 June 2015**), capital controls and a bank holiday were imposed in Greece. The Act of 28 June 2015 also provided for the creation of a committee for the approval of banking transactions during the bank holiday (the **Approval Committee**). Further to the adoption of the Act of 28 June 2015, the ATHEX regulated markets, the Alternative Market of the ATHEX (**EN.A**) and the Electronic Secondary Market for government bonds (**HDAT**) remained closed throughout the bank holiday pursuant to the decision of the HCMC. Redemption of UCITS' units, as well as clearing and settlement of all transactions in securities traded on the ATHEX and the EN.A by ATHEXClear and/or the HCSD were suspended during the bank holiday. In addition, the HCMC imposed temporary prohibition of transactions in any financial instrument which would create or increase a net short position in the shares admitted to trading on the ATHEX and the EN.A for which the HCMC is the competent authority.

The bank holiday ended on 20 July 2015 and the capital controls were relaxed pursuant to a Legislative Act endorsed on 18 July 2015, as subsequently amended (the **Act of 18 July 2015**). As the legislative framework now stands, restrictions on cash withdrawals and transfers of funds still apply to credit institutions operating in Greece, payment institutions, e-money institutions (as well as foreign institutions' branches and representatives in Greece) and the Loans and Consignments Fund, as follows:

- cash withdrawals from branches or ATMs in Greece and abroad are allowed up to €60, per day, or up to €420 in aggregate per week, in each case per customer and credit institution. Such restriction applies to any payment in cash, regardless of the currency, including collections of cheques and payments under letters of guarantee;

- cash withdrawals in and outside Greece through the use of credit and prepaid cards issued by credit institutions operating in Greece are prohibited. On the contrary, credit and debit cards may be used for the purchase of goods or provision of services up to the maximum credit or debit limit determined for the card holder by the relevant credit institution;

- transfers of funds or cash abroad in any way (including through transfer orders or through the use of prepaid, credit or debit cards) are prohibited other than transfers of cash up to €2,000 or its equivalent in a foreign currency, per individual and per trip (permanent residents abroad are exempted from such restriction). The acceptance and implementation of orders for the transfer of funds abroad by credit institutions, is allowed up to the amount of €500 per depositor and per month and up to the aggregate monthly amount set by the Approval Committee for every credit institution. In addition, the acceptance and implementation of orders for the transfer of funds abroad

by Greek payment institutions as well as payment institutions in other EU member states offering money remittance services, including their representatives in both cases, is also allowed up to the amount of €500 per individual/payer per calendar month, and up to the aggregate monthly amount set by the Approval Committee for every payment institution. The limit applying to every provider is the monthly balance arising following the set-off between incoming and outgoing money remittances implemented by such provider;

- openings of new accounts (except when necessary for certain enumerated transactions provided that no other available account exists or for the purposes of servicing a loan already granted, except in the case of new acquiring contracts for the settlement of transactions from the use of cards), additions of co-beneficiaries and activation of inactive accounts are prohibited;

- the early, partial or total, repayment of a loan to a credit institution is not allowed other than when the loan is repaid (a) in cash or through a bank remittance from abroad; (b) out of the proceeds of a new loan at least equal to the amount of the outstanding principal of the original loan, such new loan being granted for restructuring purposes; and (c) in the case of residential loans which have been secured by mortgage, provided that the prepayment is made with a view to sell the mortgaged property;

- the early termination, in full or in part, of fixed term deposits is prohibited. As an exception, partial termination of a fixed term deposit is allowed exclusively for the settlement by the equal amount of specific obligations set out in the Act of 18 July 2015, in order to allow for the early termination of fixed term deposits also in case of purchase of real estate up to a maximum amount referred to in the notarial deed for the sale and purchase of such real property (plus any expenses);

- credit institutions operating in Greece may transfer funds for the purposes of liquidity management and performance of their payment obligations in the context of servicing of agreements (for instance, servicing of payments in relation to securities and securitisations of the institution and its subsidiaries, including coupon payments, settlement of third parties' invoices and total or partial repayment of principal); and

- transactions that would normally fall within the scope of the above restrictions may be exempted by decision of the Approval Committee.

The Act of 18 July 2015 also included restrictions on transfers of funds for transactions in financial instruments which were relaxed by virtue of a decision of the Minister of Finance dated 31 July 2015, which was further replaced by a decision of the Minister of Finance dated 7 December 2015 (the **Decision of 7 December 2015**). Currently, following the Decisions of 31 July 2015 and 7 December 2015, transfers of funds within the Greek banking system are permitted:

(a) for the purposes of clearing, including the management of collateral (margin), and settlement, until the end beneficiary, of transactions on financial instruments of article 5 of Greek Law 3606/2007 that are traded on regulated markets and multilateral trading facilities in Greece (**Financial Instruments**), including all possible expenses and commissions that relate to such transactions;

(b) for the performance of payment obligations and in general cash distributions by the issuers to the beneficiaries of the financial instruments of article 5 of Greek Law 3606/2007 (e.g., payments of coupons and dividends by the issuers);

(c) for the performance of standing orders existing on 28 June 2015 for the transfer of capital from savings accounts to UCITS of Greek Law 4099/2012, as in force, or Alternative Investments Funds (**AIFs**) of Greek Law 4209/2013, that are subject to the management of AIFs Managers or to unit-linked mutual funds in the context of savings-investment programmes/accounts;

(d) for the acquisition of (i) newly issued Financial Instruments, where these are issued in the context of a a share capital increase or the issuance of bond loans; and (ii) any securities issued by credit institutions authorised in Greece, for their recapitalisation; and

(e) for the acquisition of units of UCITS of Greek Law 4099/2012, as in force, that are distributed in Greece, provided that the proceeds deriving from the new distribution of fund units in Greece cannot be transferred or invested abroad.

Exceptionally, transfers of funds from a Greek institution abroad are allowed for the re-investment of available funds of UCITS, AIFs, social security funds, insurance companies, professional insurance funds and certain other entities, or for the investment of contributions to professional insurance funds in accordance with their investment policies as at 28 June 2015, or from insurance companies in relation to specific investments from life insurance unit-linked contracts.

Moreover, the transfer of custody of financial instruments abroad is possible only for the settlement and clearance of transactions related to such financial instruments.

In order to prevent outflow of funds during the capital controls period, the decision of the Minister of Finance dated 31 July 2015 permitted investments in Financial Instruments by investors only through the use of "new money". New money was defined as funds from the sale of financial instruments, remittances from abroad, release and return of qualifying collateral or margin, distributions made to holders of such instruments, credits from positions in derivatives, available credit balances in bank accounts held by investment firms and payments in cash. However, the decision of the Minister of Finance dated 31 July 2015 was repealed by means of the Decision of 7 December 2015 and "new money" is no longer required for the purchase of financial instruments or the opening of positions on derivatives in financial instruments as it was the case under the previously applicable regime.

Equally, there are no restrictions on the transfer of the proceeds from the clearing and settlement of transactions on Financial Instruments, as well as the amount of cash distributions from issuers to holders of financial instruments referred to under article 5 of Greek Law 3606/2007, through a Greek bank to an account outside of Greece and up to the end beneficiary thereof, provided that (i) if such account is an existing account, that account should have been used for the clearing and settlement of transactions in such instruments through the relevant investment account prior to the commencement of the bank holiday on 28 June 2015, and (ii) with respect to a new investment account, the funds used to purchase Financial Instruments or to open position on derivatives through such investment account should have been transferred from an account held outside of Greece. Where the credit of the clearing and settlement proceeds to bank accounts outside the Greek banking system is permitted, as mentioned above, then the proceeds that are transferred abroad may be also used for the acquisition of units of UCITS of Greek Law 4099/2012.

Pursuant to a decision of the HCMC made on 3 August 2015, the ATHEX regulated markets, EN.A. and HDAT reopened and ATHEXClear and the HCSD resumed their operations of clearing and

settlement, respectively, as of that date. Suspension of redemption of UCITS units was lifted as well on 31 August 2015. The prohibition of short sales (including short sales to be cleared through intraday purchases) of shares (and ADRs, GDRs and warrants relating thereto) issued by Alpha Bank, Attica Bank, National Bank of Greece, Eurobank and Piraeus Bank admitted to trading on the ATHEX remained in place until midnight, Greek time, on 21 December 2015, with the exception of certain transactions by market makers for hedging purposes.

THE MORTGAGE AND HOUSING MARKET IN GREECE

The first mortgage lending institution, the National Mortgage Bank of Greece, was established in 1927, followed by the National Housing Bank in 1930. Both institutions were under government control, but have since been merged with the National Bank of Greece. Since then, another three institutions under government control have become active in the field of mortgage lending: the Postal Savings Bank (*Tachydromiko Tamieftirio*); the Consignment Deposits and Loans Fund (*Tamio Parakatathikon kai Daneion*); and Agricultural Bank, the first two providing loans to civil servants and the latter providing loans mainly to farmers. In 1985 the state monopoly of mortgage lending was ended, allowing commercial banks to enter the market, provided that their mortgage financing did not exceed 2% of their deposits. From the early 1990s onwards the mortgage loans market was rapidly deregulated and as a result many commercial banks operating in Greece (foreign and national) now have a presence in this market as well as in the broader region of South East Europe.

In March 2012, the Bank of Greece prepared a strategic review of the Greek banking sector. The review evaluated the sustainability prospects of Greek banks by applying a wide set of supervisory and operational criteria and using financial and supervisory data, as well as data from BlackRock Solution's 2011 diagnostic assessment of the Greek banking sector commissioned by the Bank of Greece (the **BlackRock Diagnostic Assessment**). The results of the review concluded that Greece had four systemic banks (National Bank of Greece, Eurobank, Alpha Bank and Piraeus Bank) which were deemed fit to receive public support. Currently, the four systemic banks account for almost the total residential mortgage market.

Until the end of 2008, the residential mortgage market exhibited a remarkable growth. Lending acceleration took place against a backdrop of macroeconomic stability, rapidly declining interest rates (from 25% in the early 1990s to less than 6% in 2003 and to less than 5% until the end of 2008), and strong residential construction activity and led to a 27% CAGR in market balances over the 2000-2008 period.

From 2008 onwards, the residential mortgage market has started showing signs of deceleration, gradually entering into maturity stage. Additionally, the market has been negatively affected by the fiscal crisis that emerged in the country and the deteriorating macroeconomic conditions that caused a serious downturn in the Greek property market. Thus, a 4% growth in balances over 2009 was followed by market stagnation in 2010 and a continuous decline over the next years. Over 2015, the drop in balances reached 2.6%, compared to 2.3% in 2014 and 4.8% in 2013 and 2012. For the coming year, market balances will keep decreasing, decelerating pace given that the overall economic climate improves.

All in all, households have substantially increased their leverage over the specific period; mortgage credit increased from 10% of GDP in 2001 to an estimated 39% by the end of 2015, reaching the euro area average.

Mortgage Products

The Greek mortgage market is characterised as a mature market, with fairly standard products on offer. Currently, most banks offer the following mortgage products:

(a) long-term fixed rate mortgages (which account for a very small percentage of the market);

(b) floating rate mortgages, based primarily on EURIBOR and to a limited extent on ECB refinance rates;

(c) mortgages with a fixed rate for an initial period (for example 1-15 years) converting to a floating rate thereafter;

(d) mortgages with floating rates which are subsidised up to a certain amount and for a specific period of time by the Greek State; and

(e) preferential floating rate mortgages granted in favour of the banks' employees.

Typically, mortgage loans have a term of 20 to 25 years, although the maximum term is 30 years.

The Greek Housing Market

There is a relatively low turnover of houses in the Greek housing market; due to strong family ties children tend to live with their parents until they marry and purchase their first home.

Home ownership within Greece is highest in the regions and lowest in Athens. The number of people owning second homes is also very high.

The most common type of property available is the apartment, with maisonettes and detached houses being restricted to the more affluent city areas.

During the last years, the continuous decline in property prices, results in investment opportunities in the real estate market.

Security for Housing Loans

In Greece, security for housing loans is created by establishing a mortgage. A mortgage can be established by a notarial deed (or by a judicial decision, or by law in special cases). The establishment of a mortgage by notarial deed is quite costly and it is therefore not preferred among banks and borrowers. Instead, in most cases, banks obtain a pre-notation of a mortgage, which is an injunction over the property entitling its beneficiary to obtain a mortgage as soon as a final judgment for the secured claim has been obtained, but which is valid as of the date of the pre-notation. From the point of view of enforceability, ranking of the security and preferred right to the proceeds of the auction, there is no difference between a holder of a mortgage and a holder of a pre-notation of a mortgage, since the latter is treated as a secured creditor of the property. Both the holder of a pre-notation of a mortgage and a mortgagee need an enforcement right before commencing enforcement procedures. The difference between them is that the pre-notation is a conditional security interest whose preferential treatment is subject to the unappealable adjudication of the claim it purports to secure, whereas a mortgagee's claim is enforceable pursuant to the mortgage deed itself.

Establishing a pre-notation is the most common way of establishing security for a housing loan in Greece.

The pre-notation, as a form of injunction, can be established with or without the consent of the owner(s) of the property on which the mortgage will be secured, but is only granted pursuant to a court decision.

The procedures adopted by lenders of housing loans in practice has led to an arrangement whereby pre-notations are granted "by consent", where both the lending bank and the borrower appear before the competent court and consent to the establishment of the pre-notation on the specific real estate property. The court issues the decision immediately (in fact, the decision is drafted beforehand by the lending bank and is certified and signed by the judge who hears the claim).

Having certified the court decision and a summary thereof, the lawyer of the lending bank takes them to the Cadastre or the Land Registry, where applicable, along with a written request for the issuance (by the Cadastre or the Land Registry) of certificates confirming:

(a) the ownership by the borrower of the mortgaged property;

(b) the registration and class of the pre-notation;

(c) the absence of (judicially raised) claims of third parties against the current and all previous owner(s) of the mortgaged property; and

(d) any other mortgages, pre-notations or seizures preceding the pre-notation registered by the bank.

At the same time the Issuer's lawyer performs a search in the Cadastre or the Land Registry, in order to confirm the uncontested ownership of the borrower and the first priority nature of the mortgage or pre-notation, before the loan can be disbursed.

Once the certificates are issued, they are reviewed by the Issuer's legal department and are included in the borrower's file. The legal review of both the ownership titles and the pre-notation registration is based on public documents, i.e. on notarial deeds and certificates issued by the competent land registries. The history of the ownership titles for the previous 20 years is examined (which is the period for adverse possession). Such a review together with a titles search in the Cadastre or the Land Registry, precedes the approval of the loan. Upon registration of the pre-notation, a second titles search is made to confirm the status quo.

Enforcing Security

Article 1 of Law 4335/2015 has brought significant amendments, inter alia, to the enforcement provisions of the Greek Code of Civil Procedure, which came into effect from 1 January 2016. The new provisions apply only in respect of demands for immediate payment served to the debtor after 1 January 2016.

It is Eurobank's policy to commence enforcement proceedings once an amount remains unpaid under a loan for more than 180 days, at which point, the loan is terminated. Once a loan is in default and terminated, a notice is served on the borrower and on the guarantors, if any, informing them of this fact and requesting the persons indebted to an immediate payment of all amounts due. Following service and in the case of continued non-payment, an order of payment is obtained from the judge of the competent First Instance Court to be served on the borrower together with a demand for immediate payment. Service of the order and demand for payment is the first action of enforcement proceedings. Three working days after serving the payment order and demand, the property can be seized and the auction process starts (see below for a description of the auction process).

The borrower, after being served the order for payment, is granted fifteen working days (or thirty working days if the borrower is of an unknown address or resides abroad) to contest the validity of the order for payment, either on the merits of the case or on the ground of procedural irregularities. This can be done by filing an Article 632 of the Greek Code of Civil Procedure (the **CCP**) Annulment Petition before the Court of First Instance (in short, **632/Annul**). At the same time, the borrower can file an Article 632 CCP Suspension Petition (in short, **632/Susp**) for the suspension of the enforcement proceedings as a provisional measure. At the time of filing 632/Susp, in most cases, immediate suspension is granted up until the hearing of the suspension petition. If the court decides that the arguments in the Article 632/Susp are correct and reasonable, the suspension of enforcement

will be granted to the petitioner until the issue of a final Court of Appeal's decision on the 632/Annul. If the court decides that the 632/Annul has no grounds and rejects this, the suspended enforcement procedures can continue. If the borrower has not filed an Article 632/Annul and subsequent suspension within fifteen working days after serving the payment order, then the bank according to Article 633 CCP may again serve the payment order whereby a second period of fifteen working days is granted to the borrower to contest the payment order. Suspension of enforcement against a borrower of an unknown address or residing abroad is granted by law during the thirty day period to file an Article 632/Annul. Failure to contest the payment order will result in the bank having a final deed of enforcement and then pre-notations, for the loans covered with, must be converted to mortgages.

The borrower (being, in respect of a Loan Asset, the individual specified as such in the relevant mortgage terms together with each individual (if any) who assumes from time to time an obligation to repay such Loan Asset (the **Borrower**) or any part of it may also file with the relevant Court of First Instance an Article 933 CPC Petition for Annulment (**933/Annul**) of certain actions of the foreclosure proceedings based on reasons pertaining to the validity of the order for payment or the relevant claims and to procedural irregularities. The hearing of the Article 933/Annul is scheduled within 60 days from the date of the filing of such petition and the relevant decision must be issued within 60 days from the hearing before the court. Both 632/Annul and 933/Annul may be filed either concurrently or consecutively, but it should be noted that both petitions may not be based on reasons pertaining to the validity of the order for payment, once the order of payment has become final as mentioned above.

According to the provisions of Law 4335/2015, the ability of the Borrower to challenge the compulsory enforcement actions, which are carried out by the creditor, is significantly restricted. In particular, by virtue of the provisions of the Code of Civil Procedure, as in force until 31 December 2015, the Borrower was entitled to challenge separately each compulsory enforcement action and as a result the completion of the enforcement procedure was significantly delayed. However, by virtue of Law 4335/2015, the Borrower is entitled to oppose to defects of the compulsory enforcement procedure in just two stages: the first one is set before the auction and is related to any reason of invalidity of the compulsory enforcement actions carried out before the auction, whereas the second one is set after the auction and is related to any defects, which arose from the auction until the awarding. In case that the compulsory enforcement procedure is based on a court's judgment or payment order, the litigant parties are only entitled to file an appeal against the judgment, which has been issued in relation to the Article 933 Annulment Petition. The possibility to file an appeal in cassation against the decision is abolished.

The filing of an Article 933/Annul entitles the Borrower to file a Suspension Petition pursuant to article 937 of the Greek Civil Procedure Code (in short **937/Susp**) in relation to the enforcement until the decision of the Court of First Instance on the annulment motion is issued. Again, enforcement proceedings may be suspended until the hearing of the Article 937/Susp. In the case where the Borrower seeks the suspension of the auction,Article 937/Susp must be filed 5 days prior to the auction and the relevant decision ,must be issued by 12.00pm on the Monday prior to the day of the auction.

The actual auction process is started with seizure of the property, which takes places 3 working days after the order for payment is served on the borrower. The seizure statement that is issued by the bailiff who performs it, contains the auction date which, in respect of demands for immediate payment served to the debtor after 1 January 2016, should take place within seven months from the date of completion of the seizure and in any case no later than eight months from the completion of the seizure (or within a deadline of three months since the continuation statement, in case the auction does not take place on the initial date) and place and the notary public who will act as the auction clerk. At this point all mortgagees (including those holding a pre-notation) are informed of the upcoming auction.

The minimum auction price is determined within the statement of the court bailiff and can be contested by the borrower or any other lender at the latest twenty (20) days before the auction date. The relevant court's decision should be published at the latest by 12.00 p.m. ten (10) days before the auction date. The minimum auction price should be at least two thirds of the estimated value of the seized immoveable property. For demands for immediate payment served to the debtor after 1 January 2016, the market value of the seized immoveable property shall be taken into account for the estimation of the value of the seized immoveable property. A presidential decree shall determine the method for the calculation of the market value of the immoveable property seized, the competent body for the calculation of such market value and any further details. Until the issuance of the presidential decree, the estimation of the value of the seized immoveable property cannot be less than the property value of the immovable property for the calculation of the transfer tax (if any).Until the issuance of the presidential decree, the following process shall apply in respect of auctions of immoveable property:

If no bidders appear at the auction, the immoveable property is awarded at the minimum auction price to the person in favour of whom the enforcement proceedings were initiated, upon the latter's request. If no such request is submitted, a repetitive auction takes place within fourteen (14) days at an auction price set at one half (1/2) of the estimated value of the seized property. If such repetitive auction is unsuccessful, the competent court, upon request of persons having legal interest, may order the conduct of another auction within thirty (30) days, at a reduced auction price or allow the sale of the property to the person in favour of whom the enforcement proceedings were initiated or to third persons at a price determined by the court, which may also provide that part of the consideration may be paid in instalments. If such auction or disposal is unsuccessful, the competent court, upon request of persons having legal interest, may rescind the seizure or order the conduct of another auction at a further reduced auction price.

The public auctions occur before a notary public of the district of the immovable property. The auctions take place in two stages. At first instance, the bids are submitted in closed envelopes and the amount of the bid has to be guaranteed either by a letter of credit of monthly duration or by a bank's cheque. At the second stage, the bids are oral.

In the auction, the property is sold to the highest bidder who then has 15 days to pay. Once the price of the property is paid, the notary public prepares a special deed listing all the creditors and allocating the proceeds of the auction. Each creditor must announce its claim, along with the documents substantiating its claim, to the notary public within 5 days from the day of the auction (and under the previously applicable regime within 15 days of the auction).

Once the allocation of proceeds amongst the creditors of the Borrower has been determined pursuant to a deed issued by a notary public, the creditors of the Borrower may dispute the allocation and file a petition contesting the deed. The Court of First Instance adjudicates the matter but the relevant creditor is entitled to appeal against the decision to the Court of Appeal. This procedure may delay the collection of proceeds and the time at which the Issuer finally receives the proceeds of the enforcement of the relevant property. However, the law provides that a creditor is entitled to the payment of its claim even if its allocation priority is subject to a challenge, provided that such creditor provides a bank letter of guarantee on demand securing repayment of the money in the event that such challenge is upheld. In addition, there is a period of mandatory suspension for all enforcement procedures, including auctions, between 1 and 31 August of each year and prohibition of auctions of real properties on the Wednesday before and after the date of any national, municipal or European elections.

The proceeds of an auction following enforcement against a property securing a Loan are allocated in accordance with Articles 975, 976 and 977 of the Greek Civil Procedure Code, as amended by Law

4335/2015. As of 1 January 2016 onwards and in respect of demands for immediate payment served to the debtor after 1 January 2016, the auction proceeds are allocated, after deduction of the enforcement expenses, for the satisfaction of the creditors in the following ranking order (the general privileges):

i. Medical and funeral expenses of the debtor and his family that arose within the last twelve (12) months prior to the day of the public auction or the declaration of bankruptcy and compensation claims (except claims for moral damages) due to disability exceeding eighty percent (80%) or more that arose until the day of the public auction or the declaration of bankruptcy.

ii. Claims for the provision of necessary food vital for the support of debtor and his family that arose during the last six months before the day of the public auction or the declaration of bankruptcy.

iii. Claims based on salaried employment, claims from fees, expenses and compensation of lawyers paid under fixed regular remuneration, provided that they arose within the last two years prior to the day of the first public auction or the declaration of bankruptcy, compensation claims arising by reason of termination of employment arrangements and lawyers' compensation claims arising by reason of the termination of in-house employment arrangement. The same rank also includes claims of the State arising out of the Value Added Tax (**VAT**) and any attributable or withholding taxes together with any increments and interests imposed on such claims, as well as claims of social security organizations, alimony claims in case of death of the person owing such alimony and compensation claims due to disability exceeding sixty seven percent (67%) which arose up to the day of the public auction or the declaration of bankruptcy.

iv. Claims of farmers or agricultural cooperatives from the sale of agricultural products that arose within the last year prior to the day the public auction was first set to occur or the declaration of bankruptcy.

v. Claims of the State and municipal authorities arising out of any cause, together with any increments and interest imposed on such claims.

vi. Claims of the Greek Investor Compensation Scheme (Syneggyitiko) against the debtor, insofar as such debtor is or was an investment services firm and the claims of such fund were born within the two (2) years preceding the day of the public auction or the declaration of bankruptcy.

In case of concurrence of general privileges (as mentioned above) and special privileges (which include claims secured by pledge or mortgage) and non – privileged claims, the percentage of satisfaction of the creditors with general privileges is limited to up to twenty five percent (25%), whereas the percentage of satisfaction of creditors with special privileges is up to sixty five percent (65%). The remaining amount of ten percent (10%) of the auction proceeds is allocated to the non – privileged creditors. In case of concurrence of creditors with special privileges and non – privileged creditors, an amount of ninety (90%) is allocated to creditors with special privileges, while an amount of ten percent (10%) of the auction proceeds is allocated to the non-privileged creditors. In case of concurrence of claims with general privileges and non – privileged claims, the percentage of satisfaction of the former is seventy percent (70%).

DESCRIPTION OF THE TRANSACTION DOCUMENTS

Servicing and Cash Management Deed

The Servicing and Cash Management Deed, made between the Issuer, the Trustee and the Servicer contains provisions relating to, *inter alia*:

- the Issuer's obligations when dealing with any cash flows arising from the Cover Pool and the Transaction Documents;
- the servicing, calculation, notification and reporting services to be performed by the Servicer, together with cash management services and account handling services in relation to monies from time to time standing to the credit of the Transaction Accounts, the Collection Accounts and the Third Party Collection Accounts (if any);
- the terms and conditions upon which the Servicer will be obliged to sell in whole or in part the Loan Assets;
- the Issuer's right to prevent the sale of a Loan Asset to third parties by removing the Loan Asset made subject to sale from the Cover Pool and transferring within 10 Business Days from the receipt of the offer letter, to the relevant Transaction Account, an amount equal to the price set forth in such offer letter, subject to the provision of a solvency certificate;
- the covenants of the Issuer;
- the representations and warranties of the Issuer regarding itself and the Cover Pool Assets;
- the responsibilities of the Servicer following the service of a Notice of Default on the Issuer or upon failure of the Issuer to perform its obligations under the Transaction Documents; and
- the circumstances in which the Issuer or the Trustee will be obliged to appoint a new servicer to perform the Servicing and Cash Management Activities.

Servicing

Pursuant to the Servicing and Cash Management Deed, the Servicer has agreed to service the Loans and their Related Security comprised in the Cover Pool and provide cash management services.

The Servicer will be required to administer the Loans and their Related Security in accordance with the Issuer's administration, arrears and enforcement policies and procedures forming part of the Issuer's policy from time to time as they apply to those Loans.

The Servicer will have the power to exercise the rights, powers and discretions and to perform the duties of the Issuer in relation to the Loans and their Related Security that it is servicing pursuant to the terms of the Servicing and Cash Management Deed, and to do anything which it reasonably considers necessary, convenient or incidental to the administration of the Loans and their Related Security.

Right of delegation by the Servicer

The Servicer may from time to time sub-contract or delegate the performance of its duties under the Servicing and Cash Management Deed, provided that it will nevertheless remain responsible for the performance of those duties to the Issuer and the Trustee and, in particular, will remain liable at all

times for servicing the Loans and their Related Security and for the acts or omissions of any delegate or subcontractor. Any such subcontracting or delegation may be varied or terminated at any time by the Servicer.

Appointment of Replacement Servicer

Upon the occurrence of any of the following events (each a **Servicer Termination Event**):

(a) where the Issuer and Servicer are not the same entity:

(i) default is made by the Servicer in the payment on the due date of any payment due and payable by it under the Servicing and Cash Management Deed and such default continues unremedied for a period of three (3) Athens Business Days after the earlier of the Servicer becoming aware of such default and receipt by the Servicer of written notice from the Trustee requiring the same to be remedied;

(ii) default is made by the Servicer in the performance or observance of any of its other covenants and obligations under the Servicing and Cash Management Deed, which is materially prejudicial to the interests of the Covered Bondholders and such default continues unremedied for a period of 20 Business Days after the Servicer becoming aware of such default, PROVIDED THAT where the relevant default occurs as a result of a default by any person to whom the Servicer has sub-contracted or delegated part of its obligations hereunder, such default shall not constitute a Servicer Termination Event if, within such period of 20 Business Days of awareness of such default by the Servicer, the Servicer terminates the relevant sub-contracting or delegation arrangements and takes such steps as the Trustee may approve to remedy such default; or

(iii) the occurrence of an Insolvency Event in relation to the Servicer; or

(b) where the Issuer and the Servicer are the same entity, the occurrence of an Issuer Event,

then the Trustee shall at any time after it receives notice of such Servicer Termination Event use its reasonable endeavours to by notice in writing to the Servicer terminate its appointment as Servicer under the Servicing and Cash Management Deed with effect from a date (not earlier than the date of the notice) specified in the notice. Upon the termination of Eurobank as Servicer, the Trustee shall use its reasonable endeavours to appoint a replacement Servicer. The appointment of any such replacement shall be subject to, *inter alia*, approval from the Covered Bondholders by an Extraordinary Resolution passed at a single meeting of the Covered Bondholders of all Series then outstanding. In addition, the Bank of Greece may appoint a substitute servicer.

Insolvency Event means, in respect of the Servicer:

(i) any order shall be made by any competent court or resolution passed for the winding-up or dissolution of the relevant entity (other than for the purpose of amalgamation, merger or reconstruction) ;or

(ii) the relevant entity shall cease to carry on the whole or substantially the whole of its business (other than for the purpose of an amalgamation, merger or reconstruction); or

(iii) the relevant entity shall stop payment or shall be unable to, or shall admit inability to, pay its debts as they fall due, or shall be adjudicated or found bankrupt or insolvent by a court of

competent jurisdiction or shall make a conveyance or assignment for the benefit of, or shall enter into any composition or other arrangement with, its creditors generally; or

(iv) a receiver, trustee or other similar official shall be appointed in relation to the relevant entity or in relation to the whole or over half of the assets of the relevant entity, or an interim supervisor of the relevant entity is appointed by the Bank of Greece or an encumbrancer shall take possession of the whole or over half of the assets of the relevant entity, or a distress or execution or other process shall be levied or enforced upon or sued out against the whole or a substantial part of the assets of the relevant entity and in any of the foregoing cases it or he shall not be discharged within 60 days;

(v) any action or step is taken which has a similar effect to the foregoing; or

(vi) a creditor's collective enforcement procedure is commenced against the Issuer or Servicer (as well as any procedure for the submission of the Issuer under special liquidation pursuant to Greek Law 4261/2014).

The Trustee will not be obliged to act as servicer in any circumstances.

The Cover Pool

Pursuant to the Greek Covered Bond Legislation, the Issuer will be entitled to create the Statutory Pledge over:

(a) certain eligible assets set out in paragraph 8(b) of Section B of the Bank of Greece Act No 2588/20- 8-2007 "Calculation of Capital Requirements for Credit Risk according to the Standardised Approach" as amended as of 31 December 2010 by the Bank of Greece Act No 2631/29-10-2010 and Bank of Greece Act 7/10.01.2013, including, but not limited to, claims deriving from loans and credit facilities of any nature comprising the aggregate of all principal sums, interest, costs, charges, expenses, additional loan advances and other moneys (including, in case of any Subsidised Loans, any Subsidised Interest Amount due and owing with respect to such Subsidised Loan) and including the amounts received from Borrowers which represent the cost to the Issuer of levy of Greek Law 128/1975 (**Levy**) in respect of such Loans but excluding any third party expenses due or owing with respect to such loan and/or credit facilities provided that such loans and credit facilities are secured by residential real estate (the **Loans**) together with any mortgages, mortgage pre-notations, guarantees or indemnity payments which may be granted or due, as the case may be, in connection therewith (the **Related Security**, and together with the Loans the **Loan Assets**). Following the entry into force of Regulation 575/2013 on 1 January 2014, the reference to paragraph 8(b) should be read as a reference to article 129 of Regulation 575/2013;

(b) derivative financial instruments including but not limited to the Hedging Agreements satisfying the requirements of paragraph I. 2(b) of the Secondary Covered Bond Legislation;

(c) deposits with credit institutions (including any cash flows deriving therefrom) provided that such deposits comply with paragraph 8(b) of Section B of the Bank of Greece Act No. 2588/20-8-2007 as amended as of 21 December 2010 by the Bank of Greece Act No 2631/29-10-2010 (including the Transaction Account and the Reserve Ledger, but excluding the Collection Account); and

(d) Marketable Assets,

(each a **Cover Pool Asset** and collectively the **Cover Pool**).

Marketable Assets, as defined in the Act of the Monetary Policy Council of the Bank of Greece 54/27-2- 2004 and which comply with the requirements for Eligible Investments, are allowed to be included in the Cover Pool and will be included in assessing compliance with the Nominal Value Test, provided that such assets in the Cover Pool do not exceed the difference in value between the Principal Amounts Outstanding of Covered Bonds then outstanding plus accrued interest and the nominal value of the Cover Pool plus accrued interest.

By virtue of the Registration Statement(s) filed with the Athens Pledge Registry on or prior to the Issue Date for the first Series of Covered Bonds, the Issuer shall segregate the Cover Pool in connection with the issuance of Covered Bonds for the satisfaction of the rights of the Covered Bondholders and the other Secured Creditors.

The Issuer shall be entitled, subject to filing a Registration Statement so providing, to:

(a) allocate to the Cover Pool additional Cover Pool Assets for the purposes of issuing further Series of Covered Bonds and/or complying with the Statutory Tests and/or maintaining the initial rating(s) assigned to the Covered Bond provided that with respect to any Cover Pool Assets allocated after the Issue Date for the first Series of Covered Bonds which are non-CHF or non-euro denominated assets and/or have characteristics other than those pertaining to the Cover Pool as of the Issue Date for the first Series of Covered Bonds (the **Initial Assets**), the Rating Agency has provided confirmation in writing that the ratings on the Covered Bonds would not be adversely affected by, or withdrawn as a result of such allocation; and

(b) prior to the occurrence of an Issuer Event and provided that no breach of any Statutory Test would occur as a result of such removal or substitution (i) remove Cover Pool Assets from the Cover Pool or (ii) substitute Cover Pool Assets with new Cover Pool Assets, provided that for any substitution of new Cover Pool Assets which are non-CHF or non-euro denominated assets and/or have characteristics other than those pertaining to the Initial Assets, the Rating Agency has provided confirmation in writing that the ratings on the Covered Bonds would not be adversely affected by, or withdrawn as a result of such removal or substitution.

Additional Cover Pool Assets means further assets assigned to the Cover Pool by the Issuer for the purposes of issuing further Series of Covered Bonds and/or complying with the Statutory Tests.

Any further assets added to the Cover Pool at the option of the Issuer in accordance with the above or by way of mandatory changes below shall form part of the Cover Pool.

Minimum Credit Rating means a long term, unsecured, unsubordinated and unguaranteed rating of at least Baa3 by the Rating Agency.

Individual Eligibility Criteria

Each Loan Asset to be included in the Cover Pool shall comply with the following criteria (the **Individual Eligibility Criteria**):

(i) It is an existing Loan, denominated in euro or Swiss francs and is owed by borrowers who are individuals;

(ii) It is governed by Greek law and the terms and conditions of such Loan do not provide for the jurisdiction of any court outside Greece;

(iii) Its nominal value remains a debt, which has not been paid or discharged;

(iv) It is secured by a valid and enforceable first ranking mortgage and/or mortgage pre-notation over property located in Greece may be used for residential purposes;

(v) Notwithstanding (iv) above, if the mortgage and/or mortgage pre-notation is of lower ranking, the loans that rank higher have also been originated by the Issuer and are included in the Cover Pool;

(vi) Only completed properties secure the Loan;

(vii) (a) in the case of loans originated by the Issuer all lending criteria and preconditions applied by the Issuer's credit policy and customary lending procedures have been satisfied with regards to the granting of such Loan and (b) in the case of Loans acquired by the Issuer, each Loan has been administered by the Issuer from the date of acquisition according to the level of skill, care and diligence of a reasonable prudent mortgage lender; and

(viii) It is either a fixed or floating rate loan or a combination of both.

Statutory Tests

Monitoring of the Cover Pool

Prior to the occurrence of an Issuer Event, the Servicer shall verify on each Applicable Calculation Date that, as at the last calendar day of the calendar month immediately preceding such Applicable Calculation Date, the Cover Pool satisfies the following aggregate criteria:

(i) the Cover Pool satisfies the Nominal Value Test;

(ii) the Cover Pool satisfies the Net Present Value Test; and

(iii) the Cover Pool satisfies the Interest Cover Test,

(collectively, the **Statutory Tests** and each a **Statutory Test**).

(a) *The Nominal Value Test:* Prior to an Issuer Event the Issuer must ensure that on each Applicable Calculation Date, the Euro Equivalent of the Principal Amount Outstanding of all Series of Covered Bonds, together with all accrued interest thereon, is not greater than 93 per cent. (or any lower percentage as determined in accordance with any methodologies that the Rating Agency may prescribe in accordance with the Servicing and Cash Management Deed) of the nominal value of the Cover Pool (excluding for these purposes any amounts received from Borrowers which represent the cost to the Issuer of Levy in respect of such Loans) as at the last calendar day of the immediately preceding calendar month (as determined in accordance with the Servicing and Cash Management Deed). In order to assess compliance with this test, all of the assets comprising the Cover Pool shall be evaluated at their nominal value plus accrued interest but not including the Hedging Agreements.

For the purposes of calculating the nominal value of the Cover Pool, the value of any Cover Pool Asset denominated in Swiss Francs comprised in the Cover Pool shall be converted into euro on the basis of the exchange rate published by the European Central Bank (**ECB**) on such Applicable Calculation Date as at the last calendar day of the immediately preceding calendar month.

(b) *The Net Present Value Test*: Prior to an Issuer Event the Issuer must ensure that on each Applicable Calculation Date the net present value of liabilities under the Covered Bonds then outstanding is less than or equal to the net present value of the Cover Pool (excluding for these purposes any amounts received from Borrowers which represent the cost to the Issuer of Levy in respect of such Loans) as at the last calendar day of the immediately preceding calendar

month, including the value of the Hedging Agreements (if included, at the discretion of the Issuer).

The Net Present Value Test must also be satisfied under the assumption of parallel shifts of the yield curve by 200 basis points.

In addition, the Issuer must ensure that on each Applicable Calculation Date, the net present value of the Hedging Agreements are in aggregate less than or equal to 15% of the nominal value (being principal) of the Covered Bonds plus accrued interest thereon (calculated as at the last calendar day of the immediately preceding calendar month).

For the purposes of calculating the net present value of the Cover Pool, all amounts denominated in a currency other than euro shall be converted into euro on the basis of the exchange rate published by the ECB as at the last calendar day of the immediately preceding calendar month.

(c) *The Interest Cover Test:* Prior to an Issuer Event the Issuer must ensure that on each Applicable Calculation Date the amount of interest due on the Covered Bonds does not exceed the amount of interest expected (including, in respect of Subsidised Loans, for these purposes any Subsidised Interest Amounts that are expected to be received during such period) in respect of the Loans comprised in the Cover Pool (excluding for these purposes any amounts received from Borrowers which represent the cost to the Issuer of Levy in respect of such Loans) and the Marketable Assets which are to be included for the purpose of valuation in accordance with paragraph I.6 of the Secondary Covered Bond Legislation, in each case, during the period of 12 months from such Applicable Calculation Date. The amounts due to be paid and received under the Hedging Agreements (if included, at the discretion of the Issuer) must be included for assessing compliance with this test.

Eligible Investments means any marketable assets:

1. that are denominated in euro or CHF, provided that, in all cases:
   (a) such investments are immediately repayable on demand, disposable without penalty or have a maturity date falling on or before the next Cover Pool Payment Date;
   (b) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount); and
   (c) each of the debt securities or other debt instruments and the issuing entity or (in the case of debt securities or other debt instruments which are fully and unconditionally guaranteed on an unsubordinated basis) the guaranteeing entity are rated at least either (A) Baa3 by Moody's the Rating Agency in respect of long-term debt or P-3 by the Rating Agency in respect of short-term debt, with regard to investments having a maturity of less than one month or (B) Baa3 by the Rating Agency Moody's in respect of long-term debt and P-3 by the Rating Agency Moody's in respect of short-term debt, with regard to investments having a maturity between one and three months, or such other rating as acceptable to Moody's the Rating Agency from time to time; or
2. that are euro or CHF denominated residential mortgaged backed securities, provided such residential mortgage backed securities are included on the eligible collateral list maintained by the European Central Bank and are actively traded in a continuous, liquid market on a recognised stock exchange, are held widely across the financial system, are available in adequate supply and which have long term or short term ratings of at least Baa3 and P-3 (respectively) from the Rating Agency; provided however, if such residential mortgaged backed securities are no longer included on the eligible collateral list maintained by the

European Central Bank, such residential mortgaged backed securities shall cease to be an Eligible Investment on the third Athens Business Day following the removal of such asset from the eligible collateral list.

For the purposes of calculating each of the Nominal Value Test, Net Present Value Test and Interest Cover Test set out above, each Loan will be deemed to have an outstanding principal balance of and bear interest on an amount equal to the lower of:

(a) the Euro Equivalent of the actual Outstanding Principal Balance of the relevant Loan in the Cover Pool (as calculated in accordance with the provisions of the Servicing and Cash Management Deed), provided that, if the Euro Equivalent of the aggregate actual Outstanding Principal Balance of all Loans denominated in Swiss Francs exceeds twenty per cent of the Euro Equivalent of the aggregate actual Outstanding Principal Balance of all Loans comprising the Cover Pool, then such amount of the Euro Equivalent of the aggregate actual Outstanding Principal Balance of such Loans denominated in Swiss Francs as exceeds twenty per cent of the Euro Equivalent of the aggregate actual Outstanding Principal Balance of the Loans comprised in the Cover Pool will be given a value of zero; and

(b) the Euro Equivalent of the latest of either the physical valuation or the Prop Index Valuation relating to that Loan multiplied by 0.80 (where such Loan is secured on residential property) or 0.60 (where such Loan is secured on commercial property and such Loan is included in the Cover Pool as a New Asset Type), less the Outstanding Principal Balance of any higher ranking Loan if such Loan is a second or lower ranking Loan, provided that such Loan can never be given a value of less than zero; and

(c) if the relevant Loan is in arrear of more than 90 days, zero,

and each Loan shall be deemed to bear interest on the lower of the amounts calculated in (a), (b) and (c) above.

In addition, in calculating such tests, all Loans that do not comply with the representations and warranties during the immediately preceding calculation period, shall be given a zero value.

OAED means the Manpower Employment Organisation, which succeeded in full the Greek Workers Housing Association (**OEK**) by virtue of Greek law 4144/2013 and other relevant legislation.

OAED Subsidised Loans means those Loans, which for the avoidance of doubt are only denominated in euro, which are both State Subsidised Loans and OAED Subsidised Loans.

Prop Index Valuation means the index of movements in house prices issued by Prop Index SA in relation to residential properties in Greece.

Subsidised Loan means either the OAED Subsidised Loans, the State Subsidised Loans or the State/OAED Subsidised Loan or loans subsidised by any additional Greek State owned entity, which for the avoidance of doubt are only denominated in euro.

Subsidised Interest Amounts means the interest subsidy amounts, which for the avoidance of doubt shall only be denominated in euro, due and payable from the Greek State in respect of the State Subsidised Loans and/or from the OAED in respect of the OAED Subsidised Loans and/or from any other Greek State owned entity in respect of any other Subsidised Loan (as the case may be).

State Subsidised Loans means those Loans, which for the avoidance of doubt are only denominated in euro, in respect of which the Hellenic Republic makes payment of Subsidised Interest Amounts pursuant to all applicable laws.

State/OAED Subsidised Loans means those Loans, which for the avoidance of doubt are only denominated in euro, which are both State Subsidised Loans and OAED Subsidised Loans.

Sale of Selected Loans and their Related Security following an Issuer Event

Following the occurrence of an Issuer Event, the Servicer shall be obliged to try to sell Loan and their Related Security in the Cover Pool having the Required Outstanding Principal Balance Amount (the **Selected Loans**) in accordance with the Servicing and Cash Management Deed, subject to the rights of pre-emption in favour of the Issuer to remove the Selected Loans from the Cover Pool. Where the Servicer is not the same entity as the Issuer, the Issuer will provide the Servicer with such powers of attorney as the Servicer may require in order to allow the Servicer to discharge its obligations under the Servicing and Cash Management Deed.

Prior to the Servicer making any offer to sell Selected Loans and their Related Security to third parties, the Servicer will serve on the Issuer a loan offer notice in the form set out in the Servicing and Cash Management Deed (a **Selected Loan Offer Notice**) giving the Issuer the right to prevent the sale by the Servicer of all or part of the Selected Loans to third parties, by removing all or part of the Selected Loans made subject to sale from the Cover Pool and transferring an amount equal to the then Outstanding Principal Balance of the relevant portion of the Selected Loans and the relevant portion of the arrears of interest and accrued interest relating to such Selected Loans to the relevant Transaction Account. Any selection of Selected Loans by the Servicer from the Cover Pool in accordance with the Servicing and Cash Management Deed shall be binding on all parties in the absence of manifest error.

If the Issuer validly accepts the Servicer's offer to remove all or a part of the Selected Loans and their Related Security from the Cover Pool by signing the duplicate Selected Loan Offer Notice in a manner indicating acceptance and delivering it to the Trustee and the Servicer within ten Athens Business Days from and including the date of the Selected Loan Offer Notice, the Servicer shall within three Athens Business Days of receipt of such acceptance, serve a selected loan removal notice on the Issuer substantially in the form set out in the Servicing and Cash Management Deed (a **Selected Loan Removal Notice**). Any removal of part of the Selected Loans and their Related Security pursuant to such Selected Loan Removal Notice must be in accordance with the requirements of the Servicing and Cash Management Deed.

The Servicer shall offer for sale the Selected Loans and their Related Security in respect of which the Issuer rejects or fails within the requisite time limit to accept the Servicer's offer to remove the Loans and their Related Security form the Cover Pool in the manner and on the terms set out in the Servicing and Cash Management Deed.

Upon receipt of the Selected Loan Removal Notice duly signed on behalf of the Servicer, the Issuer shall promptly and in any event within two Athens Business Days (i) sign and return a duplicate copy of the Selected Loan Removal Notice to the Servicer, (ii) deliver to the Servicer and the Trustee a solvency certificate stating that the Issuer is, at such time, solvent and shall remove from the Cover Pool the relevant portion of the Selected Loans (as specified in the Selected Loan Removal Notice) (and any other Loan secured or intended to be secured by that Related Security or any part of it) referred to in the relevant Selected Loan Removal Notice and, where that portion is less than all of the Selected Loans, the Loans and the Related Security in the portion that is to be removed shall be chosen from the Selected Loans on a random basis. Completion of the removal of all or part of the Selected Loans by the Issuer will take place on the date specified in the Selected Loan Removal Notice (provided that such date is not later than the earlier to occur of the date which is (a) ten Athens Business Days after receipt by the Servicer of the returned Selected Loan Removal Notice and (b) the Extended Final Maturity Date of the Earliest Maturing Covered Bonds) when the Issuer shall, prior to the removal from the Cover Pool of all or part of the relevant Selected Loans (and any other Loan secured or intended to be secured by that Related Security or any part of it) pay to the relevant

Transaction Account an amount in cash equal to the price specified in the relevant Selected Loan Removal Notice.

On the date of completion of the removal of all or part of the Selected Loans and their Related Security in accordance with the above, the Issuer shall ensure that the Selected Loans are removed from the Registration Statement.

Upon such completion of the removal of all or part of the Selected Loans and their Related Security in accordance with the above procedure or the sale of all or part of the Selected Loans and their Related Security to a third party or third parties, the Issuer or the Servicer shall cease to be under any further obligation to hold any Customer Files or other documents relating to the relevant removed or sold Selected Loans and their Related Security to the order of the Trustee and, if the Trustee holds such Customer Files or other documents, it will send them to the Issuer at the cost of the Issuer.

Earliest Maturing Covered Bonds means, at any time, the Series of the Covered Bonds (other than any Series which is fully collateralised by amounts standing to the credit of the Transaction Accounts) that has or have the earliest Final Maturity Date as specified in the applicable Final Terms (ignoring any acceleration of amounts due under the Covered Bonds prior to an Event of Default).

Method of Sale of Selected Loans

If the Servicer elects to or is required to sell Selected Loans and their Related Security to third-party purchasers following an Issuer Event which is continuing, the Servicer will be required to ensure that before offering Selected Loans for sale:

(a) (unless the Selected Loans comprise the entire Cover Pool) the Selected Loans have been selected from the Cover Pool on a random basis; and

(b) the Selected Loans have an aggregate Outstanding Principal Balance (subject in the case of Loans denominated in a currency other than Euro to the Euro Equivalent thereof as determined in accordance with the relevant FX Swap Agreement) in an amount (the **Required Outstanding Principal Balance Amount**) which is as close as possible to the amount calculated as follows:

$$N \times \frac{\text{Outstanding Principal Balance of all Loan Assets in the Cover Pool}}{\text{the Euro Equivalent of the Required Redemption Amount in respect of each Series of Covered Bonds then outstanding}}$$

where **N** is an amount equal to the Euro Equivalent of the Required Redemption Amount of the Earliest Maturing Covered Bonds less amounts standing to the credit of the Transaction Accounts (other than amounts standing to the credit of the Reserve Ledger) and the principal amount of any Marketable Assets or Authorised Investments (other than Authorised Investments acquired from amounts standing to the credit of the Reserve Ledger) (excluding all amounts to be applied on the next following Cover Pool Payment Date to pay or provide for higher ranking amounts in the Pre Event of Default Priority of Payments and those amounts that are required to repay any Series of Covered Bonds which mature prior to or on the same date as the relevant Series of Covered Bonds).

For the purposes hereof:

Required Redemption Amount means, in respect of any relevant Series of Covered Bonds, the amount calculated as follows:

the Principal Amount Outstanding of the relevant Series of Covered Bonds	x	(1+ Negative Carry Factor x (days to maturity of the relevant Series of Covered Bonds/360))

Where **Negative Carry Factor** is a percentage calculated by reference to the weighted average margin of the Covered Bonds and will, in any event, not be less than 0.50 per cent.

Euro Equivalent means, in relation to a Series of Covered Bonds which is denominated in (a) a currency other than euro, the Euro equivalent of such amount ascertained using the relevant Covered Bond Swap Rate relating to such Series of Covered Bonds and (b) euro, the applicable amount in euro.

The Servicer will offer the Selected Loans for sale to third parties for the best price reasonably available but in any event for an amount not less than the Adjusted Required Redemption Amount.

The **Adjusted Required Redemption Amount** means the Euro Equivalent of the Required Redemption Amount, plus or minus:

(i) any swap termination amounts payable to or by the Issuer under any Covered Bond Swap Agreement in respect of the relevant Series of Covered Bonds less (where applicable) the principal balance of any Marketable Assets and Authorised Investments (excluding all amounts to be applied on the next following Cover Pool Payment Date to pay or repay higher ranking amounts in the Pre Event of Default Priority of Payments and those amounts that are required to repay any Series of Covered Bonds which mature prior to or on the same date as the relevant Series of Covered Bonds); and plus or minus;

(ii) any swap termination amounts payable to or by the Issuer under any Interest Rate Swap Agreement or any FX Swap Agreement in respect of the relevant Series of Covered Bonds.

Following the occurrence of an Issuer Event, if the Selected Loans have not been sold (in whole or in part) in an amount equal to the Adjusted Required Redemption Amount by the date which is six months prior to, as applicable, if the Earliest Maturing Covered Bonds are not subject to an Extended Final Maturity Date in accordance with the relevant Final Terms, the Final Maturity Date of the Earliest Maturing Covered Bonds or, if the Earliest Maturing Covered Bonds are subject to an Extended Final Maturity Date in accordance with the relevant Final Terms, the Extended Final Maturity Date in respect of the Earliest Maturing Covered Bonds, then the Servicer will offer the Selected Loans for sale for the best price reasonably available notwithstanding that such amount may be less than the Adjusted Required Redemption Amount.

Following the occurrence of an Issuer Event, in addition to offering Selected Loans for sale to third-party purchasers in respect of the Earliest Maturing Covered Bonds, the Servicer (subject to the rights of pre-emption enjoyed by the Issuer) is permitted to offer for sale a portfolio of Selected Loans, in accordance with the provisions summarised above, in respect of other Series of Covered Bonds.

The Servicer will appoint through a tender process a portfolio manager of recognised standing on a basis intended to incentivise the portfolio manager to achieve the best price for the sale of the Selected Loans (if such terms are commercially available in the market) and to advise it in relation to the sale of

the Selected Loans to third-party purchasers (except where the Issuer exercises its right of pre-emption).

In respect of any sale of Selected Loans and their Related Security following the occurrence of an Issuer Event, the Servicer will instruct the portfolio manager to use all reasonable endeavours to procure that Selected Loans are sold as quickly as reasonably practicable (in accordance with the recommendations of the portfolio manager) taking into account the market conditions at that time and, where relevant, the scheduled repayment dates of the Covered Bonds and the terms of the Servicing and Cash Management Deed.

The Trustee, or its authorised attorney, will not be required to release the Selected Loans and their Related Security from the Registration Statement unless the conditions for the release of such Security under applicable law (other than the Statutory Pledge) are satisfied.

Following the occurrence of an Issuer Event, if third parties accept the offer or offers from the Servicer so that some or all of the Selected Loans shall be sold prior to the Final Maturity Date of the Earliest Maturing Covered Bonds or, if the Earliest Maturing Covered Bonds are subject to an Extended Final Maturity Date in accordance with the relevant Final Terms, the Extended Final Maturity Date in respect of the Earliest Maturing Covered Bonds, then the Servicer will, subject to the foregoing paragraph, enter into a sale and purchase agreement with the relevant third-party purchasers which will require, *inter alia*, a cash payment from the relevant third party purchasers. Any such sale will not include any representations and warranties from the Servicer or the Issuer in respect of the Loans and their Related Security unless expressly agreed by the Servicer. Any Sale Proceeds received from the sale of the Selected Loans and their Related Security will be applied by the Servicer on the next following Cover Pool Payment Date as Covered Bonds Available Funds.

Amendment to definitions

Under the Servicing and Cash Management Deed, the parties have agreed that the definitions of Individual Eligibility Criteria, Cover Pool, Cover Pool Asset, Statutory Test and Amortisation Test may be amended by the Issuer from time to time as a consequence of, *inter alia*, including in the Cover Pool, Cover Pool Assets which have characteristics other than those pertaining to the Initial Assets and/or changes to the hedging policies or servicing and collection procedures of Eurobank.

Any such amendment may be effected provided that the Rating Agency confirms in writing to the Issuer that the then current ratings of any outstanding Series of Covered Bonds is not negatively affected as a result thereof.

Authorised Investments

Prior to an Issuer Event, the Servicer may, in its discretion, invest sums in Authorised Investments.

Authorised Investments means each of:

(a) euro or CHF denominated demand or time deposits, certificates of deposit, long term debt obligations and short-term debt obligations (including commercial paper) provided that in all cases such investments are rated at least P-3 by the Rating Agency, have a remaining period to maturity of 30 days or less and mature on or before the next following Cover Pool Payment Date and the short-term, unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made are rated at least P-3 by the Rating Agency; and

(b) euro or CHF denominated government and public securities or money market funds, provided that such investments have a remaining period to maturity of 30 days or less and mature on or before the next following Cover Pool Payment Date and which are rated Baa3 by the Rating Agency, provided that such Authorised Investments satisfy the requirements for eligible assets that can collateralise covered bonds under paragraph I.2(a) of the Secondary Covered Bond Legislation.

Collection Accounts

Prior to the occurrence of an Issuer Event, Eurobank will deposit within three Athens Business Day of receipt, all collections of interest, principal and any other monies it receives on the Cover Pool Assets (excluding any Subsidy Payments) and all moneys received from Marketable Assets and Authorised Investments, if any, included in the Cover Pool into, in respect of amounts denominated in Swiss francs, a segregated Swiss franc denominated account maintained at Eurobank (the **CHF Collection Account**) and, in respect of amounts denominated in euro, a segregated euro denominated account maintained at Eurobank (the **EUR Collection Account** and together with the CHF Collection Account, **the Collection Accounts**). Eurobank will not commingle any of its own funds and general assets with amounts standing to the credit of the Collection Accounts. For the avoidance of doubt, any cash amounts standing to the credit of the Collection Accounts shall not comprise part of the Cover Pool for purposes of the Statutory Tests.

All amounts deposited in, and standing to the credit of, the Collection Accounts shall constitute segregated property distinct from all other property of Eurobank pursuant to paragraph 9 of Article 152 and by virtue of an analogous application of paragraphs 14 through 16 of Article 10 of Greek Law 3156/2003.

Prior to a reduction in the long-term unsecured, unsubordinated and unguaranteed credit rating of Eurobank to or below the Minimum Credit Rating (such occurrence, a **Segregation Event**), Eurobank will be entitled to draw sums from time to time standing to the credit of the Collection Accounts in addition to any funds available to it for any purpose including to make payments on the Covered Bonds.

Following the occurrence of a Segregation Event, but prior to the occurrence of an Issuer Event, (i) all amounts deposited shall remain in the Collection Account for the benefit of the holders of the Covered Bonds and the other Secured Creditors and (ii) Eurobank shall only be entitled to withdraw Excess Amounts from the Collection Account.

Excess Amounts means, on any Athens Business Day, the amount (if any) standing to the credit of the Collection Account that is in excess of the amount required to make all payments due by the Issuer in connection with any Covered Bonds issued under the Programme on the immediately following Cover Pool Payment Date.

If Eurobank's rating(s) are reinstated above the level at which a Segregation Event occurs and so long as no Issuer Event has occurred and is continuing, then Eurobank will be entitled to draw sums standing to the credit of the Collection Accounts and make payments on the Covered Bonds using any funds available to it.

Subsidy Payments means the aggregate of all amounts, which for the avoidance of doubt shall only be denominated in euro, actually received from the OAED, the Greek State and any other Greek State

owned entity representing the Subsidised Interest Amounts in respect of the Subsidised Loans comprised in the Cover Pool.

Transaction Accounts

On or about the Programme Closing Date, a segregated Swiss franc denominated account was established with the Account Bank (the **CHF Transaction Account**) and a segregated euro denominated account established with the Account Bank (the **EUR Transaction Account** and together with the CHF Transaction Account, the **Transaction Accounts**). Prior to the occurrence of a Segregation Event or an Issuer Event, Eurobank will be entitled to withdraw amounts from time to time standing to the credit of the Transaction Accounts, if any, that are in excess of the sum of (i) any cash amounts required to satisfy the Statutory Tests and (ii) the Reserve Fund Required Amount. Following the occurrence of a Segregation Event, Eurobank shall no longer be entitled to withdraw moneys from the Transaction Accounts other than for purposes of making payments in accordance with the Pre-Event of Default Priority of Payments. If Eurobank rating(s) are reinstated above the level at which a Segregation Event occurs, and so long as no Issuer Event has occurred, then Eurobank will be entitled from time to time to withdraw amounts standing to the credit of any of the Transaction Accounts equal to the amounts standing to the credit of such Transaction Account which are in excess of the sum of (i) any cash amounts required to satisfy the Statutory Tests and (ii) the Reserve Fund Required Amount.

Within two Athens Business Days of the occurrence of an Issuer Event, the Issuer shall transfer all amounts it has received in respect of any Cover Pool Assets (including any Subsidy Payments) to the CHF Transaction Account or the EUR Transaction Account (as appropriate).

Following an Issuer Event which is continuing, the Servicer (and the Issuer to the extent that Eurobank is no longer the Servicer) shall procure that (i) payments in respect of the Cover Pool Assets (excluding any Subsidy Payments) are directed into a Swiss franc denominated bank account opened in the name of the Issuer with a Greek credit institution or a Greek branch of a foreign credit institution which is an Eligible Institution (the **CHF Third Party Collection Account)** or a euro denominated bank account opened in the name of the Issuer with a Greek credit institution or a Greek branch of a foreign credit institution which is an Eligible Institution (the **EUR Third Party Collection Account**) (as appropriate) and that all such amounts are transferred into the CHF Transaction Account or the EUR Transaction Account (as appropriate) within 1 Athens Business Day of receipt and provide any requisite notices to procure that this occurs; and (ii) that all Euro denominated Subsidy Payments received from the OAED and/or the Greek State and/or any other Greek State owned entity in respect of any Subsidised Loans are deducted from the applicable Subsidy Bank Account and paid into the EUR Transaction Account within 1 Athens Business Day of receipt and provide any requisite notices to procure that this occurs.

In respect of amounts transferred daily from the CHF Third Party Collection Account to the CHF Transaction Account, such amounts (with the exception of such CHF amounts which are used to make payments under any CHF denominated Covered Bonds or other liabilities secured by the Cover Pool and denominated in CHF, outstanding from time to time) shall be exchanged with the relevant Hedging Provider on the relevant payment date, when the euro amounts received under the Hedging Agreements shall be transferred henceforth to the EUR Transaction Account. Following an Issuer Event the Transaction Accounts will be used for the crediting of, *inter alia*, moneys received in respect of the Cover Pool Assets included in the Cover Pool or to effect a payment in respect of the Covered Bonds

Reserve Ledger

On or prior to 26 February 2016, the Servicer will establish a ledger on the EUR Transaction Account to be called the **Reserve Ledger**.

On each Calculation Date from and including the Calculation Date immediately following the establishment of the Reserve Ledger, the Servicer will deposit the Reserve Ledger Required Amount into the EUR Transaction Account (with a corresponding credit to the Reserve Ledger).

On each Cover Pool Payment Date, the Servicer shall debit an amount equal to the Reserve Ledger Withdrawal Amount and apply such funds as Covered Bonds Available Funds.

On each Cover Pool Payment Date, the Servicer shall deposit an amount equal to the Reserve Ledger Required Amount into the EUR Transaction Account (with a corresponding credit to the Reserve Ledger).

The Servicer shall invest all amounts standing to the credit of the Reserve Ledger in Authorised Investments.

Reserve Ledger Required Amount means an amount calculated as at each Calculation Date equal to the amount that will be required to be paid by the Issuer in respect of the Covered Bonds in respect of interest (in respect of those Covered Bonds where there is no Hedging Agreement in place) and all amounts to be paid to a Covered Bond Swap Provider (in respect of those Covered Bonds where there is a Hedging Agreement in place) (other than any principal exchange amounts) and all amounts paid to the other Secured Creditors for the immediately following 6 month period from and including the Cover Pool Payment Date to which such Calculation Date relates;

Reserve Ledger Withdrawal Amount means on each Cover Pool Payment Date, an amount drawn from the Reserve Ledger to be applied as Covered Bonds Available Funds to the extent such amount is required to satisfy any payments required to be made by the Issuer under items (a) to (e) of the Pre-Event of Default Priority of Payments;

Law and Jurisdiction

The Servicing and Cash Management Deed is governed by English law.

Asset Monitor Agreement

The Asset Monitor has agreed, subject to due receipt of the information to be provided by the Servicer to the Asset Monitor, to conduct tests in respect of the arithmetical accuracy of the calculations performed by the Servicer, prior to service of a Notice of Default, on the Applicable Calculation Date immediately prior to each anniversary of the Programme Closing Date with a view to confirmation of compliance by the Issuer with the Statutory Tests or the Amortisation Test, as applicable, on that Applicable Calculation Date. If and for so long as the long-term ratings of the Issuer or the Servicer are below Baa3 (by the Rating Agency) or following the occurrence of an Issuer Event, the Asset Monitor will, subject to receipt of the relevant information from the Servicer within the agreed timeframe, be required to conduct such tests following each Applicable Calculation Date.

Following a determination by the Asset Monitor of any errors in the arithmetical accuracy of the calculations performed by the Servicer such that the Statutory Tests have failed on the Applicable Calculation Date (where the Servicer had recorded it as being satisfied), or the Nominal Value or the Net Present Value is mis-stated by an amount exceeding two per cent. of the Nominal Value (as at the date of the relevant Nominal Value Test or the relevant Amortisation Test), the Asset Monitor will be

required to conduct such tests following each Applicable Calculation Date for a period of six months thereafter.

The Asset Monitor is entitled to assume that all information provided to it by the Servicer for the purpose of conducting such tests is true and correct and not misleading, and is not required to conduct a test or otherwise take steps to verify the accuracy of any such information. The Asset Monitor will deliver a report (the **Asset Monitor Report**) to the Servicer, the Issuer and, if so requested, to the Trustee.

The Issuer or the Servicer will ensure that a copy of the Asset Monitor Report is sent to the Bank of Greece for the purposes of the Greek Covered Bond Legislation at least once per annum or as otherwise required by the Bank of Greece from time to time.

Following the Programme Closing Date, the Issuer or the Servicer, as applicable, will pay to the Asset Monitor a fee for the tests to be performed by the Asset Monitor.

The Issuer (or after the occurrence of an Issuer Event, the Servicer) may, at any time, but subject to the prior written consent of the Trustee, terminate the appointment of the Asset Monitor by giving at least 30 days' prior written notice to the Asset Monitor, provided that such termination may not be effected unless and until a replacement asset monitor has been found by the Issuer (or after the occurrence of an Issuer Event, the Servicer) (such replacement to be approved by the Trustee (such approval to be given if the replacement is an accountancy firm of international standing)) which agrees to perform the duties of the Asset Monitor set out in the Asset Monitor Agreement (or substantially similar duties).

The Asset Monitor may, at any time, resign by giving at least 30 days' prior written notice to the Issuer and the Trustee (copied to the Rating Agency), and may resign by giving immediate notice in the event of a professional conflict of interest caused by the action of any recipient of its reports.

Upon the Asset Monitor giving 30 days' prior written notice of resignation, the Issuer (or following the occurrence of an Issuer Event, the Servicer) shall immediately use all reasonable endeavours to appoint a replacement (such replacement to be approved by the Trustee (such approval to be given if the replacement is an accountancy firm of international standing)) which agrees to perform the duties of the Asset Monitor set out in the Asset Monitor Agreement. If a replacement is not appointed by the date which is 30 days prior to the date when tests are to be carried out in accordance with the terms of the Asset Monitor Agreement, then the Issuer (or following the occurrence of an Issuer Event, the Servicer) shall use all reasonable endeavours to appoint an accountancy firm of national standing to carry out the relevant tests on a one-off basis, provided that such appointment is approved by the Trustee.

The Trustee will not be obliged to act as Asset Monitor in any circumstances.

Law and Jurisdiction

The Asset Monitor Agreement is governed by English law.

Trust Deed

The Trust Deed, originally made between the Issuer and the Trustee on the Programme Closing Date appoints the Trustee to act as the Covered Bondholders' representative. As such, the Trustee will act as a representative in accordance with paragraph 2 of Article 91. The Trust Deed contains provisions relating to, *inter alia*:

(a) the constitution of the Covered Bonds and the terms and conditions of the Covered Bonds (as more fully set out under Terms and Conditions of the Covered Bonds above);

(b) the covenants of the Issuer;

(c) the enforcement procedures relating to the Covered Bonds; and

(d) the appointment powers and responsibilities of the Trustee and the circumstances in which the Trustee may resign or be removed.

Law and Jurisdiction

The Trust Deed is governed by English law.

Agency Agreement

Under the terms of an Agency Agreement originally entered into on the Programme Closing Date between the Issuer, the Trustee, the Principal Paying Agent (together with any paying agent appointed from time to time under the Agency Agreement, the **Paying Agents**) and the Registrar (the **Agency Agreement**), the Paying Agents have agreed to provide the Issuer with certain agency services and have agreed, *inter alia*, to make available for inspection such documents as may be required from time to time by the rules of the Luxembourg Stock Exchange and to arrange for the publication of any notices to be given to the Covered Bondholders.

For the purposes of Condition 5.2(b)(ii) of the Terms and Conditions, the Agency Agreement provides that if the Relevant Screen Page is not available or if, no offered quotation appears or if fewer than three offered quotations appear, in each case as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR (the **Specified Time**)), the Principal Paying Agent shall request each of the reference banks to provide the Principal Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the reference rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the reference banks provide the Principal Paying Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent.

For the purposes of Condition 5.2(b)(ii) of the Terms and Conditions, the Agency Agreement also provides that if on any Interest Determination Date one only or none of the reference banks provides the Principal Paying Agent with an offered quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Principal Paying Agent by the reference banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the reference rate by leading banks in the London inter-bank market (if the reference rate is LIBOR) or the Euro-zone inter-bank market (if the reference rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the reference banks provide the Principal Paying Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the reference rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the reference rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks

(which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Principal Paying Agent it is quoting to leading banks in the London inter-bank market (if the reference rate is LIBOR) or the Euro-zone inter-bank market (if the reference rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Clause, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

Law and Jurisdiction

The Agency Agreement is governed by English law.

For the purposes of this section "Agency Agreement", any capitalised terms have the meanings given to them in the Terms and Conditions of the Covered Bonds above.

Deed of Charge

Pursuant to the terms of the Deed of Charge entered into on the Programme Closing Date by the Issuer, the Trustee and the other Secured Creditors, the Secured Obligations of the Issuer and all other obligations of the Issuer under or pursuant to the Transaction Documents to which it is a party are secured, *inter alia*, by the following security over the following property, assets and rights (the **Deed of Charge Security**):

(a) an assignment by way of first fixed security over all of the Issuer's interests, rights and entitlements under and in respect of any Transaction Document to which the Issuer is a party and all other contracts, documents, agreements and deeds to which it is, or may become, a party;

(b) a first fixed charge (which may take effect as a floating charge) over the rights and benefits of the Bank Accounts and all amounts standing to the credit of the Bank Accounts; and

(c) a first fixed charge (which may take effect as a floating charge) over the rights and benefits of the Issuer in respect of all Authorised Investments and Marketable Assets (to the extent governed by English law) purchased from time to time from amounts standing to the credit of any Issuer Account.

In addition, to secure its obligations under the Covered Bonds the Issuer has, pursuant to paragraph 10 of Article 91, created a pledge over the Cover Pool (which consists principally of the Issuer's interest in the Loan Assets and certain Marketable Assets). The Deed of Charge will also provide that (other than in certain limited circumstances) only the Trustee may enforce the security created under the Deed of Charge. The proceeds of any such enforcement of the Deed of Charge and paragraph 10 of Article 91 will be required to be applied in accordance with the order of priority set out in the Post Event of Default Priority of Payments.

The Trustee shall at all times be a credit institution (or an affiliated company of a credit institution) that is entitled to provide services in the European Economic Area in accordance with paragraph 2 of Article 91 (an **EEA Credit Institution**). If at any time the Trustee ceases to be an EEA Credit Institution it will notify the Issuer immediately and take all steps necessary to find a replacement Trustee that is an EEA Credit Institution.

Release of Security

In accordance with the terms of the Deed of Charge all amounts which the Servicer (on behalf of the Issuer and the Trustee or its appointee) is permitted to withdraw from the Transaction Accounts pursuant to the terms of the Deed of Charge will be released from the Deed of Charge Security. In addition, upon the Issuer or the Servicer making a disposal of an Authorised Investment or Marketable Assets (to the extent governed by English law) charged under the Deed of Charge and provided that the proceeds of such disposal are paid into the Transaction Accounts in accordance with the terms of the Servicing and Cash Management Deed, that Authorised Investment or Marketable Assets (to the extent governed by English law) will be released from the Deed of Charge Security.

At such time that all of the obligations owing by the Issuer to the Secured Creditors have been discharged in full, the Trustee will, at the cost of the Issuer, take whatever action is necessary to release the Charged Property from the Deed of Charge Security to, or to the order of, the Issuer.

Enforcement

If a Notice of Default is served on the Issuer, the Trustee shall be entitled to appoint a Receiver, and/or enforce the Deed of Charge Security constituted by the Deed of Charge, and/or take such steps as it shall deem necessary, subject in each case to being indemnified and/or secured to its satisfaction. All proceeds received by the Trustee from the enforcement of the Deed of Charge Security will be applied in accordance with the Post Event of Default Priority of Payments.

Law and Jurisdiction

The Deed of Charge is governed by English law.

Interest Rate Swap Agreement

Some of the Loan Assets in the Cover Pool will pay from time to time a variable rate of interest for a period of time that may either be linked to the standard variable rate of the Issuer (the **Issuer Standard Variable Rate**) or linked to an interest rate other than the Issuer Standard Variable Rate, such as EURIBOR or a rate that tracks the ECB base rate. Other Loan Assets will pay a fixed rate of interest for a period of time. However, the euro payments to be made by the Issuer under the Covered Bonds or under each of the Covered Bond Swaps may vary. To provide a hedge against the possible variance between:

(a) the rates of interest payable on the Loan Assets in the Cover Pool; and

(b) payments by the Issuer under the Covered Bonds or the Covered Bond Swaps,

the Issuer, the provider of the Interest Rate Swaps (each such provider, an **Interest Rate Swap Provider**) and the Trustee may enter into one or more interest rate swap transactions in respect of each Series of Covered Bonds under an **Interest Rate Swap Agreement** (each such transaction an **Interest Rate Swap**).

Under the terms of each Interest Rate Swap, in the event that the relevant rating of the Interest Rate Swap Provider or any guarantor of the Interest Rate Swap Provider's obligations is downgraded by the Rating Agency below the rating specified in the Interest Rate Swap Agreement (in accordance with the requirements of the Rating Agency), the Interest Rate Swap Provider may, in accordance with the Interest Rate Swap Agreement, be required to take certain remedial measures which may include providing collateral for its obligations under the Interest Rate Swaps, arranging for its obligations under the Interest Rate Swaps to be transferred to an entity with ratings required by the Rating Agency,

procuring another entity with the ratings required by the Rating Agency to become co-obligor or guarantor in respect of its obligations under the Interest Rate Swaps (such guarantee to be provided in accordance with the then-current guarantee criteria of the Rating Agency), or taking such other action as it may agree with the Rating Agency. A failure to take such steps within the periods set out in the Interest Rate Swap Agreement may, subject to certain conditions, allow the Issuer to terminate the Interest Rate Swap Agreement.

The Interest Rate Swap Agreement may also be terminated in certain other circumstances, together with any other events of default and termination events set out in the Interest Rate Swap Agreement (each referred to as an **Interest Rate Swap Early Termination Event**), which may include:

- at the option of a party to the Interest Rate Swap Agreement, if there is a failure by the other party to make timely payments of any amounts due under the Interest Rate Swap Agreement; and

- at the option of the Issuer, upon the occurrence of the insolvency of the Interest Rate Swap Provider or any guarantor of the Interest Rate Swap Provider's obligations, or the merger of the Interest Rate Swap Provider without an assumption of its obligations under the Interest Rate Swap Agreement.

Upon the termination of an Interest Rate Swap pursuant to an Interest Rate Swap Early Termination Event, the Issuer or the Interest Rate Swap Provider may be liable to make a termination payment to the other in accordance with the provisions of the Interest Rate Swap Agreement. The amount of this termination payment will be calculated and made in euro. Any termination payment made by the Interest Rate Swap Provider to the Issuer in respect of an Interest Rate Swap will first be used (prior to the occurrence of an Issuer Event) to pay a replacement Interest Rate Swap Provider to enter into a replacement Interest Rate Swap with the Issuer, unless a replacement Interest Rate Swap has already been entered into on behalf of the Issuer. Any premium received by the Issuer from a replacement Interest Rate Swap Provider in respect of a replacement Interest Rate Swap will first be used to make any termination payment due and payable by the Issuer with respect to the previous Interest Rate Swap, unless such termination payment has already been made on behalf of the Issuer. Any tax credits received by the Issuer in respect of an Interest Rate Swap will first be used to reimburse the relevant Interest Rate Swap Provider for any gross-up in respect of any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (and wherever imposed) made under the relevant Interest Rate Swap.

If a withholding or deduction for or on account of taxes is imposed on payments made by the Interest Rate Swap Provider to the Issuer under the Interest Rate Swaps, the Interest Rate Swap Provider shall always be obliged to gross up those payments so that the amount received by the Issuer is equal to the amount which would have been received in the absence of such withholding or deduction. If a withholding or deduction for or on account of taxes is imposed on payments made by the Issuer to the Interest Rate Swap Provider under the Interest Rate Swaps, the Issuer shall not be obliged to gross up those payments.

Any tax credits or Swap Collateral Excluded Amounts will be paid to the Interest Rate Swap Provider directly and not via the Priorities of Payments.

The Interest Rate Swap Provider may transfer all its interest and obligations in and under the relevant Interest Rate Swap Agreement to a transferee with minimum ratings in line with the criteria of by the Rating Agency, without any prior written consent of the Trustee, subject to certain conditions.

The terms of an Interest Rate Swap Agreement may provide that if the Issuer is required to sell Selected Loans in the Cover Pool following the occurrence of an Issuer Event then, to the extent that such Selected Loans include Fixed Rate Loans, the Issuer may:

(a) require that the Interest Rate Swaps in connection with such Selected Loans partially terminate to the extent that such Selected Loans include Fixed Rate Loans and any breakage costs payable by or to the Issuer in connection with such termination will, following the occurrence of an Issuer Event, be taken into account in calculating the Adjusted Required Redemption Amount for the sale of the Selected Loans; or

(b) request that the Interest Rate Swaps in connection with such Selected Loans be partially novated to the purchaser of such Fixed Rate Loans to the extent that such Selected Loans include Fixed Rate Loans, such that each purchaser of Selected Loans will thereby become party to a separate interest rate swap transaction with the Interest Rate Swap Provider.

Law and Jurisdiction

Each Interest Rate Swap Agreement (and each Interest Rate Swap thereunder) will be governed by English law.

Covered Bond Swap Agreements

The Issuer may enter into one or more covered bond swap transactions with one or more Covered Bond Swap Providers and the Trustee in respect of each Series of Covered Bonds (each such transaction a **Covered Bond Swap**). Each Covered Bond Swap may be either a Forward Starting Covered Bond Swap or a Non-Forward Starting Covered Bond Swap and each will constitute the sole transaction under a single **Covered Bond Swap Agreement** (such Covered Bond Swap Agreements, together, the **Covered Bond Swap Agreements**).

Each Forward Starting Covered Bond Swap will provide a hedge (after the occurrence of an Issuer Event) against certain interest rate, currency and/or other risks in respect of amounts received by the Issuer in respect of the Loans and any relevant Interest Rate Swaps and FX Swaps and amounts payable by the Issuer in respect of the Covered Bonds (**Forward Starting Covered Bond Swap**).

Each Non-Forward Starting Covered Bond Swap will provide a hedge against certain interest rate, currency and/or other risks in respect of amounts received by the Issuer in respect of the Loans and any relevant Interest Rate Swaps and FX Swaps and amounts payable by the Issuer in respect of the Covered Bonds (**Non-Forward Starting Covered Bond Swap**).

Where required to hedge such risks, there may be one (or more) Covered Bond Swap Agreement(s) and Covered Bond Swap(s) in relation to each Series or Tranche, as applicable, of Covered Bonds (such Covered Bond Swap Agreements, together, the **Covered Bond Swap Agreements**).

Under the Forward Starting Covered Bond Swaps, the Covered Bond Swap Provider will pay to the Issuer on each Interest Payment Date, after the occurrence of an Issuer Event, an amount equal to the relevant portion of the amounts that are payable by the Issuer in respect of interest and principal payable in respect of the relevant Series or Tranche of Covered Bonds. In return, the Issuer (or the Servicer on its behalf) will periodically pay to the Covered Bond Swap Provider an amount in euro calculated by reference to Euro EURIBOR plus a spread and, where relevant, the Euro Equivalent of the relevant portion of any principal due to be repaid in respect of the relevant Series or Tranche of Covered Bonds.

Under the Non-Forward Starting Covered Bond Swaps on the relevant Issue Date, the Issuer (or the Servicer on its behalf) will, if the Covered Bonds are denominated in a currency other than euro, pay to the Covered Bond Swap Provider an amount equal to the relevant portion of the amount received by the Issuer in respect of the aggregate nominal amount of such Series or Tranche, as applicable, of Covered Bonds and in return the Covered Bond Swap Provider will pay to the Issuer the Euro Equivalent of the first-mentioned amount. Thereafter, and where the Covered Bonds are denominated in euro, the Covered Bond Swap Provider will pay to the Issuer on each Interest Payment Date an amount equal to the relevant portion of the amounts that are payable by the Issuer in respect of interest and principal payable under the relevant Series or Tranche of Covered Bonds. In return, the Issuer (or the Servicer on its behalf) will periodically pay to the Covered Bond Swap Provider an amount in euros calculated by reference to EURIBOR plus a spread and, where relevant, the Euro Equivalent of the relevant portion of any principal due to be repaid in respect of the relevant Series or Tranche of Covered Bonds.

Under the terms of each Forward Starting Covered Bond Swap and each Non-Forward Starting Covered Bond Swap, in the event that the relevant rating of the Covered Bond Swap Provider or any guarantor of the Covered Bond Swap Provider's obligations is downgraded by the Rating Agency below the rating specified in the relevant Covered Bond Swap Agreement (in accordance with the requirements of the Rating Agency), the Covered Bond Swap Provider may, in accordance with the relevant Covered Bond Swap Agreement, be required to take certain remedial measures which may include providing collateral for its obligations under the Covered Bond Swap, arranging for its obligations under the Covered Bond Swap to be transferred to an entity with the ratings required by the Rating Agency, procuring another entity with the ratings required by the Rating Agency to become co-obligor or guarantor in respect of its obligations under the Covered Bond Swap Agreement (such guarantee to be provided in accordance with the then-current guarantee criteria of the Rating Agency), or taking such other action as it may agree with the Rating Agency. In addition, if the net exposure of the Issuer against the Covered Bond Swap Provider under the relevant Covered Bond Swap exceeds the threshold specified in the relevant Covered Bond Swap Agreement, the Covered Bond Swap Provider may be required to provide collateral for its obligations. A failure to take such steps within the time periods set out in the Covered Bond Swap Agreement may, subject to certain conditions, allow the Issuer to terminate the Covered Bond Swap.

A Covered Bond Swap Agreement may also be terminated in certain other circumstances, together with any other events of default and termination events set out in the relevant Covered Bond Swap Agreement (each referred to as a **Covered Bond Swap Early Termination Event**), which may include:

(a) at the option of a party to the Covered Bond Swap Agreement, if there is a failure by the other party to make timely payments of any amounts due under such Covered Bond Swap Agreement; and

(b) at the option of the Issuer, upon the occurrence of an insolvency of the Covered Bond Swap Provider or any guarantor of the Covered Bond Swap Provider's obligations, or the merger of the Covered Bond Swap Provider without an assumption of its obligations under the relevant Covered Bond Swap Agreement.

Upon the termination of a Covered Bond Swap, the Issuer or the Covered Bond Swap Provider may be liable to make a termination payment to the other in accordance with the provisions of the relevant Covered Bond Swap Agreement. The amount of this termination payment will be calculated and made in euro. Any termination payment made by the Covered Bond Swap Provider to the Issuer in respect of a Covered Bond Swap will first be used (prior to the occurrence of an Issuer Event) to pay a

replacement Covered Bond Swap Provider to enter into a replacement Covered Bond Swap with the Issuer, unless a replacement Covered Bond Swap has already been entered into on behalf of the Issuer. Any premium received by the Issuer from a replacement Covered Bond Swap Provider in respect of a replacement Covered Bond Swap will first be used to make any termination payment due and payable by the Issuer with respect to the previous Covered Bond Swap, unless such termination payment has already been made on behalf of the Issuer. Any tax credits received by the Issuer in respect of a Covered Bond Swap will first be used to reimburse the relevant Covered Bond Swap Provider for any gross-up in respect of any withholding or deduction for or on account of any present or future taxes. Duties, assessments or governmental charges of whatever nature (and wherever imposed) made under the relevant Covered Bond Swap.

Any tax credits or Swap Collateral Excluded Amounts will be paid to the Covered Bond Swap Provider directly and not via the Priorities of Payments.

If withholding or deduction for or on account of taxes is imposed on payments made by the Covered Bond Swap Provider to the Issuer under a Covered Bond Swap, the Covered Bond Swap Provider shall always be obliged to gross up those payments so that the amount received by the Issuer is equal to the amount which would have been received in the absence of such withholding or deduction. If withholding or deduction for or on account of taxes is imposed on payments made by the Issuer to the Covered Bond Swap Provider under a Covered Bond Swap, the Issuer shall not be obliged to gross up those payments.

The Covered Bond Swap Provider may transfer all its interest and obligations in and under the relevant Covered Bond Swap Agreement to a transferee with minimum ratings in line with the criteria of the Rating Agency, without any prior written consent of the Trustee, subject to certain conditions.

In the event that the Covered Bonds are redeemed and/or cancelled in accordance with the Terms and Conditions, the Covered Bond Swap(s) in connection with such Covered Bonds will terminate or partially terminate, as the case may be. Any breakage costs payable by or to the Issuer in connection with such termination may be taken into account in calculating:

(a) the Adjusted Required Redemption Amount for the sale of Selected Loans; and

(b) the purchase price to be paid for any Covered Bonds purchased by the Issuer in accordance with Condition 7.7 (*Purchases*).

Law and Jurisdiction

Each Covered Bond Swap Agreement (and each Covered Bond Swap thereunder) will be governed by English law.

FX Swap Agreements

Some of the Loan Assets in the Cover Pool may be denominated in a currency other than euro and will either pay a variable rate of interest for a period of time that may either be linked to a specified interest rate, such as LIBOR or a rate that tracks a specific base rate or will pay a fixed rate of interest for a period of time. As noted above, the Issuer will make payments to each Covered Bond Swap Provider in euro. To provide a hedge against the possible variance between:

(a) the currency of the relevant Loan Assets and the rates of interest payable on such Loan Assets in the Cover Pool; and

(b) the euro payments to be made by the Issuer under the Covered Bond Swaps,

the Issuer, the provider of the fx swap (each such provider, an **FX Swap Provider**) and the Trustee may enter into one or more fx swap transactions in respect of the Loans in the Cover Pool which are denominated in a currency other than euro under one or more FX swap agreements (each, an **FX Swap Agreement** and each such transaction an **FX Swap**).

Under the terms of each FX Swap, in the event that the relevant rating of the FX Swap Provider or any guarantor of the FX Swap Provider's obligations is downgraded by a Rating Agency below the rating specified in the FX Swap Agreement (in accordance with the requirements of the Rating Agency) for the FX Swap Provider or any guarantor of the FX Swap Provider's obligations, the FX Swap Provider may, in accordance with the FX Swap Agreement, be required to take certain remedial measures which may include providing collateral for its obligations in respect of the FX Swaps, arranging for its obligations under the FX Swaps to be transferred to an entity with ratings required by the relevant Rating Agency, procuring another entity with the ratings required by the relevant Rating Agency to become co-obligor or guarantor in respect of its obligations under the FX Swaps (such guarantee to be provided in accordance with then current guarantee criteria of the Rating Agency), or taking such other action as it may agree with the relevant Rating Agency. A failure to take such steps within the periods set out in the FX Swap Agreement may, subject to certain conditions, allow the Issuer to terminate the FX Swap Agreement.

The FX Swap Agreement may also be terminated in certain other circumstances, together with any other events of default and termination events set out in the FX Swap Agreement (each referred to as an **FX Swap Early Termination Event**), which may include:

- at the option of a party to the FX Swap Agreement, if there is a failure by the other party to make timely payments of any amounts due under the FX Swap Agreement; and

- at the option of the Issuer, upon the occurrence of the insolvency of the FX Swap Provider or any guarantor of the FX Swap Provider's obligations, or the merger of the FX Swap Provider without an assumption of its obligations under the FX Swap Agreement.

Upon the termination of a FX Swap pursuant to an FX Swap Early Termination Event, the Issuer or the FX Swap Provider may be liable to make a termination payment to the other in accordance with the provisions of the FX Swap Agreement. The amount of this termination payment will be calculated and made in euro. Any termination payment made by the FX Swap Provider to the Issuer in respect of an FX Swap will first be used (prior to the occurrence of an Issuer Event) to pay a replacement FX Swap Provider to enter into a replacement FX Swap with the Issuer, unless a replacement FX Swap has already been entered into on behalf of the Issuer. Any premium received by the Issuer from a replacement FX Swap Provider in respect of a replacement FX Swap will first be used to make any termination payment due and payable by the Issuer with respect to the previous FX Swap, unless such termination payment has already been made on behalf of the Issuer. Any tax credits received by the Issuer in respect of a FX Swap will first be used to reimburse the relevant FX Swap Provider for any gross-up in respect of any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (and wherever imposed) made under the relevant FX Swap.

If a withholding or deduction for or on account of taxes is imposed on payments made by the FX Swap Provider to the Issuer under the FX Swaps, the FX Swap Provider shall always be obliged to gross-up those payments so that the amount received by the Issuer is equal to the amount which would have been received in the absence of such withholding or deduction. If a withholding or deduction for

or on account of taxes is imposed on payments made by the Issuer to the FX Swap Provider under the FX Swaps, the Issuer shall not be obliged to gross-up those payments.

The FX Swap Provider may transfer all its interest and obligations in and under the relevant FX Swap Agreement to a transferee with the minimum ratings in line with the criteria of the Rating Agency, without any prior written consent of the Trustee, subject to certain conditions.

Any tax credits or Swap Collateral Excluded Amounts will be paid to the FX Swap Provider directly and not via the Priorities of Payments.

The FX Swap Provider may transfer all its interest and obligations in and under the relevant FX Swap Agreement to a transferee with minimum ratings in line with the criteria of the Rating Agency, without any prior written consent of the Trustee, subject to certain conditions. The terms of an FX Swap Agreement may provide that if the Issuer is required to sell Selected Loans in the Cover Pool following the occurrence of an Issuer Event then, to the extent that such Selected Loans include Fixed Rate Loans, the Issuer may:

(a) require that the FX Swaps in connection with such Selected Loans partially terminate to the extent that such Selected Loans include Fixed Rate Loans and any breakage costs payable by or to the Issuer in connection with such termination will, following the occurrence of an Issuer Event, be taken into account in calculating the Adjusted Required Redemption Amount for the sale of the Selected Loans; or

(b) request that the FX Swaps in connection with such Selected Loans be partially novated to the purchaser of such Fixed Rate Loans to the extent that such Selected Loans include Fixed Rate Loans, such that each purchaser of Selected Loans will thereby become party to a separate FX Swap transaction with the FX Swap Provider.

Law and Jurisdiction

Each FX Swap Agreement (and each FX Swap thereunder) will be governed by English law.

Bank Account Agreement

Pursuant to the terms of the Bank Account Agreement originally entered into on the Programme Closing Date between the Account Bank, the Issuer, the Servicer and the Trustee, the Servicer will maintain with the Account Bank the Cash Bank Accounts, which will be operated in accordance with the Servicing and Cash Management Deed and the Deed of Charge.

If the long-term or short-term issuer default ratings of the Account Bank cease to satisfy the requirements of an Eligible Institution (or such other ratings that may be agreed between the parties to this Agreement and the Rating Agency from time to time) and the Account Bank does not, within 30 calendar days of such occurrence, obtain an unconditional and unlimited guarantee of its obligations under this Agreement from a financial institution satisfying the requirements of an Eligible Institution (provided that the Rating Agency has provided confirmation in writing that the ratings on the Covered Bonds would not be adversely affected thereby), then:

- the Bank Account Agreement will be terminated in respect of the Account Bank; and
- the Cash Bank Accounts will be closed and all amounts standing to the credit thereof shall be transferred to accounts held with a bank satisfying the requirements of an Eligible Institution (provided that the Rating Agency has provided confirmation in writing that the ratings on the Covered Bonds would not be adversely affected thereby).

The costs arising from any remedial action taken by the Account Bank, following its failure to satisfy the requirements of an Eligible Institution (or such other ratings that may be agreed between the parties to this Agreement and the Rating Agency from time to time) shall be borne by the Account Bank.

The Bank Account Agreement is governed by English law.

Custody Agreement

The Issuer will enter into a Custody Agreement on or about the Programme Closing Date with the Servicer, the Trustee and the Custodian, under which collateral in the form of securities by a Hedging Counterparty under a Hedging Agreement will be transferred into and held in a Swap Securities Collateral Account held with the Custodian, and which will be operated in accordance with the Servicing and Cash Management Deed and the Deed of Charge.

The Custody Agreement is governed by English law.

Issuer-ICSDs Agreement

The Issuer will enter into an Issuer-ICSDs Agreement with Euroclear Bank S.A./N.V. and Clearstream Banking SA (the **ICSDs**) in respect of any Covered Bonds issued in NGCB form. The Issuer-ICSDs Agreement provides that the ICSDs will, in respect of any such NGCBs, maintain their respective portion of the issue outstanding amount through their records.

The Issuer-ICSDs Agreement is governed by English law.

TAXATION

Greece

The following summary of the principal Greek taxation consequences of the purchase, ownership and disposal of Covered Bonds by Greek or foreign resident holders, who are the beneficial owners of the Covered Bonds, is of a general nature and is based on the provisions of tax laws currently in force in Greece. The summary below does not constitute a complete analysis and therefore, potential investors should consult their own tax advisers as to the tax consequences of such purchase, ownership and disposal. This summary is based on current Greek tax legislation and administrative practice of the Greek tax Authorities, without taking into account any developments or amendments thereof after the date hereof whether or not such developments or amendments have retroactive effect.

Income Tax

Interest payments made to covered Bondholders who either reside or maintain a permanent establishment in Greece for Greek tax law purposes (the **Resident Covered Bondholders**) will be subject to Greek withholding income tax at a flat rate of 15 per cent., if such payments are made to Resident Covered Bondholders by the Issuer or by a paying agent or other similar agent who either resides or maintains a permanent establishment in Greece for Greek tax law purposes. This withholding exhausts the tax liability of Covered Bondholders who are individuals, while it may not for other types of Covered Bondholders.

Pursuant to article 69 par. 9 of Law 3746/2009, interest payments made on Covered Bonds have the same tax treatment with the interest payments made on bonds issued by the Hellenic Republic. Further to this, according to article 64 par. 9 of the new Income Tax Code i.e. Greek Law 4172/2013, foreign legal persons or foreign entities that are not Greek tax residents and do not have a permanent establishment in Greece are exempt from any withholding tax on interest payments made on bonds issued by the Hellenic Republic. Based on the above provisions, it could be supported that foreign legal persons or foreign entities that are not Greek tax residents and do not have a permanent establishment in Greece are exempt from any withholding tax on interest payments made on Covered Bonds. However, in the absence of written guidelines, it remains unclear whether, after the enactment of the new Income Tax Code (i.e. Greek Law 4172/2013), the aforementioned provision of Law 3746/2009 remains into force. If this is not the case, the interest income realised by the above-mentioned holders of Covered Bonds will fall under the scope of application of the new Income Tax Code and will be subject to the following taxation.

Further to the above, it should be noted that in order to benefit from the interest payment exception of article 64 par. 9 of Greek Law 4172/2013, the foreign entities should submit to the financial or credit institutions a certificate from the competent foreign authorities certifying the registered seat of such foreign entities or the articles of association of such entities (provision 17 of the circular of the Minister of Finance no. 1042/26.01.2015).

Covered Bondholders who neither reside nor maintain a permanent establishment in Greece for Greek law tax purposes (the **Non-Resident Covered Bondholders**) will be subject to Greek withholding income tax at a flat rate of 15 %, if such payments are made to Non-Resident Covered Bondholders by the Issuer or by a paying or other similar agent who either resides or maintains a permanent establishment in Greece for Greek tax law purposes. Such withholding tax exhausts the Greek tax liability of both individual and entity Non-Resident Covered Bondholders, subject to the submission of recent tax residence certificates or other evidence of non- residence; further, such withholding is in each case subjected to the provisions of any applicable tax treaty for the avoidance of double taxation

of income and the prevention of tax evasion (a **DTT**) entered into between Greece and the jurisdiction in which such Covered Bondholder is a tax resident.

Capital gains realized from the transfer of Covered Bonds

Pursuant to article 14 of Greek law 3156/2003 which is applicable to Covered Bonds by virtue of article 152 of Greek law 4261/2014, , in conjunction with Circular of the Minister of Finance no. 1032/26.01.2015,capital gains realized by holders of Covered Bonds from the transfer of Covered Bonds are exempted from taxation in Greece.

Value Added Tax

No value added tax is payable upon disposal of the Covered Bonds (pursuant to Article 22(1)(ka) of Greek Law 2859/2000).

Death Duties and Taxation on Gifts

The Covered Bonds are subject to Greek inheritance tax if the deceased holder of Covered Bonds had been resident of Greece or a Greek national.

The rates of inheritance tax vary from 1% to 40%, depending on the relationship between the heir and the deceased.

A gift of Covered Bonds is subject to Greek tax if the holder of the Covered Bonds (donor) is a Greek national or if the recipient thereof is a Greek national or resident.

The rates of gift tax vary from 1% to 40% depending on the relationship between the donor and the recipient.

Stamp Duty

Pursuant to Article 14 of Greek Law 3156/2003 the issuance or transfer of Covered Bonds is exempt from Greek stamp duty.

EU Savings Directive

In December 2014, the Council adopted directive 2014/107/EU amending provisions on the mandatory automatic exchange of information between tax administrations. It extended the scope of that exchange to include interest, dividends and other types of income. Council Directive 2003/48/EC, which since 2005 had allowed tax administrations better access to information on private savers, was repealed by the Council on 10 November 2015, with effect from 1 January 2016 (although the effect of transitional measures referred to below should be noted). Repeal of the directive follows a strengthening of measures to prevent tax evasion. A significant overlap had developed with other legislation in this field and the repeal eliminates that overlap.

Directive 2014/107/EU entered into force on 1 January 2016. Directive 2014/107/EU is generally broader in scope than directive 2003/48/EC. The Directive implements a single global standard developed by the OECD for the automatic exchange of information. The OECD standard was endorsed by G20 finance ministers in September 2014. EU agreements with Andorra, Liechtenstein, Monaco, San Marino and Switzerland, initially based on directive 2003/48/EC, are currently being revised to be aligned with directive 2014/107/EU and the new global standard.

The directive adopted by the Council also provides for transitional measures. These concern in particular a derogation granted to Austria under directive 2014/107/EU, allowing it to apply that directive one year later than other member states.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**) impose a reporting regime and potentially a 30% withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or FFI (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of the Issuer (a **Recalcitrant Holder**). The Issuer is classified as an FFI.

The new withholding regime is now in effect for payments from sources within the United States and will apply to "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of Covered Bonds (i) any Covered Bonds characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued after the "grandfathering date", which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified after the grandfathering date and (ii) any Covered Bonds characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Covered Bonds are issued on or before the grandfathering date, and additional Covered Bonds of the same series are issued after that date, the additional Covered Bonds may not be treated as grandfathered, which may have negative consequences for the existing Covered Bonds, including a negative impact on market price.

The United States and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "Reporting FI" not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction generally would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **FATCA Withholding**) from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and Greece have reached an agreement in substance on the terms of an IGA based largely on the Model 1 IGA. Until the United States and Greece sign an IGA (the **U.S.-Greece IGA**), Greece will be treated as having a Model 1 IGA in effect provided that it remains on the IRS list of jurisdictions that have reached an agreement in substance on the terms of an IGA. The U.S. Treasury will review this list on a monthly basis to determine whether each jurisdiction will continue to be treated as having an IGA in effect.

If the Issuer is treated as a Reporting FI pursuant to the U.S.-Greece IGA it does not anticipate that it will be obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. The Issuer and financial institutions through which payments on the Covered Bonds are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Covered Bonds is made is not a Participating FFI, a

Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

Whilst the Covered Bonds are in global form and held within the ICSDs, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Covered Bonds by the Issuer, any paying agent and the Common Depositary or Common Safekeeper, given that each of the entities in the payment chain between the Issuer and the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Covered Bonds. The documentation expressly contemplates the possibility that the Covered Bonds may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Covered Bonds will only be printed in remote circumstances.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Covered Bonds.

Proposed Financial Transactions Tax for Participating Member States

On 14 February 2013 the European Commission published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Covered Bonds (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Covered Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016. The FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate. Prospective holders of Covered Bonds are advised to seek their own professional advice in relation to the FTT.

Luxembourg Taxation

The following information is of a general nature only and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Covered Bonds should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

(a) Non-resident holders of Covered Bonds

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Covered Bonds, nor on accrued but unpaid interest in respect of the Covered Bonds, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Covered Bonds held by non-resident holders of Covered Bonds.

(b) Resident holders of Covered Bonds

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 (as amended) (the **Law**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Covered Bonds, nor on accrued but unpaid interest in respect of Covered Bonds, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Covered Bonds held by Luxembourg resident holders of Covered Bonds.

Under the Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg an individual beneficial owner who is a resident of Luxembourg or to a residual entity (within the meaning of the laws of 21 June 2005 implementing EC Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**) as amended) established in a EU Member State (other than Luxembourg) or one of the Territories and security such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the paying agent. Payments of interest under the Covered Bonds coming within the scope of the Law will be subject to a withholding tax at a rate of 10 per cent.

SUBSCRIPTION AND SALE

Covered Bonds may be issued from time to time by the Issuer to any of the Dealer(s). The arrangements under which Covered Bonds may from time to time be agreed to be issued by the Issuer to, and subscribed by, the Dealer(s) are set out in a Programme Agreement dated 9 April 2010 (such Programme Agreement as may be amended and/or supplemented and or restated from time to time (the **Programme Agreement**) and made between the Issuer and the Dealer(s). Any such agreement will, *inter alia,* make provision for the form and terms and conditions of the relevant Covered Bonds, the price at which such Covered Bonds will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Programme Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Covered Bonds. The Programme Agreement will be supplemented on or around the date of each issuance by Subscription Agreement, which will set out, *inter alia*, the relevant underwriting commitments.

United States

The Covered Bonds have not been and will not be registered under the Securities Act and the Covered Bonds may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or in transactions not subject to, the registration requirements of the Securities Act.

The Covered Bonds in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

In connection with any Covered Bonds which are offered or sold outside the United States in reliance on Regulation S (**Regulation S Covered Bonds**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, it has not offered and sold, and will not offer, sell or deliver such Regulation S Covered Bonds (i) as part of its distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of that Series of Covered Bonds or which such Covered Bonds are a part, as determined and certified by the relevant Dealer(s), in the case of a non-syndicated issue, or by the Lead Manager, in the case of a syndicated issue, and except in either case in accordance with Regulation S under the Securities Act. Each Dealer has further agreed and each further Dealer appointed under the Programme will be required to agree that it will send to each dealer to which it sells Regulation S Covered Bond during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of Regulation S within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this Paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Covered Bonds, an offer or sale of such Covered Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Public Offer Selling Restrictions under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Covered Bonds to the public in that Relevant Member State:

(a) if the Final Terms in relation to the Covered Bonds specifies that an offer of those Covered Bonds may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Covered Bonds which has been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Directive or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable;

(b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Covered Bonds referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement to a base prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision: the expression **an offer of Covered Bonds to the public** in relation to any Covered Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State; and the expression Prospectus Directive means Directive 2003/71/EC (as amended including by Directive 2010/73/EU) and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) received by it in

connection with the issue or sale of any Covered Bonds in circumstances in which Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the United Kingdom.

The Hellenic Republic

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has complied and will comply with (i) the Public Offer Selling Restrictions under the Prospectus Directive, described above in this section and (ii) all applicable provisions of Greek Law 3401/2005, implementing into Greek law the Prospectus Directive.

Japan

The Covered Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No.25 of 1948, as amended; the **FIEA**) and each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it has not directly or indirectly, offered or sold and will not directly or indirectly offer or sell any Covered Bonds, in Japan or to, or for the benefit of, a resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

The Grand Duchy of Luxembourg

In addition to the cases described in the European Economic Area selling restrictions in which the Dealer(s) can make an offer of Covered Bonds to the public in an EEA Member State (including the Grand Duchy of Luxembourg), the Dealer(s) can also make an offer of Covered Bonds to the public in the Grand Duchy of Luxembourg:

(a) at any time, to national and regional governments, central banks, international and supranational institutions (such as the International Monetary Fund, the European Central Bank, the European Investment Bank) and other similar international organisations;

(b) at any time, to legal entities which are authorised or regulated to operate in the financial markets (including, credit institutions, investment firms, other authorised or regulated financial institutions, undertakings for collective investment and their management companies, pension and investment funds and their management companies, insurance undertakings and commodity dealers) as well as entities not so authorised or regulated whose corporate purpose is solely to invest in securities; and

(c) at any time, to certain natural persons or small and medium-sized enterprises (as defined in the Luxembourg Act dated 10 July 2005 on prospectuses for securities implementing the Directive 2003/71/EC as amended by Directive 2010/73/EU (the **Prospectus Directive**) into Luxembourg law) recorded in the register of natural persons or small and medium-sized enterprises considered as qualified investors as held by the Commission de Surveillance du Secteur Financier as competent authority in Luxembourg in accordance with the Prospectus Directive.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will comply with (in the best of its knowledge and belief) all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Covered Bonds or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Covered Bonds under the laws and regulations or directives in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Trustee and the Dealers represents that Covered Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Listing and admission to trading

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for the Covered Bonds issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the official list of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

However, Covered Bonds may be issued pursuant to the Programme which will not be listed on the Luxembourg Stock Exchange or any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

Authorisations

By a resolution of the board of directors of the Issuer on or about 24 March 2010, the Issuer resolved to establish a Programme pursuant to which the Issuer may from time to time issue Covered Bonds as set out herein. Covered Bonds up to a maximum nominal amount (calculated in accordance with Clause 3 of the Programme Agreement) from time to time outstanding of €5 billion (or its equivalent in other currencies) (subject to increase as provided in the Programme Agreement) (the **Programme Limit**) may be issued pursuant to the Programme. The maximum aggregate nominal amount of all Covered Bonds that may from time to time be outstanding under the Programme was raised to €5 billion (from €3billion) on 25 February 2016 in accordance with the provisions of the Programme Agreement. By a resolution of the board of directors of the Issuer dated 23 February 2016 the Issuer has resolved to update the Programme, including the aforementioned aggregate nominal amount increase.

Litigation

The Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period of 12 months preceding the date of this Base Prospectus which may have, or have had, in such period, a significant effect on the financial position or profitability of the Issuer and its subsidiaries taken as a whole.

No significant change or no material adverse change

There has been no material adverse change in the prospects of the Issuer since 31 December 2014 (the last day of the financial period in respect of which the most recent audited financial statements of the Issuer have been prepared) and no significant change in the financial position of the Issuer and its subsidiaries taken as a whole since 30 September 2015 (the last day of the financial period in respect of which the most recent reviewed financial statements of the Issuer have been prepared), save for the matters disclosed in the "*Eurobank Ergasias S.A.*" - "*Recapitalisation*" section of this Base Prospectus.

Documents available for inspection

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified offices of the Paying Agents or the Luxembourg Listing Agent:

(a) the constitutional documents (with an English translation thereof) of the Issuer;

(b) the consolidated audited financial statements of the Issuer in respect of the financial years ended 31 December 2014, 31 December 2013 and the condensed consolidated interim financial statements for the period ended 30 September 2015 (with an English translation thereof), in each case together with the audit reports and the review report respectively prepared in connection therewith;

(c) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements (if any) of the Issuer (with an English translation thereof), together with any audit or review reports prepared in connection therewith;

(d) the Programme Agreement, the Trust Deed, the Agency Agreement, and the forms of the Global Covered Bonds, the Covered Bonds in definitive form, the Coupons and the Talons;

(e) a copy of this Base Prospectus; and

(f) any future offering circulars, prospectuses, Final Terms (save that a Final Terms relating to a Covered Bond which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Covered Bond and such holder must produce evidence satisfactory to the Issuer and the Principal Paying Agent as to its holding of Covered Bonds and identity) information memoranda and supplements to this Base Prospectus and any other documents incorporated herein or therein by reference.

In addition, copies of this Base Prospectus, any supplement to the Base Prospectus, any documents incorporated by reference and each Final Terms relating to Covered Bonds which are admitted to trading on the Luxembourg Stock Exchange's regulated market and admitted to trading on the official list of the Luxembourg Stock Exchange will also be available for inspection free of charge from the internet site of the Luxembourg Stock Exchange, at www.bourse.lu.

Clearing Systems

The Covered Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Series of Covered Bonds allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Covered Bonds are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Covered Bonds to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

In relation to any Tranche of Fixed Rate Covered Bonds, an indication of the yield in respect of such Covered Bonds will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Covered Bonds on the basis of the relevant Issue Price. The yield indicated will be

calculated as the yield to maturity as at the Issue Date of the Covered Bonds and will not be an indication of future yield.

Independent Auditors

The auditors of the Issuer are PricewaterhouseCoopers of 268 Kifissias Avenue, 152 32 Halandri, Greece (members of the Institute of Certified Auditors-Accountants in Greece), Chartered Accountants and Registered Auditors, who have audited the Issuer's financial statements, without qualification, in accordance with IFRS for each of the two financial years ended 31 December 2013 and 31 December 2014. The auditors of the Issuer have no interest in the Issuer.

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REGISTERED OFFICE OF THE ISSUER

Eurobank Ergasias S.A.
8 Othonos Street
Athens 10557
Greece

ARRANGER

Eurobank Ergasias S.A.
8 Othonos Street
Athens 10557
Greece

DEALER

Eurobank Ergasias S.A.
8 Othonos Street
Athens 10557
Greece

TRUSTEE

The Bank of New York Mellon (International) Limited
One Canada Square
London E14 5AL
United Kingdom

PRINCIPAL PAYING AGENT and ACCOUNT BANK

The Bank of New York Mellon
One Canada Square
London E14 5AL
United Kingdom

CUSTODIAN

The Bank of New York Mellon SA/NV, London Branch
160 Queen Victoria Street
London EC4V 4LA
United Kingdom

REGISTRAR

The Bank of New York Mellon (Luxembourg) S.A.
Vertigo Building
Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

ASSET MONITOR

Deloitte Hadjipavlou, Sofianos & Cambanis S.A.
3A Fragkoklissias & Granikou st.
GR – 151 25 Maroussi
Athens
Greece

LEGAL ADVISERS

To the Issuer as to Greek law

G. Orfanidis
8 Othonos Street
Athens 10557
Greece

G. Lekkas
8 Othonos Street
Athens 10557
Greece

To the Issuer, Arranger, the Trustee and the Dealer as to English law

Norton Rose Fulbright LLP
3 More London Riverside
London SE1 2AQ
United Kingdom

To the Arranger and the Dealer as to Greek law

Karatzas & Partners Law Firm
8 Omirou Street
Athens
GR 10564
Greece

AUDITORS TO THE ISSUER

PricewaterhouseCoopers
268 Kifissias Avenue
152 32 Halandri
Greece

LISTING AGENT

The Bank of New York Mellon (Luxembourg) S.A.
Vertigo Building
Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg