Prospectus

ERB HELLAS PLC

(incorporated with limited liability in England and Wales)

as Issuer

ERB HELLAS (CAYMAN ISLANDS) LIMITED

(incorporated with limited liability in the Cayman Islands)

as Issuer

and

EUROBANK ERGASIAS S.A.

(incorporated with limited liability in the Hellenic Republic)

as Issuer and as Guarantor

€25,000,000,000
Programme for the Issuance of Debt Instruments

Under this €25,000,000,000 Programme for the Issuance of Debt Instruments (the "Programme"), each of ERB Hellas PLC, ERB Hellas (Cayman Islands) Limited and Eurobank Ergasias S.A. ("Eurobank" or the "Bank" and, together with ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited, the "Issuers" and each an "Issuer" and references herein to the "relevant Issuer" being to the Issuer of the relevant Instruments (as defined herein)) may from time to time issue debt instruments ("Instruments") denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined herein).

Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited will be guaranteed by the Bank (in such capacity, the "Guarantor").

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 (the "Prospectus Act 2005") to approve this document as a base prospectus. The CSSF assumes no responsibility as to the economic and financial soundness of the transactions contemplated by this Prospectus or the quality or solvency of any of the Issuers or the Guarantor in accordance with Article 7(7) of the Prospectus Act 2005. Application has also been made to the Luxembourg Stock Exchange for Instruments 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. References in this Prospectus to Instruments which are intended to be "listed" (and all related references) on the Luxembourg Stock Exchange shall mean that such Instruments have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to 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).

The requirement to publish a prospectus under the Prospectus Directive (as defined under "Important Information" below) only applies to Instruments which are to be admitted to trading on a regulated market in the European Economic Area and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive ("PD Instruments"). References in this Prospectus to "Exempt Instruments" are to Instruments for which no prospectus is required to be published under the Prospectus Directive. **The CSSF has neither approved nor reviewed information contained in this Prospectus in connection with Exempt Instruments and the CSSF assumes no responsibility in relation to issues of Exempt Instruments.**

The Programme provides that Instruments may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the relevant Issuer and the relevant Dealer. Each Issuer may also issue unlisted Instruments and/or Instruments not admitted to trading on any market.

In the case of each Tranche (as defined under "Terms and Conditions of the Instruments") of PD Instruments, notice of the aggregate nominal amount of the PD Instruments, interest (if any) payable in respect of the PD Instruments, the issue price of the PD Instruments and certain other information which is applicable to the relevant Tranche will be set out in a final terms document (the "Final Terms") which will be filed with the CSSF. Copies of the Final Terms in relation to PD Instruments to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*). In the case of each Tranche of Exempt Instruments, notice of the aggregate nominal amount of Exempt Instruments, interest (if any) payable in respect of the Exempt Instruments, the issue price of the Exempt Instruments and certain other information which is applicable to the relevant Tranche will be set out in a pricing supplement document (the "Pricing Supplement"). In the case of Exempt Instruments, references herein to "Final Terms" shall be deemed to be references to "Pricing Supplement", so far as the context admits.

An investment in Instruments involves certain risks. Prospective purchasers of Instruments should ensure that they understand the nature of the relevant Instruments and the extent of their exposure to risks and that they consider the suitability of the relevant Instruments as an investment in the light of their own circumstances and financial condition. CERTAIN ISSUES OF INSTRUMENTS INVOLVE A HIGH DEGREE OF RISK AND POTENTIAL INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT. It is the responsibility of prospective purchasers to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the relevant Instruments and are not relying on the advice of the relevant Issuer, (if applicable) the Guarantor or any Dealer in that regard. For a discussion of these risks see "Risk Factors" below.

Each of Fitch Ratings Ltd. ("Fitch"), Moody's Investors Service Limited ("Moody's") and Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's") is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation"). As such each of Fitch, Moody's and Standard & Poor's is included in the list of credit rating agencies registered in accordance with the CRA Regulation and published by the European Securities and Markets Authority ("ESMA") on its website at (*http://www.esma.europa.eu/page/list-registered-and-certified-CRAs*) in accordance with the CRA Regulation. Instruments may be rated or unrated by either of the rating agencies referred to above. Where a Tranche of Instruments is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arranger and Dealer

EUROBANK ERGASIAS S.A.

25 April 2016

IMPORTANT INFORMATION

This Prospectus constitutes a base prospectus in respect of all Instruments other than Exempt Instruments issued under the Programme for the purposes of Article 5.4 of the Prospectus Directive. When used in this Prospectus, "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

The Bank accepts responsibility for the information set out in this Prospectus and any applicable Final Terms. Having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the knowledge of the Bank, in accordance with the facts and does not omit anything likely to affect the import of such information.

In relation to Exempt Instruments, the applicable Pricing Supplement will (if applicable) specify the nature of the responsibility taken by the relevant Issuer and (if applicable) the Guarantor for the information relating to any Reference Item(s) (as defined under "Risk Factors" below) to which the relevant Exempt Instruments relate and which is contained in such Pricing Supplement. However, unless otherwise expressly stated in the applicable Pricing Supplement, any information contained therein relating to any Reference Item(s) will only consist of extracts from, or summaries of, information contained in financial and other information released publicly by the issuer, owner or sponsor, as the case may be, of such Reference Item(s). Unless otherwise expressly stated in the applicable Pricing Supplement, the relevant Issuer and (if applicable) the Guarantor accept responsibility for accurately reproducing such extracts or summaries (insofar as it is applicable) and, so far as the relevant Issuer and (if applicable) the Guarantor are aware and are able to ascertain from information published by the issuer, owner or sponsor, as the case may be, of such Reference Item(s), no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Prospectus should be read and construed with any supplement hereto and with any documents which are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference") and, in relation to any Tranche of Instruments, should be read and construed together with the applicable Final Terms.

No person has been authorised by any Obligor (as defined in "Risk Factors" below) to give any information or to make any representation not contained in, or not consistent with, this Prospectus or any other document entered into in relation to the Programme or any information supplied by an Obligor and, if given or made, such information or representation should not be relied upon as having been authorised by any Obligor or any Dealer.

No representation or warranty is made or implied by any of the Dealers or any of their respective affiliates, and none of the Dealers and their respective affiliates makes any representation or warranty or accepts any responsibility, as to the accuracy or completeness of the information contained in this Prospectus. Neither the delivery of this Prospectus or any Final Terms nor the offering, sale or delivery of any Instrument shall, in any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date hereof or the date upon which this Prospectus has been most recently supplemented or that there has been no material adverse change in the prospects of any Obligor since the date thereof or, if later, the date upon which this 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 Prospectus and any Final Terms and the offering, sale and delivery of Instruments in certain jurisdictions may be restricted by law. Persons into whose possession this

Prospectus or any Final Terms comes are required by each Obligor and the Dealers to inform themselves about, and to observe, any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Instruments and on the distribution of this Prospectus or any Final Terms and other offering material relating to the Instruments, see "Subscription and Sale".

In particular, the Instruments have not been and will not be registered under the United States Securities Act of 1933 (as amended) and are subject to U.S. tax law requirements. Subject to certain exceptions, Instruments may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. In addition, unless specifically indicated to the contrary in the applicable Pricing Supplement in the case of an issue of Exempt Instruments, no action has been taken by any Obligor or the Dealers which is intended to permit a public offering of any Instruments outside Luxembourg or any other Member State of the European Economic Area to which this document may be passported in accordance with the procedures under Article 18 of the Prospectus Directive or distribution of this Prospectus in any jurisdiction where action for that purpose is required.

Neither this Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Instruments and should not be considered as a recommendation by any Obligor, the Dealers or any of them that any recipient of this Prospectus or any Final Terms should subscribe for or purchase any Instruments. Each recipient of this Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the relevant Issuer and (if applicable) the Guarantor.

TABLE OF CONTENTS

In connection with the issue of any Tranche of Instruments, the Dealer or Dealers (if any) named as the Stabilising Institution(s) (or persons acting on behalf of any Stabilising Institution(s)) in the applicable Final Terms may over-allot Instruments or effect transactions with a view to supporting the market price of the Instruments at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Institution(s) (or persons acting on behalf of a Stabilising Institution) 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 Tranche of Instruments 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 Instruments and 60 days after the date of the allotment of the relevant Tranche of Instruments. Any such stabilisation action or over-allotment must be conducted by the relevant Stabilising Institution(s) (or person(s) acting on behalf of any Stabilising Institution(s)) in accordance with all applicable laws and rules.

RISK FACTORS

THE PURCHASE OF CERTAIN INSTRUMENTS MAY INVOLVE SUBSTANTIAL RISKS AND MAY BE SUITABLE ONLY FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF AN INVESTMENT IN THE RELEVANT INSTRUMENTS. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE PURCHASERS SHOULD CONSIDER CAREFULLY, IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES, (I) ALL THE INFORMATION SET FORTH IN THIS PROSPECTUS AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW AND (II) ALL THE INFORMATION SET FORTH IN THE APPLICABLE FINAL TERMS. PROSPECTIVE PURCHASERS SHOULD MAKE SUCH ENQUIRIES AS THEY DEEM NECESSARY WITHOUT RELYING ON THE RELEVANT ISSUER, (IF APPLICABLE) THE GUARANTOR OR ANY DEALER.

AN INVESTMENT IN EXEMPT INSTRUMENTS LINKED TO ONE OR MORE REFERENCE ITEM(S) MAY ENTAIL SIGNIFICANT RISKS NOT ASSOCIATED WITH INVESTMENTS IN A CONVENTIONAL DEBT SECURITY, INCLUDING BUT NOT LIMITED TO THE RISKS SET OUT BELOW. THE AMOUNT PAID BY THE RELEVANT ISSUER ON REDEMPTION OF SUCH EXEMPT INSTRUMENTS MAY BE LESS THAN THE NOMINAL AMOUNT OF SUCH INSTRUMENTS, TOGETHER WITH ANY ACCRUED INTEREST, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO.

CERTAIN ISSUES OF INSTRUMENTS INVOLVE A HIGH DEGREE OF RISK AND POTENTIAL INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT.

Each of ERB Hellas PLC, ERB Hellas (Cayman Islands) Limited and the Bank (each an "Obligor" and, together the "Obligors") believes that the following factors may affect its ability to fulfil its obligations under Instruments issued under the Programme. All of these factors are contingencies which may or may not occur and none of the Obligors is in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Obligors believe may be material for the purpose of assessing the market risks associated with Instruments issued under the Programme are also described below.

Each of the risks highlighted below could adversely affect the trading price of any Instruments or the rights of investors under any Instruments and, as a result, investors could lose some or all of their investment.

Each of the Obligors believes that the factors described below represent the principal risks inherent in investing in Instruments issued under the Programme, but the relevant Issuer or (if applicable) the Guarantor may be unable to pay interest, principal or other amounts on or in connection with any Instruments for other reasons and none of the Obligors represents that the statements below regarding the risks of holding any Instruments are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision as these risk factors cannot be deemed complete.

Capitalised terms used herein and not otherwise defined shall bear the meanings ascribed to them in "Terms and Conditions of the Instruments" below.

FACTORS THAT MAY AFFECT AN OBLIGOR'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER INSTRUMENTS ISSUED UNDER THE PROGRAMME

Factors relating to ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited

Each of ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited is a finance vehicle whose principal purpose is to raise debt to be deposited with the Bank. Accordingly, neither ERB Hellas PLC nor ERB Hellas (Cayman Islands) Limited has any trading assets and generates trading income. Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited under the Programme are guaranteed on a subordinated or an unsubordinated basis, as specified in the applicable Final Terms, pursuant to the Deed of Guarantee. Accordingly, if the Guarantor's financial condition was to deteriorate, such Issuers and investors in such Instruments may suffer direct and materially adverse consequences.

The auditor's report given in respect of the audited non-statutory financial statements of ERB Hellas (Cayman Islands) Limited for the year ended 31 December 2014 contained the following paragraph:

"*Emphasis of Matter*

Without qualifying our opinion, we draw attention to the disclosures made in:

1. note 2.1 to the financial statements, which refers to the material uncertainties associated with the current economic conditions in Greece and the ongoing developments, that affect the banking sector and in particular its liquidity. These material uncertainties may cast significant doubt on the Parent Company's (Eurobank Ergasias S.A.) and therefore the Company's ability to continue as a going concern;

2. notes 3 and 4 to the financial statements, which refer to the methodology applied to value the available for sale equity securities for which no active market existed at the balance sheet date and the possible impact of valuation sensitivities on the financial position of the Company; and

3. note 19 to the financial statements, which refers to the significant decrease of the fair value of the abovementioned equity securities after the balance sheet date. The decrease has no impact on the financial statements for the period ended 31 December 2014."

The auditor's report given in respect of the audited non-statutory financial statements of ERB Hellas (Cayman Islands) Limited for the year ended 31 December 2013 contained the following paragraph:

"*Emphasis of matter*

Without qualifying our opinion, we draw attention to notes 3 and 4, which refer to the methodology applied to value the available for sale equity securities for which no active market existed at the balance sheet date and the possible impact of valuation sensitivities on the financial position of the Company."

References above to "notes 3 and 4" are to the notes to the audited non-statutory financial statements of ERB Hellas (Cayman Islands) Limited for the year ended 31 December 2013 incorporated by reference in this Prospectus.

The auditor's report given in respect of the audited financial statements of ERB Hellas PLC for the year ended 31 December 2014 contained the following paragraph:

"*Emphasis of matter - Going concern*

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern. The current conditions in Greece could result in significant disruption in the Greek economy which may impact the profitability, capital adequacy and liquidity of Eurobank Ergasias S.A. and therefore its ability to repay fully and on time the loan to the Company. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern."

Factors relating to the Bank

Economic Activity in Greece and South-Eastern Europe

The Bank'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, state of the economy and market interest rates at the time. As the Bank 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 Bank'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 the Bank'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 the Bank's secured loans, including homes and other real estate, could decline, which could result in impairment of the value of the Bank's loan assets and could be accompanied by an increase in its non-performing loan ratios. In addition, the Bank's customers may further significantly decrease their risk tolerance to non-deposit investments such as stocks, bonds and mutual funds, which would adversely affect the Bank'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 Bank's business, results of operations, financial condition and prospects.

The majority of the Group's business is in Greece. For the year ended 31 December 2015, the Group's Greek operations accounted for 71 per cent. of the Group's operating income, 85 per cent. of the Group's gross loans and 72 per cent. of the Bank's net interest income. Accordingly, the Bank's business, results of operations, the quality of the Bank'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, the Bank holds a portfolio of Greek government debt and related derivatives. As at 31 December 2015, the Group's overall exposure to the Greek state and state entities amounted to €5,313 million, comprising Greek government bonds with a book value of €1,677 million, Greek treasury bills with a book value of €2,157 million, financial derivatives with the Greek state amounting to €992 million and loans, financial guarantees and other claims towards the Greek state of €487 million. In total, Greek government bonds and Greek treasury bills

represented 5 per cent. of the Group's assets and 23 per cent. of the Group's securities portfolio as at 31 December 2015 and 5 per cent. of the Group's assets and 22 per cent. of the Group's securities portfolio as at 31 December 2014. In addition to its effect on the Bank'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 Bank'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 per cent. of the face amount of the debt exchanged and two-year European Financial Stability Fund ("EFSF") bonds having a face amount equal to 15 per cent. of the face amount of the debt exchanged. Each participating holder also received detachable GDP-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 the Bank submitted for exchange the Bank'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 31 December 2015, the Bank 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 Bank's DTAs could be converted into directly enforceable claims against the Greek state.

Following the Parliamentary elections of 25 January 2015, the newly elected 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. Another technical extension of the Second Economic Adjustment Programme had been previously granted on 19 December 2014 until 28 February 2015 (the programme was initially 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 disbursed 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 Bank's Eurosystem funding totalled €32.7 billion), which exceeded 70 per cent. 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 per cent. 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 continued to apply 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 future 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. 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 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 mid-April 2016, the first review is not expected to be completed before the end of April 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 details for 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 Bank's operations and liquidity position, including the Bank'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 Bank's business, results of operations, financial condition and prospects. For

[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/

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 Bank’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 Bank’s business, results of operations, financial condition and prospects, which may adversely affect the Bank’s ability to pay interest and principal on the Instruments in full and in a timely manner.

Failure in implementing the Third Economic Adjustment Programme or in realising the benefits of the programme may have material adverse effects on the Bank’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 Bank’s regulatory capital will likely be affected because of the potential need for significant additional provisions for loans and other assets, and the Bank will have to seek additional capital. In such circumstances, the Bank may not be in a position to raise additional capital on favourable terms, or at all, which may adversely affect the Bank’s ability to pay interest and principal on the Instruments in full and in a timely manner.

The fiscal targets of the Third Economic Adjustment Programme may not be met and the Bank 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 Bank’s business, results of operations, financial condition and prospects, including:

- a significant increase in the provisions the Bank record, mostly for loans;
- a reduction of the carrying amount of the Bank’s portfolio of Greek Government debt, financial derivatives with the Greek state and loans, financial guarantees and other claims towards the Greek estate;
- an impairment in the carrying amount of the Bank’s DTAs;
- a weakening of the Bank’s regulatory capital position;

- significant difficulties in raising funds and complying with minimum capital and funding regulatory requirements;
- a substantial reduction in the Bank'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 Bank's business, results of operations, financial condition and prospects, which may adversely affect the Bank's ability to pay interest and principal on the Instruments 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 Bank's Eurosystem funding totalled €32.7 billion), which exceeded 70 per cent. of Greece's GDP. According to the Bank of Greece, the ELA amounted to approximately €66.2 billion at the end of March 2016, a significant improvement (decrease by 23.7 per cent.) compared with the ELA as at the end of 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 per cent. 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 per cent. 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 per cent. and 0.8 per cent. in the first and second quarter of 2015, but decreased by approximately 1.7 per cent. and 0.8 per cent. in the third and fourth quarters of 2015. On an annual basis, real GDP in 2015 is to decrease by approximately 0.2 per cent., which is lower than the respective European Commission Winter projection of 0.0 per cent.. According to the Hellenic Statistical Authority imports and arrivals in February 2016 amounted to €3.6 billion compared to €3.5 billion in February 2015. The trade deficit balance in February 2016 amounted to €1.7 billion compared to €1.4 billion in December 2014.

Unemployment is expected to be 25.1 per cent. in 2015 according to the Winter 2016 Forecast of the European Commission. According to the Hellenic Statistical Authority, unemployment averaged 26.5 per cent. in 2014, compared to 27.5 per cent. in 2013 and 7.8 per cent. in 2008 prior to the Greek financial crisis. According to the Hellenic Statistical Authority, the unemployment rate in January 2016 was 24.5 per cent. (January 2015: 25.6 per cent.). The consumer price index ("CPI") in March 2016 decreased by 1.5 per cent. as compared with March 2015. In March 2015, the annual rate of change of the CPI was negative 2.1 per cent. and the monthly rate of change of the CPI was positive at 2.4 per cent..

The capital controls and the bank holiday have affected and continue to affect the Bank'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 Bank. 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 Bank's liquidity, business, results of operations, financial condition and prospects, which may adversely affect the Bank's ability to pay interest and principal on the Instruments in full and in a timely manner. The lift of the capital controls is expected to occur at the end of 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 Bank's operations are limited. Moreover, as and when such restrictions are reduced or lifted, the Bank may experience significant deposit outflows.

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

As one of the systemic banks operating in Greece, the Bank'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 Bank's ability to pay interest and principal on the Instruments in full and in a timely manner. For example, the Bank'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 the Bank'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 per cent. 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 per cent. between 2008 and 2013. According to the most recent data issued by the Hellenic Statistical Authority, real GDP increased by approximately 0.3 per cent. and 0.8 per cent. in the first and second quarter of 2015, but decreased by approximately 1.7 per cent. and 0.8 per cent. in the third and fourth quarters of 2015. On an annual basis, real GDP in 2015 is expected to decrease by approximately 0.2 per cent.. This reading is lower than the respective European Commission Winter projection of 0.0 per cent. According to the European Commission, real GDP in Greece is expected to decrease by approximately 0.7 per cent. in 2016. In addition, the fiscal goal under the 2016

Budget is to achieve a primary deficit (before debt service costs) of 0.20 per cent. of GDP in 2015 and a primary surplus of 0.5 per cent. in 2016. The primary balance target in the Third Economic Adjustment Programme for Greece in 2017 and 2018 was 1.75 per cent. and 3. 5 per cent. in 2017 and 2018, respectively. Such targets may not be met, and the Greek economy may not recover.

The fiscal consolidation measures introduced since the First Economic Adjustment Programme (May 2010) have significantly reduced household disposable income and business profitability, and the additional measures introduced under the terms of the Third Economic Adjustment Programme (August 2015) 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 the Bank 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 the Bank has 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 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 per cent., according to the Bank of Greece data private sector credit growth declined by 3.2 per cent. in 2015 on an annual basis. According to the most recent Bank of Greece data, in February 2016 credit growth was again negative at 4.8 per cent.. 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 Bank'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 Bank's ability to obtain funding is constrained and access to the capital markets is limited, the Bank is dependent on the ECB and the Bank of Greece for funding and the Bank's liquidity is affected by their decisions.

The ongoing financial crisis, which has adversely affected the Bank's credit rating, limiting the Bank's access to international markets for funding, and the continued and sharp decline in the Bank's deposits since 2009 (from €43 billion as at 31 December 2009 to €42 billion as at 31 December 2013, €41 billion as at 31 December 2014 and €31 billion as at 31 December 2015, in each case, excluding the Bank's Group operations in Poland, Turkey and Ukraine) increased considerably the Bank's reliance on funding from the ECB and the Bank of Greece within the Eurosystem. The

deterioration in the Bank'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 Bank'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 Bank'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 the Bank 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 per cent. 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 the Bank operates 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 Bank's cost of funding. The Bank'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 31 December 2015, the Bank's net Eurosystem funding was €25.3 billion, out of which €20 billion involved funding from the ELA and €5.3 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 31 December 2015, the liquid assets held by the Group amounted to €8,178 million, out of which €5,572 million available collateral represented unutilised eligible assets for Eurosystem funding and €2,606 million represented cash and other highly liquid assets. The Bank's prolonged dependence on the Eurosystem for additional funding may result in no collateral remaining available, which, as at 31 December 2015, comprised €2,207 million of available collateral for the purposes of funding from the ECB and €3,365 million available collateral for the purposes of funding from the ELA (i.e., a total amount of €5,572 million, 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 the Bank 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 European credit institutions, and guaranteed by the respective Member State central government, can no longer be used by them as collateral for Eurosystem operations; this limitation would obviously apply to Greek banks as well.

The amount of funding available from the ECB or the Bank of Greece is tied to the value of the collateral the Bank provides, including the market value of the Bank's holdings of Greek government bonds, which may decline. If the value of the Bank's assets declines, then the amount of funding that the Bank 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, the Bank's funding costs would be materially increased and the Bank's access to liquidity limited. Regulatory and/or supervisory authorities may also set further limitations on the use of government guaranteed bonds as collateral for Bank of Greece funding operations. 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.

The Bank is currently able to use covered bonds issued by the Bank 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 the Bank's credit rating may also materially affect the Bank's ability to raise additional funds from the Bank of Greece or other sources, which may adversely affect the Bank's ability to pay interest and principal on the Instruments 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 Bank's costs of funding and have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

Historically, one of the Bank's principal sources of funds has been customer deposits. Since the Bank relies on customer deposits for the majority of the Bank's funding, if the Bank's depositors were to withdraw their funds at a rate faster than the rate at which borrowers repay their loans, or if the Bank is unable to obtain the necessary liquidity by other means, the Bank would be unable to maintain the Bank's current levels of funding without incurring significantly higher funding costs or having to liquidate certain of the Bank's assets, or without increasing access to the Eurosystem under its then-current terms. As at 31 December 2015, the Group's customer deposits in Greece decreased by 27.0 per cent. compared to 31 December 2014. As a result of recent political and financial uncertainty, the Greek banking system, has experienced substantial deposit outflows, which have affected the Group's liquidity position. As at 31 December 2015, the Group's customer deposits were €31.4 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 23.7 per cent. in Greek banks' domestic deposits from the private sector as at 30 June 2015, compared to 31 December 2014. Furthermore, according to the most recent Bank of Greece date, private sector deposits on February 2016 decreased by 13.7 per cent. on an annual basis and by 0.4 per cent. on a monthly basis. Although domestic customer deposits have been stabilised following the imposition of capital controls at the end of June 2015, it should be noted that if and when the capital restrictions are relaxed and/or lifted, the Bank may experience significant deposit outflows as a result, the Group's customer deposits may 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. The Bank faces competition from other Greek banks and Greek branches of foreign banks, many of which may have greater resources and superior credit ratings to the Bank's own. The Bank's competitors may be able to recover deposits faster than the Bank can or secure funding at lower rates.

The ongoing availability of deposits to fund the Bank's loan portfolio is subject to potential changes in certain factors outside of the Bank's control, such as depositors' concerns regarding the economy in general, the financial services industry or the Bank 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 Bank's ability to operate as a going concern (see "Risks Relating to the Bank's Business—The new framework on bank recovery and resolution may adversely affect the composition of the Bank's Board of Directors and management team and the Bank's financial condition, results of operations and prospects").

Any loss in customer confidence in the Bank'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 in the absence of the capital controls restrictions. If the Bank 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 Bank's results, financial condition and prospects, which may adversely affect the Bank's ability to pay interest and principal on the Instruments in full and in a timely manner. Unusually high levels of withdrawals could prevent the Bank or any entity of the Bank's Group from funding operations and meeting minimum liquidity requirements. In those circumstances, the Bank and its subsidiaries and affiliates may not be in a position to continue operating without additional funding support, which the Bank 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 Bank cannot predict future legislative developments in connection with the capital controls imposed and their effect on the Bank's customers and, consequently, their impact on the Bank's financial condition.

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

The Bank's business, results of operations, the quality of the Bank'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 2016 and beyond. Real economic growth is expect to be -0.6 per cent. according to the IMF's recent World Economic Outlook (April 2016). Any change in economic policy as a result of a change in government or a revision in policies could affect the Bank's business and strategic orientation, which may adversely affect the Bank's business, financial condition, results of operations and prospects, which may adversely affect the Bank's ability to pay interest and principal on the Instruments 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 Bank.

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 per cent. of GDP (i.e., the EU's debt reference value) without diminishing at an adequate rate (i.e., by 5 per cent. 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 per cent. of GDP (the EU's deficit reference value). As a preventive measure, an expenditure benchmark, implying 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 Bank's ability to pay interest and principal on the Instruments in full and in a timely manner.

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

The Bank is required by the Single Supervisory Mechanism and the regulatory authorities in Greece and in other jurisdictions where the Bank undertakes regulated activities to meet minimum capital and liquidity requirements. Based on the 2018 Basel III transitional rules, as at 31 December 2015, the Group had a Common Equity Tier 1 ratio of 17.0 per cent. and a total capital adequacy ratio of 17.4 per cent. Based on full implementation of Basel III in 2024, as at 31 December 2015, the Group had a Common Equity Tier 1 ratio of 13.1 per cent. and a total capital ratio of 13.4 per cent. The Bank and the Bank'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 Group's capital adequacy ratio will be directly affected by the Group'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. The Bank 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 Bank's liquidity demands in the jurisdictions in which the Bank operates.

On 31 October 2015, the ECB announced the results of the 2015 Comprehensive Assessment. Overall, the stress test ("ST") 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 Bank's capital shortfall relative to a Common Equity Tier 1 ratio of 9.5 per cent. amounted to €339 million, which is equal to the amount of the Bank's capital shortfall deriving from the AQR, while under the adverse scenario the Bank's capital shortfall relative to a Common Equity Tier 1 ratio of 8 per cent. amounted to €2,122 million. The Bank submitted its capital plan on 3 November 2015, which proposed actions aimed at ensuring that the Bank will be adequately capitalised, including the share capital increase completed in November 2015 and the Tender Offers. The Bank's proposed capital plan was approved by the ECB on 13 November 2015, which accepted for the purposes of covering the Bank'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 ST 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 Bank'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 Bank's assets may exceed the Bank's expectations and generate additional regulatory capital requirements. If the Bank 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 Bank. Any failure by the Bank 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 Bank's operating results, financial condition and prospects or even result in the revocation of the Bank's licence (see "Regulation and Supervision of Banks in the Hellenic Republic"). If the Bank is required to bolster its capital position, it may not be possible for the Bank to raise additional capital from the financial markets or to dispose of marketable assets and in that event, further mandatory capital injections from the Greek government or resolution measures under Law 4335/2015 may be necessary.

Effective management of the Bank's regulatory capital is critical to the Bank's ability to operate the Bank's businesses, to grow organically and to pursue the Bank's strategy. Any change that limits the Bank's ability to manage the Bank'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 Bank's financial condition and regulatory capital position.

STs 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 STs 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 Bank's cost of funding and may thus have a material adverse effect on the Bank's operations and financial condition, which may adversely affect the Bank's ability to pay interest and principal on the Instruments in full and in a timely manner. Additionally in the event of unfavourable outcomes of the periodical review on the Bank's capital requirements conducted by national and supranational regulators, the Bank could be required to implement further capital measures. The periodical assessments by the ECB which will be conducted after the 2015 Comprehensive Assessment may identify that the Bank's asset quality has deteriorated, which could adversely affect the Bank's financial condition.

The Bank may not be able to preserve its customer base.

The Bank's success depends on the Bank's capacity to maintain high levels of loyalty among the Bank's customer base and to offer a wide range of competitive and high quality products and services to the Bank's customers. In order to pursue these objectives, the Bank 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, the Bank seeks to maintain long-term financial relations with its customers through the sale of a full range of products and services. Nevertheless, the Bank 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 the Bank operates. An increased emphasis in cost reduction may result in an inability to maintain high loyalty levels of the Bank's customer base, in providing competitive products and services, or of maintaining high customer service standards, each of which may materially adversely affect the Bank's business, financial condition, results of operations and prospects, which may adversely affect the Bank's ability to pay interest and principal on the Instruments in full and in a timely manner.

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

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

Negative publicity following a downgrade in the Bank's credit rating may have an adverse effect on depositors' sentiment, which may increase the Bank's dependence on Eurosystem and ELA funding. The Bank 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 Bank or Greece could delay the Bank's return to the capital and interbank markets for funding, increase the Bank's borrowing costs and/or restrict the potential sources of funding available to the Bank.

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 Bank'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 Bank's credit rating.

Deteriorating asset valuations resulting from poor market conditions may adversely affect the Bank'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 Bank'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 Group's principal assets (€18.3 billion as at 31 December 2015), the Group 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 per cent., 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 per cent., 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 Bank'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 Bank's failure to recover the expected value of collateral in the case of foreclosure, or the Bank's inability to initiate foreclosure proceedings due to domestic legislation, may expose the Bank to losses that could have a material adverse effect on the Bank'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 Bank's ability to take enforcement measures against the Bank'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 Bank's assets could impair the Bank's ability to value certain of the Bank's assets and exposures. The value ultimately realised by the Bank 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 the Bank to recognise additional impairment charges, which could adversely affect the Bank's business, financial condition, results of operations and prospects, as well as the Bank's capital adequacy, which may adversely affect the Bank's ability to pay interest and principal on the Instruments 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 Bank's business, financial condition, results of operations and prospects, which may adversely affect the Bank's ability to pay interest and principal on the Instruments in full and in a timely manner.

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

The Bank 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 Bank enters exposes the Bank to significant credit risk in the event of default by one of the Bank'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 Bank or other Group members to pay the debt. In addition, the Bank's credit risk may be exacerbated when the collateral the Bank holds cannot be enforced or is liquidated at prices not sufficient for the Bank 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 Bank's business, financial condition, results of operations, prospects and capital position, which may adversely affect the Bank's ability to pay interest and principal on the Instruments in full and in a timely manner.

Risks Relating to the Bank's Business

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

The Greek state directly owns all of the Bank'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 Bank 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 Bank and for which the approval of the General Meeting is required) or decisions referring to the distribution of dividends and the remuneration of the Bank's Chairman, Chief Executive Officer and the remaining members of the Bank's Board of Directors and the Bank'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 Bank's solvency and orderly operation. In addition, the representative of the Greek state has full access to the Bank'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 Bank's shareholders.

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

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 Bank after prior approval by the European Commission. The Monitoring Trustee is responsible for monitoring the compliance of the Bank 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 Bank in order to ensure that the internal audit and risk management departments of the Bank are fully independent from commercial networks. The Monitoring Trustee may attend the meetings of the Board of Directors ("BoD"), the Strategic Planning Committee, the Group Executive Committee, the Audit Committee and the BRC (as defined in "Risk Management as an observer, reviews the annual audit plan and may require additional investigations, receives all reports emanating from internal control bodies of the Bank and is entitled to interview any auditor. Furthermore, the Monitoring Trustee monitors the commercial practices of the Bank, with a focus on credit policy and deposit policy. Accordingly, the Monitoring Trustee attends the meetings of the credit committees of the Bank 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 Bank. As a result, the Bank's management's discretion is subject to further oversight and certain decisions may be constrained by powers accorded to the Monitoring Trustee.

The Hellenic Financial Stability Fund ("HFSF") as shareholder has certain rights and may exercise significant influence over the Bank on certain material decisions and over the Bank's corporate governance framework.

Following the completion of the Bank'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 per cent. to 2.38 per cent.. Pursuant to Law 3864/2010 as in force, on 4 December 2015, the Bank 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 Bank 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 Bank are exercisable at the General Meeting only with respect to resolutions concerning the amendment of the Bank's Articles of Association, including resolutions relating to the increase or decrease of the Bank's capital, or the granting of a relevant authorisation to the Bank's Board of Directors, resolutions relating to mergers, divisions, conversions, revivals, extensions of duration or dissolution of the Bank, 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 Bank's Board, with no voting rights, and one (1) Representative who is entitled, among other things, to veto any decision of the Bank's Board of Directors (i) regarding the distribution of dividends and the remuneration policy and the additional compensation (bonuses) to the Chairman, the Chief Executive Officer and the remaining members of the Board of Directors and the Bank'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 Bank's liquidity or solvency or in general the prudent and concise operation of the Bank; 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 Bank's share capital, as well as to approve the Bank's Chief Financial Officer.

In addition, the HFSF has the right to appoint a representative and an observer who has no voting rights on the Audit Committee, the BRC, 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—The Relationship Framework Agreement".

Moreover, under the terms of the Relationship Framework Agreement, the Bank also has the obligation to seek and obtain the prior written consent of the HFSF in relation to the Bank's Risk and Capital strategy documents especially the risk appetite statements and risk governance and any amendment, extension, revision or deviation thereof and the Bank's 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—The Relationship Framework Agreement").

Consequently, although the HFSF has undertaken certain commitments pursuant to the Relationship Framework Agreement to respect the Bank's business autonomy and independence in the Bank's decision-making, there is a risk that the HFSF may exercise the rights it has to exert influence over

the Bank and may disagree with certain decisions of the Bank and the Group, which may ultimately limit the operational flexibility of the Group.

In addition, under article 10 of Law 3864/2010, the HFSF will assess the Bank's corporate governance framework, including the size, structure and allocation of powers within the Bank's Board and its committees (as well as their members) and, if necessary, any of the Bank's other committees on the basis of certain criteria, including eligibility criteria that the members of the Bank's Board and its committees should satisfy. Under article 10 of Law 3864/2010, the HFSF is also entitled to recommend changes to the Bank's corporate governance framework and composition of the Bank's Board and its committees resulting from its assessment, which, if the Bank does not implement, the HFSF will be entitled to inform the Bank's shareholders at a General Meeting and the Bank's supervision authority. If such changes relate to the replacement of members of the Bank's Board who do not satisfy the relevant eligibility 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 Bank, its recommendations and the names of the Bank'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 Bank with full voting rights, and the percentage of the Bank's ordinary shares and of the voting rights in the Bank held by the HFSF could increase substantially.

If the Preference Shares owned by the Greek state are converted into ordinary shares of the Bank 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 Bank 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 Bank'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 Bank's total costs in Greece, the reduction of the Bank's net loan to deposit ratio for the Bank's Greek banking activities, the reduction of the Bank's portfolio of foreign assets and the sale of significant portions of the Bank's stake in the Bank's insurance activities. Additional commitments relate to the Bank's credit policy and corporate governance, and include restrictions on, among others, the Bank's ability to make certain acquisitions, dividends and coupon payments.

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 Bank'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 Bank 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 Bank's business, operating results, financial condition and prospects, which may adversely affect the Bank's ability to pay interest and principal on the Instruments in full and in a timely manner.

Any inability on the Bank'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 Bank's ability to support the Bank's foreign subsidiaries or introducing additional limitations on the Bank's ability to hold and manage the Bank'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 the Bank has 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 Hellenic Financial Stability Fund ("HFSF") as shareholder has certain rights and may exercise significant influence over the Bank on certain material decisions and over the Bank's corporate governance framework" above).

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

The Bank maintains positions in the 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 Bank's ability to pay interest and principal on the Instruments 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 22.1 per cent. and 23.6 per cent. of the Group's total assets as at 31 December 2015 and 31 December 2014, respectively.

Volatility can also lead to losses relating to a broad range of other trading securities and derivatives that the Bank holds, 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 Group 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 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 Group. In general, the possible losses that the Bank could incur with respect to the exposure of the

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 Bank'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 Bank'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 Bank'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 Bank's results of operations, business and financial condition, which may adversely affect the Bank's ability to pay interest and principal on the Instruments in full and in a timely manner.

Loans more than 90 days past due ("90DPD") represented 35.2 per cent. of the Group's loans as at 31 December 2015, compared to 33.4 per cent. as at 31 December 2014 and 29.4 per cent. as at 31 December 2013. The Group's consolidated NPE ratio increased from 39.3 per cent. as at 31 December 2014 to 43.8 per cent. as at 31 December 2015, compared to 41.1 per cent. for the Group's loans in Greece as at 31 December 2014, and 46.7 per cent. as at 31 December 2015. As at 31 December 2015, the Group's forborne NPEs amounted to €5.6 billion. The effect of the economic crisis in Greece and adverse macroeconomic conditions in the countries in which the Group operates may result in further adverse effects on the credit quality of the Bank's borrowers, with increasing delinquencies and defaults. As at 31 December 2015, the Group had cumulative provisions for impairment losses on loans and advances to customers of €11,790 million (representing a 90DPD coverage ratio of 64.8 per cent.), an increase of €2,042] million compared to €9,748 million as at 31 December 2014 and an increase of €3,902 million compared to €7,888 million as at 31 December 2013. The target coverage ratio that the Group 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 Group's target coverage ratio may change in the future. Any further deterioration in the credit quality of the Bank's loan portfolio, and any resulting increase in delinquencies and defaults, could lead the Bank to further increase the Bank's provision for impairment losses, which could have a material adverse effect on the Bank's capital position, financial condition and results of operations, which may adversely affect the Bank's ability to pay interest and principal on the Instruments in full and in a timely manner.

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

Interest rates are highly sensitive to many factors beyond the Bank'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 Bank's ability to pay interest and principal on the Instruments in full and in a timely manner.

As with any bank, changes in market interest rates may affect the interest rates the Bank earns on its interest-earning assets differently than the interest rates the Bank pays on its interest-bearing liabilities. This difference could reduce the Bank's net interest income. Since the majority of the Bank's loan portfolio effectively re-prices within a year, rising interest rates may also result in an increase in the Bank'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 the Bank's clients' capacity to repay in the current economic circumstances.

Further deterioration in macroeconomic conditions could negatively affect the Bank'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 Bank's fee-generating businesses, including the Bank's insurance, mutual funds, capital markets, network fees and lending businesses, and their contributions to the Bank's overall profitability. During Greece's economic crisis, the Group's fee and commission income (including insurance fees) decreased from 0.9 per cent. of total assets in 2007 to 0.3 per cent. in the year ended 31 December 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 Bank'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 Bank's fee-generating businesses.

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 Bank's business, financial condition, results of operations and prospects, which may adversely affect the Bank's ability to pay interest and principal on the Instruments 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 Bank's ability to pay interest and principal on the Instruments in full and in a timely manner.

The Group's business is subject to increasingly complex regulation, which may increase the Bank'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 per cent., the minimum Tier 1 capital ratio is now 6 per cent., and banks are required to gradually increase their capital conservation buffer to 2.5 per cent. by 2019 beyond existing minimum equity (i.e., 0.65 per cent. as at 1 January 2016, 1.25 per cent. as

at 1 January 2017 and 1.87 per cent. as at 1 January 2018), raising the minimum Common Equity Tier 1 capital ratio to 7 per cent. and the total capital ratio to 10.5 per cent. in 2019. These and any future regulatory requirements in countries where the Group operates may require the Group 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 the Group 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 the Bank's participation in any government or regulator-led initiatives, such as the Hellenic Republic Bank Support Plan), the Bank may face stricter regulation, and compliance with such regulations may increase the Bank'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 Bank's regulatory capital and liquidity requirements and costs and the Bank's disclosure requirements, restrict certain types of transactions, affect the Bank's strategy and limit or require the modification of rates or fees that the Bank charges 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 Bank's ability to pay interest and principal on the Instruments in full and in a timely manner. The Bank may also face increased compliance costs and limitations on the Bank'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 Bank's business, including increasing competition, increasing general uncertainty in the markets or favouring or disfavouring certain lines of business. The Bank 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 per cent. 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 per cent. of covered deposits). A maximum of 30 per cent. 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; and

- 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 been transposed into the national legislation of Bulgaria, Romania, Cyprus and Luxembourg, where the Group has activities. In Greece, the DGSD was recently transposed into Greek law by virtue of Law 4370/2016 which came into force on 7 March 2016 (see "Regulation and Supervision of Banks in the Hellenic Republic – Hellenic Deposit and Investment Guarantee Fund (HDIGF)"). The said Law 4370/2016 which replaces Law 3746/2009 previously in force, defines, among other, the scope and certain aspects of the operation of the HDIGF, the terms of participation of credit institutions as well as the process for determining and paying contributions to its Schemes. The Group may be required to increase the contributions in the relevant DGS, which in turn may adversely affect the Group's operating results and the Group's ability to pay interest and principal on the Instruments in full and in a timely manner.

The new framework on bank recovery and resolution may adversely affect the composition of the Bank's Board of Directors and management team and the Bank'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 of 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 per cent. 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, Law 4370/2016, which replaces Law 3746/2009 previously in forces, defines, among other things, the scope and certain aspects of the operation of the HDIGF, the terms of participation of credit institutions, as well as the process for determining and paying contributions to its Schemes (see above).

The new framework may materially and adversely affect the composition of the Bank's Board of Directors and management team, the Bank'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 Group conducts significant international activities and as a result, the Group is exposed to political instability and other risks in these countries.

In addition to the Bank's operations in Greece, the Bank 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 per cent. of its gross loans as at 31 December 2015 (compared to 14.6 per cent. as at 31 December 2014) and 28 per cent. of its net interest income for the year ended 31 December 2015 (compared to 27.7 per cent. for the year ended 31 December 2014). The Bank's international operations are exposed to the risk of adverse political, governmental or economic developments in the countries in which the Bank operates. 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 Bank's business, results of operations, financial condition and prospects. The Bank's international operations also expose the Bank to foreign currency risk. A decline in the value of the currencies in which the Bank's international subsidiaries receive their income or value their assets relative to the value of the euro

may have an adverse effect on the Bank's results of operations and financial condition, which may adversely affect the Bank's ability to pay interest and principal on the Instruments 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 Bank'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 Bank 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 Bank's ability to pay interest and principal on the Instruments in full and in a timely manner.

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

The Bank's current senior management team includes a number of executives whom the Bank believes contribute significant experience and expertise to the Bank's management in the banking sectors in which the Bank operates. The continued performance of the Bank's business and the Bank's ability to execute the Bank's business strategy will depend, in large part, on the efforts of the Bank's senior management. If any of the Bank's senior management were to leave, the Bank's business may be materially adversely affected.

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

The Bank's competitive position depends, in part, on the Bank'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 Bank 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, the Bank is limiting or restricting the bonuses and other performance incentives the Bank pays 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 the Bank operates, or manages the Bank's current personnel successfully, could adversely affect the Bank's business, financial condition, results of operations and prospects.

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

Most of the Bank'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 Bank's employees participate could have a material adverse effect on the Bank'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 Bank's ability to pay interest and principal on the Instruments 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 Bank's ability to pay interest and principal on the Instruments in full and in a timely manner.

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

As a result of the Group's activities, the Group is exposed to a variety of risks. Among the most significant of these risks are credit, market, liquidity and operational. The Group's failure to effectively manage these risks could have a material adverse effect on the Group's business, financial condition, results of operation and prospects, which may adversely affect the Group's ability to pay interest and principal on the Instruments 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 the Group 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 31 December 2015, the net financing received by the ECB and the Bank of Greece amounted to €25.3 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 Group'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 Group's capital generating capacity and capital ratios, which could have a material adverse effect on the Group'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, the Bank may also fail to comply with regulatory requirements or conduct of business rules.

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

Like all financial institutions, the Bank is exposed to risks of fraud and other illegal activities, which could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects. Although the Bank believes that it 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 the Bank believes that its current anti-money laundering and anti-terrorism financing policies and procedures are adequate to ensure compliance

with applicable legislation, the Bank 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 Bank'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 Bank's business, reputation, financial condition, results of operations and prospects and in turn may adversely affect the Bank's ability to pay interest and principal on the Instruments in full and in a timely manner.

The Bank's economic hedging may not prevent losses.

If any of the variety of instruments and strategies that the Bank uses to economically hedge the Bank's exposure to market risk is not effective, the Bank may incur losses. Many of the Bank's strategies are based on historical trading patterns and correlations. Unexpected market developments therefore may adversely affect the effectiveness of the Bank's hedging strategies. Moreover, the Bank does not economically hedge all of the Bank'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 Bank'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 Bank is exposed to credit risk, market risk, liquidity risk and operational risk—Credit Risk" and "The Bank is exposed to credit risk, market risk, liquidity risk and operational risk—Market Risk". Even when the Bank is able to hedge certain of the Bank'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 Bank's ability to pay interest and principal on the Instruments in full and in a timely manner.

Transactions in the Bank's portfolio involve risks.

The Bank 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 Bank'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 Bank's portfolio carries risks, since the Bank's results from proprietary trading depends partly on market conditions. Moreover, the Bank 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. The Bank may incur significant losses from proprietary trading, which could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects and in turn may adversely affect the Bank's ability to pay interest and principal on the Instruments in full and in a timely manner.

The Bank'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 Bank'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 Bank's loan portfolio, in combination with past due loans, may limit the Bank's net interest income, which could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects and in turn may adversely affect the Bank's ability to pay interest and principal on the Instruments 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 Bank'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 Bank'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 Bank's ability to pay interest and principal on the Instruments 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 per cent. to 29 per cent. 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 Bank 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 Bank in the future, or any increases in tax rates, may have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

For the years ended 31 December 2011 to 31 December 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 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).

Particularly according to Ministerial Decision POL1159/2011 as amended by Ministerial Decision POL 1034/2016, 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, audited companies for tax re-audit by the competent tax authorities. In addition, the tax authorities may conduct a partial tax audit in Group entities in Greece that have obtained an "unqualified" tax certificate, in cases where (a) they have evidences or information for tax offences

not identified by the statutory auditors or (b) additional information, not available to the statutory auditors during their tax audit, brought to their attention at a later stage. Indicatively, partial tax audit may be conducted by the tax authorities, within the applicable statute of limitations, in case of evidence or information regarding breaches of the money laundering legislation, forced or fictitious invoices, transactions with certain companies or breaches of transfer pricing rules, etc.

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 taxpaying company.

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

Despite the passage of time and the integration of acquired businesses into the Group, the Bank may discover issues relating to the Acquired Businesses or other businesses that the Bank 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 Bank's business, results of operations, financial condition and reputation and in turn may adversely affect the Bank's ability to pay interest and principal on the Instruments 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 the Bank initially anticipated. In addition, the Bank 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 Instruments issued under the Programme

Each of the risks highlighted below could adversely affect the trading price of any Instruments or the rights of investors under any Instruments and, as a result, investors could lose some or all of their investment.

Instruments may not be a suitable investment for all investors

Each potential investor in any Instruments 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 relevant Instruments, the merits and risks of investing in the relevant Instruments and the information contained or incorporated by reference in this Prospectus, the applicable Final Terms or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Instruments and the impact such investment 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 relevant Instruments, including where principal or interest is payable in one or more currencies or where the currency for principal or interest payments is different from the currency in which such investor's financial activities are principally denominated;

(iv) understand thoroughly the terms of the relevant Instruments 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.

In addition, an investment in any Exempt Instruments that are Reference Item Linked Instruments may entail significant risks not associated with investments in conventional securities such as debt or equity securities, including, but not limited to, the risks set out in "Risks related to the structure of a particular issue of Instruments" set out below.

Some Instruments are complex financial instruments and such Instruments may be purchased 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 Instruments which are complex financial instruments unless it has the expertise (either alone or with the assistance of a financial adviser) to evaluate how such Instruments will perform under changing conditions, the resulting effects on the value of such Instruments and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Instruments

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

Instruments subject to optional or mandatory redemption by the relevant Issuer

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

In respect of Instruments which are conventional debt securities, the relevant Issuer may be expected to redeem such Instruments when its cost of borrowing is lower than the interest rate on the Instruments. 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 Instruments 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.

In the event that the relevant Issuer determines that the performance of the relevant Issuer's obligations under any Instruments or (if applicable) the Guarantor's obligations in respect thereof under the Deed of Guarantee has or will become unlawful, illegal, or otherwise prohibited in whole or in part, the relevant Issuer may redeem all (but not some only) of such Instruments, each Instrument being redeemed at the Early Termination Amount specified in the applicable Pricing Supplement, together, if appropriate, with accrued interest.

If Autocall is specified as applying in the applicable Pricing Supplement and an Autocall Event (as set out in the applicable Pricing Supplement) occurs, the relevant Issuer will redeem all (but not some only) of the Exempt Instruments, each Exempt Instrument being redeemed at the Autocall Redemption Amount specified in the applicable Pricing Supplement.

Reference Item Linked Instruments

Each Issuer may issue Exempt Instruments ("Reference Item Linked Instruments", such term to include, but not be limited to, Dual Currency Instruments, Index Linked Instruments and Equity Linked Instruments) with principal and/or interest determined by reference to an underlying comprising one or more equity securities, indices, debt securities, commodities, interest rates,

currency exchange rates or other item(s) (each a "Reference Item"). Potential investors should be aware that:

(i) the market price of such Exempt Instruments may be volatile;

(ii) they may receive no interest;

(iii) payment of principal or interest may occur at a different time or in a different currency than expected;

(iv) the amount of principal payable at redemption may be less than the nominal amount of such Exempt Instruments or even zero;

(v) a Reference Item may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(vi) if a Reference Item is applied to Exempt Instruments in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Reference Item on principal or interest payable is likely to be magnified; and

(vii) the timing of changes in a Reference Item may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Reference Item, the greater the effect on yield.

Reference Item Linked Instruments may involve a high degree of risk.

Prospective investors in Reference Item Linked Instruments should understand the risks of transactions involving Reference Item Linked Instruments and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Reference Item Linked Instruments in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Reference Item Linked Instruments and the particular Reference Item(s) to which the value of, or payments in respect of, the relevant Reference Item Linked Instruments may relate, as specified in the applicable Pricing Supplement.

As the amount of interest payable periodically and/or the Maturity Redemption Amount payable at maturity may be linked to the performance of the Reference Item(s), an investor in a Reference Item Linked Instrument must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the Reference Item(s).

Where the applicable Pricing Supplement specifies one or more Reference Item(s), the relevant Reference Item Linked Instruments will represent an investment linked to the economic performance of such Reference Item(s) and prospective investors should note that the return (if any) on their investment in Reference Item Linked Instruments will depend upon the performance of such Reference Item(s). Potential investors should also note that whilst the market value of such Reference Item Linked Instruments is linked to such Reference Item(s) and will be influenced (positively or negatively) by such Reference Item(s), any change may not be comparable and may be disproportionate. It is impossible to predict how the level of the Reference Item(s) will vary over time. In contrast to a direct investment in the Reference Item(s), Reference Item Linked Instruments represent the right to receive payment of the relevant Maturity Redemption Amount on the relevant Maturity Date as well as periodic payments of interest (if specified in the applicable Pricing Supplement), all or some of which may be determined by reference to the performance of the Reference Item(s). The applicable Pricing Supplement will set out the provisions for the determination of the Maturity Redemption Amount and of any periodic interest payments.

PROSPECTIVE INVESTORS MUST REVIEW THE APPLICABLE PRICING SUPPLEMENT TO ASCERTAIN WHAT THE REFERENCE ITEM(S) ARE AND TO SEE HOW BOTH THE MATURITY REDEMPTION AMOUNT AND ANY PERIODIC INTEREST PAYMENTS ARE DETERMINED AND WHEN ANY SUCH AMOUNTS ARE PAYABLE, BEFORE MAKING ANY DECISION TO PURCHASE ANY REFERENCE ITEM LINKED INSTRUMENTS.

Fluctuations in the value and/or volatility of the Reference Item(s) may affect the value of the relevant Reference Item Linked Instruments. Investors in Reference Item Linked Instruments may risk losing their entire investment if the value(s) of the Reference Item(s) does/do not move in the anticipated direction.

There is no return on Reference Item Linked Instruments other than the potential payment of the Maturity Redemption Amount on maturity and payment of any periodic interest payments.

Other factors which may influence the market value of Reference Item Linked Instruments include interest rates, potential dividend or interest payments (as applicable) in respect of the Reference Item(s), changes in the method of calculating the level of the Reference Item(s) from time to time and market expectations regarding the future performance of the Reference Item(s), its constituents and such Reference Item Linked Instruments.

If any of the Reference Item(s) is an index, the value of such Reference Item on any day will reflect the value of its constituents on such day. Changes in the composition of such Reference Item and factors (including those described above) which either affect or may affect the value of the constituents, will affect the value of such Reference Item and therefore may affect the return on an investment in the relevant Reference Item Linked Instruments.

An Issuer may issue several issues of Reference Item Linked Instruments relating to particular Reference Item(s). However, no assurance can be given that any Issuer will issue any Reference Item Linked Instruments other than the Reference Item Linked Instruments to which the applicable Pricing Supplement relates. At any given time, the number of Reference Item Linked Instruments outstanding may be substantial. Reference Item Linked Instruments provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the Reference Item(s) to which such Reference Item Linked Instruments relate.

If any of the Reference Item(s) is an equity security or a basket of equity securities, an investment in the relevant Reference Item Linked Instruments may bear similar market risks to a direct equity investment and investors should take advice accordingly.

PROSPECTIVE PURCHASERS OF REFERENCE ITEM LINKED INSTRUMENTS MUST REVIEW THE APPLICABLE PRICING SUPPLEMENT TO ASCERTAIN WHAT PROVISIONS AS DESCRIBED HEREIN ARE RELEVANT IN RELATION TO SUCH EXEMPT INSTRUMENTS AND HOW SUCH PROVISIONS APPLY.

Dual Currency Instruments

Dual Currency Instruments may be redeemable by payment of either the par value amount or an amount determined by reference to the value of the Reference Item(s), which may be less than the par value amount. Interest payable on Dual Currency Instruments may be calculated by reference to the value of one or more Reference Item(s).

Equity Linked Instruments

Each Issuer may issue Exempt Instruments where the amount of principal ("Equity Linked Redemption Instruments") and/or interest ("Equity Linked Interest Instruments") payable is dependent

upon the price of or changes in the price of an equity security or a basket of equity securities (together, "Equity Linked Instruments").

Potential investors in any such Exempt Instruments should be aware that, depending on the terms of the Equity Linked Instruments (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment. In addition, movements in the price of the equity security or basket of equity securities may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or any relevant indices and the timing of changes in the relevant price of the equity security or equity securities may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the equity security or equity securities, the greater the effect on yield.

If a Disrupted Day (being a day on which a relevant Exchange or Related Exchange fails to open or on which a Market Disruption Event occurs) occurs, this may have an effect on the timing of valuation and consequently the value of the Exempt Instruments and/or may delay (i) any applicable interest payments, in the case of Equity Linked Interest Instruments, or (ii) settlement, in the case of Equity Linked Redemption Instruments. Prospective purchasers should review the Terms and Conditions of the Exempt Instruments and the applicable Pricing Supplement to ascertain whether and how such provisions apply to the Exempt Instruments.

If Potential Adjustment Events and/or De-listing, Merger Event, Nationalisation and Insolvency and/or Tender Offer is/are specified as applying in the applicable Pricing Supplement, the Exempt Instruments may be subject to adjustment, including, if applicable, the substitution of the Underlying Equity or Underlying Equities or, in the case of the occurrence of a De-listing, Merger Event, Nationalisation or Insolvency and/or Tender Offer, may be redeemed as further provided in Condition 9.2.

In respect of Equity Linked Instruments relating to an equity security or equity securities originally quoted, listed and/or dealt as of the relevant Trade Date in a currency of a member state of the European Union that has not adopted the single currency in accordance with the Treaty on the Functioning of the European Union, as amended, if such equity security or equity securities is/are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange, prospective purchasers should note that the Calculation Agent will adjust any one or more of the relevant Interest Amount and/or the Maturity Redemption Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of the Terms and Conditions and/or the applicable Pricing Supplement as the Calculation Agent determines in its sole and absolute discretion to be appropriate to preserve the economic terms of the Exempt Instruments. Prospective purchasers should also note that the Calculation Agent will make any conversion necessary for the purposes of any such adjustment as of the relevant Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the relevant Valuation Time.

The market price of such Exempt Instruments may be volatile and may be affected by the time remaining to the redemption date, the volatility of the equity security or equity securities, the dividend rate (if any) and the financial results and prospects of the issuer or issuers of the relevant equity security or equity securities as well as economic, financial and political events in one or more jurisdictions, including factors affecting the stock exchange(s) or quotation system(s) on which any such securities may be traded.

Index Linked Instruments

Each Issuer may issue Exempt Instruments where the amount of principal ("Index Linked Redemption Instruments") and/or interest ("Index Linked Interest Instruments") payable is dependent

upon the level, or changes in the level, of an index or a basket of indices (together, "Index Linked Instruments").

Potential investors in any such Exempt Instruments should be aware that, depending on the terms of the Index Linked Instruments (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time than expected and (iii) they may lose all or a substantial portion of their principal investment. In addition, movements in the level of the index or basket of indices may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant level of the index or indices may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the level of an index or result of a formula, the greater the effect on yield.

If a Disrupted Day (being a day on which either a relevant Exchange or Related Exchange fails to open or the relevant index level is not published or on which a Market Disruption Event occurs) occurs, this may have an effect on the timing of valuation and consequently the value of the Exempt Instruments and/or may delay (i) any applicable interest payments, in the case of Index Linked Interest Instruments, or (ii) settlement, in the case of Index Linked Redemption Instruments. Prospective purchasers should review the Terms and Conditions of the Exempt Instruments and the applicable Pricing Supplement to ascertain how such provisions apply to the Exempt Instruments.

If an Index Adjustment Event (as defined in the "Terms and Conditions of the Instruments" and relating to a relevant index modification, cancellation or disruption) occurs, the relevant Issuer may either require the Calculation Agent to determine if such Index Adjustment Event has a material effect on the Exempt Instruments and if so, to calculate the Reference Price as further provided in Condition 8.2(ii)(A), may require the Calculation Agent to substitute the relevant Index with a replacement index using the same or a substantially similar method of calculation as used in the calculation of the relevant Index or the relevant Issuer may elect to redeem all (but not some only) of the Exempt Instruments, each Calculation Amount being redeemed at the Early Termination Amount.

The market price of such Exempt Instruments may be volatile and may be affected by the time remaining to the redemption date and the volatility of the level of the index or indices. The level of the index or indices may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which any securities comprising the index or indices may be traded.

Additional Disruption Events (Index Linked Instruments and Equity Linked Instruments only)

If Additional Disruption Events are specified as applying in the applicable Pricing Supplement and any such event as specified occurs, the Exempt Instruments will be subject to adjustment or may be redeemed, each Calculation Amount being redeemed at the Early Termination Amount specified in the applicable Pricing Supplement. Prospective investors must review the "Terms and Conditions of the Instruments" and the applicable Pricing Supplement to ascertain whether and how such provisions apply to the Exempt Instruments.

Partly Paid Instruments

In the case of Exempt Instruments only, each Issuer may issue Exempt Instruments where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

Variable rate Instruments with a multiplier or other leverage factor

Instruments with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Instruments

Inverse Floating Rate Instruments have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of such Instruments typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Instruments are more volatile because an increase in the reference rate not only decreases the interest rate of the Instruments, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Instruments.

Fixed/Floating Rate Instruments

Fixed/Floating Rate Instruments may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The relevant Issuer's ability to convert the interest rate will affect the secondary market in, and the market value of, such Instruments since the relevant Issuer may be expected to convert the rate when it is likely to result in a lower overall cost of borrowing for the Issuer. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Instruments may be less favourable than then prevailing spreads on comparable Floating Rate Instruments tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Instruments. If the relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Instruments.

Instruments issued at a substantial discount or premium

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

The relevant Issuer's obligations under Subordinated Instruments are subordinated

As described under Condition 3B under "Terms and Conditions of the Instruments", the payment obligations of the relevant Issuer in respect of Subordinated Instruments issued by it will be subordinated and will rank behind the claims of Senior Creditors of the Issuer. "Senior Creditors of the Issuer" means creditors of the relevant Issuer who are either unsubordinated creditors of the relevant Issuer or who are subordinated creditors of the relevant Issuer but whose claims are expressed to rank in priority to the claims of the Holders of Subordinated Instruments (whether only in the winding-up of the relevant Issuer or otherwise). Payments of principal and interest in respect of Subordinated Instruments (whether in the winding-up of the relevant Issuer or otherwise) will be conditional upon the relevant Issuer being solvent at the time of making such payments. Principal or interest will not be paid in respect of Subordinated Instruments except to the extent that the relevant Issuer could make such payment and still be solvent immediately thereafter.

In the event of the dissolution, liquidation, special liquidation and/or bankruptcy (to the extent applicable) of the relevant Issuer, the Holders of Subordinated Instruments will only be paid by the relevant Issuer after all Senior Creditors of the Issuer have been paid in full.

The Guarantor's obligations under the Deed of Guarantee in respect of Subordinated Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited are subordinated

As described under Condition 4B under "Terms and Conditions of the Instruments", the payment obligations of the Guarantor under the Deed of Guarantee in respect of Subordinated Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited will be subordinated and will rank behind the claims of Senior Creditors of the Guarantor. "Senior Creditors of the Guarantor" means creditors of the Guarantor who are either unsubordinated creditors of the Guarantor or who are subordinated creditors of the Guarantor but whose claims are expressed to rank in priority to the claims of the Holders of Subordinated Instruments or other persons claiming under the Deed of Guarantee (whether only in the winding-up of the Guarantor or otherwise). Payments under the Deed of Guarantee will be conditional upon the Guarantor being solvent at the time of making such payments. Payment will not be made under the Deed of Guarantee except to the extent that the Guarantor could make such payment and still be solvent immediately thereafter.

In the event of the dissolution, liquidation, special liquidation and/or bankruptcy (to the extent applicable) of the Guarantor, the Holders of Subordinated Instruments will only be paid by the Guarantor after all Senior Creditors of the Guarantor have been paid in full.

Although Subordinated Instruments may pay a higher rate of interest than comparable Instruments which are not subordinated, there is a significant risk that an investor in Subordinated Instruments will lose all or some of his investment in the event that the relevant Issuer and (if applicable) the Guarantor become insolvent. Furthermore, pursuant to Law 3864/2010, as amended by Law 4254/2014, in certain circumstances where a credit institution has been unable to cover a capital shortfall through voluntary measures, subordinated instruments may mandatorily be converted into Tier 1 capital instruments, including ordinary shares, or the nominal value of such subordinated obligations may mandatorily be decreased.

General risks related to a particular issue of Instruments

No Claim against any Reference Item(s)

An Exempt Instrument will not represent a claim against any Reference Item(s) and, in the event that the amount paid on redemption of the Exempt Instruments is less than the nominal amount of the Exempt Instruments, a Holder will not have recourse under any Exempt Instrument to any Reference Item(s).

An investment in Exempt Instruments linked to one or more Reference Item(s) may entail significant risks not associated with investments in conventional debt securities, including but not limited to the risks set out in this section "General risks related to a particular issue of Instruments". The amount paid on redemption of such Exempt Instruments may be less than the nominal amount of the Exempt Instruments, together with any accrued interest, and may in certain circumstances be zero.

Hedging

In the ordinary course of its business, including without limitation in connection with its market making activities, the Bank and/or any of its affiliates may effect transactions for its own account or for the account of its customers and hold long or short positions in the Reference Item(s) or related derivatives. In addition, in connection with an offering of Exempt Instruments, the relevant Issuer, (if applicable) the Guarantor and/or any of their respective affiliates may enter into one or more hedging transactions with respect to the Reference Item(s) or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the

relevant Issuer, (if applicable) the Guarantor and/or any of their respective affiliates, the relevant Issuer, (if applicable) the Guarantor and/or any of their respective affiliates may enter into transactions in the Reference Item(s) or related derivatives which may affect the market price, liquidity or value of the relevant Instruments and which could be deemed to be adverse to the interests of the Holders of such Exempt Instruments.

Potential Conflicts of Interest

Where the relevant Issuer or (if applicable) the Guarantor acts as Calculation Agent or the Calculation Agent is an affiliate of the relevant Issuer or (if applicable) the Guarantor, potential conflicts of interest may exist between the Calculation Agent and Holders of the relevant Instruments, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the terms of such Instruments that may influence the amount receivable in respect of the relevant Instruments. The relevant Issuer, (if applicable) the Guarantor and/or any Dealer may at the date hereof or at any time hereafter be in possession of information in relation to any Reference Item(s) that is or may be material in the context of an issue of Instruments and may or may not be publicly available to Holders of the relevant Instruments. There is no obligation on the relevant Issuer, (if applicable) the Guarantor or any Dealer to disclose to Holders of the relevant Instruments any such information. The relevant Issuer, (if applicable) the Guarantor and/or any of their respective affiliates may have existing or future business relationships with any Reference Item(s) (including, but not limited to, lending, depositary, risk management, advisory and banking relationships), and will pursue actions and take steps that they or it deems necessary or appropriate to protect their and/or its interests arising therefrom without regard to the consequences for a Holder of any Instrument.

Impact of the bank recovery and resolution directive

On 2 July 2014, the BRRD, providing for the establishment of an EU framework for the recovery and resolution of credit institutions and investment firms, entered into force. The BRRD is designed to provide authorities with a credible set of resolution tools and powers to intervene sufficiently early and quickly in an unsound or failing institution, so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD, as transposed into Greek law by Law 4335/2015 (as amended by Laws 4340/2015, 4346/2015, 4354/2015 and 4370/2016 and in force) contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business – which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution – which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in – which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims to equity (the "general bail-in tool").

In particular, with respect to the general bail-in tool, the resolution authority (i.e. the Single Resolution Board as of 1 January 2016) will exercise the write-down and/or conversion powers in accordance with the priority of claims described in Law 4335/2015 (see "Regulation and Supervision of Banks in the Hellenic Republic – Resolution tools & Resolution Authority's powers"). The equity resulting from such conversion may also be subject to future cancellation, transfer or significant dilution. It should

be noted that upon exercise of the general bail-in tool, the Bank may not be in a position to pay interest and principal on the Instruments in full and in a timely manner and any rights of the Holders of the Instruments may be varied, if necessary, so as to give effect to any bail-in action by the relevant resolution authority.

The BRRD, as transposed into Greek law by Law 4335/2015, as amended and in force, also provides for a Member State as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

In addition to the general bail-in tool, the BRRD, as transposed into Greek law, provides for resolution authorities to have the further power to permanently write-down or convert into equity capital instruments such as Subordinated Instruments at the point of non-viability and before any other resolution action is taken ("non-viability loss absorption"). Any shares issued to holders of Subordinated Instruments upon any such conversion into equity may also be subject to the general bail-in tool, resulting in their future cancellation, transfer or significant dilution.

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability is the point at which the relevant authority determines that the institution meets the conditions for resolution (but no resolution action has yet been taken) or that the institution will no longer be viable unless the relevant capital instruments (such as Subordinated Instruments) are written-down or converted or extraordinary public support is to be provided and without such support the appropriate authority determines that the institution would no longer be viable.

Accordingly, the Holders of Instruments may be subject to write-down or conversion into equity on any application of the general bail-in tool and, in the case of Subordinated Instruments, non-viability loss absorption, which may result in such holders losing some or all of their investment, including principal amount plus any accrued interest. The write-down or conversion into equity may be imposed, without any prior notice by the resolution authority to the Holders of the Instruments of its decision to exercise such power. It should be further noted that the obligations of the Bank, in its capacity as Guarantor against the Holders of Instruments, may also be subject to the general bail-in tool and therefore the Bank's ability to meet its obligations under the Deed of Guarantee may be adversely affected.

The occurrence of circumstances under which write-down or conversion powers would need to be exercised would be likely to affect trading behaviour of the Bank, if the latter is considered as failing or likely to fail by the resolution authority and to generally have a material adverse impact on the Bank's business, assets, cash flows, financial condition and results of operation, as well as on its funding activities and the products and services offered.

As a result, any remaining Instruments may be of little trading value at the time that any bail-in power is exercised or become so thereafter as a result of legal challenges that may be raised against such bail-in action by any interested parties. Moreover, the Instruments may not follow the trading behaviour or patterns associated with this type of instruments under different market conditions.

Finally, to the extent that any resolution action is exercised pursuant to Law 4335/2015 or otherwise, the trading of the Instruments may be restricted or suspended.

Other than the general bail-in tool and, in the case of Subordinated Instruments, non-viability loss absorption, the Bank may also be subject to further resolution measures that may have a significant adverse effect on the Instruments, including the establishment of a bridge institution, whereby the Instruments may not be transferred to the bridge institution, but remain with the residual part of the Bank that will cease to operate and will be wound up under normal insolvency proceedings (i.e. special liquidation). In such a case, the Holders of the Instruments may lose some or all of their investment and the Bank's ability to perform its obligations under the Instruments, in its capacity as Guarantor, may be adversely affected.

The exercise of any power under the BRRD, as transposed into Greek law by Law 4335/2015, or any suggestion of such exercise could, therefore, materially adversely affect the rights of Holders of Instruments, the price or value of their investment in the Instruments and/or the ability of the relevant Issuer to satisfy its obligations under the Instruments and (if applicable) the ability of the Guarantor to satisfy its obligations under the Guarantee.

Moreover, the powers set out in the BRRD, as implemented into Greece by virtue of Law 4335/2015, impact how credit institutions and investment firms are managed, as well as, in certain circumstances, the rights of creditors (see also "Risk Factors – The new framework on bank recovery and resolution may adversely affect the composition of the Bank's Board of Directors and management team and the Bank's financial condition, results of operations and prospects" above).

The claims of Holders of Instruments against the Bank will be of low ranking in case the Bank is placed under special liquidation.

In the event of special liquidation of the Bank, and subject to certain exemptions regarding claims of preferential treatment (arising from financial collateral arrangements within the meaning of article 2 of Law 3301/2004 or in connection to deposits of the Deposits Cover Scheme and Investments Cover Scheme of the HDIGF held with the Bank or in connection to contributions owed to such schemes by the Bank), the claims against the Bank shall be satisfied in the order of priority set out in par. 1 of article 145A, which was added to Law 4261/2014 by means of Law 4335/2015.

In particular, pursuant to article 145A of Law 4261/2014, in case the Bank has been placed under special liquidation, claims against it shall be ranked as follows: (i) employment claims, as further defined in article 154 (c) of Law 3588/2007 ("Bankruptcy Code"); (ii) State claims in case that the public equity support tool has been used pursuant to articles 57 and 58 of Law 4335/2015; (iii) claims stemming from guaranteed deposits or subrogation claims of the HDGIF or claims of the HDIGF under the Deposits Cover Scheme in the context of resolution under article 104 of Law 4335/2015; (iv) State claims, irrespective of cause, including surcharges of any nature and interest charged on these claims; (v) claims of the Resolution Fund provided for under par. 6 of article 98 of Law 4335/2015 in case of financing for the purposes of fulfilling the obligations of the Resolution Fund, as further specified in article 95 of Law 4335/2015 and claims stemming from eligible deposits, insofar as they exceed €100,000 for deposits of individuals and small enterprises and SMEs; (vi) claims from covered investment services or relevant subrogation claims of the HDGIF; (vii) claims from eligible deposits, insofar as they exceed €100,000, but do not fall under (v) above; (viii) claims from deposits not covered under the compensation scheme of the HDGIF, with the exception of certain deposits set out in article 145A of Law 4261/2014; (ix) all claims neither falling under (i) to (viii) above nor being subordinated in accordance with the respective agreements, excluding, inter alia, claims from bonds issued by the Bank (unless guaranteed by the Hellenic Republic) and claims arising from guarantees granted by the Bank in relation to bonds or hybrid instruments issued by the Bank's subsidiaries, having their registered seat in Greece or abroad.

In light of the above, in case the Bank is placed under special liquidation, the claims of Holders of Instruments will rank after all claims referred to under (i) to (ix) above and therefore, the Bank's ability to fulfil its obligations under the Programme in full and in a timely manner may be adversely affected.

Risks related to Instruments generally

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

Modification, waivers and substitution

The Terms and Conditions of the Instruments contain provisions for calling meetings of Holders of Instruments to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders of Instruments including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

The Terms and Conditions of the Instruments also provide that each Issuer may, without the consent of any Holder, substitute for itself any other body corporate incorporated in any country in the world as the debtor in respect of the outstanding Instruments issued by such Issuer upon notice by the relevant Issuer and the substituted debtor provided that certain conditions as set out in Condition 21 of the Terms and Conditions of the Instruments are complied with. These conditions include the relevant Issuer not being in default in respect of any amount payable under the Instruments and the relevant Issuer and the substituted debtor entering into such documents as are necessary to give effect to the substitution. Upon such substitution, the substituted debtor shall succeed to, and be substituted for, and may exercise every right and power, of the relevant Issuer under the outstanding Instruments issued by the relevant Issuer with the same effect as if the substituted debtor had been named as the issuer thereof.

U.S. Foreign Account Tax Compliance Act Withholding

Whilst the Instruments are in global form and held within Euroclear Bank SA/NV or Clearstream Banking, S.A. (together the "ICSDs"), in all but the most remote circumstances, it is not expected that the new reporting regime and potential withholding tax imposed by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("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 their 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 Instruments are discharged once it has made payment to, or to the order of, the common depositary or common safekeeper for the ICSDs (as bearer of the Instruments) 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 IGA (or any law implementing an IGA) from payments they make.

Hiring Incentives to Restore Employment Act Withholding

The U.S. Hiring Incentives to Restore Employment Act (the "HIRE Act") imposes a 30 per cent. withholding tax on amounts attributable to U.S. source dividends that are paid or "deemed paid"

under certain financial instruments if certain conditions are met. If the Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld. Prospective investors should refer to the section "Taxation – Hiring Incentives to Restore Employment Act".

Change of law

The Terms and Conditions of the Instruments are based on English law (save for (i) in the case of Instruments issued by the Bank, the subordination provisions in Condition 3B, (ii) in the case of Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited, the subordination provisions in Condition 4B and the subordination provisions set out in the Deed of Guarantee, and (iii) Condition 22 which are governed by the laws of the Hellenic Republic) in effect as at the date of issue of the relevant Instruments. No assurance can be given as to the impact of any possible judicial decision or change to English law (or the Hellenic Republic law or to the European legislative regime, as applicable) or administrative practice after the date of issue of the relevant Instruments.

Instruments where denominations involve integral multiples: Definitive Instruments

In relation to any issue of Instruments which have denominations consisting of a minimum denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Instruments may be traded in amounts that are not integral multiples of such minimum denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Instruments at or in excess of the minimum denomination such that its holding amounts to a denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum denomination in his account with the relevant clearing system at the relevant time may not receive a Definitive Instrument in respect of such holding (should Definitive Instruments be printed) and would need to purchase a principal amount of Instruments at or in excess of the minimum denomination such that its holding amounts to a denomination.

If Definitive Instruments are issued, holders should be aware that Definitive Instruments which have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade.

Because the Global Instruments are held on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the relevant Issuer

Instruments issued under the Programme may be represented by one or more Global Instruments. Such Global Instruments will be deposited with a common depositary or a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Instrument, investors will not be entitled to receive definitive Instruments. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Instruments. While the Instruments are represented by one of more Global Instruments, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Instruments are represented by one of more Global Instruments, the relevant Issuer and/or the Guarantor, if applicable, will discharge their payment obligations under the Instruments by making payments to the common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Instrument must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Instruments. The relevant Issuer has no responsibility or liability for the records in relation to, or payments made in respect of, beneficial interests in the Global Instruments.

Holders of beneficial interests in the Global Instruments will not have a direct right to vote in respect of the relevant Instruments. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Instruments will not have a direct right under the Global Instruments to take enforcement action against the relevant Issuer in the event of a default under the relevant Instruments.

Risks related to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Instruments may have no established trading market when issued, and one may never develop. If a market for the Instruments does develop, it may not be liquid. Therefore, investors may not be able to sell their Instruments easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Instruments that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Instruments generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Instruments.

Exchange rate risks and exchange controls

The relevant Issuer will pay principal and interest on the Instruments and (if applicable) the Guarantor will make any payments under the Deed of Guarantee in the Currency of Payment specified in the applicable Final Terms. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Currency of Payment. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Currency of Payment 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 Currency of Payment would decrease (i) the Investor's Currency-equivalent yield on the Instruments, (ii) the Investor's Currency-equivalent value of the principal payable on the Instruments and (iii) the Investor's Currency-equivalent market value of the Instruments.

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.

Interest rate risks

Investment in fixed rate Instruments involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Instruments, this will adversely affect the value of the Fixed Rate Instruments.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to an issue of Instruments. 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 Instruments. 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.

In general, European regulated investors are restricted under 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 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 will be disclosed in the applicable Final Terms.

Market Value of Instruments

The market value of an issue of Instruments will be affected by a number of factors independent of the creditworthiness of the relevant Issuer or (if applicable) the Guarantor, including, but not limited to:

(i) in the case of Reference Item Linked Instruments, the value and volatility of the Reference Item(s) and, where the Reference Item(s) is/are equity securities, the dividend rate on the Reference Item(s) and the financial results and prospects of the issuer of each Reference Item;

(ii) market interest and yield rates;

(iii) fluctuations in exchange rates;

(iv) liquidity of the Instruments or any Reference Item(s) in the secondary market;

(v) the time remaining to any redemption date or the maturity date; and

(vi) economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange(s) on which any Reference Item may be traded.

In relation to Reference Item Linked Instruments, the price at which a Holder will be able to sell any such Exempt Instruments prior to maturity may be at a discount, which could be substantial, to the market value of such Exempt Instruments on the issue date, if, at such time, the market price of the Reference Item(s) is below, equal to or not sufficiently above the market price of the Reference Item(s) on the issue date. The historical market prices of any Reference Item should not be taken as an indication of such Reference Item's future performance during the term of any such Exempt Instrument.

Legal investment considerations may restrict certain investments

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 (i) Instruments are legal investments for it, (ii) Instruments can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Instruments. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Instruments under any applicable risk-based capital or similar rules.

Additional Risk Factors

Additional risk factors in relation to specific issues of Exempt Instruments may be included in the applicable Pricing Supplement.

Prospective investors who consider purchasing any Instruments should reach an investment decision only after carefully considering the suitability of such Instruments in light of their particular circumstances.

OVERVIEW OF THE PROGRAMME

The following is an overview only and should be read in conjunction with the rest of this Prospectus and, in relation to any Instruments, in conjunction with the applicable Final Terms and, to the extent applicable, the Terms and Conditions of the Instruments set out herein. Any decision to invest in any Instruments should be based on a consideration of this Prospectus as a whole, including any documents incorporated by reference, by any investor. The Issuers, the Guarantor and any relevant Dealer may agree that Instruments shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of PD Instruments only and, if appropriate, a supplement to this Prospectus or a new Prospectus will be published.

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No. 809/2004 (as amended) implementing the Prospectus Directive (the "Prospectus Regulation").

Words and expressions defined in "Terms and Conditions of the Instruments" shall have the same meanings in this Overview.

Information relating to the Issuers and the Guarantor

Issuers:	ERB Hellas PLC, a public limited company incorporated under the laws of England and Wales with registration number 3798157. The registered office of ERB Hellas PLC is at 1st Floor, 25 Berkeley Square, London W1J 6HN, United Kingdom, with telephone number +44(0)207 973 8630. ERB Hellas (Cayman Islands) Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands with number CR 117363. The registered office of ERB Hellas (Cayman Islands) Limited is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111 Cayman Islands, with telephone number +1 (345) 945 3901. Eurobank Ergasias S.A., a public company limited by shares incorporated under the laws of the Hellenic Republic with General Commercial Registry number 000223001000. The registered office of ERB Eurobank Ergasias S.A. is at 8 Othonos Street, Athens 10557, Greece, with telephone number +30 210 333 7000.
Guarantor of Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited:	Eurobank Ergasias S.A.
Business of ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited:	Each of ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited is a finance subsidiary of the Bank whose principal business is raising debt to be deposited with the Bank.
Business of the Bank:	The Bank is currently the third largest bank in Greece in terms of assets. In Greece, the Bank enjoys leading positions in Retail Banking, Small and Medium-Sized Enterprises ("SMEs"), Investment

Banking, Capital Markets, Private Banking and Asset Management. The Bank is also active in the wider financial services sector, with a presence in areas such as insurance, real estate and payroll services.

The Bank operated a total network of more than 1,100 branches, business centres and points of sale as at the end of 2013, in Greece and in Central, Eastern and South-eastern Europe ("New Europe"), offering a wide range of banking and financial services to its individual and corporate clients. The Bank is a public company under Greek law, listed on the Athens Exchange since April 1999. It is subject to regulation and supervision by the Bank of Greece and as of 3 November 2014 by the ECB (as defined below) pursuant to the provisions of Regulation 1024/2013. The Bank is also regulated by the Hellenic Capital Market Commission.

Risk Factors:

Risks relating to ERB Hellas PLC, ERB Hellas (Cayman Islands) Limited and Eurobank Ergasias S.A.

There are certain factors which may affect the relevant Issuer's ability to fulfil its obligations under any Instruments issued by it and (if applicable) the Guarantor's ability to fulfil its obligations under the Deed of Guarantee. These include the following:

- each of ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited is a finance vehicle whose principal purpose is to raise debt to be deposited with the Bank. Accordingly, if the Bank's financial condition was to deteriorate, the Issuers and investors in the Instruments may suffer direct and materially adverse consequences;

- uncertainty resulting from Greece's financial and economic crisis is likely to continue to have a significant adverse impact on the Bank's business;

- recessionary pressures in Greece stemming from the Second Economic Adjustment Programme may have a continuing adverse effect on the Bank;

- the Bank is currently restricted in its ability to obtain funding in the capital markets;

- an accelerated outflow of funds from customer deposits could cause an increase in costs of funding;

- there are risks associated with the Bank's need for additional capital and liquidity;

- the Bank's wholesale borrowing costs and access to liquidity and capital have been negatively affected by a series of recent credit rating downgrades of the Bank and may be negatively affected by further downgrades;

- the Bank's borrowing costs and liquidity levels may be negatively affected by deteriorating asset valuations;
- the Bank is exposed to the risk of political instability in Greece;
- the Bank may not be able to pay dividends to its holders of ordinary shares and preference shares;
- the EU regulatory and supervisory framework may constrain the economic environment and adversely impact the operating environment of the Bank;
- the Group is vulnerable to on-going political disruptions and volatility in the global financial markets, including the sovereign debt crisis in the Eurozone;
- the Greek state, the European Commission and the HFSF exercise significant influence on the Bank;
- the implementation of the state aid restructuring plan could subject the Group to a variety of risks;
- changes in interest rates, foreign exchange rates, equity prices and other market factors affect the Bank's businesses;
- risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties;
- each of the Bank's businesses is subject to substantial regulation and regulatory oversight. Any significant regulatory developments could have an effect on how the Bank conducts its business and on the results of its operations;
- the Bank conducts significant international activities outside Greece and as a result, the Group is exposed to risks in these countries;
- liquidity risk is inherent in the Bank's businesses;
- operational risks are inherent in the Bank's businesses;
- the Bank is exposed to the risk of fraud and illegal activity and various cyber security and technological risks;
- additional taxes may be imposed on the Group; and
- there are risks to the Bank's business relating to the Bank's acquisition of New TT HPB and New Proton

Bank.

Risks relating to Instruments

Certain issues of Instruments may involve a high degree of risk.

There are certain factors which are material for the purpose of assessing the market risks associated with investing in any Instruments, which include, without limitation, the fact that Instruments are unsecured obligations of the relevant Issuer and (if applicable) the fact that the obligations of the Guarantor under the Deed of Guarantee (as defined below) are unsecured, that there may be a time lag between valuation and settlement in relation to an Instrument, that there may be potential conflicts of interest, that market disruptions or other events may occur in respect of the particular Reference Item(s) (as defined under "Risks related to the structure of a particular issue of Instruments" in "Risk Factors") to which the amounts payable in respect of the relevant Instruments may relate, as specified in the applicable Pricing Supplement in the case of an issue of Exempt Instruments, that there may be taxation risks, that there may be illiquidity of the Instruments in the secondary market, that there may be the risk that performance of the relevant Issuer's obligations under the Instruments or (if applicable) the Guarantor's obligations under the Deed of Guarantee in respect thereof may become illegal, that there may be exchange rate risks and exchange controls and that the market value of the Instruments may be affected by the creditworthiness of the relevant Issuer and/or (if applicable) the Guarantor and a number of additional factors.

In addition, prospective investors in Exempt Instruments that are Reference Item Linked Instruments (as defined under "Risks related to the structure of a particular issue of Instruments" in "Risk Factors") should understand the risks of transactions involving Reference Item Linked Instruments and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Reference Item Linked Instruments in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Reference Item Linked Instruments and the particular Reference Item(s) to which the value of, or payments in respect of, the relevant Reference Item Linked Instruments may relate, as specified in the applicable Pricing Supplement.

Where the applicable Pricing Supplement specifies one or more Reference Item(s), the relevant Instruments will represent an investment linked to the performance of such Reference Item(s) and prospective investors should note that the return (if any) on their investment in the Instruments will depend upon the performance of such Reference Item(s).

See "Risks related to the structure of a particular issue of

Instruments" in "Risk Factors".

PROSPECTIVE PURCHASERS OF REFERENCE ITEM LINKED INSTRUMENTS MUST REVIEW THE APPLICABLE PRICING SUPPLEMENT TO ASCERTAIN WHAT THE REFERENCE ITEM(S) ARE AND TO SEE HOW BOTH THE MATURITY REDEMPTION AMOUNT AND ANY PERIODIC INTEREST PAYMENTS ARE DETERMINED AND WHEN ANY SUCH AMOUNTS ARE PAYABLE BEFORE MAKING ANY DECISION TO PURCHASE ANY REFERENCE ITEM LINKED INSTRUMENTS.

CERTAIN ISSUES OF INSTRUMENTS (INCLUDING REFERENCE ITEM LINKED INSTRUMENTS) INVOLVE A HIGH DEGREE OF RISK AND POTENTIAL INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT.

Information relating to the Programme

Arranger:	Eurobank Ergasias S.A.
Dealer:	Eurobank Ergasias S.A. and any other Dealers appointed from time to time by the Issuers either generally in respect of the Programme or in relation to a particular Tranche (as defined below).
Issue and Paying Agent:	Deutsche Bank AG, London Branch
Initial Programme Amount:	€25,000,000,000 in aggregate principal amount of Instruments outstanding at any one time, which may be increased, subject to compliance with the provisions of the Dealership Agreement (as defined under "Subscription and Sale").
Distribution:	Instruments will be issued on a syndicated or non-syndicated basis. Instruments will be issued in series (each, a "Series"). Each Series may comprise one or more tranches ("Tranches" and each, a "Tranche") issued on different issue dates. The Instruments of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Instruments of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Instruments of different denominations.
Form of Instruments:	Instruments will be issued in bearer form or, in the case of Exempt Instruments, if so specified in the applicable Pricing Supplement, in registered form. Each Tranche of Instruments to be issued in bearer form will be represented by a Temporary Global Instrument or (if so specified in the applicable Final Terms in respect of Instruments to which U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor Treasury Regulation section including, without limitation, regulations

	issued in accordance with United States Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "TEFRA C Rules") applies or to which TEFRA does not apply) a Permanent Global Instrument. Each Temporary Global Instrument will be exchangeable for a Permanent Global Instrument or, if so specified in the applicable Final Terms, for Definitive Instruments. Each Permanent Global Instrument will be exchangeable for Definitive Instruments in accordance with its terms (see further under "Provisions Relating to the Instruments Whilst in Global Form" below). In respect of each Tranche of Exempt Instruments to be issued in registered form, the provisions applicable thereto will be specified in the applicable Pricing Supplement. Any such Instruments in registered form will be held outside Euroclear and Clearstream, Luxembourg. In relation to Instruments in bearer form, see "Provisions Relating to the Instruments Whilst in Global Form" below.
Currencies:	Instruments may be denominated in any currency or currencies.
Status of Instruments:	Instruments may be issued on a subordinated or unsubordinated basis, as specified in the applicable Final Terms. Unsubordinated Instruments will contain a negative pledge as set out in Condition 5 and events of default, including a cross-acceleration provision as set out in Condition 11.1. Subordinated Instruments will not contain a negative pledge and will have limited events of default (with no cross-acceleration provision) as set out in Condition 11.3.
Status of Guarantee:	Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited will be unconditionally and irrevocably guaranteed by the Guarantor on a subordinated or an unsubordinated basis, as specified in the applicable Final Terms, pursuant to a Deed of Guarantee dated 27 May 2014 (the "Deed of Guarantee").
Issue Price:	Instruments may be issued at any price and either on a fully or, in the case of Exempt Instruments only, partly paid basis, as specified in the applicable Final Terms.
Terms of the Instruments:	The following types of Instrument may be issued: (i) Instruments which bear interest at a fixed rate or a floating rate; (ii) Instruments which do not bear interest; (iii) Exempt Instruments which bear interest, and/or the Maturity Redemption Amount of which is, calculated by reference to specified Reference Item(s) such as movements in interest rates within specified range(s) or by reference to specified benchmark(s) or movements in an index or indices or movements in a currency exchange rate or changes in the prices of one or more equity securities; and (iv) Instruments which have any combination of the foregoing features

	Interest periods, rates of interest and the terms of and/or amounts payable on redemption will be specified in the applicable Final Terms.
Change of Interest/Payment Basis:	Instruments may be converted from one interest and/or payment basis to another if so provided in the applicable Final Terms.
Maturities:	Any maturity. Any Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited which (i) have a maturity of less than one year and (ii) in the case of ERB Hellas (Cayman Islands) Limited only, if the issue proceeds are accepted in the United Kingdom, must (a) have a minimum denomination of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses or (b) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "FSMA").
Exempt Instruments:	The Issuers may issue Exempt Instruments which are Index Linked Instruments, Dual Currency Instruments or Exempt Instruments redeemed in one or more instalments. The Issuers may also issue Exempt Instruments which are Partly Paid Instruments in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the relevant Issuer and the relevant Dealer may agree. ***Index Linked Instruments***: Payments of principal in respect of Index Linked Redemption Instruments or of interest in respect of Index Linked Interest Instruments will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the relevant Issuer and the relevant Dealer may agree. ***Dual Currency Instruments***: Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Instruments will be made in such currencies, and based on such rates of exchange, as the relevant Issuer and the relevant Dealer may agree. ***Instruments redeemable in instalments***: The relevant Issuer may issue Exempt Instruments which may be redeemed in separate instalments in such amounts and on such dates as the relevant Issuer and the relevant Dealer may agree. The relevant Issuer, and in the case of Exempt Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands)

Limited, the Guarantor, may agree with any Dealer that Exempt Instruments may be issued in a form not contemplated by the Terms and Conditions of the Instruments, in which event the relevant provisions will be included in the applicable Pricing Supplement.

Index Linked Instruments:

Index Linked Instruments are Exempt Instruments. Payments of interest in respect of Index Linked Interest Instruments will be calculated by reference to a single index or a basket of indices and/or such formula as specified in the applicable Pricing Supplement.

Payments of principal in respect of Index Linked Redemption Instruments will be calculated by reference to a single index or a basket of indices. Each nominal amount of such Exempt Instruments equal to the Calculation Amount specified in the applicable Pricing Supplement will be redeemed by payment of the Maturity Redemption Amount specified in the applicable Pricing Supplement.

If an Index Adjustment Event (as defined in the "Terms and Conditions of the Instruments" and relating to a relevant index modification, cancellation or disruption) occurs, the relevant Issuer may require certain adjustments to be made including potentially a substitution of the relevant index or may redeem the Exempt Instruments, each Calculation Amount being redeemed at the Early Termination Amount specified in the applicable Pricing Supplement.

Prospective investors must review the "Terms and Conditions of the Instruments" and the applicable Pricing Supplement to ascertain whether and how such provisions apply to the Exempt Instruments.

Equity Linked Instruments:

Equity Linked Instruments are Exempt Instruments. Payments of interest in respect of Equity Linked Interest Instruments will be calculated by reference to a single equity security or basket of equity securities on such terms as specified in the applicable Pricing Supplement.

Payments of principal in respect of Equity Linked Redemption Instruments will be calculated by reference to a single equity security or a basket of equity securities. Each nominal amount of such Exempt Instruments equal to the Calculation Amount specified in the applicable Pricing Supplement will be redeemed by payment of the Maturity Redemption Amount specified in the Pricing Supplement. An investment in Equity Linked Redemption Instruments may bear similar risks to a direct equity investment and investors should take advice accordingly.

If Potential Adjustment Events and/or De-listing, Merger Event, Nationalisation and Insolvency and/or Tender Offer are specified as applying in the applicable Pricing Supplement, the

	Exempt Instruments may be subject to adjustment (including, if "Equity Substitution" is specified as applying in the applicable Pricing Supplement, substitution of a relevant equity security by another) or, if De-listing, Merger Event, Nationalisation and Insolvency and/or Tender Offer are specified as applying in the applicable Pricing Supplement, redeemed, each Calculation Amount being redeemed at the Early Termination Amount specified in the applicable Pricing Supplement. Prospective investors must review the "Terms and Conditions of the Instruments" and the applicable Pricing Supplement to ascertain whether and how such provisions apply to such Exempt Instruments. Payments of principal and interest in respect of Equity Linked Instruments will be settled in cash only.
Additional Disruption Events (Index Linked Instruments and Equity Linked Instruments only):	Additional Disruption Events are applicable in the case of Exempt Instruments only. If Additional Disruption Events are specified as applying in the applicable Pricing Supplement and any such event as specified occurs, the Exempt Instruments will be subject to adjustment or may be redeemed, each Calculation Amount being redeemed at the Early Termination Amount specified in the applicable Pricing Supplement. Prospective investors must review the "Terms and Conditions of the Instruments" and the applicable Pricing Supplement to ascertain whether and how such provisions apply to the Exempt Instruments.
Disrupted Days:	Disrupted Days are applicable in the case of Exempt Instruments only. Where the Exempt Instruments are Index Linked Instruments or Equity Linked Instruments, the Calculation Agent may determine that a Disrupted Day has occurred or exists at a relevant time. Any such determination may have an effect on the value of the Exempt Instruments and/or may delay settlement in respect of the Instruments. Prospective investors must review the "Terms and Conditions of the Instruments" and the applicable Pricing Supplement to ascertain whether and how such provisions apply to the Exempt Instruments.
Illegality:	In the event that the relevant Issuer determines that the performance of the relevant Issuer's obligations under any Instruments or (if applicable) the Guarantor's obligations in respect thereof under the Deed of Guarantee has or will become unlawful, illegal, or otherwise prohibited in whole or in part, the relevant Issuer may redeem all (but not some only) of such Instruments, each Calculation Amount being redeemed at the Early Termination Amount specified in the applicable Final Terms, together, if appropriate, with accrued interest.
Autocallable Instruments:	Autocallable Instruments are Exempt Instruments. If Autocall is

	specified as applying in the applicable Pricing Supplement and an Autocall Event (as set out in the applicable Pricing Supplement) occurs, the Exempt Instruments will be redeemed, each Calculation Amount being redeemed at the Autocall Redemption Amount specified in the applicable Pricing Supplement.
Redemption:	The applicable Final Terms relating to each Tranche will indicate either that such Instruments cannot be redeemed prior to their stated maturity (other than in the case of Exempt Instruments in specified instalments (see below), if applicable, or for taxation reasons or following an Event of Default or on an illegality or, in the case of Exempt Instruments to which Autocall is specified as applying in the applicable Pricing Supplement, following an Autocall Event, or, in the case of Index Linked Instruments, following an Index Adjustment Event, or, in the case of Equity Linked Instruments and if so specified as applying in the applicable Pricing Supplement, following a De-listing, Merger Event, Nationalisation and Insolvency and/or Tender Offer, or, in the case of Index Linked Instruments or Equity Linked Instruments and if so specified in the applicable Pricing Supplement, following an Additional Disruption Event subject, in the case of Subordinated Instruments, under the requirements of applicable law, to consent thereto having been obtained from the Bank of Greece or the ECB (as defined below), as the case may be) or that such Instruments will be redeemable at the option of the relevant Issuer and/or the Holders upon giving the required notice, on a specified date or dates and at a price or prices and on such terms as are indicated in the applicable Final Terms. The applicable Pricing Supplement may provide that Exempt Instruments may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Pricing Supplement.
Denominations:	Instruments will be issued in such denominations as may be specified in the applicable Final Terms. The minimum denomination of each PD Instrument admitted to trading on a regulated market within the European Economic Area and/or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €100,000 (or the equivalent amount in the relevant currency).
Taxation:	Unless required by law, all payments in respect of the Instruments will be made without deduction for, or on account of, withholding taxes of the United Kingdom (in the case of Instruments issued by ERB Hellas PLC) or the Cayman Islands (in the case of Instruments issued by ERB Hellas (Cayman Islands) Limited) or the Hellenic Republic (in the case of Instruments issued by Eurobank Ergasias S.A.), as the case may be, and (in the case of Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited) all payments

	by the Guarantor under the Deed of Guarantee will be made without deduction for, or on account of, withholding taxes of the Hellenic Republic, as provided in Condition 12. In the event that any such deduction is required, the relevant Issuer or, as the case may be, the Guarantor (if applicable) will, save in certain limited circumstances provided in Condition 12, be required to pay additional amounts as will result in the receipt by Holders of the relevant Instruments of such net amount as they would have received had no such deduction been required. All payments in respect of the Instruments will be made subject to any withholding or deduction required pursuant to FATCA (as defined below), as provided in Condition 13C.
Governing Law:	The Instruments and the Deed of Guarantee and any non-contractual obligations arising out of or in connection with them shall be governed by, and construed in accordance with, English law except that (i) in the case of Instruments issued by the Bank, the subordination provisions in Condition 3B, (ii) in the case of Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited, the subordination provisions in Condition 4B and the subordination provisions set out in the Deed of Guarantee, and (iii) Condition 22 shall be governed by, and construed in accordance with, the laws of the Hellenic Republic and Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 (the "Regulation").
Listing and Admission to Trading:	Application has been made to the CSSF to approve this Prospectus as a base prospectus. Application has also been made for PD Instruments issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market. Instruments may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets or not listed or admitted to trading on any market. The applicable Final Terms will state whether or not the relevant Instruments are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
Terms and Conditions:	Final Terms will be prepared in respect of each Tranche of Instruments. A copy of such Final Terms will, in the case of PD Instruments to be listed on the Luxembourg Stock Exchange or offered to the public in the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, be delivered to the Luxembourg Stock Exchange and/or the CSSF on or before the date of issue of such PD Instruments. The terms and conditions applicable to each Tranche of PD Instruments will be those set out herein under "Terms and Conditions of the Instruments" as completed by Part A of the applicable Final Terms. The terms and conditions applicable to each Tranche of Exempt

	Instruments will be those set out herein under “Terms and Conditions of the Instruments” as modified, amended and/or completed by Part A of the applicable Pricing Supplement. For Instruments in global form, holders will have the benefit of, in the case of Instruments issued by ERB Hellas PLC, a Deed of Covenant executed by ERB Hellas PLC dated 27 May 2014, in the case of Instruments issued by ERB Hellas (Cayman Islands) Limited, a Deed of Covenant executed by ERB Hellas (Cayman Islands) Limited dated 27 May 2014 and, in the case of Instruments issued by the Bank, a Deed of Covenant executed by the Bank dated 27 May 2014, copies of which will be available for inspection at the specified office of the Issue and Paying Agent.
Clearing Systems:	Euroclear, Clearstream, Luxembourg and/or, in relation to any Instruments, any other clearing system as may be specified in the applicable Final Terms.
Bondholders' Agent:	In the case of Instruments issued by the Bank (“Bank Instruments”) to which Greek law 3156/2003 applies and for the purposes of which the appointment of a Bank Holders’ Agent (as defined below) is required, as per Greek law 3156/2003, the Bank shall appoint an agent of the Holders of Bank Instruments (the “Bank Holders’ Agent”) in accordance with Condition 22 of the Instruments.
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Instruments and on the distribution of offering material in the United States of America, the European Economic Area (including the United Kingdom, Greece and the Republic of France), Japan and the Cayman Islands, see under “Subscription and Sale”.

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 Prospectus:

(a) the audited consolidated annual financial statements of the Bank for each of the financial years ended 31 December 2015 and 31 December 2014, as contained within Part III (*Consolidated Financial Statements for the 2015 Financial Year (Auditor's Report included*) of the Bank's Annual Financial Report for the Year Ended 31 December 2015 and Part III (*Consolidated Financial Statements for the 2014 Financial Year (Auditor's Report included*) of Annual Financial Report for the Year Ended 31 December 2014, in each case prepared in accordance with International Financial Reporting Standards, as adopted by the European Union ("IFRS"), including the information set out at the following pages of the Bank's 'Consolidated Financial Statements for the Year Ended 2015' and 'Consolidated Financial Statements for the Year Ended 2014', respectively:

	2015	*2014*
Independent Auditors' Report	page 1-2	pages 1-2
Consolidated Balance Sheet	page 3	page 3
Consolidated Income Statement	page 4	page 4
Consolidated Statement of Comprehensive Income	page 5	page 5
Consolidated Statement of Changes in Equity	page 6	page 6
Consolidated Cash Flow Statement	page 7	page 7
Notes to the Consolidated Financial Statements	pages 8-122	pages 8-118

(b) the audited annual financial statements of ERB Hellas PLC for each of the financial years ended 31 December 2014 and 31 December 2013, in each case prepared in accordance with IFRS, including the information set out at the following pages of ERB Hellas PLC's 'Annual Report 2014' and ERB Hellas PLC's 'Annual Report 2013', respectively:

	2014	*2013*
Independent Auditors' Report	pages 10-12	pages 9-10
Statement of Comprehensive Income	page 13	page 11
Balance Sheet	page 14	page 12
Statement of Changes in Equity	page 15	page 13
Cash Flow Statement	page 16	page 14
Notes to the Financial Statements	pages 17-38	pages 15-38

(c) the audited annual non-statutory financial statements of ERB Hellas (Cayman Islands) Limited for each of the financial years ended 31 December 2014 and 31 December 2013, in each case prepared in accordance with IFRS, including the information set out at the following pages of ERB Hellas (Cayman Islands) Limited's 'Annual Report 2014' and ERB Hellas (Cayman Islands) Limited's 'Annual Report 2013', respectively:

	2014	*2013*

Independent Auditors' Report.....	pages 8-9	pages 9-10
Statement of Comprehensive Income	page 10	page 11
Balance Sheet.....	page 11	page 12
Statement of Changes in Equity.....	page 12	page 13
Cash Flow Statement.....	page 13	page 14
Notes to the Financial Statements.....	pages 14-36	pages 15-40

Any information not referred to in the cross-reference lists above but included in the documents incorporated by reference is given for information purposes only rather than information required by the relevant Annexes of the Prospectus Regulation.

Following the publication of this Prospectus a supplement may be prepared by the Obligors 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 Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

In the event of any significant new factor arising or any material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of any Instruments, the Obligors will prepare and publish a supplement to this Prospectus or prepare and publish a new prospectus for use in connection with any subsequent issue of Instruments.

Copies of documents incorporated by reference in this Prospectus can be obtained from the Luxembourg Stock Exchange's website at www.bourse.lu and, free of charge, from the registered office of each Obligor.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS PROSPECTUS AND OFFERS OF INSTRUMENTS GENERALLY

This Prospectus has been prepared on the basis that would permit an offer of Exempt Instruments with a denomination of less than €100,000 (or its equivalent in any other currency) only in circumstances where there is an exemption from the obligation under the Prospectus Directive to publish a prospectus. As a result, any offer of Exempt Instruments in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") must 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 Instruments. Accordingly any person making or intending to make an offer of Exempt Instruments in that Relevant Member State may only do so in circumstances in which no obligation arises for any of the relevant Issuer, (if applicable) the Guarantor and/or any Dealer 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. Neither the relevant Issuer, (if applicable) the Guarantor and any Dealer has authorised, nor does any of them authorise, the making of any offer of Instruments in circumstances in which an obligation arises for any of the relevant Issuer, (if applicable) the Guarantor and/or any Dealer to publish or supplement a prospectus for such offer.

Instruments will be issued in bearer form or, in the case of Exempt Instruments and if so specified in the applicable Pricing Supplement, in registered form. In respect of each Tranche of Instruments to be issued in bearer form, the relevant Issuer will deliver a temporary global Instrument (a "Temporary Global Instrument") or (if so specified in the applicable Final Terms) a permanent global instrument (a "Permanent Global Instrument"). Such global Instrument, if the global Instruments are intended to be issued in new global instrument form ("NGI form"), as specified in the applicable Final Terms, will be delivered on or prior to the original issue date of the Tranche to a common safekeeper for Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, S.A. ("Clearstream, Luxembourg") and, if the global Instruments are not intended to be issued in NGI form, will be delivered on or prior to the original issue date of the Tranche to a common depositary for Euroclear and Clearstream, Luxembourg. Each Temporary Global Instrument will be exchangeable for a Permanent Global Instrument or, if so specified in the applicable Final Terms, for Instruments in definitive bearer form ("Definitive Instruments"). Each Permanent Global Instrument will be exchangeable for Definitive Instruments in accordance with its terms. In respect of each Tranche of Exempt Instruments to be issued in registered form, the provisions applicable thereto will be specified in the applicable Pricing Supplement. Any such Exempt Instruments in registered form will be held outside Euroclear and Clearstream, Luxembourg. In relation to Instruments in bearer form, see "Provisions Relating to the Instruments Whilst in Global Form" below.

All references in this document to "U.S.$" and "$" are to United States dollars, those to "Sterling" and "£" are to pounds sterling and those to "€", "euro", "Euro" and "EUR" are to the lawful currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

SIZE OF THE PROGRAMME

This Prospectus and any supplement will only be valid for listing PD Instruments on the Luxembourg Stock Exchange during the period of 12 months from the date of approval of this Prospectus in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Instruments previously or simultaneously issued under the Programme, does not exceed €25,000,000,000 or its equivalent in other currencies. For the purpose of calculating the euro equivalent of the aggregate nominal amount of Instruments issued under the Programme from time to time:

(a) the euro equivalent of Instruments denominated in another Currency of Denomination (as specified in the applicable Final Terms in relation to the relevant Instruments) shall be determined, at the discretion of the relevant Issuer, either as of the date on which agreement is reached for the issue of Instruments or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the euro against the purchase of such Currency of Denomination in the London foreign exchange market quoted by any leading international bank selected by the relevant Issuer on the relevant day of calculation;

(b) the euro equivalent of Exempt Instruments with different Currency of Denomination and Currency of Payment, Index Linked Instruments, Equity Linked Instruments and Partly Paid Instruments (each as specified in the applicable Pricing Supplement in relation to the relevant Exempt Instruments) shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Exempt Instruments (in the case of Partly Paid Instruments regardless of the subscription price paid); and

(c) the euro equivalent of Non-interest bearing Instruments (as specified in the applicable Final Terms in relation to the relevant Instruments) and other Instruments issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the relevant Issuer for the relevant issue.

TERMS AND CONDITIONS OF THE INSTRUMENTS

This section applies to both Exempt Instruments and PD Instruments (each as defined below).

The following are the Conditions of the Instruments which will be incorporated by reference into each Instrument in global form (a "Global Instrument") and each definitive Instrument, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the relevant Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Instrument will have endorsed thereon or attached thereto such Conditions. The applicable Pricing Supplement in relation to any Tranche of Exempt Instruments may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Conditions, replace or modify the following Conditions for the purpose of such Exempt Instruments. The applicable Final Terms (in the case of PD Instruments) or the applicable Pricing Supplement (in the case of Exempt Instruments) (or, in either case, the relevant provisions thereof) will be endorsed upon, or attached to, each Global Instrument and definitive Instrument. Reference should be made (i) in the case of PD Instruments, to the "applicable Final Terms" for a description of the content of the Final Terms and (ii) in the case of Exempt Instruments, to the "applicable Pricing Supplement", each of which will specify which of such terms are to apply in relation to the relevant Instruments.

The Instruments are issued pursuant to and in accordance with an amended and restated issue and paying agency agreement (as amended, supplemented or replaced, the "Issue and Paying Agency Agreement") dated 25 April 2016 and made between ERB Hellas PLC, ERB Hellas (Cayman Islands) Limited and Eurobank Ergasias S.A. (the "Bank") (each of which may issue Instruments and references in these Terms and Conditions (the "Conditions") to the "Issuer" are to the relevant Issuer of such Instruments as specified in the applicable Final Terms (as defined below) or an entity substituted for that Issuer in accordance with Condition 21), the Bank in its capacity as guarantor of Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited (in such capacity, the "Guarantor"), Deutsche Bank AG, London Branch in its capacity as issue and paying agent (the "Issue and Paying Agent", which expression shall include any successor to Deutsche Bank AG, London Branch in its capacity as such) and the paying agents named therein (the "Paying Agents", which expression shall include the Issue and Paying Agent and any substitute or additional paying agents appointed in accordance with the Issue and Paying Agency Agreement). If the Instruments are issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited they will be irrevocably and unconditionally guaranteed by the Guarantor pursuant and subject to the terms of the Deed of Guarantee (as defined below). References herein to the Guarantor and the Deed of Guarantee shall only be relevant where the Issuer is ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited and shall not apply where the Issuer is the Bank.

For the purposes of making determinations or calculations of interest rates, interest amounts, redemption amounts or any other matters requiring determination or calculation in accordance with the Conditions of any Series (as defined below) of Instruments, the Issuer may appoint a calculation agent (the "Calculation Agent") for the purposes of such Instruments, in accordance with the provisions of the Issue and Paying Agency Agreement, and such Calculation Agent shall be specified in the applicable Final Terms.

The Instruments issued by ERB Hellas PLC have the benefit of a deed of covenant dated 27 May 2014 executed by ERB Hellas PLC, the Instruments issued by ERB Hellas (Cayman Islands) Limited have the benefit of a deed of covenant dated 27 May 2014, executed by ERB Hellas (Cayman Islands) Limited and the Instruments issued by the Bank have the benefit of a deed of covenant dated 27 May 2014 executed by the Bank (each, as amended, supplemented or replaced, a "Deed of Covenant" and references to the "Deed of Covenant" in these Conditions are to the Deed of Covenant executed by the Issuer of such Instruments as specified in the applicable Final Terms or an entity substituted for that Issuer in accordance with Condition 21).

The Guarantor has, for the benefit of the holders of Instruments issued by ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited, executed and delivered an amended and restated deed of guarantee dated 27 May 2014 (as amended or supplemented from time to time, the "Deed of Guarantee") under which it has guaranteed (on an unsubordinated basis in the case of Unsubordinated Instruments (as defined below) and on a subordinated basis in the case of Subordinated Instruments (as defined below)) the due and punctual payment of all amounts due by the Issuer under the Instruments and the Deed of Covenant as and when the same shall become due and payable.

In the case of Instruments issued by the Bank ("Bank Instruments") to which Greek law 3156/2003 applies and for the purposes of which the appointment of a Bank Holders' Agent (as defined below) is required, as per Greek law 3156/2003, the Bank shall appoint an agent of the Holders of Bank Instruments (the "Bank Holders' Agent") in accordance with Condition 22 below.

Copies of the Issue and Paying Agency Agreement, the Deed of Covenant, the Deed of Guarantee and (to the extent applicable) the Bank Holders' Agency Agreement (as defined below) are available for inspection during normal business hours at the registered office of the Issuer and the Guarantor and at the specified office of each of the Paying Agents and, in the case of Bank Instruments, the Bank Holders' Agent. All persons from time to time entitled to the benefit of obligations under any Instruments shall be deemed to have notice of, and shall be bound by, all of the provisions of the Issue and Paying Agency Agreement, the Deed of Covenant and the Deed of Guarantee insofar as they relate to the relevant Instruments.

The final terms for this Instrument (or the relevant provisions thereof) are set out in Part A of the Final Terms (the "Final Terms") attached to or endorsed on this Instrument which complete these Conditions or, if this Instrument is an Instrument 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 (an "Exempt Instrument"), the final terms (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement (the "Pricing Supplement") and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Instrument (where this Instrument is an Exempt Instrument). 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 Instrument. Any reference in the Conditions to "applicable Final Terms" shall be deemed to include a reference to "applicable Pricing Supplement" where relevant. The expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

The Instruments are issued in series (each, a "Series"), and each Series may comprise one or more tranches ("Tranches" and each, a "Tranche") of Instruments.

Each Tranche of Instruments listed on the Luxembourg Stock Exchange or offered to the public in the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive ("PD Instruments"), will be the subject of an applicable Final Terms document, a copy of which will be available on the website of the Luxembourg Stock Exchange at www.bourse.lu and, free of charge, at the registered office of the Issuer and the Guarantor. Each Tranche of Exempt Instruments will be the subject of an applicable Pricing Supplement document, but a copy of which will only be available at the registered office of the Issuer and the Guarantor (if applicable) by a holder of the relevant Exempt Instruments where such holder produces evidence satisfactory to the Issuer or the Guarantor, as the case may be, as to its holding of such Exempt Instruments.

References in these Conditions to Instruments are to Instruments of the relevant Series and any references to Coupons (as defined in Condition 1.2) and, in the case of Exempt Instruments only,

Receipts (as defined in Condition 1.3) are to Coupons and, in the case of Exempt Instruments only, Receipts relating to Instruments of the relevant Series.

In these Conditions, "euro" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1. Form and Denomination

Form of Instruments

1.1 Unless the Instruments are Exempt Instruments and are specified in the applicable Pricing Supplement as being in registered form, the Instruments are issued in bearer form and if in definitive form are serially numbered. If the Instruments are Exempt Instruments and issued in registered form, the provisions applicable thereto will be set out in the applicable Pricing Supplement.

1.2 Interest-bearing Instruments have attached thereto at the time of their initial delivery coupons ("Coupons"), presentation of which will be a prerequisite to the payment of interest save in certain circumstances specified herein. In addition, in the case of Instruments which, when issued in definitive form, have more than 27 interest payments remaining, such Instruments will have attached thereto at the time of their initial delivery a talon ("Talon") for further coupons and the expression "Coupons" shall, where the context so requires, include Talons.

1.3 This Condition 1.3 is applicable only to Exempt Instruments. Where the principal amount is repayable by instalments ("Instalment Exempt Instruments"), such Instalment Exempt Instruments have attached thereto at the time of their initial delivery payment receipts ("Receipts") in respect of the instalments of principal.

Denomination of Instruments

1.4 Instruments are in the denomination or denominations specified in the applicable Final Terms. Instruments of one denomination may not be exchanged for Instruments of any other denomination.

Currency of Instruments

1.5 The Instruments are denominated in the currency specified in the applicable Final Terms. Any currency may be so specified, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Partly Paid Instruments

This Condition 1.6 is applicable only to Exempt Instruments.

1.6 Exempt Instruments may be issued on a partly paid basis ("Partly Paid Instruments") if so specified in the applicable Pricing Supplement. The subscription moneys therefor shall be paid in such number of instalments ("Partly Paid Instalments") in such amounts, on such dates and in such manner as may be specified in the applicable Pricing Supplement. The first such instalment shall be due and payable on the date of issue of the Exempt Instruments. For the purposes of these Conditions, in respect of any Partly Paid Instrument, "Paid Up Amount" means the aggregate amount of all Partly Paid Instalments in respect thereof as shall have fallen due and been paid up in full in accordance with the Conditions.

Not less than 14 days nor more than 30 days prior to the due date for payment of any Partly Paid Instalment (other than the first such instalment) the Issuer shall publish a notice in accordance with Condition 18 stating the due date for payment thereof and stating that failure to pay any such Partly Paid Instalment on or prior to such date will entitle the Issuer to forfeit the Instruments with effect from such date ("Forfeiture Date") as may be specified in such notice (not being less than 14 days after the due date for payment of such Partly Paid Instalment), unless payment of the relevant Partly Paid Instalment together with any interest accrued thereon is paid prior to the Forfeiture Date. The Issuer shall procure that any Partly Paid Instalments paid in respect of any Instruments subsequent to the Forfeiture Date in respect thereof shall be returned promptly to the persons entitled thereto. The Issuer shall not be liable for any interest on any Partly Paid Instalment so returned.

Interest shall accrue on any Partly Paid Instalment which is not paid on or prior to the due date for payment thereof at the Interest Rate (in the case of non-interest bearing Instruments, at the rate applicable to overdue payments) and shall be calculated in the same manner and on the same basis as if it were interest accruing on the Instruments for the period from and including the due date for payment of the relevant Partly Paid Instalment up to but excluding the Forfeiture Date. For the purpose of the accrual of interest, any payment of any Partly Paid Instalment made after the due date for payment shall be treated as having been made on the day preceding the Forfeiture Date (whether or not a Business Day as defined in Condition 6.9).

Unless an Event of Default or a Subordinated Default Event (or an event which with the giving of notice, the lapse of time or the making or giving of any determination or certification would constitute an Event of Default or a Subordinated Default Event) shall have occurred and be continuing, on the Forfeiture Date, the Issuer shall forfeit all of the Instruments in respect of which any Partly Paid Instalment shall not have been duly paid, whereupon the Issuer shall be entitled to retain all Partly Paid Instalments previously paid in respect of such Exempt Instruments and shall be discharged from any obligation to repay such amount or to pay interest thereon.

2. Title and Transfer

2.1 Title to Instruments and Coupons passes by delivery. References herein to the "Holders" of Instruments or of Coupons are to the bearers of such Instruments or such Coupons.

2.2 This Condition 2.2 is applicable only to Exempt Instruments. In the case of Exempt Instruments, title to Receipts passes by delivery. References herein to "Holders" of Receipts are to the bearers of such Receipts.

2.3 The Holder of any Instrument or Coupon will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Holder.

3. Status of the Instruments

3A Status – Unsubordinated Instruments

3A.1 This Condition 3A is applicable only in relation to Instruments specified in the applicable Final Terms as being unsubordinated or not specified as being subordinated ("Unsubordinated Instruments").

3A.2 The Unsubordinated Instruments constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 5) unsecured obligations of the Issuer which will at all times rank *pari passu* without any preference among themselves and at least *pari passu* with all other present and future unsecured (subject as aforesaid) and unsubordinated obligations of the Issuer (save for such obligations as may be preferred by mandatory provisions of applicable law).

3B Status – Subordinated Instruments

3B.1 This Condition 3B is applicable only in relation to Instruments specified in the applicable Final Terms as being subordinated ("Subordinated Instruments").

3B.2 The Subordinated Instruments constitute direct, unsecured and subordinated obligations of the Issuer and rank at all times *pari passu* among themselves.

The claims of the Holders will be subordinated to the claims of Senior Creditors of the Issuer (as defined below) in that payments of principal and interest in respect of the Instruments (whether in the winding-up of the Issuer or otherwise) will be conditional upon the Issuer being solvent at the time of payment by the Issuer and in that no principal or interest shall be payable in respect of the Subordinated Instruments (whether in the winding-up of the Issuer or otherwise) except to the extent that the Issuer could make such payment and still be solvent immediately thereafter. For this purpose, the Issuer shall be considered to be solvent if it can pay principal and interest in respect of the Subordinated Instruments and still be able to pay its outstanding debts to Senior Creditors of the Issuer which are due and payable.

"Senior Creditors of the Issuer" means creditors of the Issuer (a) who are unsubordinated creditors of the Issuer, or (b) who are subordinated creditors of the Issuer whose claims are expressed to rank in priority to the claims of the Holders (whether only in the winding-up of the Issuer or otherwise).

In the case of dissolution, liquidation, special liquidation and/or bankruptcy (as the case may be and to the extent applicable) of the Issuer, the Holders will only be paid by the Issuer after all Senior Creditors of the Issuer have been paid in full and the Holders irrevocably waive their right to be treated equally with all other unsecured, unsubordinated creditors of the Issuer in such circumstances. Such waiver constitutes a genuine contract benefitting third parties and, according to article 411 of the Greek Civil Code, creates rights for Senior Creditors.

4. Status of Guarantee

4A Status – Unsubordinated Guarantee

4A.1 This Condition 4A is applicable only in relation to Unsubordinated Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited.

4A.2 The obligations of the Guarantor under the Deed of Guarantee constitute direct, general, unconditional and unsubordinated obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured (subject to the provisions of Condition 5) and unsubordinated obligations of the Guarantor (save for such obligations as may be preferred by mandatory provisions of applicable law).

4B Status – Subordinated Guarantee

4B.1 This Condition 4B is applicable only in relation to Subordinated Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited.

4B.2 The obligations of the Guarantor under the Deed of Guarantee constitute direct, general, unconditional, subordinated and unsecured obligations of the Guarantor. All claims under the Deed of Guarantee will be subordinated to the claims of Senior Creditors of the Guarantor (as defined below) in that payments under the Deed of Guarantee (whether in the winding-up of the Guarantor or otherwise) will be conditional upon the Guarantor being solvent at the time of payment by the Guarantor and in that no amount shall be payable under the Deed of Guarantee (whether in the winding-up of the Guarantor or otherwise) except to the extent that the Guarantor could make such payment and still be solvent immediately thereafter. For this purpose, the Guarantor shall be considered to be solvent if it can pay principal and interest in respect of the Instruments and still be able to pay, in accordance with the Deed of Guarantee, its outstanding debts to Senior Creditors of the Guarantor which are due and payable.

"Senior Creditors of the Guarantor" means creditors of the Guarantor (a) who are unsubordinated creditors of the Guarantor, or (b) who are subordinated creditors of the Guarantor whose claims are expressed to rank in priority to the claims of the Holders or other persons claiming under the Deed of Guarantee (whether only in the winding-up of the Guarantor or otherwise).

In the case of dissolution, liquidation, special liquidation and/or bankruptcy (as the case may be and to the extent applicable) of the Guarantor the Holders will only be paid by the Guarantor after all Senior Creditors of the Guarantor have been paid in full and the Holders irrevocably waive their right to be treated equally with all other unsecured, unsubordinated creditors of the Guarantor in such circumstances.

5. Negative Pledge

This Condition 5 is applicable only to Unsubordinated Instruments.

So long as any of the Instruments remains outstanding (as defined in the Issue and Paying Agency Agreement), neither the Issuer nor the Guarantor shall create or permit to be outstanding any mortgage, charge, lien, pledge or other similar encumbrance or security interest upon the whole or any part of its undertaking or assets, present or future (including any uncalled capital), to secure any Indebtedness (as defined below) or any guarantee or indemnity given in respect of any Indebtedness, without, in the case of the creation of an encumbrance or security interest, at the same time and, in any other case, promptly according to the Holders of the Instruments an equal and rateable interest in the same or providing to the Holders of the Instruments such other security as shall be approved by an Extraordinary Resolution (as defined in the Issue and Paying Agency Agreement) of the Holders of the Instruments, save that the Issuer or the Guarantor may create or permit to subsist a security interest or like arrangement to secure Indebtedness and/or any guarantee or indemnity given in respect of Indebtedness of any person, in each case as aforesaid, (but without the obligation to accord or provide to the Holders of the Instruments either an equal and rateable interest in the same or such other security or like arrangement as aforesaid) where such security interest or like arrangement:

(i) is created pursuant to any securitisation, asset-backed financing or like arrangement in accordance with normal market practice and whereby the amount of Indebtedness secured by such security interest or in respect of which any guarantee or indemnity is secured by such security interest is limited to the value of the assets secured; or

(ii) is granted in relation to any Covered Bonds issued by the Issuer or the Guarantor.

"Covered Bond" means any bond, note, debenture or other security (however defined) designated by the Issuer and the Guarantor as a covered bond and secured on a segregated pool of assets.

"Indebtedness" means any borrowings having an original maturity of more than one year in the form of or represented by bonds, notes, debentures or other securities which, with the consent of the Issuer are, or are intended to be, listed or traded on any stock exchange, over-the-counter or other organised market for securities (whether or not initially distributed by way of private placing).

6. Interest

Interest

6.1 Instruments may be interest-bearing or non interest-bearing, as specified in the applicable Final Terms. Words and expressions appearing in this Condition 6 and not otherwise defined herein or in the applicable Final Terms shall have the meanings given to them in Condition 6.9.

Interest-bearing Instruments

6.2 Instruments which are specified in the applicable Final Terms as being interest-bearing shall bear interest from their Interest Commencement Date at the Interest Rate payable in arrear on each Interest Payment Date.

Floating Rate Instruments – Determination of Interest Rate

6.3 If the applicable Final Terms specify the Interest Rate applicable to the Instruments as being Floating Rate they shall also specify which page (the "Relevant Screen Page") on the Reuters Screen or any other information vending service shall be applicable. If such a page is so specified, the Interest Rate applicable to the relevant Instruments for each Interest Accrual Period shall be determined by the Calculation Agent on the following basis:

(i) the Calculation Agent will determine the offered rate for deposits (or, as the case may require, the arithmetic mean (rounded, if necessary, to the nearest ten thousandth of a percentage point, 0.00005 being rounded upwards) of the rates for deposits) in the Specified Currency as specified in the applicable Final Terms for a period of the duration of the relevant Interest Accrual Period on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(ii) if, on any Interest Determination Date, no such rate for deposits so appears (or, as the case may be, if fewer than two such rates for deposits so appear) or if the Relevant Screen Page is unavailable, the Calculation Agent will request appropriate quotations and will determine the arithmetic mean (rounded as aforesaid) of the rates at which deposits in the Specified Currency are offered by four major banks in the London interbank market (or, in the case of Instruments denominated or payable in euro, the euro zone interbank market), selected by the Calculation Agent, at approximately the Relevant Time on the Interest Determination Date to prime banks in the relevant interbank market, for a period of the duration of the relevant Interest Accrual Period and in an amount that is representative for a single transaction in the relevant market at the relevant time;

(iii) if, on any Interest Determination Date, only two or three rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates so quoted; or

(iv) if fewer than two rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates quoted by four major banks in the Relevant Financial Centre (or in such financial centre or centres within the euro zone as the Calculation Agent may select) selected by the Calculation Agent, at approximately 11.00 a.m. (Relevant Financial Centre time (or local time at such other financial centre or centres as aforesaid)) on the first day of the relevant Interest Accrual Period for loans in the relevant currency to leading European banks for a period of the duration of the relevant Interest Accrual Period and in an amount that is representative for a single transaction in the relevant market at the relevant time,

and the Interest Rate applicable to such Instruments during each Interest Accrual Period will be the sum of the relevant margin (the "Relevant Margin") specified in the applicable Final Terms and the rate (or, as the case may be, the arithmetic mean (rounded as aforesaid) of the rates) so determined provided, however, that, if the Calculation Agent is unable to determine a rate (or, as the case may be, an arithmetic mean of rates) in accordance with the above provisions in relation to any Interest Accrual Period, the Interest Rate applicable to such Instruments during such Interest Accrual Period will be the sum of the Relevant Margin and the rate (or, as the case may be, the arithmetic mean (rounded as aforesaid) of the rates) determined in relation to such Instruments in respect of the last preceding Interest Accrual Period.

ISDA Rate Instruments — Determination of Interest Rate

6.4 If the applicable Final Terms specify the Interest Rate applicable to the Instruments as being ISDA Rate, each Instrument shall bear interest as from such date, and at such rate or in such amounts, and such interest will be payable on such dates, as would have applied (regardless of any event of default or termination event or tax event thereunder) if the Issuer had entered into an interest rate swap transaction with the Holder of such Instrument under the terms of an agreement to which the ISDA Definitions applied and under which:

– the Fixed Rate Payer, Fixed Amount Payer, Fixed Price Payer, Floating Rate Payer, Floating Amount Payer, the Floating Price Payer is the Issuer (as specified in the applicable Final Terms);

– the Effective Date is the Interest Commencement Date;

– the Termination Date is the Maturity Date;

– the Calculation Agent is the Calculation Agent as specified in the applicable Final Terms;

– the Calculation Periods are the Interest Accrual Periods;

– the Period End Dates are the Interest Period End Dates;

– the Payment Dates are the Interest Payment Dates;

– the Reset Dates are the Interest Period End Dates;

– the Calculation Amount is the principal amount of such Instrument;

– the Day Count Fraction applicable to the calculation of any amount is that specified in the applicable Final Terms or, if none is so specified, as may be determined in accordance with the ISDA Definitions;

– the Applicable Business Day Convention applicable to any date is that specified in the applicable Final Terms or, if none is so specified, as may be determined in accordance with the ISDA Definitions; and

– the other terms are as specified in the applicable Final Terms.

Maximum or Minimum Interest Rate

6.5 If any Maximum or Minimum Interest Rate is specified in the applicable Final Terms, then the Interest Rate shall in no event be greater than the maximum or be less than the minimum so specified.

Accrual of Interest

6.6 Interest shall accrue on the Outstanding Principal Amount of each Instrument during each Interest Accrual Period from, and including, the Interest Commencement Date. Interest will cease to accrue as from the due date for redemption therefor (or, in the case of an Instalment Exempt Instrument only, in respect of each instalment of principal, on the due date for payment of the relevant Instalment Amount) unless upon due presentation or surrender thereof (if required), payment in full of the Redemption Amount (as defined in Condition 7.12). In the case of Instalment Exempt Instruments only, the relevant Instalment Amount is improperly withheld or refused or default is otherwise made in the payment thereof in which case interest shall continue to accrue on the principal amount in respect of which payment has been improperly withheld or refused or default has been made (as well after as before any demand or judgment) at the Interest Rate then applicable or such other rate as may be specified for this purpose in the applicable Final Terms until the date on which, upon due presentation or surrender of the relevant Instrument (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Instrument is not required as a precondition of payment), the seventh day after the date on which, the Issue and Paying Agent having received the funds required to make such payment, notice is given to the Holders of the Instruments in accordance with Condition 18 that the Issue and Paying Agent has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

Interest Amount(s), Calculation Agent and Reference Banks

6.7 If a Calculation Agent is specified in the applicable Final Terms, the Calculation Agent, as soon as practicable after the Relevant Time on each Interest Determination Date (or such other time on such date as the Calculation Agent may be required to calculate any Redemption Amount or, in the case of Instalment Exempt Instruments only, Instalment Amount, obtain any quote or make any determination or calculation) will determine the Interest Rate and calculate the amount(s) of interest payable (the "Interest Amount(s)") in respect of the Calculation Amount of the Instruments for the relevant Interest Accrual Period, calculate the Redemption Amount or, in the case of Instalment Exempt Instruments only, Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date or, as the case may be, the Redemption Amount or, in the case of Instalment Exempt Instruments only, any Instalment Amount to be notified to the Issue and Paying Agent, the Issuer, the Holders in accordance with Condition 18 and, if the Instruments are listed on a stock exchange and the rules of such exchange so requires, such exchange as soon as possible after their determination or calculation but in no event later than the fourth London Banking Day thereafter or, if earlier in the case of notification to the stock exchange, no later than the first day of the relevant Interest Accrual Period. The Interest Amounts and the 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 an Interest Accrual Period or the Interest Period. If the Instruments become due and payable under Condition 11, the Interest Rate and the accrued interest payable in respect of the Instruments shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made. The determination of each Interest Rate, Interest Amount, Redemption Amount and, in the case of Instalment Exempt Instruments only, Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon the Issuer, the Guarantor and the Holders and neither the Calculation Agent nor any Reference Bank shall have any liability to the Holders in respect of any determination, calculation, quote or rate made or provided by it.

The Issuer will procure that there shall at all times be such Reference Banks as may be required for the purpose of determining the Interest Rate applicable to the Instruments and a Calculation Agent, if provision is made for one in the Conditions.

If the Calculation Agent is incapable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Accrual Period or to calculate the Interest Amounts or any other requirements, the Issuer will appoint the London office of a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

Calculations and Adjustments

6.8 The amount of interest payable in respect of any Instrument for any period shall be calculated by multiplying the product of the Interest Rate and the Outstanding Principal Amount by the Day Count Fraction, save that if the applicable Final Terms specify a specific amount in respect of such period, the amount of interest payable in respect of such Instrument for such period will be equal to such specified amount. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in the applicable Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States Dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

Definitions

6.9 "Applicable Business Day Convention" means the "Business Day Convention" which may be specified in the applicable Final Terms as applicable to any date in respect of the Instruments. Where the applicable Final Terms specify "No Adjustment" in relation to any date, such date shall not be adjusted in accordance with any Business Day Convention. Where the applicable Final Terms fail either to specify an applicable Business Day Convention or "No Adjustment" for the purposes of an Interest Payment Date or an Interest Period End Date, then in the case of Instruments which bear interest at a fixed rate, "No Adjustment" shall be deemed to have

been so specified and in the case of Instruments which bear interest at a floating rate, the Modified Following Business Day Convention shall be deemed to have been so specified. Different Business Day Conventions may apply, or be specified in relation to, the Interest Payment Dates, Interest Period End Dates and any other date or dates in respect of any Instruments.

"Banking Day" means, in respect of any city, any day (other than Saturdays and Sundays) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in that city.

"Business Day" means a day (other than a Saturday or Sunday):

(i) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

(ii) in relation to Instruments denominated or payable in euro, on which the TARGET2 System is operating; and

(iii) in relation to Instruments payable in any other currency, on which commercial banks and foreign exchange markets settle payments and are open for general business in the Relevant Financial Centre in respect of the relevant currency.

"Business Day Convention" means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following Business Day Conventions, where specified in the applicable Final Terms in relation to any date applicable to any Instruments, shall have the following meanings:

(i) "Following Business Day Convention" means that such date shall be postponed to the first following day that is a Business Day;

(ii) "Modified Following Business Day Convention" or "Modified Business Day Convention" means that such date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(iii) "Preceding Business Day Convention" means that such date shall be brought forward to the first preceding day that is a Business Day; and

(iv) "FRN Convention" or "Eurodollar Convention" means that each such date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the applicable Final Terms after the calendar month in which the preceding such date occurred, provided that

(a) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(b) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(c) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which

is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred.

"Day Count Fraction" means, in respect of the calculation of an amount for any period of time ("Calculation Period"), such day count fraction as may be specified in the applicable Final Terms and

(i) if "Actual/Actual (ICMA)" is so specified, means:

(a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (A) the actual number of days in such Regular Period and (B) the number of Regular Periods in any year; and

(b) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (A) the actual number of days in such Regular Period and (B) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (A) the actual number of days in such Regular Period and (B) the number of Regular Periods in any year;

(ii) if "Actual/Actual" or "Actual/Actual (ISDA)" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(iii) if "Actual/365 (Fixed)" is so specified, means the actual number of days in the Calculation Period divided by 365;

(iv) if "Actual/360" is so specified, means the actual number of days in the Calculation Period divided by 360;

(v) if "30/360", "360/360" or "Bond Basis" is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (\mathrm{Y}_2 - \mathrm{Y}_1)] + [30 \times (\mathrm{M}_2 - \mathrm{M}_1)] + (\mathrm{D}_2 - \mathrm{D}_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number is 31, in which case D1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(vi) if "30E/360" or "Eurobond Basis" is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31, in which case D_2 will be 30; and

(vii) if "30E/360 (ISDA)" is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

"euro zone" means the zone comprising the Member States of the European Union which adopt or have adopted the euro as their lawful currency in accordance with the Treaty.

"Interest Accrual Period" means, in respect of an Interest Period, each successive period beginning on, and including, an Interest Period End Date and ending on, but excluding, the next succeeding Interest Period End Date during that Interest Period provided always that the first Interest Accrual Period shall commence on and include the Interest Commencement Date.

"Interest Commencement Date" means the date of issue of the Instruments (as specified in the applicable Final Terms) or such other date as may be specified as such in the Final Terms.

"Interest Determination Date" means, in respect of any Interest Accrual Period, the date falling such number (if any) of Banking Days in such city(ies) as may be specified in the applicable Final Terms prior to the first day of such Interest Accrual Period, or if none is specified:

(i) in the case of instruments denominated or payable in euro, the date falling two TARGET Business Days prior to the first day of such Interest Accrual Period; and

(ii) in any other case, the date falling two London Banking Days prior to the first day of such Interest Accrual Period.

"Interest Payment Date" means the date or dates specified as such in, or, in the case of Exempt Instruments only, determined in accordance with the provisions of, the applicable Final Terms and, if an Applicable Business Day Convention is specified in the applicable Final Terms, as the same may be adjusted in accordance with the Applicable Business Day Convention or if the Applicable Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the applicable Final Terms as being the Interest Period, each of such dates as may occur in accordance with the FRN Convention at such specified period of calendar months following the date of issue of the Instruments (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case).

"Interest Period" means each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date provided always that the first Interest Period shall commence on and include the Interest Commencement Date and the final Interest Period shall end on but exclude the date of final maturity.

"Interest Period End Date" means the date or dates specified as such in, or, in the case of Exempt Instruments only, determined in accordance with the provisions of, the applicable Final Terms and, if an Applicable Business Day Convention is specified in the applicable Final Terms, as the same may be adjusted in accordance with the Applicable Business Day

Convention or, if the Applicable Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the applicable Final Terms as the Interest Accrual Period, such dates as may occur in accordance with the FRN Convention at such specified period of calendar months following the Interest Commencement Date (in the case of the first Interest Period End Date) or the previous Interest Period End Date (in any other case) or, if none of the foregoing is specified in the applicable Final Terms, means the date or each of the dates which correspond with the Interest Payment Date(s) in respect of the Instruments.

"Interest Rate" means the rate or rates (expressed as a percentage per annum) or amount or amounts (expressed as a price per unit of relevant currency) of interest payable in respect of the Instruments specified in, or, in the case of Exempt Instruments only, calculated or determined in accordance with the provisions of, the applicable Final Terms.

"ISDA Definitions" means the 2006 ISDA Definitions as amended and updated as at the date of issue of the first Tranche of the Instruments of the relevant Series (as specified in the applicable Final Terms) as published by the International Swaps and Derivatives Association, Inc.

"Outstanding Principal Amount" means, in respect of an Instrument, its principal amount less, in respect of any Instalment Exempt Instrument, any principal amount on which interest shall have ceased to accrue in accordance with Condition 6.6 or, in the case of a Partly Paid Instrument, the Paid Up Amount of such Exempt Instrument or otherwise as indicated in the applicable Pricing Supplement except that the Paid Up Amount shall be deemed to be nil for Exempt Instruments which have been forfeited by the Issuer on or after the Forfeiture Date as provided for in Condition 1.6.

"Reference Banks" means such banks as may be specified in the applicable Final Terms as the Reference Banks or, if none are specified, "Reference Banks" has the meaning given in the ISDA Definitions, *mutatis mutandis*.

"Regular Period" means:

(i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the day and month (but not the year) on which any Interest Payment Date falls; and

(iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"Relevant Financial Centre" means (i) in the case of a rate at which deposits are offered in the London interbank market, London or (ii) in the case of a rate at which deposits are offered in

the euro zone interbank market, Brussels or, in the case of Exempt Instruments, such other financial centre or centres as may be specified in the applicable Pricing Supplement.

"Relevant Time" means 11:00 a.m. in the Relevant Financial Centre, or, in the case of Exempt Instruments, such other time as may be specified in the applicable Pricing Supplement.

"Reuters Screen" means, when used in connection with a designated page and any designated information, the display page so designated on the Reuters Monitor Money Rates Service (or such other page as may replace that page on that service for the purpose of displaying such information).

"TARGET2 System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

"TARGET Business Day" means a day on which the TARGET2 System is operating.

"Treaty" means the Treaty on the Functioning of the European Union, as amended.

Non-Interest Bearing Instruments

6.10 If any Redemption Amount (as defined in Condition 7.12) or, in the case of Instalment Exempt Instruments only, Instalment Amount (as defined in Condition 7.1) in respect of any Instrument which is non-interest bearing is not paid when due, interest shall accrue on the overdue amount at a rate per annum (expressed as a percentage per annum) equal to the Amortisation Yield specified in, or, in the case of Exempt Instruments only, determined in accordance with the provisions of, the applicable Final Terms or at such other rate as may be specified for this purpose in the applicable Final Terms until the date on which, upon due presentation or surrender of the relevant Instrument (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Instrument is not required as a precondition of payment), the seventh day after the date on which, the Issue and Paying Agent having received the funds required to make such payment, notice is given to the Holders of the Instruments in accordance with Condition 18 that the Issue and Paying Agent has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder). The amount of any such interest shall be calculated in accordance with the provisions of Condition 6.8 as if the Interest Rate was the Amortisation Yield, the Outstanding Principal Amount was the overdue sum and the Day Count Fraction was as specified for this purpose in the applicable Final Terms or, if not so specified, 30E/360 (as defined in Condition 6.9).

Index Linked Interest Instruments

This Condition 6.11 is applicable only to Exempt Instruments.

6.11 If the Instruments are Exempt Instruments and specified in the applicable Pricing Supplement as being Index Linked Interest Instruments, the provisions relating to the computation of interest for such Exempt Instruments will be set out in the applicable Pricing Supplement and the provisions of this Condition 6 will be subject to Condition 8.

Equity Linked Interest Instruments

This Condition 6.12 is applicable only to Exempt Instruments.

6.12 If the Instruments are Exempt Instruments and specified in the applicable Pricing Supplement as being Equity Linked Interest Instruments, the provisions relating to the computation of

interest for such Exempt Instruments will be set out in the applicable Pricing Supplement and the provisions of this Condition 6 will be subject to Condition 9.

7. Redemption and Purchase

Redemption at Maturity

7.1 Except in the case of Exempt Instruments which are Index Linked Redemption Instruments (in relation to which Condition 8.1 applies) and Exempt Instruments which are Equity Linked Redemption Instruments (in relation to which Condition 9.1 applies), unless previously redeemed, or purchased and cancelled or unless such Instrument is stated in the applicable Final Terms as having no fixed maturity date, each Instrument shall be redeemed at its maturity redemption amount (the "Maturity Redemption Amount") being (i) in the case of PD Instruments, at its Outstanding Principal Amount, (ii) in the case of Exempt Instruments, at its Outstanding Principal Amount or such other redemption amount as may be specified in or determined in accordance with the applicable Pricing Supplement on the Maturity Date or (iii), in the case of Instalment Exempt Instruments, in such number of instalments and in such amounts ("Instalment Amounts") as may be specified in, or determined in accordance with the provisions of, the applicable Pricing Supplement on the dates specified in the applicable Pricing Supplement.

Early Redemption for Taxation Reasons

7.2 If, in relation to any Series of Instruments as a result of any change in the laws, regulations or rulings of:

(x) in respect of sub-paragraph (i) below, the Taxing Jurisdiction of the Issuer or, as the case may be, the Guarantor; or

(y) in respect of subparagraph (ii) below, the Taxing Jurisdiction of the Guarantor,

or, in each case, of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws, regulations or rulings which becomes effective on or after the date on which agreement is reached to issue the first Tranche of such Instruments,

(i) the Issuer would be required to pay additional amounts as provided in Condition 12 or the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts;

(ii) (in the case of Notes issued by ERB Hellas PLC only) if a Proceeds On-Loan Tax Call is specified as being applicable in the applicable Final Terms and the Guarantor is required to make any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf the Taxing Jurisdiction of the Guarantor, in respect of any amounts of principal, premium and interest in respect of any Proceeds On-Loan (as defined below) payable by or on behalf of the Guarantor,

the Issuer may, at its option (but, in the case of Subordinated Instruments, subject to consent thereto having been obtained from the Competent Authority), and having given no less than thirty nor more than sixty days' notice (ending, in the case of Instruments which bear interest at a floating rate, on a day upon which interest is payable) to the Holders of the Instruments in accordance with Condition 18 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Instruments comprising the relevant Series at their early tax

redemption amount (the "Early Redemption Amount (Tax)") (which shall be their Outstanding Principal Amount or, in the case of Instruments which are non-interest bearing, their Amortised Face Amount (as defined in Condition 7.13) or such other redemption amount as may be specified in, or, in the case of Exempt Instruments only, determined in accordance with the provisions of, the applicable Final Terms), together with accrued interest (if any) thereon provided, however, that, in the case of redemption pursuant to subparagraph (i) above, no such notice of redemption may be given earlier than 90 days (or, in the case of Instruments which bear interest at a floating rate, a number of days which is equal to the aggregate of the number of days falling within the then current interest period applicable to the Instruments plus 60 days) prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Instruments then due.

The Issuer may not exercise such option in respect of any Instrument which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Instrument under Condition 7.6.

"Competent Authority" means, pursuant to Council Regulation (EU) 1024/2013, (i) until and including 3 November 2014, the Bank of Greece and (ii) from and including 4 November 2014, the European Central Bank.

"Proceeds On-Loan" means any loan made by ERB Hellas PLC to the Guarantor with all (or substantially all) of the net proceeds of the Instruments.

"Taxing Jurisdiction" means, in the case of ERB Hellas PLC, the United Kingdom, in the case of ERB Hellas (Cayman Islands) Limited, the Cayman Islands, in the case of the Bank, the Hellenic Republic and, in the case of the Guarantor, the Hellenic Republic.

Optional Early Redemption (Call)

7.3 If this Condition 7.3 is specified in the applicable Final Terms as being applicable, then the Issuer may, subject, in the case of Subordinated Instruments to the prior consent of the Competent Authority, having given the appropriate notice, and subject to such conditions as may be specified in the applicable Final Terms, redeem all (but not, unless and to the extent that the applicable Final Terms specify otherwise, some only) of the Instruments of the relevant Series at their call early redemption amount (the "Early Redemption Amount (Call)") (which shall be their Outstanding Principal Amount or, in the case of Instruments which are non-interest bearing, their Amortised Face Amount (as defined in Condition 7.13) or such other redemption amount as may be specified in, or, in the case of Exempt Instruments only, determined in accordance with the provisions of, the applicable Final Terms), together with accrued interest (if any) thereon on the date specified in such notice.

The Issuer may not exercise such option in respect of any Instrument which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Instrument under Condition 7.6.

7.4 The appropriate notice referred to in Condition 7.3 is a notice given by the Issuer to the Holders of the Instruments of the relevant Series in accordance with Condition 18, which notice shall be irrevocable and shall specify

– the Series of Instruments subject to redemption;

– whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of and (except in the case of a Temporary Global

Instrument or Permanent Global Instrument) the serial numbers of the Instruments of the relevant Series which are to be redeemed;

– the due date for such redemption, which shall be not less than thirty days nor more than sixty days after the date on which such notice is given and which shall be such date or the next of such dates ("Call Option Date(s)") or a day falling within such period ("Call Option Period"), as may be specified in the applicable Final Terms and which is, in the case of Instruments which bear interest at a floating rate, a date upon which interest is payable; and

– the Early Redemption Amount (Call) at which such Instruments are to be redeemed.

Partial Redemption

7.5 If the Instruments of a Series are to be redeemed in part only on any date in accordance with Condition 7.3, the Instruments to be redeemed shall be not less than the Minimum Redemption Amount (if any) or not more than the Maximum Redemption Amount (if any), both as indicated in the applicable Final Terms and shall be drawn by lot in such European city as the Issue and Paying Agent may specify, or identified in such other manner or in such other place as the Issue and Paying Agent may approve and deem appropriate and fair, subject always to compliance with all applicable laws and the requirements of any stock exchange on which the relevant Instruments may be listed.

A list of the Instruments called for redemption will be published in accordance with Condition 18 not less than fifteen days prior to the date fixed for redemption.

Optional Early Redemption (Put)

7.6 This Condition 7.6 is applicable only to Unsubordinated Instruments.

If this Condition 7.6 is specified in the applicable Final Terms as being applicable, then the Issuer shall, upon the exercise of the relevant option by the Holder of any Instrument of the relevant Series, redeem such Instrument on the date specified in the relevant Put Notice (as defined below) at its put early redemption amount (the "Early Redemption Amount (Put)") (which shall be its Outstanding Principal Amount or, if such Instrument is non-interest bearing, its Amortised Face Amount (as defined in Condition 7.13) or such other redemption amount as may be specified in, or, in the case of Exempt Instruments only, determined in accordance with the provisions of, the applicable Final Terms), together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, not less than forty-five days before the date on which such redemption is required to be made as specified in the Put Notice (which date shall be such date or the next of the dates ("Put Date(s)") or a day falling within such period ("Put Period") as may be specified in the applicable Final Terms), deposit the relevant Instrument (together, in the case of an interest-bearing Instrument, with all unmatured Coupons appertaining thereto other than any Coupon maturing on or before the date of redemption (failing which the provisions of Condition 13A.6 apply)) during normal business hours at the specified office of any Paying Agent together with a duly completed early redemption notice ("Put Notice") in the form which is available from the specified office of any of the Paying Agents. No Instrument so deposited and option exercised may be withdrawn (except as provided in the Issue and Paying Agency Agreement).

The holder of an Instrument may not exercise such option in respect of any Instrument which is (a) the subject of an exercise by the Issuer of its option to redeem such Instrument under either Condition 7.2 or 7.3 or (b) a Subordinated Instrument.

Purchase of Instruments

7.7 The Issuer, the Guarantor and any of the Bank's subsidiaries may at any time purchase Instruments in the open market or otherwise and at any price provided that all unmatured Coupons and, in the case of Exempt Instruments only, Receipts appertaining thereto are purchased therewith. Such Instruments may be held, reissued or, at the option of the Issuer or the Guarantor, surrendered to any Paying Agent for cancellation (subject, in the case of Subordinated Instruments, as provided in Condition 7.8 below).

Cancellation of Redeemed and Purchased Instruments

7.8 All unmatured Instruments and Coupons and unexchanged Talons redeemed or purchased, otherwise than in the ordinary course of business of dealing in securities or as a nominee in accordance with this Condition 7, will be cancelled forthwith and may not be reissued or resold. In the case of Subordinated Instruments, cancellation thereof may be subject to consent thereto having been obtained from the Competent Authority.

Illegality

7.9 In the event that the Issuer determines that the performance of the Issuer's obligations under the Instruments or the Guarantor's obligations in respect thereof under the Deed of Guarantee has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, the Issuer having given not less than 10 nor more than 30 days' notice to Holders in accordance with Condition 18 (which notice shall be irrevocable), may, on expiry of such notice redeem all (but not some only) of the Instruments, each Calculation Amount (as set out in the applicable Final Terms) being redeemed at the Early Termination Amount (as defined below) together with all interest (if any) accrued thereon.

Autocallable Instruments

This Condition 7.10 is applicable only to Exempt Instruments.

7.10 If Autocall is specified as applying in the applicable Pricing Supplement, unless previously redeemed or purchased and cancelled, upon the occurrence of an Autocall Event (as set out in the applicable Pricing Supplement), each nominal amount of the Instruments equal to the Calculation Amount set out in the applicable Pricing Supplement will be redeemed by the Issuer at the Autocall Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement on the Autocall Redemption Date.

If the Exempt Instruments are to be so redeemed, the Issuer will give notice to the Holders of the Exempt Instruments in accordance with Condition 18 as soon as practicable after the Autocall Event has been determined.

Further Provisions applicable to Redemption Amount and Instalment Amounts

7.11 The provisions of Condition 6.7 and the last paragraph of Condition 6.8 shall apply to any determination or calculation of the Redemption Amount or, in the case of Instalment Exempt Instruments only, any Instalment Amount required by the applicable Final Terms to be made by the Calculation Agent.

7.12 References herein to "Redemption Amount" shall mean, as appropriate, the Maturity Redemption Amount, the final Instalment Amount (in the case of Instalment Exempt

Instruments only), the Early Redemption Amount (Tax), the Early Redemption Amount (Call), the Early Redemption Amount (Put) and the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or, in the case of Exempt Instruments only, determined in accordance with the provisions of, the applicable Final Terms.

7.13 In the case of any Instrument which is non-interest bearing, the "Amortised Face Amount" shall be an amount equal to the sum of:

(i) the Issue Price specified in the applicable Final Terms; and

(ii) the product of the Amortisation Yield (compounded annually) being applied to the Issue Price from (and including) the Issue Date specified in the applicable Final Terms to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Instrument becomes due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of the Day Count Fraction (as defined in Condition 6.9) specified in the applicable Final Terms for the purposes of this Condition 7.13.

7.14 In the case of any Instrument which is non-interest bearing, if any Redemption Amount (other than the Maturity Redemption Amount) is improperly withheld or refused or default is otherwise made in the payment thereof, the Amortised Face Amount shall be calculated as provided in Condition 7.13 but as if references in subparagraph (ii) to the date fixed for redemption or the date upon which such Instrument becomes due and repayable were replaced by references to the earlier of:

(i) the date on which, upon due presentation or surrender of the relevant Instrument (if required), the relevant payment is made; and

(ii) (except where presentation or surrender of the relevant Instrument is not required as a precondition of payment), the seventh day after the date on which, the Issue and Paying Agent having received the funds required to make such payment, notice is given to the Holders of the Instruments in accordance with Condition 18 of that circumstance (except to the extent that there is a failure in the subsequent payment thereof to the relevant Holder).

8. Index Linked Instruments

This Condition 8 is applicable only to Exempt Instruments.

If an Exempt Instrument is specified as an Index Linked Interest Instrument and/or Index Linked Redemption Instrument in the applicable Pricing Supplement then the provisions of this Condition 8 apply, as applicable, as modified by the applicable Pricing Supplement.

Redemption at Maturity of Exempt Instruments that are Index Linked Redemption Instruments

8.1 Unless previously redeemed or purchased and cancelled, each nominal amount of the Index Linked Redemption Instruments equal to the Calculation Amount set out in the applicable Pricing Supplement will be redeemed by the Issuer at the Maturity Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement on the Maturity Date.

Adjustments to an Index

8.2 (i) Successor Index Sponsor Calculates and Reports an Index

If a relevant Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (a "Successor Index Sponsor") acceptable to the Calculation Agent or (b) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then, in each case, that index (the "Successor Index") will be deemed to be the Index.

(ii) Modification and Cessation of Calculation of an Index

If (a) on or prior to a Valuation Date or an Averaging Date the relevant Index Sponsor or, if applicable, the relevant Successor Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation, contracts or commodities and other routine events) (an "Index Modification") or permanently cancels the Index and no Successor Index exists (an "Index Cancellation"), or (b) on a Valuation Date or an Averaging Date the relevant Index Sponsor or, if applicable, the relevant Successor Index Sponsor fails to calculate and announce a relevant Index (an "Index Disruption" and, together with an Index Modification and an Index Cancellation, each an "Index Adjustment Event"), then the Issuer may take the action described in (A) or (B) below:

(A) in relation to any day on which the Calculation Agent is required to determine the Reference Price for such Index for such day, require the Calculation Agent to (x) determine if such Index Adjustment Event has a material effect on the Instruments and, if so, to calculate the Reference Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation but using only those securities/commodities that comprised that Index immediately prior to that Index Adjustment Event or (y) substitute the relevant Index with a replacement index using the same or a substantially similar method of calculation as used in the calculation of the relevant Index and the Calculation Agent shall determine the appropriate adjustment, if any, to be made to any one or more of the relevant Interest Amount and/or the Maturity Redemption Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement to account for such substitution;

(B) give notice to the Holders in accordance with Condition 18 and redeem all (but not some only) of the Instruments, each Calculation Amount being redeemed at the Early Termination Amount.

(iii) Notice

Upon the occurrence of an Index Adjustment Event, the Issuer shall give notice as soon as practicable to Holders in accordance with Condition 18 giving details of the action proposed to be taken in relation thereto.

Correction of an Index

8.3 If Correction of Index Levels is specified as applying in the applicable Pricing Supplement and the level of an Index published on a Valuation Date or an Averaging Date used to determine the relevant Interest Amount and/or Maturity Redemption Amount, as the case may be, is subsequently corrected and the correction (the "Corrected Index Level") is published by the Index Sponsor or (if applicable) the Successor Index Sponsor prior to the Correction Cut-Off Date specified in the applicable Pricing Supplement, then such Corrected Index Level shall be deemed to be the level for such Index for such Valuation Date or such Averaging Date, as the case may be, and the Calculation Agent shall use such Corrected Index Level in determining the relevant Interest Amount and/or the Maturity Redemption Amount, as the case may be.

Definitions applicable to Exempt Instruments that are Index Linked Instruments

8.4 "Averaging Date" means each date specified as an Averaging Date in the applicable Pricing Supplement or (if any such date is not a Scheduled Trading Day) the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

(i) if "Omission" is specified in the applicable Pricing Supplement as applying, then such date will be deemed not to be an Averaging Date provided that, if through the operation of this provision there would not be an Averaging Date, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or

(ii) if "Postponement" is specified in the applicable Pricing Supplement as applying, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

(iii) if "Modified Postponement" is specified in the applicable Pricing Supplement as applying:

(a) where the Exempt Instruments relate to a single Index, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether the eighth Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (i)(b) of the definition of "Valuation Date" below; and

(b) where the Exempt Instruments relate to a Basket of Indices, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "Scheduled Averaging Date") and the Averaging Date for an Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index. If the first succeeding Valid Date in relation to such Index has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the

original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in relation to such Index, and (B) the Calculation Agent shall determine the relevant level, price or amount for such Averaging Date in accordance with sub-paragraph (ii)(b) of the definition of "Valuation Date" below.

If the applicable Pricing Supplement specifies a number of Averaging Roll Days (other than eight), references in this definition of "Averaging Date" to "eighth Scheduled Trading Day" (and related references) shall be construed with reference to such number of Averaging Roll Days.

"Disrupted Day" means (i) where the relevant Index is specified in the applicable Pricing Supplement as not being a Multi-Exchange Index, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred or (ii) where the relevant Index is specified in the applicable Pricing Supplement as being a Multi-Exchange Index, any Scheduled Trading Day on which (a) the relevant Index Sponsor fails to publish the level of the Index, (b) any Related Exchange fails to open for trading during its regular trading session or (c) a Market Disruption Event has occurred.

"Early Closure" means the closure on any Exchange Business Day of the Exchange in respect of any Component Security or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange, as the case may be, at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange, as the case may be, on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into the relevant Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

"Exchange" means:

(i) where the relevant Index is specified in the applicable Pricing Supplement as not being a Multi-Exchange Index, each exchange or quotation system specified as such for such Index in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities/commodities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities/commodities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange); and

(ii) where the relevant Index is specified in the applicable Pricing Supplement as being a Multi-Exchange Index, in relation to each component security of that Index (each a "Component Security"), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent.

"Exchange Business Day" means either (i) where the relevant Index is specified in the applicable Pricing Supplement as not being a Multi-Exchange Index, any Scheduled Trading Day on which each Exchange and each Related Exchange is open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time or (ii) where the relevant Index is specified in the applicable Pricing Supplement as being a Multi-Exchange Index, any

Scheduled Trading Day on which (a) the Index Sponsor publishes the level of the Index and (b) each Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time.

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component Security on the Exchange in respect of such Component Security; or (ii) futures or options contracts relating to the Index on any Related Exchange.

"Indices" and "Index" mean, subject to adjustment in accordance with Condition 8.2, the indices or index specified in the applicable Pricing Supplement and related expressions shall be construed accordingly.

"Index Sponsor" means, in relation to an Index, the corporation or other entity that (i) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (ii) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the applicable Pricing Supplement.

"Market Disruption Event" means, in respect of an Index:

(i) where such Index is specified in the applicable Pricing Supplement as not being a Multi-Exchange Index:

(a) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time:

(A) of any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange, or otherwise, and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:

(x) on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index; or

(y) in futures or options contracts relating to the relevant Index on any relevant Related Exchange; or

(B) of any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (I) to effect transactions in, or obtain market values for, on any relevant Exchange(s), securities that comprise 20 per cent. or more of the level of the relevant Index, or (II) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange; or

(b) the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities/commodities that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day

or, if earlier, (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day,

which in any such case the Calculation Agent determines is material; or

(ii) where such Index is specified in the applicable Pricing Supplement as being a Multi-Exchange Index, in respect of a Component Security included in such Index either:

(a) (i) the occurrence or existence, in respect of any Component Security, of:

(A) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange in respect of such Component Security;

(B) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange in respect of such Component Security; or

(C) an Early Closure in respect of such Component Security, which the Calculation Agent determines is material; and

(ii) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; or

(b) the occurrence or existence, in respect of futures or options contracts relating to the Index, of:

(A) a Trading Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange;

(B) an Exchange Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange; or

(C) an Early Closure,

in each case in respect of such futures or options contracts and which the Calculation Agent determines is material.

For the purpose of determining whether a Market Disruption Event exists in relation to an Index or in respect of a Component Security at any time, if an event giving rise to a Market Disruption Event occurs in respect of a security included in the Index or such Component Security at that time, then the relevant percentage contribution of that security or Component Security, as the case may be, to the level of that Index shall be based on a comparison of (x) the portion of the level of that Index attributable to that security or Component Security, as the case may be, and (y) the overall level of that Index, in each case either (a) except where the relevant Index is specified in the applicable Pricing Supplement as being a Multi-Exchange Index, immediately before the occurrence of such Market Disruption Event or (b) where the relevant Index is specified in the applicable Pricing Supplement as being a Multi-Exchange

Index, using the official opening weightings as published by the Index Sponsor as part of the market "opening data".

The Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 18 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Valuation Date or an Averaging Date. Without limiting the obligation of the Issuer to give notice to the Holders as set forth in the preceding sentence, failure by the Issuer to notify the Holders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

"Reference Price" means:

(i) where the Exempt Instruments are specified in the applicable Pricing Supplement to relate to a single Index, an amount equal to the official closing level of the Index as determined by the Calculation Agent (or if a Valuation Time other than the Scheduled Closing Time is specified in the applicable Pricing Supplement, the level of the Index determined by the Calculation Agent at such Valuation Time) on (a) if Valuation Dates are specified in the applicable Pricing Supplement, a Valuation Date (as defined below) or (b) if Averaging Dates are specified in the applicable Pricing Supplement, an Averaging Date and, in either case, if specified in the applicable Pricing Supplement, without regard to any subsequently published correction; and

(ii) where the Exempt Instruments are specified in the applicable Pricing Supplement to relate to a Basket of Indices, an amount equal to the sum of the values calculated for each Index as the official closing level of each Index as determined by the Calculation Agent (or if a Valuation Time other than the Scheduled Closing Time is specified in the applicable Pricing Supplement, the level of the Index determined by the Calculation Agent at such Valuation Time) on (a) if Valuation Dates are specified in the applicable Pricing Supplement, a Valuation Date or (b) if Averaging Dates are specified in the applicable Pricing Supplement, an Averaging Date and, in either case, if specified in the applicable Pricing Supplement, without regard to any subsequently published correction, multiplied by the relevant Multiplier specified in the applicable Pricing Supplement.

"Related Exchange" means, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Pricing Supplement, "Related Exchange" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or option contracts relating to such Index.

"Scheduled Closing Time" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"Scheduled Trading Day" means (i) where the relevant Index is specified in the applicable Pricing Supplement as not being a Multi-Exchange Index, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular

trading sessions or (ii) where the relevant Index is specified in the applicable Pricing Supplement as being a Multi-Exchange Index, (a) any day on which the Index Sponsor is scheduled to publish the level of that Index and (b) each Related Exchange is scheduled to be open for trading for its regular trading session.

"Scheduled Valuation Date" means, in relation to a Valuation Date, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been that Valuation Date.

"Strike Price" means the price or prices specified in the applicable Pricing Supplement.

"Trading Disruption" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange, as the case may be, or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on any Related Exchange.

"Valid Date" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

"Valuation Date" means the date or, in the case of Index Linked Interest Instruments, each date specified as such in the applicable Pricing Supplement or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day then:

(i) where the Exempt Instruments are specified in the applicable Pricing Supplement to relate to a single Index, that Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case (a) that eighth Scheduled Trading Day shall be deemed to be that Valuation Date (notwithstanding the fact that such day is a Disrupted Day) and (b) the Calculation Agent shall determine the Reference Price in the manner set out in the applicable Pricing Supplement or, if not set out or not practicable, determine the Reference Price by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security/commodity comprised in the Index (or if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day, its estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day); or

(ii) where the Exempt Instruments are specified in the applicable Pricing Supplement to relate to a Basket of Indices, that Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and that Valuation Date for each Index affected by the occurrence of a Disrupted Day (each an "Affected Index") shall be the next following Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Index. In that case, (a) that eighth Scheduled Trading Day shall be deemed to be that Valuation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day and (b) the Calculation Agent shall determine the

Reference Price using, in relation to the Affected Index, the level of that Index determined in the manner set out in the applicable Pricing Supplement or, if not set out or if not practicable, using the level of that Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security/commodity comprised in that Index (or if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day, its estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day).

If the applicable Pricing Supplement specifies a number of Valuation Roll Days (other than eight), references in this definition of "Valuation Date" to "eight Scheduled Trading Days" and "eighth Scheduled Trading Day" (and related references) shall be construed with reference to such number of Valuation Roll Days.

"Valuation Time" means:

(i) in respect of each Index specified in the applicable Pricing Supplement as not being a Multi-Exchange Index, the Valuation Time specified in the applicable Pricing Supplement or if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date or Averaging Date, as the case may be, in relation to such Index. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; or

(ii) in respect of each Index specified in the applicable Pricing Supplement as being a Multi-Exchange Index, (a) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of a Component Security, the Scheduled Closing Time on the relevant Exchange and (y) in respect of any options contracts or futures contracts on the relevant Index, the close of trading on the relevant Related Exchange, and (b) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor. If, for the purposes of (a) above, the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

9. Equity Linked Instruments

This Condition 9 is applicable only to Exempt Instruments.

If an Exempt Instrument is specified as an Equity Linked Interest Instrument and/or Equity Linked Redemption Instrument in the applicable Pricing Supplement then the provisions of this Condition 9 apply, as applicable, as modified by the applicable Pricing Supplement.

Redemption at Maturity of Exempt Instruments that are Equity Linked Redemption Instruments

9.1 Unless previously redeemed or purchased and cancelled, each nominal amount of Equity Linked Redemption Instruments equal to the Calculation Amount set out in the applicable Pricing Supplement will be redeemed by the Issuer by payment of the Maturity Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement on the Maturity Date.

Potential Adjustment Events, De-listing, Merger Event, Nationalisation and Insolvency, Tender Offer, Adjustments for Equity Linked Instruments in respect of Underlying Equities quoted in European Currencies and Correction of Underlying Equity Prices

9.2 (i) If Potential Adjustment Events are specified in the applicable Pricing Supplement (as applicable), then following the declaration by an Equity Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative or other effect on the theoretical value of the Underlying Equities and, if so, will (a) make the corresponding adjustment, if any, to any one or more of the relevant Interest Amount and/or the Maturity Redemption Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement as the Calculation Agent determines appropriate to account for that diluting or concentrative or other effect (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Underlying Equity) including, if "Equity Substitution" is specified as applying in the applicable Pricing Supplement, the substitution of the Underlying Equity (the "Substituted Equity") the subject of the Potential Adjustment Event by an equity security selected by the Calculation Agent from the Reference Index (the "New Equity") and (b) determine the effective date of that adjustment. If "Equity Substitution" is specified as applying in the applicable Pricing Supplement, and the Calculation Agent selects a New Equity in substitution for the Substituted Equity, the Issuer shall require the Calculation Agent to make such other adjustments to these Conditions and/or the applicable Pricing Supplement as it deems appropriate. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Underlying Equities traded on that options exchange.

In making any determination in respect of any such adjustment, the Calculation Agent shall not have regard to any interests arising from circumstances particular to individual Holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such determination for individual Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and no Holder shall be entitled to claim from the Issuer, the Guarantor, the Calculation Agent or any other person any indemnification or payment in respect of any tax consequences as a result of any such determination and/or adjustment upon individual Holders.

Upon the making of any such adjustment by the Calculation Agent, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 18, stating the adjustment to the relevant Interest Amount and/or the Maturity Redemption Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement and giving brief details of the Potential Adjustment Event.

(ii) If (a) De-listing, Merger Event, Nationalisation and Insolvency is specified as applying in the applicable Pricing Supplement and/or (b) Tender Offer is specified as applying in the applicable Pricing Supplement and (in the case of (a)) a De-listing, Merger Event, Nationalisation or Insolvency occurs or (in the case of (b)) a Tender Offer occurs, in each case, in relation to an Underlying Equity, the Issuer may:

(A) require the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the relevant Interest Amount and/or the

Maturity Redemption Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement to account for the De-listing, Merger Event, Nationalisation, Insolvency or Tender Offer, as the case may be, including, if "Equity Substitution" is specified as applying in the applicable Pricing Supplement, the substitution of the Substituted Equity the subject of the De-listing, Merger Event, Nationalisation, Insolvency or Tender Offer by a New Equity and determine the effective date of that adjustment; or

(B) give notice to the Holders in accordance with Condition 18 and redeem all (but not some only) of the Instruments, with each Calculation Amount being redeemed at the Early Termination Amount.

If the provisions of Condition 9.2(ii)(A) apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Nationalisation, Insolvency or Tender Offer, as the case may be, made by an options exchange to options on the Underlying Equities traded on that options exchange.

If "Equity Substitution" is specified as applying in the applicable Pricing Supplement, and the Calculation Agent selects a New Equity in substitution for the Substituted Equity, the Issuer shall require the Calculation Agent to make such other adjustments to these Conditions and/or the applicable Pricing Supplement as it deems appropriate.

In making any determination in respect of any such adjustment, the Calculation Agent shall not have regard to any interests arising from circumstances particular to individual Holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such determination for individual Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and no Holder shall be entitled to claim from the Issuer, the Guarantor, the Calculation Agent or any other person any indemnification or payment in respect of any tax consequences as a result of any such determination and/or adjustment upon individual Holders.

Upon the occurrence (as applicable) of a De-listing, Merger Event, Nationalisation, Insolvency or Tender Offer, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 18 stating the occurrence of the De-listing, Merger Event, Nationalisation, Insolvency or Tender Offer, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

(iii) In respect of Exempt Instruments that are Equity Linked Instruments relating to Underlying Equities originally quoted, listed and/or dealt as of the Trade Date in a currency of a member state of the European Union that has not adopted the single currency in accordance with the Treaty, if such Underlying Equities are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange, then the Calculation Agent will adjust any one or more of the relevant Interest Amount and/or the Maturity Redemption Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement as the Calculation Agent determines to be appropriate to preserve the economic terms of the Exempt Instruments. The Calculation Agent will make any conversion necessary for the purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this

Condition 9.2(iii) will affect the currency denomination of any payments in respect of the Instruments.

Upon the making of any such adjustment by the Calculation Agent, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 18, stating the adjustment to the relevant Interest Amount and/or the Maturity Redemption Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement.

(iv) If Correction of Underlying Equity Prices is specified as applying in the applicable Pricing Supplement and the price of an Underlying Equity published on a Valuation Date or an Averaging Date used to determine the relevant Interest Amount and/or the Maturity Redemption Amount, as the case may be, is subsequently corrected and the correction (the "Corrected Underlying Equity Price") is published on the relevant Exchange prior to the Correction Cut-Off Date specified in the applicable Pricing Supplement, then such Corrected Underlying Equity Price shall be deemed to be the price for such Underlying Equity for such Valuation Date or such Averaging Date, as the case may be, and the Calculation Agent shall use such Corrected Underlying Equity Price in determining the relevant Interest Amount and/or the Maturity Redemption Amount, as the case may be.

Definitions applicable to Exempt Instruments that are Equity Linked Instruments

9.3 "Affiliate" means, in relation to any entity (the "First Entity"), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity, directly or indirectly, under common control with the First Entity. For these purposes "control" means ownership of a majority of the voting power of an entity.

"Averaging Date" means each date specified as an Averaging Date in the applicable Pricing Supplement or (if any such date is not a Scheduled Trading Day) the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

(i) if "Omission" is specified in the applicable Pricing Supplement as applying, then such date will be deemed not to be an Averaging Date provided that, if through the operation of this provision there would not be an Averaging Date, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or

(ii) if "Postponement" is specified in the applicable Pricing Supplement as applying, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

(iii) if "Modified Postponement" is specified in the applicable Pricing Supplement as applying:

(a) where the Exempt Instruments relate to a single Underlying Equity, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence

of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether the eighth Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (i)(b) of the definition of "Valuation Date" below; and

(b) where the Exempt Instruments relate to a Basket of Underlying Equities, the Averaging Date for each Underlying Equity not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "Scheduled Averaging Date") and the Averaging Date for an Underlying Equity affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Underlying Equity. If the first succeeding Valid Date in relation to such Underlying Equity has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in relation to such Underlying Equity, and (B) the Calculation Agent shall determine the relevant level, price or amount for such Averaging Date in accordance with sub-paragraph (ii)(b) of the definition of "Valuation Date" below.

If the applicable Pricing Supplement specifies a number of Averaging Roll Days (other than eight), references in this definition of "Averaging Date" to "eighth Scheduled Trading Day" (and related references) shall be construed with reference to such number of Averaging Roll Days.

"De-listing" means, in respect of any Underlying Equity, the Exchange announces that pursuant to the rules of such Exchange, such Underlying Equity ceases (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union) or another exchange or quotation system located in another country which exchange or quotation system and country is deemed acceptable by the Calculation Agent.

"Disrupted Day" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

"Exchange" means, in respect of an Underlying Equity, each exchange or quotation system specified as such for such Underlying Equity in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Underlying Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Underlying Equity on such temporary substitute exchange or quotation system as on the original Exchange).

"Exchange Business Day" means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions,

notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"Insolvency" means that by reason of the voluntary or involuntary liquidation, special liquidation and/or bankruptcy (as the case may be and to the extent applicable), insolvency, dissolution or winding-up of, or any analogous proceeding affecting, an Equity Issuer (i) all the Underlying Equities of that Equity Issuer are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Underlying Equities of that Equity Issuer become legally prohibited from transferring them.

"Market Disruption Event" means, in respect of an Underlying Equity:

(i) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:

(a) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:

(A) relating to the Underlying Equity on the relevant Exchange; or

(B) in futures or options contracts relating to the Underlying Equity on any relevant Related Exchange; or

(b) any event (other than an event described in (ii) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, the Underlying Equities on the Exchange, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Underlying Equity on any relevant Related Exchange,

(ii) the closure on any Exchange Business Day of any relevant Exchange(s) or Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or if earlier (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day,

which in any such case the Calculation Agent determines is material.

The Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 18 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Valuation Date or an Averaging Date. Without limiting the obligation of the Issuer to give notice to the Holders as set forth in the preceding sentence, failure by the Issuer to notify the Holders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

"Merger Date" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

"Merger Event" means, in respect of any relevant Underlying Equities, any:

(i) reclassification or change of such Underlying Equities that results in a transfer of, or an irrevocable commitment to transfer, all such Underlying Equities outstanding to another entity or person; or

(ii) consolidation, amalgamation, merger or binding share exchange of an Equity Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Equity Issuer is the continuing entity and which does not result in any such reclassification or change of all such Underlying Equities outstanding); or

(iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Equities of the Equity Issuer that results in a transfer of or an irrevocable commitment to transfer all such Underlying Equities (other than such Underlying Equities owned or controlled by such other entity or person); or

(iv) consolidation, amalgamation, merger or binding share exchange of the Equity Issuer or its subsidiaries with or into another entity in which the Equity Issuer is the continuing entity and which does not result in a reclassification or change of all such Underlying Equities outstanding but results in the outstanding Underlying Equities (other than Underlying Equities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Equities immediately following such event,

in each case where the Merger Date is on or before a Valuation Date or an Averaging Date.

"Nationalisation" means that all the Underlying Equities or all or substantially all the assets of an Equity Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

"Potential Adjustment Event" means any of the following:

(i) a subdivision, consolidation or reclassification of relevant Underlying Equities (unless resulting in a Merger Event), or a free distribution or dividend of any such Underlying Equities to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution, issue or dividend to existing holders of the relevant Underlying Equities of (a) such Underlying Equities or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer equally or proportionately with such payments to holders of such Underlying Equities or (c) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer as a result of a spin-off or other similar transaction or (d) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

(iii) an extraordinary dividend as determined by the Calculation Agent;

(iv) a call by an Equity Issuer in respect of relevant Underlying Equities that are not fully paid;

(v) a repurchase by an Equity Issuer or any of its subsidiaries of relevant Underlying Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or

(vi) in respect of an Equity Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Equity Issuer, pursuant to a shareholder rights plan or arrangement directed against hostile take-overs that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

(vii) any other event that has or may have, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Underlying Equities.

"Reference Index" means, in relation to a Substituted Equity (as defined above), the index (i) of which the Substituted Equity is a component, or of which it has been a component at any time during the six months immediately preceding the relevant substitution, and (ii) over which futures contracts are actively traded, as determined by the Calculation Agent. If more than one index satisfies the above criteria or if no index satisfies the above criteria, the Calculation Agent shall determine the Reference Index for the Substituted Equity by reference to such criteria as it deems appropriate.

"Reference Price" means:

(i) where an Exempt Instrument is specified in the applicable Pricing Supplement to relate to a single Underlying Equity, an amount equal to the official closing price (or the price at the Valuation Time on a Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) of the Underlying Equity quoted on the relevant Exchange and, if specified in the applicable Pricing Supplement, without regard to any subsequently published correction as determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such official closing price (or, as the case may be, the price at the Valuation Time on a Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) can be determined at such time and, if that Valuation Date or that Averaging Date is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on that Valuation Date or that Averaging Date, if so specified in the applicable Pricing Supplement) and the closing fair market selling price (or the fair market selling price at the Valuation Time on that Valuation Date or that Averaging Date, if so specified in the applicable Pricing Supplement) for the Underlying Equity based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or the middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Underlying Equity or on such other factors as the Calculation Agent shall decide). The amount determined pursuant to the foregoing shall be converted, if Exchange Rate is specified as applying in the applicable Pricing Supplement, into the Specified Currency at the Exchange Rate and such converted amount shall be the Reference Price; and

(ii) where an Exempt Instrument is specified in the applicable Pricing Supplement to relate to a Basket of Underlying Equities, an amount equal to the sum of the values calculated for each Underlying Equity as the official closing price (or the price at the Valuation Time on a Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) of the Underlying Equity quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent and, if so

specified in the applicable Pricing Supplement, without regard to any subsequently published correction (or if, in the opinion of the Calculation Agent, no such official closing price (or, as the case may be, the price at the Valuation Time on a Valuation Date or an Averaging Date, if so specified in the applicable Pricing Supplement) can be determined at such time and, if that Valuation Date or that Averaging Date is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on that Valuation Date or that Averaging Date, if so specified in the applicable Pricing Supplement) and the closing fair market selling price (or, as the case may be, the fair market selling price at the Valuation Time on that Valuation Date or that Averaging Date, if so specified in the applicable Pricing Supplement) for the Underlying Equity based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or the middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Underlying Equity or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Multiplier. Each value determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applying in the applicable Pricing Supplement, into the Specified Currency at the Exchange Rate and the sum of such converted amounts shall be the Reference Price.

"Related Exchange" means, in relation to an Underlying Equity, each exchange or quotation system specified as such in relation to such Underlying Equity in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Underlying Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Underlying Equity on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Pricing Supplement, Related Exchange shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Underlying Equity.

"Scheduled Closing Time" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"Scheduled Trading Day" means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

"Scheduled Valuation Date" means, in relation to a Valuation Date, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been that Valuation Date.

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Equity Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

"Valuation Date" means the date or, in the case of Equity Linked Interest Instruments, each date specified as such in the applicable Pricing Supplement or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day then:

(i) where an Exempt Instrument is specified in the applicable Pricing Supplement to relate to a single Underlying Equity, that Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case (a) the eighth Scheduled Trading Day shall be deemed to be that Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (b) the Calculation Agent shall, where practicable, determine the Reference Price in the manner set out in the applicable Pricing Supplement or, if not set out or not so practicable, determine the Reference Price in accordance with its estimate of the value of the Underlying Equity as of the Valuation Time on that eighth Scheduled Trading Day and otherwise in accordance with the above provisions; or

(ii) where an Exempt Instrument is specified in the applicable Pricing Supplement to relate to a Basket of Underlying Equities that Valuation Date for each Underlying Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and that Valuation Date for each Underlying Equity affected (each an "Affected Equity") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Equity unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Equity. In that case, (a) that eighth Scheduled Trading Day shall be deemed to be that Valuation Date for the Affected Equity, notwithstanding the fact that such day is a Disrupted Day, and (b) the Calculation Agent shall determine, where practicable, the Reference Price using, in relation to the Affected Equity, a price determined in the manner set out in the applicable Pricing Supplement or, if not set out or if not practicable, using its estimate of the value for the Affected Equity as of the Valuation Time on that eighth Scheduled Trading Day and otherwise in accordance with the above provisions.

If the applicable Pricing Supplement specifies a number of Valuation Roll Days (other than eight), references in this definition of "Valuation Date" to "eight Scheduled Trading Days" and "eighth Scheduled Trading Day" (and related references) shall be construed with reference to such number of Valuation Roll Days.

"Valuation Time" means the Valuation Time specified in the applicable Pricing Supplement or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date or Averaging Date in relation to each Underlying Equity to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

10. Additional Disruption Events

This Condition 10 is applicable only to Exempt Instruments.

Definitions

10.1 "Additional Disruption Event" means any of Change in Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing and/or Loss of Stock Borrow, in each case if specified in the applicable Pricing Supplement.

"Change in Law" means that, on or after the Trade Date (as specified in the applicable Pricing Supplement) (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that (a) it has become illegal for the Issuer, the Guarantor and/or any of their Affiliates to hold, acquire or dispose of any relevant Underlying Equity (in the case of Equity Linked Instruments) or any relevant security/commodity comprised in an Index (in the case of Index Linked Instruments) or (b) the Issuer and/or the Guarantor will incur a materially increased cost in performing its obligations in relation to the Exempt Instruments (in the case of the Issuer) or the Deed of Guarantee (in the case of the Guarantor) (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer, the Guarantor and/or any of their Affiliates).

"Hedging Disruption" means that the Issuer, the Guarantor and/or any of their Affiliates is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Exempt Instruments, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Hedging Shares" means the number of Underlying Equities (in the case of Equity Linked Instruments) or securities/commodities comprised in an Index (in the case of Index Linked Instruments) that the Issuer deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Exempt Instruments.

"Increased Cost of Hedging" means that the Issuer, the Guarantor and/or any of their Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Exempt Instruments, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer, the Guarantor and/or any of their Affiliates shall not be deemed an Increased Cost of Hedging.

"Increased Cost of Stock Borrow" means that the Issuer, the Guarantor and/or any of their Affiliates would incur a rate to borrow any Underlying Equity (in the case of Equity Linked Instruments) or any security/commodity comprised in an Index (in the case of Index Linked Instruments) that is greater than the Initial Stock Loan Rate.

"Initial Stock Loan Rate" means, in respect of an Underlying Equity (in the case of Equity Linked Instruments) or a security/commodity comprised in an Index (in the case of Index Linked Instruments), the rate which the Issuer, the Guarantor and/or any of their Affiliates would have incurred to borrow such Underlying Equity or such security/commodity, as the case may be, as of the Trade Date, as determined by the Issuer.

"Insolvency Filing" means that an Equity Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law

affecting creditors' rights, or a petition is presented for its winding-up or liquidation or special liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Equity Issuer shall not be deemed an Insolvency Filing.

"Loss of Stock Borrow" means that the Issuer, the Guarantor and/or any of their Affiliates is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Underlying Equity (in the case of Equity Linked Instruments) or any securities/commodities comprised in an Index (in the case of Index Linked Instruments) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

"Maximum Stock Loan Rate" means, in respect of an Underlying Equity (in the case of Equity Linked Instruments) or a security/commodity comprised in an Index (in the case of Index Linked Instruments), the lowest rate which the Issuer, the Guarantor and/or any of their Affiliates, after using commercially reasonable efforts, would have incurred to borrow (and maintain a borrowing of) such Underlying Equity or such security/commodity, as the case may be, in an amount equal to the Hedging Shares, as of the Trade Date, as determined by the Issuer.

Occurrence of Additional Disruption Events

10.2 If an Additional Disruption Event occurs, the Issuer may take the action described in (i) or (ii) below:

(i) require the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the relevant Interest Amount and/or the Maturity Redemption Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement to account for the Additional Disruption Event including, if "Equity Substitution" is specified as applying in the applicable Pricing Supplement, the substitution of the Substituted Equity the subject of the Additional Disruption Event by a New Equity and determine the effective date of that adjustment; or

(ii) give notice to the Holders in accordance with Condition 18 and redeem all (but not some only) of the Exempt Instruments, each Calculation Amount being redeemed at the Early Termination Amount.

If the provisions of this Condition 10.2 apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Additional Disruption Event, made by an options exchange to options on the Underlying Equities traded on that options exchange.

In making any determination in respect of any such adjustment, the Calculation Agent shall not have regard to any interests arising from circumstances particular to individual Holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such determination for individual Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and no Holder shall be entitled to claim from the Issuer, the Guarantor, the Calculation Agent or any other person any indemnification or payment in respect of any tax consequences as a result of any such determination and/or adjustment upon individual Holders.

Upon the occurrence (if applicable) of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 18 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

11. Events of Default

11.1 *Unsubordinated Instruments:*

This Condition 11.1 is applicable only in relation to Unsubordinated Instruments.

The following events or circumstances as, in the case of Exempt Instruments only, modified by, and/or such other events as may be specified in, the applicable Pricing Supplement (each an "Event of Default") shall be acceleration events in relation to the Instruments of this Series, namely:

(i) the Issuer fails to pay any amount of principal or interest in respect of the Instruments on the due date for payment thereof and such failure continues for a period of 14 days; or

(ii) the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Instruments or Coupons and such default remains unremedied for 30 days after written notice thereof has been delivered by a Holder of any such Instrument to the Issuer or the Guarantor, as appropriate, requiring the same to be remedied; or

(iii) the repayment of any indebtedness owing by the Issuer or the Guarantor or any Material Subsidiary is accelerated by reason of default and such acceleration has not been rescinded or annulled, or the Issuer or the Guarantor or any Material Subsidiary 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 Event of Default 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 Bank and its Subsidiaries as shown by the then latest published audited consolidated balance sheet of the Bank and its Subsidiaries; or

(iv) any order shall be made by any competent court or resolution passed for the winding-up or dissolution of the Issuer or the Guarantor or any Material Subsidiary (other than for the purpose of amalgamation, merger or reconstruction (1) on terms approved by an Extraordinary Resolution of the Holders of the Instruments or (2) in the case of a Material Subsidiary whereby the undertaking and the assets of the Material Subsidiary are transferred to or otherwise vested in the Bank or another of its Subsidiaries); or

(v) the Issuer or the Guarantor or any Material Subsidiary 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 (1) on terms approved by an Extraordinary Resolution of the Holders of the Instruments or (2) in the case of a Material Subsidiary whereby the undertaking and the assets of the Material Subsidiary are transferred to or otherwise vested in the Bank or another of its Subsidiaries); or

(vi) the Issuer or the Guarantor or any Material Subsidiary 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

(vii) a receiver, trustee or other similar official shall be appointed in relation to the Issuer or the Guarantor or any Material Subsidiary or in relation to the whole or over half of the assets of the Issuer or the Guarantor or any Material Subsidiary, or an interim supervisor of the Bank is appointed by the Bank of Greece or an encumbrancer shall take possession of the whole or over half of the assets of the Issuer or the Guarantor or any Material Subsidiary, 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 or the Guarantor and in any of the foregoing cases it or he shall not be discharged within 60 days; or

(viii) the Issuer or the Guarantor or any Material Subsidiary sells, transfers, lends or otherwise disposes of the whole or a major part of its undertaking or assets (including shareholdings in its Subsidiaries or associated companies) and such disposal is substantial in relation to the assets of the Issuer or the Bank and its Subsidiaries as a whole, other than selling, transferring, lending or otherwise disposing on an arm's length basis; or

(ix) with respect to any Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited, the Deed of Guarantee is not in full force and effect.

For the purposes of this Condition 11.1, "Material Subsidiary" means at any time any Subsidiary of the Bank:

(i) whose profits or (in the case of a Subsidiary which has subsidiaries) consolidated profits, before taxation and extraordinary items or before taxation and after extraordinary items as shown by its latest audited profit and loss account are at least 15 per cent. of the consolidated profits before taxation and extraordinary items of the Bank and its Subsidiaries as shown by the latest published audited consolidated profit and loss account of the Bank and its Subsidiaries; or

(ii) whose gross assets or (in the case of a Subsidiary which has subsidiaries) gross consolidated assets as shown by its latest audited balance sheet are at least 15 per cent. of the gross consolidated assets of the Bank and its Subsidiaries as shown by the then latest published audited consolidated balance sheet of the Bank and its Subsidiaries; or

(iii) to which is transferred the whole or substantially the whole of the assets and undertaking of a Subsidiary which immediately prior to such transfer is a Material Subsidiary provided that, in such a case, the Subsidiary so transferring its assets and undertaking shall thereupon cease to be a Material Subsidiary.

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

(a) whose affairs and policies the Bank 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

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

11.2 If any Event of Default shall occur and be continuing in relation to any Series of Instruments, any Holder of an Instrument of the relevant Series may, by written notice to the Issuer, at the specified office of the Issue and Paying Agent, declare that such Instrument shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its early termination amount (the "Early Termination Amount") (which shall be its Outstanding Principal Amount or, if such Instrument is non-interest bearing, its Amortised Face Amount (as defined in Condition 7.13) or, in the case of Exempt Instruments only, such other redemption amount as may be specified in, or determined in accordance with the provisions of, the applicable Pricing Supplement), together with all interest (if any) accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Instruments to the contrary notwithstanding, unless, prior thereto, all Events of Default in respect of the Instruments of the relevant Series shall have been cured.

11.3 *Subordinated Instruments:*

This Condition 11.3 is applicable only in relation to Subordinated Instruments. The events specified below are both "Subordinated Default Events".

(i) If default is made in the payment of any amount due in respect of the Instruments or any of them on the due date and such default continues for a period of 7 days, any Holder of an Instrument may institute proceedings for the winding-up of the Issuer, except where the Issuer is Eurobank.

(ii) If, otherwise than for the purposes of a reconstruction or amalgamation on terms previously approved by Extraordinary Resolution of the Holders of the Instruments, an order is made or an effective resolution is passed for the winding-up of the Issuer, any Holder of an Instrument may, by written notice to the Issue and Paying Agent, declare such Instrument to be due and payable whereupon the same shall become immediately due and payable at its Early Termination Amount as may be specified in, or, in the case of Exempt Instruments only, determined in accordance with, the applicable Final Terms, together (if appropriate) with accrued interest to (but excluding) the date of redemption unless such Subordinated Default Event shall have been remedied prior to receipt of such notice by the Issue and Paying Agent.

12. Taxation

12.1 All amounts payable by the Issuer or, as the case may be, the Guarantor (whether in respect of principal, interest or otherwise) in respect of the Instruments and the Coupons will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of, the United Kingdom (where ERB Hellas PLC is the Issuer), the Cayman Islands (where ERB Hellas (Cayman Islands) Limited is the Issuer) or (where the Bank is the Issuer or in the case of the Guarantor) the Hellenic Republic or, in each case, any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the Holder after such withholding or deduction shall equal the respective amounts which would have been receivable by such Holder in the absence of such withholding or deduction;

except that no such additional amounts shall be payable in relation to any payment in respect of any Instrument or Coupon:

(i) the holder of which is liable to such taxes, duties, assessments or governmental charges in respect of such Instrument or Coupon by reason of his having some connection with the United Kingdom, the Cayman Islands or, as the case may be, the Hellenic Republic other than the mere holding of such Instrument or Coupon; or

(ii) presented for payment by or on behalf of, a person who is liable to such taxes, duties, assessments or governmental charges in respect of such Instrument or Coupon who would not be liable or subject to such withholding or deduction if he were to comply with any statutory requirement or to make a declaration of non-residence or other similar claim for exemption but fails to do so; or

(iii) presented for payment more than thirty days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on or before the expiry of such period of thirty days; or

(iv) presented for payment in the Hellenic Republic, the Cayman Islands or the United Kingdom.

12.2 For the purposes of these Conditions, the "Relevant Date" means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Issue and Paying Agent on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received and being available for payment to Holders, notice to that effect shall have been duly given to the Holders of the Instruments of the relevant Series in accordance with Condition 18.

12.3 If the Issuer or the Guarantor becomes subject generally at any time to any taxing jurisdiction other than or in addition to the United Kingdom (where ERB Hellas PLC is the Issuer) or the Cayman Islands (where ERB Hellas (Cayman Islands) Limited is the Issuer) or the Hellenic Republic (where the Bank is the Issuer or in the case of the Guarantor) references in Condition 7.2 and Condition 12.1 to those jurisdictions shall be construed as references to the United Kingdom, the Cayman Islands and the Hellenic Republic and/or to such other jurisdiction(s).

12.4 Any reference in these Conditions to "principal" and/or "interest" in respect of the Instruments shall be deemed also to refer to any additional amounts which may be payable under this Condition 12. Unless the context otherwise requires, any reference in these Conditions to "principal" shall include any premium payable in respect of an Instrument, any Instalment Amount or Redemption Amount and any other amounts in the nature of principal payable pursuant to these Conditions and "interest" shall include all amounts payable pursuant to Condition 6 and any other amounts in the nature of interest payable pursuant to these Conditions.

13. Payments

13A.1 Payment of amounts (other than interest) due in respect of Instruments will be made against presentation and (save in the case of partial payment or, in the case of Exempt Instruments only, payment of an Instalment Amount (other than the final Instalment Amount)) surrender of the relevant Instruments at the specified office of any of the Paying Agents.

The following paragraphs of Condition 13A.1 are applicable only to Exempt Instruments.

In the case of Instalment Exempt Instruments only, payment of Instalment Amounts (other than the final Instalment Amount) in respect of an Instalment Exempt Instrument which is a Definitive Instrument with Receipts will be made against presentation of the Instrument together with (where applicable) the relevant Receipt and surrender of such Receipt.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Exempt Instrument to which they relate will not represent any obligation of the Issuer. Accordingly, the presentation of an Exempt Instrument without the relative Receipt or the presentation of a Receipt without the Exempt Instrument to which it appertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.

13A.2 *Payment of amounts in respect of interest on Instruments will be made:*

(i) in the case of Instruments without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Instruments at the specified office of any of the Paying Agents outside (unless Condition 13A.3 applies) the United States; and

(ii) in the case of Instruments delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on a scheduled date for the payment of interest, against presentation of the relevant Instruments, in either case at the specified office of any of the Paying Agents outside (unless Condition 13A.3 applies) the United States.

13A.3 Payments of amounts due in respect of interest on the Instruments and exchanges of Talons for Coupon sheets in accordance with Condition 13A.6 will not be made at the specified office of any Paying Agent in the United States (as defined in the United States Internal Revenue Code and Regulations thereunder) unless (a) 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 at such specified offices outside the United States of the full amount of principal and interest on the Instruments in the manner provided below when due, (b) payment in full of amounts due in respect of interest on such Instruments when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (c) such payment or exchange is permitted by applicable United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer or the Guarantor. If paragraphs (a), (b) and (c) of the previous sentence apply, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

13A.4 If the due date for payment of any amount due in respect of any Instrument is not a Relevant Financial Centre Day and a Local Banking Day (each as defined in Condition 13B.2), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day, (or as otherwise specified in the applicable Final Terms) and from such day and thereafter will be entitled to receive payment by cheque on any Local Banking Day, and will be entitled to payment by transfer to a designated account on any day which is a Local Banking Day, a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such delay or adjustment unless there is a subsequent failure to pay in accordance with these Conditions in which event interest shall continue to accrue as provided in Condition 6.6 or, if appropriate, Condition 6.10.

13A.5 Each Instrument initially delivered with Coupons, Talons or, in the case of Exempt Instruments only, Receipts attached thereto should be presented and, save in the case of partial payment of the Redemption Amount, surrendered for final redemption together with all unmatured Coupons, Talons and, in the case of Exempt Instruments only, Receipts relating thereto, failing which:

(i) if the applicable Final Terms specify that this paragraph (i) of Condition 13A.5 is applicable (and, in the absence of specification, this paragraph (i) shall apply to Instruments which bear interest at a fixed rate or rates or in fixed amounts) and subject as hereinafter provided, the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the Redemption Amount paid bears to the total Redemption Amount due) (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time within ten years of the Relevant Date applicable to payment of such Redemption Amount;

(ii) if the applicable Final Terms specify that this paragraph (ii) of Condition 13A.5 is applicable (and, in the absence of specification, this paragraph (ii) shall apply to Instruments which bear interest at a floating rate or rates or in variable amounts) all unmatured Coupons (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) relating to such Instruments (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them;

(iii) in the case of Instruments initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them; and

(iv) in the case of Exempt Instruments initially delivered with Receipts attached thereto, all Receipts relating to such Exempt Instruments in respect of a payment of an Instalment Amount which (but for such redemption) would have fallen due on a date after such due date for redemption (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them.

The provisions of paragraph (i) of this Condition 13A.5 notwithstanding, if any Instruments should be issued with a maturity date and an Interest Rate or Rates such that, on the presentation for payment of any such Instrument without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (i) to be deducted would be greater than the Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Instrument, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (i) in respect of such Coupons as have not so become void, the amount required by paragraph (i) to be deducted would not be greater than the Redemption Amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to an Instrument to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

13A.6 In relation to Instruments initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 13A.3 applies) the United States in exchange

for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 14 below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

13B *Payments – General Provisions*

13B.1 Payments of amounts due (whether principal, interest or otherwise) in respect of Instruments will be made in the currency in which such amount is due either (a) by cheque or (b) by transfer to an account denominated in the relevant currency specified by the payee.

13B.2 For the purposes of these Conditions:

(i) "Relevant Financial Centre Day" means, in the case of any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in the Relevant Financial Centre and in any other Relevant Financial Centre specified in the applicable Final Terms or in the case of payment in euro, a day on which the TARGET2 System is operating; and

(ii) "Local Banking 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 the place of presentation of the relevant Instrument or, as the case may be, Coupon.

13B.3 No commissions or expenses shall be charged to the holders of Instruments or Coupons in respect of such payments.

13C *Payments Subject to Fiscal and Other Laws*

Payments will, without prejudice to the provisions of Condition 12, be subject in all cases to (i) any applicable fiscal or other laws and regulations in any jurisdiction, (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 Section 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or (without prejudice to the provisions of Condition 12) law implementing an intergovernmental approach thereto.

14. Prescription

14.1 Claims against the Issuer and the Guarantor for payment of principal and interest in respect of Instruments 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 (as defined in Condition 12.2) for payment thereof.

14.2 In relation to Definitive Instruments initially delivered with Talons attached thereto, there shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void upon issue pursuant to Condition 13A.5 or the due date for the payment of which would fall after the due date for the redemption of the relevant Instrument or which would be void pursuant to this Condition 14 or any Talon the maturity date of which would fall after the due date for redemption of the relevant Instrument.

15. The Paying Agents and the Calculation Agent and Determinations

15.1 The initial Paying Agents and their respective initial specified offices are specified below. The Calculation Agent in respect of any Instruments shall be specified in the applicable Final

Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Issue and Paying Agent) or the Calculation Agent and to appoint additional or other Paying Agents or another Calculation Agent Provided that it will at all times maintain (i) an Issue and Paying Agent, (ii) a Paying Agent (which may be the Issue and Paying Agent) with a specified office in a continental European city other than the jurisdiction in which the Issuer or the Guarantor is incorporated, (iii) so long as the Instruments are listed on the Luxembourg Stock Exchange and/or any other stock exchange and/or admitted to listing by any other relevant authority, a Paying Agent (which may be the Issue and Paying Agent) with a specified office in Luxembourg and/or in such other place as may be required by the rules of such other stock exchange or other relevant authority, (iv) in the circumstances described in Condition 13A.3, a Paying Agent with a specified office in New York City, and (v) a Calculation Agent where required by the Conditions applicable to any Instruments (in the case of (i), (ii), (iii), (iv) and (v) with a specified office located in such place (if any) as may be required by the Conditions). Each of the Paying Agents and the Calculation Agent reserves the right at any time to change its specified office to some other specified office in the same city. Notice of all changes in the identities or specified offices of any Paying Agents or the Calculation Agent will be given promptly by the Issuer to the Holders in accordance with Condition 18.

15.2 The Paying Agents and the Calculation Agent act solely as agents of the Issuer and, save as provided in the Issue and Paying Agency Agreement or any other agreement entered into with respect to its appointment, do not assume any obligations towards or relationship of agency or trust for any Holder of any Instrument, Coupon or, in the case of Exempt Instruments only, Receipt and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Issue and Paying Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

15.3 All determinations and calculations of the Calculation Agent made under the Instruments shall be made in its sole and absolute discretion and shall be binding on the Holders of the Instruments in the absence of manifest error. The Holders of the Instruments shall (in the absence as aforesaid) not be entitled to proceed against the Calculation Agent in connection with the exercise or non-exercise by it of its obligations, duties and discretions pursuant to the Instruments. If the Calculation Agent is incapable or unwilling to act as such or if the Calculation Agent fails duly to make any calculation required as set out herein or to fulfil any other requirement, relating to it in respect of the Instruments, the Issuer will appoint the London office of a financial institution to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

16. Replacement of Instruments

If any Instrument, Coupon or, in the case of Exempt Instruments only, Receipt is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issue and Paying Agent or such Paying Agent or Paying Agents as may be specified for such purpose in the applicable Final Terms ("Replacement Agent"), subject to all applicable laws and the requirements of any stock exchange or other relevant authority on which the Instruments are listed (if any), upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Replacement Agent may require. Mutilated or defaced Instruments, Coupons and, in the case of Exempt Instruments only, Receipts must be surrendered before replacements will be delivered therefor.

17. Meetings of Holders and Modification

Without prejudice to the provisions for meetings of Holders of Bank Instruments referred to in Condition 22 below, the Issue and Paying Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of the Holders of Instruments of any Series to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution (as defined in the Issue and Paying Agency Agreement) of these Conditions and the Deed of Covenant insofar as the same may apply to such Instruments. An Extraordinary Resolution passed at any meeting of the Holders of Instruments of any Series will be binding on all Holders of the Instruments of such Series, whether or not they are present at the meeting, and on all Holders of Coupons relating to Instruments of such Series.

The Issuer and the Guarantor may, with the consent of the Issue and Paying Agent, but without the consent of the Holders of the Instruments of any Series or Coupons, amend these Conditions, the Deed of Covenant and the Deed of Guarantee insofar as they may apply to such Instruments to correct a manifest error. Subject as aforesaid, no other modification may be made to these Conditions, the Deed of Covenant or the Deed of Guarantee except with the sanction of an Extraordinary Resolution.

18. Notices

Notices to Holders of Instruments will, save where another means of effective communication has been specified in the applicable Final Terms, be deemed to be validly given if (i) published in a leading daily newspaper having general circulation in the United Kingdom (which is expected to be the *Financial Times*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe and (ii) in the case of any Instruments which are listed on the Luxembourg Stock Exchange (so long as such Instruments are listed on the Luxembourg Stock Exchange), published in accordance with the rules of that exchange, which is expected to be publication either on the Luxembourg Stock Exchange's website at www.bourse.lu or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). The Issuer shall also ensure that notices are duly published in compliance with the requirements of each stock exchange on which the Instruments are listed. Any notice so given will be deemed to have been validly given on the first date on which publication shall have been made in accordance with the above. Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Instruments in accordance with this Condition.

Notices to Holders of Bank Instruments shall be given to the Bank Holders' Agent. Any such notice shall be deemed to have been given to the Holders of Bank Instruments on the seventh calendar day after the day on which the said notice was given to the Bank Holders' Agent unless the Bank Instruments have been placed and sold by way of a "public offer" in Greece for the purposes of article 2 paragraph 1(d) of Greek law 3401/2005 implementing into Greek law Directive 2003/71/EC, in which case any such notice will also be published in accordance with the provisions of article 5 of Greek law 3156/2003 should such law 3156/2003 apply to Bank Instruments.

19. Further Issues

The Issuer may from time to time, without the consent of the Holders of any Instruments or Coupons, create and issue further instruments, bonds or debentures having the same terms and conditions as such Instruments in all respects (or in all respects except for the first payment of interest, if any, on them) so as to form a single series with the Instruments of any particular Series.

20. Waiver and Remedies

No failure to exercise, and no delay in exercising, on the part of the Holder of any Instrument, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

21. Substitution of the Issuer

21.1 The Issuer may, without the consent of any Holder, substitute for itself any other body corporate incorporated in any country in the world as the debtor in respect of the Instruments, any Coupons, the Deed of Covenant, the Issue and Paying Agency Agreement and (to the extent applicable) the Bank Holders' Agency Agreement (the "Substituted Debtor") upon notice by the Issuer and the Substituted Debtor to be given in accordance with Condition 18, *provided that:*

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

(ii) the Issuer and the Substituted Debtor have entered into such documents (the "Documents") as are necessary to give effect to the substitution and in which the Substituted Debtor has undertaken in favour of each Holder to be bound by these Conditions and the provisions of the Issue and Paying Agency Agreement as the debtor in respect of the Instruments in place of the Issuer (or of any previous substitute under this Condition 21);

(iii) the Substituted Debtor shall enter into a deed of covenant in favour of the holders of the Instruments then represented by a global Instrument on terms no less favourable than the Deed of Covenant then in force in respect of the Instruments;

(iv) if the Substituted Debtor 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 Holder has the benefit of an undertaking in terms corresponding to the provisions of Condition 12, with the substitution of references to the Former Residence with references to the New Residence;

(v) if the Issuer is ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited and the Substituted Debtor is not the Guarantor, the Deed of Guarantee extends to the obligations of the Substituted Debtor under or in respect of the Instruments, any Coupons, the Deed of Covenant and the Issue and Paying Agency Agreement and continues to be in full force and effect;

(vi) if the Issuer is the Bank, unless the Successor in Business of the Bank is the Substituted Debtor, the Bank shall provide an unconditional and irrevocable guarantee in relation to the obligations of the Substituted Debtor under or in respect of the Instruments, any Coupons, the Deed of Covenant, the Issue and Paying Agency Agreement and (to the extent applicable) the Bank Holders' Agency Agreement;

(vii) the Substituted Debtor and the Issuer have obtained all necessary governmental approvals and consents for such substitution and for the performance by the Substituted Debtor of its obligations under the Documents;

(viii) each stock exchange or other relevant authority on which the Instruments are listed shall have confirmed that, following the proposed substitution of the Substituted Debtor, the Instruments will continue to be listed on such stock exchange or other relevant authority; and

(ix) if applicable, the Substituted Debtor has appointed a process agent as its 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 Instruments and any Coupons.

For the purposes of this Condition, "Successor in Business" means, in relation to the Bank, any company which effectively assumes all of the obligations of the Bank under, or in respect of, the Instruments and which:

(A) owns beneficially the whole or substantially the whole of the undertaking, property and assets owned by the Bank immediately prior thereto; and

(B) carries on, as successor to the Bank, the whole or substantially the whole of the business carried on by the Bank immediately prior thereto.

21.2 Upon such substitution the Substituted Debtor shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under the Instruments, any Coupons associated therewith, the Deed of Covenant, the Issue and Paying Agency Agreement and (to the extent applicable) the Bank Holders' Agency Agreement with the same effect as if the Substituted Debtor had been named as the Issuer herein, and the Issuer shall be released from its obligations under the Instruments, any Coupons, the Deed of Covenant, the Issue and Paying Agency Agreement and (to the extent applicable) the Bank Holders' Agency Agreement.

21.3 After a substitution pursuant to Condition 21.1 the Substituted Debtor may, without the consent of any Holder, effect a further substitution. All the provisions specified in Condition 21.1 and 21.2 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 Substituted Debtor.

21.4 After a substitution pursuant to Conditions 21.1 or 21.3 any Substituted Debtor may, without the consent of any Holder, reverse the substitution, *mutatis mutandis*.

21.5 The Documents shall be delivered to, and kept by, the Issue and Paying Agent. Copies of the Documents will be available free of charge during normal business hours at the specified office of each of the Paying Agents.

22. Bank Holders' Agent

Prior to the issue of any Bank Instruments, if so required by Greek law 3156/2003 (to the extent applicable), the Bank shall appoint a Bank Holders' Agent by way of a written contract (the "Bank Holders' Agency Agreement") and in accordance with provisions of Greek law 3156/2003.

The Bank Holders' Agent shall be either a Credit Institution or an Investment Firm under Greek law 3606/2007, implementing into Greek law Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments ("MiFID"), which shall be authorised to render in Greece the regulated investment service of underwriting in respect of issues of any of the instruments listed in Section C of the Annex I of the MiFID and/or placing of such issues.

The Bank Holders' Agent shall *inter alia*:

(i) represent the interests of the Holders of Bank Instruments *vis-à-vis* the Bank and any third parties;

(ii) co-operate with Euroclear or Clearstream, Luxembourg, for the registration of the interests of the Holders of Bank Instruments in the accounts of Euroclear and/or Clearstream, Luxembourg;

(iii) represent, in accordance with the provisions of Greek law 3156/2003, the Holders of Bank Instruments before the competent courts, in relation to matters concerning Bank Instruments; and

(iv) generally perform any other duties and obligations, as set in Greek law 3156/2003 and these Conditions.

The Bank Holders' Agency Agreement shall include, *inter alia*, provisions for the meetings of the Holders of Bank Instruments in accordance with Greek law 3156/2003.

The meetings of the Holders of Bank Instruments shall be entitled to vary or terminate the appointment of the Bank Holders' Agent in accordance with the provisions of Greek law 3156/2003 and these Conditions.

The particular duties, rights and liabilities of the Bank Holders' Agent and any amendment to these Conditions relating to (i) the appointment of the Bank Holders' Agent; and (ii) the entering into the Bank Holders' Agency Agreement, shall be specified in the applicable Final Terms.

23. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of this Instrument under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act. This Condition shall not apply to (i) in the case of Instruments issued by the Bank, the subordination provisions in Condition 3B, (ii) in the case of Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited, the subordination provisions in Condition 4B and the subordination provisions set out in the Deed of Guarantee, and (iii) Condition 22.

24. Law and Jurisdiction

Governing Law

24.1 The Instruments, the Issue and Paying Agency Agreement, the Deed of Covenant and the Deed of Guarantee, and any non-contractual obligations arising out of or in connection with the Instruments, the Issue and Paying Agency Agreement, the Deed of Covenant and the Deed of Guarantee, shall be governed by, and construed in accordance with, English law, save for (i) in the case of Instruments issued by the Bank, the subordination provisions in Condition 3B, (ii) in the case of Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited, the subordination provisions in Condition 4B and the subordination provisions set out in the Deed of Guarantee, and (iii) Condition 22, which shall be governed by, and construed in accordance with, the laws of the Hellenic Republic and Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013.

Submission to Jurisdiction

24.2 Each of the Issuer and the Guarantor irrevocably agrees, for the benefit of the Holders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Instruments and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Instruments and/or the Coupons) and accordingly submits to the exclusive jurisdiction of the English courts.

Each of the Issuer and the Guarantor waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Holders may take any suit, action or proceedings (together referred to as "Proceedings") arising out of or in connection with the Instruments and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Instruments and the Coupons) against the Issuer or the Guarantor, as the case may be, in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

Appointment of Process Agent

24.3 Each of ERB Hellas (Cayman Islands) Limited and the Guarantor appoints ERB Hellas PLC at 1st Floor, 25 Berkeley Square, London W1J 6HN as its agent for service of process, and undertakes that, in the event of ERB Hellas PLC ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

Other documents and the Guarantor

24.4 Each of the Issuer and, where applicable, the Guarantor has in the Issue and Paying Agency Agreement, the Deed of Covenant and the Deed of Guarantee submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

PROVISIONS RELATING TO THE INSTRUMENTS WHILST IN GLOBAL FORM

Instruments will be issued in bearer form or, in the case of Exempt Instruments and if so specified in the applicable Pricing Supplement, in registered form. In respect of each Tranche of Instruments to be issued in bearer form, the relevant Issuer will deliver a Temporary Global Instrument or (if so specified in the applicable Final Terms) a Permanent Global Instrument. Such global Instrument, if the global Instruments are intended to be issued in NGI form, as specified in the applicable Final Terms, will be delivered on or prior to the original issue date of the Tranche to a common safekeeper for Euroclear and Clearstream, Luxembourg and, if the global Instruments are not intended to be issued in NGI form, will be delivered on or prior to the original issue date of the Tranche to a common depositary for Euroclear and Clearstream, Luxembourg. Each Temporary Global Instrument will be exchangeable for a Permanent Global Instrument or, if so specified in the applicable Final Terms, for Definitive Instruments. Each Permanent Global Instrument will be exchangeable for Definitive Instruments in accordance with its terms.

In respect of each Tranche of Exempt Instruments to be issued in registered form, the provisions applicable thereto will be specified in the applicable Pricing Supplement. Any such Exempt Instruments in registered form will be held outside Euroclear and Clearstream, Luxembourg.

(A) Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as the holder of an Instrument represented by a Global Instrument (which expression includes a Temporary Global Instrument and a Permanent Global Instrument) must look solely to Euroclear, Clearstream, Luxembourg or such other clearing system (as the case may be) for such person's share of each payment made by the relevant Issuer to the bearer of such Global Instrument and in relation to all other rights arising under the Global Instruments, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such other clearing system (as the case may be). Such persons shall have no claim directly against such relevant Issuer in respect of payments due on the Instruments for so long as the Instruments are represented by such Global Instrument and such obligations of such relevant Issuer will be discharged by payment to the bearer of such Global Instrument in respect of each amount so paid. References in these provisions relating to the Instruments in global form to "holder" or "accountholder" are to those persons shown in the records of the relevant clearing system as a holder of an Instrument.

(B) Form and Exchange – Global Instruments

(1) *TEFRA D or TEFRA C*: The Final Terms shall specify whether U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor Treasury Regulation section including, without limitation, regulations issued in accordance with United States Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "TEFRA D Rules") or U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor Treasury Regulation section including, without limitation, regulations issued in accordance with United States Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "TEFRA C Rules") shall apply or that TEFRA is not applicable. Each Tranche of Instruments is represented upon issue by a Temporary Global Instrument, unless the Final Terms specify otherwise and/or the TEFRA C Rules apply.

Where the Final Terms applicable to a Tranche of Instruments specify that the TEFRA C Rules apply or that TEFRA is not applicable, such Tranche is (unless otherwise specified in the Final Terms) represented upon issue by a Permanent Global Instrument.

Interests in a Temporary Global Instrument may be exchanged for:

(i) interests in a Permanent Global Instrument; or

(ii) if so specified in the Final Terms, Definitive Instruments.

Exchanges of interests in a Temporary Global Instrument for Definitive Instruments or, as the case may be, a Permanent Global Instrument will be made only on or after the Exchange Date (as specified in the Final Terms) and (where TEFRA D Rules are applicable) provided certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Instrument or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received.

(2) *Limitation on entitlement under a Temporary Global Instrument after Exchange Date:* Holders of interests in any Temporary Global Instrument shall not (unless, upon due presentation of such Temporary Global Instrument for exchange (in whole but not in part only) for a Permanent Global Instrument or for delivery of Definitive Instruments, such exchange or delivery is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment in respect of the Instruments represented by such Temporary Global Instrument which falls due on or after the Exchange Date or be entitled to exercise any option on a date after the Exchange Date.

(3) *Certification of non-U.S. beneficial ownership:* Unless the Final Terms specify that the TEFRA C Rules are applicable or that TEFRA is not applicable to the Instruments and subject to paragraph (2) above, if any date on which a payment of interest is due on the Instruments of a Tranche occurs whilst any of the Instruments of that Tranche are represented by a Temporary Global Instrument, the related interest payment will be made on the Temporary Global Instrument only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Instrument or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received by Euroclear or Clearstream, Luxembourg or any other relevant clearing system which may be specified in the Final Terms. Payments of amounts due in respect of a Permanent Global Instrument will be made through Euroclear or Clearstream, Luxembourg or any other relevant clearing system without any requirement for certification.

(4) *Exchange for Definitive Instruments:* Interests in a Permanent Global Instrument will be exchanged (subject to the period allowed for delivery as set out in (i) below), in whole but not in part only and at the request of the holder of such Global Instrument (in the case of (a), (b) or (c)) or the relevant Issuer (in the case of (d)), for Definitive Instruments, unless otherwise specified in the Final Terms, (a) if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 11.1 or 11.3, as appropriate, occurs or (c) at any time on the request of the bearer, if so specified in the Final Terms or (d) at the option of the relevant Issuer at any time. Whenever a Permanent Global Instrument is to be exchanged for Definitive Instruments, the relevant Issuer shall procure the prompt delivery of such Definitive Instruments, duly authenticated and where and to the extent applicable, with Receipts, Coupons and Talons attached (each as defined in Condition 1.2 and Condition 1.3), in an aggregate principal amount equal to the principal amount of such Permanent Global

Instrument to the holder of the Permanent Global Instrument against its surrender to, or to the order of, the relevant Issuer and Paying Agent and, in the case of Bank Instruments, the Bank Holders' Agent, within 30 days of the holder or such relevant Issuer, as appropriate, requesting such exchange.

Furthermore, if:

(i) Definitive Instruments have not been delivered in accordance with the foregoing by 5.00 p.m. (London time) on the thirtieth day after the holder or the relevant Issuer, as appropriate, has requested exchange; or

(ii) the Permanent Global Instrument (or any part thereof) has become due and payable in accordance with the Conditions or the date for final redemption of the Permanent Global Instrument has occurred and, in either case, payment in full of the amount of the Redemption Amount (as defined in Condition 7.12) together with all interest (if any) accrued thereon has not been made to the holder in accordance with the Conditions on the due date for payment,

then such Permanent Global Instrument (including the obligation to deliver Definitive Instruments) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (i) above) or at 5.00 p.m. (London time) on such due date (in the case of (ii) above) and the holder of the Permanent Global Instrument will have no further rights thereunder (but without prejudice to the rights which such Holder or others may have under, in the case of Instruments issued by ERB Hellas PLC, the Deed of Covenant (the "ERB Hellas PLC Deed of Covenant") executed by ERB Hellas PLC dated 27 May 2014 or, in the case of Instruments issued by ERB Hellas (Cayman Islands) Limited, the Deed of Covenant (the "ERB Hellas (Cayman Islands) Limited Deed of Covenant") executed by ERB Hellas (Cayman Islands) Limited dated 27 May 2014 or, in the case of Instruments issued by the Bank, the Deed of Covenant (the "Bank Deed of Covenant") executed by the Bank dated 27 May 2014, as the case may be). Under the ERB Hellas PLC Deed of Covenant, the ERB Hellas (Cayman Islands) Limited Deed of Covenant or the Bank Deed of Covenant, as the case may be, persons shown in the records of Euroclear and/or Clearstream, Luxembourg (or any other relevant clearing system) as being entitled to interests in the Instruments will acquire directly against the relevant Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Instrument became void, they had been the holders of Definitive Instruments in an aggregate principal amount equal to the principal amount of Instruments they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg or other relevant clearing system (as the case may be).

(C) Amendment to Conditions

The Temporary Global Instruments and Permanent Global Instruments contain provisions that apply to the Instruments that they represent, some of which modify the effect of the Terms and Conditions of the Instruments set out in this Prospectus. The following is an overview of certain of those provisions:

(1) *Meetings:* The holder of a Global Instrument shall (unless such Global Instrument represents only one Instrument) be treated as being two persons for the purposes of any quorum requirements of a meeting of holders and, at any such meeting, the holder of a Global Instrument shall be treated as having one vote in respect of each minimum integral amount of the Currency of Denomination of the Instruments specified in the applicable Final Terms.

(2) *Cancellation:* Cancellation of any Instrument represented by a Global Instrument that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant Global Instrument.

(3) *Purchases:* Instruments represented by a Global Instrument may only be purchased by the relevant Issuer or, as the case may be, the Guarantor or any of the Bank's subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

(4) *Issuer's Options:* Any option of the relevant Issuer provided for in the Conditions of the Instruments while such Instruments are represented by a Global Instrument shall be exercised by such relevant Issuer giving notice to the holders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Instruments drawn in the case of a partial exercise of an option and accordingly no drawing of Instruments shall be required. In the event that any option of the relevant Issuer is exercised in respect of some but not all of the Instruments of any Series, the rights of accountholders with a clearing system in respect of the Instruments will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or any other clearing system (as the case may be). In the case of a partial redemption of Instruments, the Instruments to be redeemed will be selected in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg or any other clearing system (as the case may be), to be reflected in the records of Euroclear, Clearstream, Luxembourg or such other clearing system as either a pool factor or a reduction in nominal amount, at their discretion.

(5) *Holders' Options:* Any option of the holders provided for in the Conditions of any Instruments while such Instruments are represented by a Global Instrument may be exercised by the holder of such Global Instrument, giving notice to the Issue and Paying Agent within the time limits relating to the deposit of Instruments with a Paying Agent substantially in the form of the notice available from any Paying Agent except that the notice shall not be required to contain the serial numbers of the Instruments in respect of which the option has been exercised, and stating the principal amount of Instruments in respect of which the option is exercised and at the same time presenting for notation the Global Instrument to the Issue and Paying Agent, or to a Paying Agent acting on behalf of the Issue and Paying Agent.

(6) *Notices:* So long as any Instruments are represented by a Global Instrument and such Global Instrument is held on behalf of a clearing system, notices to the holders of Instruments of that Series may be given by delivery of the relevant notice to the clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Instrument except that, so long as the Instruments are listed on the Luxembourg Stock Exchange, notice shall also be given in accordance with the rules of that exchange, which is expected to be publication either on the Luxembourg Stock Exchange's website at www.bourse.lu or in a leading newspaper having general circulation in Luxembourg (which is expected to be the Luxemburger Wort).

(D) Partly Paid Instruments

While any Partly Paid Instalments due from the holder of Partly Paid Instruments are overdue, no interest in a Temporary Global Instrument representing such Exempt Instruments may be exchanged for an interest in a Permanent Global Instrument or for Definitive Instruments (as the case may be) and no interest in a Permanent Global Instrument may be exchanged for

Definitive Instruments. If any holder fails to pay any instalment due on any Partly Paid Instruments within the time specified, the relevant Issuer may forfeit such Instruments and shall have no further obligation to such holder in respect of them.

FORM OF FINAL TERMS

Pro Forma Final Terms for an issue of PD Instruments with a minimum denomination of at least €100,000 (or its equivalent).

Date: [ ]

Series No.: [ ]

Tranche No.: [ ]

[ERB Hellas PLC/
ERB Hellas (Cayman Islands) Limited/
Eurobank Ergasias S.A.]

€25,000,000,000 Programme for the Issuance of Debt Instruments

[guaranteed
by Eurobank Ergasias S.A.]

Issue of
[*Aggregate Principal Amount of Tranche*]
[*Title of Instruments*]

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "Conditions") of the Instruments set forth in the Prospectus dated 25 April 2016 [and the supplement[s] to the Prospectus dated [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "Prospectus"). This document constitutes the Final Terms of the Instruments described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus [as so supplemented]. Full information on the Issuer[, the Guarantor] and the offer of the Instruments is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the supplement[s] to the Prospectus] [is] [are] available for viewing on the Luxembourg Stock Exchange's website at www.bourse.lu.

(*Include whichever of the following apply or specify as "Not Applicable". 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 directions for completing the Final Terms*)

1.	Guarantor:		[Eurobank Ergasias S.A./Not Applicable] (*Insert 'Not Applicable' if the Instruments are issued by Eurobank Ergasias S.A.*)
2.	Status:		
	(a)	[of the Instruments:]	[Unsubordinated (Condition 3A) / Subordinated (Condition 3B)]

	(b)	[of the Guarantee:	[Unsubordinated (Condition 4A) / Subordinated (Condition 4B)]
3.	Currency:		
	–	of Denomination:	[*Specify*]
	–	of Payment:	[*Specify*]
	(Condition 1.5)		
4.	Aggregate Principal Amount of Tranche:		[*Specify*]
5.	If fungible into an existing Series:		[*Provide issue amount/ISIN/maturity date/issue date of earlier Tranches*]
6.	Issue Date:		[*Specify*]
7.	Issue Price:		[ ] per cent.
8.	Form of Instruments:		
	(a)	Initially represented by a Temporary Global Instrument or Permanent Global Instrument:	[*Specify*] (*If nothing is specified and these Final Terms do not specify that the TEFRA C Rules apply or that TEFRA does not apply, Instruments will be represented initially by a Temporary Global Instrument*)
	(b)	Temporary Global Instrument exchangeable for [Permanent Global Instrument/Definitive Instruments only]:	[Permanent Global Instrument/Definitive Instruments] [*Specify Exchange Date*][1]
	(c)	Permanent Global Instrument exchangeable:	For Definitive Instruments [only] in the circumstances specified in "*Provisions Relating to the Instruments Whilst in Global Form*" paragraph (B)(4) [(a), (b) and (d) only (clearing system failure, Event of Default/Subordinated Default Event and at the option of the Issuer)]/[(c) (and (d)) (at any time at the option of the bearer or the Issuer)][1]
	(d)	Coupons to be attached to Definitive Instruments:	[Yes/No]
	(e)	Talons for future Coupons to be added to Definitive Instruments: (Condition 1.2)	[Yes/No]

[1] N.B. Paragraphs (B)(4)(c) (*at any time at the request of the bearer*) and (d) (*at any time at the option of the relevant Issuer*) should not be expressed to be applicable if the Denomination of the Instruments in paragraph 11(a) includes language substantially to the following effect: "€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Instruments in definitive form will be issued with a denomination above €199,000". Furthermore, such Denomination construction is not permitted in relation to any issue of Instruments which is to be represented on issue by a Temporary Global Instrument exchangeable for Definitive Instruments or a Permanent Global Instrument exchangeable for Definitive Instruments.

	(f)	Definitive Instruments to be in ICMA or successor's format:	[Yes/No] (*If nothing is specified Definitive Instruments will be security printed and in ICMA or successor's format*)
	(g)	New Global Instrument:	[Yes/No]
9.	(a)	Denomination(s): (Condition 1.4)	[*Specify*] *(N.B. Instruments must have a minimum denomination of EUR100,000 (or equivalent))* [*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 Instruments in definitive form will be issued with a denomination above [€199,000]]
	(b)	Calculation Amount:	[*Specify*] (*If only one denomination, insert the denomination. If more than one denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more denominations*)
10.		Date Board approval for issuance of Instruments obtained:	[ ] (*N.B. Only relevant where Board authorisation is required for the particular Tranche of Instruments*)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

11.	Interest: (Condition 6)	[Interest bearing/Non-interest bearing]
12.	Interest Rate: (Condition 6.2)	[[ ] per cent. Fixed Rate [[*specify Reference Rate*] +/- [ ] per cent. Floating Rate] [Zero Coupon] (further particulars specified below)
13.	Relevant Screen Page: (Condition 6.3)	[Reuters Screen/*Other*] page [ ]
14.	Relevant Margin: (Condition 6.3)	[Plus/Minus] [ ] per cent. per annum

15.	ISDA Rate: (Condition 6.4)	Issuer is [Fixed Rate/Fixed Amount/Fixed Price/Floating Rate/Floating Amount/Floating Price] Payer
16.	Minimum Interest Rate: (Condition 6.5)	[ ] per cent. per annum
17.	Maximum Interest Rate: (Condition 6.5)	[ ] per cent. per annum
18.	Interest Payment Dates or (if the Applicable Business Day Convention is the FRN Convention) Interest Period:	[*Specify dates (or if the Applicable Business Day Convention is the FRN Convention) number of months*]
19.	Interest Period End Dates or (if the Applicable Business Day Convention is the FRN Convention) Interest Accrual Period:	[*Specify*] (*If nothing is specified Interest Period End Dates will correspond with Interest Payment Dates*)
20.	Applicable Business Day Convention:	[*Specify, unless no adjustment is required in which case specify "No Adjustment"*] (*Note that these conventions are only to apply for the purposes of accrual of interest. Thus, a fixed rate Instrument should normally specify "No Adjustment", but for purposes of payment, a modification may be required to match a swap (see paragraph 34 – "Payments" below). Care should be taken to match the maturity date (as well as other key dates) of the Instruments with any underlying swap transaction. Since maturity dates do not automatically move with business day conventions under ISDA, it may be necessary to specify "No Adjustment" in relation to the maturity date of the Instruments to disapply the Applicable Business Day Convention*)
	– for Interest Payment Dates:	[ ]
	– for Interest Period End Dates:	[ ]
	– for Maturity Date:	[ ]
	– any other date:	[ ]
21.	Day Count Fraction: (Condition 6.9)	[Actual/Actual (ICMA)] (Actual/Actual] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]
22.	Interest Commencement Date:	[*Specify, if different from the Issue Date*]

(Condition 6.9)

23.	Interest Determination Date: (Condition 6.9)	[*Specify number of Banking Days in which city(ies), if different from Condition 6.9*]
24.	Default Interest Rate: (Condition 6.6)	[*Specify if different from the Interest Rate*]
25.	Calculation Agent: (Condition 6.7)	[*Specify name and specified office*]
26.	Reference Banks: (Condition 6.9)	[*Specify*]
27.	If non-interest bearing:	
	– Amortisation Yield:	[*Specify*]
	– Rate of interest on overdue amounts:	[*Specify, if not the Amortisation Yield*]
	– Day Count Fraction:	[*Specify for the purposes of Condition 6.10 and Condition 7.13*]

PROVISIONS RELATING TO REDEMPTION

28.	Maturity Date: (Condition 7.1)	[*Specify date (or Interest Payment Date occurring in month and year if FRN Convention applies)*] [(*In the case of Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited, if the issue proceeds are accepted in the United Kingdom (in the case of Instruments issued by ERB Hellas (Cayman Islands) Limited only) and the Maturity Date is less than one year from the Issue Date, the Instruments must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" (or another applicable exemption from section 19 of the FSMA must be available)*)]
29.	Proceeds On-Loan Tax Call: (Condition 7.2(ii))	[Applicable/Not Applicable]
30.	Early Redemption for Taxation Reasons: (Condition 7.2)	
	Early Redemption Amount (Tax):	[*Specify, if not the Outstanding Principal Amount or, in the case of any Instruments which are non-interest bearing, the Amortised Face Amount*]
31.	Optional Early Redemption (Call):	[Yes/No]

(Condition 7.3)

(*If yes specify any specific conditions required to permit such Optional Early Redemption*)

(a) Early Redemption Amount (Call): [*Specify, if not the Outstanding Principal Amount or, in the case of any Instruments which are non-interest bearing, the Amortised Face Amount*]

(b) Series redeemable in part: [*Specify, otherwise redemption will only be permitted of entire Series*]

(c) Call Option Date(s)/Call Option Period: [*Specify*]

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

(d) Maximum Redemption Amount: (Condition 7.5) [None/*Specify*]

(e) Minimum Redemption Amount: (Condition 7.5) [None/*Specify*]

32. Optional Early Redemption (Put): (Condition 7.6) [Yes/No]

(*Only available for Unsubordinated Instruments*)

(a) Early Redemption Amount (Put): [*Specify, if not the Outstanding Principal Amount or, in the case of any Instruments which are non-interest bearing, the Amortised Face Amount*]

(b) Put Date(s)/Put Period: [*Specify*]

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

33. [Events of Default (Condition 11.1) / Subordinated Default Events (Condition 11.3) / Illegality (Condition 7.9)]:

(a) Early Termination Amount: [*Specify, if not the Outstanding Principal Amount*

		or, in the case of any Instruments which are non-interest bearing, the Amortised Face Amount] [In respect of each Calculation Amount, an amount in [*insert Currency*] determined by the Calculation Agent which represents the fair market value of such Calculation Amount [(which for the avoidance of doubt shall be deemed to include amounts in respect of interest (if any))] immediately prior to the date on which the Instruments are to be redeemed less (except in the case of early redemption pursuant to Condition 11) the cost to the Issuer[, the Guarantor] and/or any of their Affiliates of unwinding any related hedging arrangements. For the purposes of determining the fair market value of the Instruments for the purposes of Condition 11, no account shall be taken of the financial condition of the Issuer which shall be presumed to be able to perform fully its obligation in respect of the Instruments. If the Instruments have become redeemable pursuant to Condition 7.9 (Illegality), then Condition 7.9 shall be amended by the deletion of the words "together with all interest (if any) accrued thereon". If the Instruments have become redeemable pursuant to Condition 11 (Events of Default), then Condition 11.2 shall be amended by the deletion of the words "together with all interest (if any) accrued thereon"]
34.	Payments: (Condition 13)	
	(a) Unmatured Coupons missing upon Early Redemption:	[*Specify whether paragraph (i) or paragraph (ii) of Condition 13A.5 applies. If nothing is specified paragraph (i) will apply to fixed rate or fixed coupon amount Instruments and paragraph (ii) will apply to floating rate or variable coupon amount Instruments*]
	(b) Specify any modification to the adjustment provisions for payment dates: (Condition 13A.4)	[*Specify whether e.g. the Modified Following Business Day Convention should apply for purposes of payment*]
35.	Replacement of Instruments: (Condition 16)	[*Specify Replacement Agent, if other than (or in addition to) the Issue and Paying Agent*]
36.	Notices: (Condition 18)	[*Specify any other means of effective communication*]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on [*specify relevant regulated market (for example the Bourse de Luxembourg)*] of the Instruments described herein pursuant to the €25,000,000,000 Programme for the Issuance of Debt Instruments of ERB Hellas PLC, ERB Hellas (Cayman Islands) Limited and Eurobank Ergasias S.A.

[**THIRD PARTY INFORMATION**

The information relating to [ ] (the "Reference Information") contained herein has been accurately reproduced from [insert information source(s)]. [Each of/The] Issuer [and the Guarantor] accepts responsibility that [the Reference Information] has been accurately reproduced and, so far as the Issuer [and the Guarantor] [is/are] aware and [is/are] able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

[**ERB HELLAS PLC** as Issuer

By: .....
Authorised Signatory

Date:.....]

[ERB HELLAS (CAYMAN ISLANDS) LIMITED as Issuer

By: .....
Authorised Signatory

Date:.....]

EUROBANK ERGASIAS S.A. as [Issuer/Guarantor]

By: .....
Authorised Signatory

Date: .....

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i)	Listing and Admission to Trading:	[Application has been made by the Issuer (or on its behalf) for the Instruments to be admitted to trading on [*specify relevant regulated market (for example the Bourse de Luxembourg) and, if relevant, listing on an official list (for example, the Official List of the Luxembourg Stock Exchange)*] with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Instruments to be admitted to trading on [*specify relevant regulated market (for example the Bourse de Luxembourg) and, if relevant, listing on an official list (for example, the Official List of the Luxembourg Stock Exchange*] with effect from [ ]] [Not Applicable]
(ii)	Estimate of total expenses related to admission to trading:	[ ]

2. RATINGS

	Ratings:	[The Instruments to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*]] (*The above disclosure should reflect the rating allocated to Instruments of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating*) [[*Insert the legal name of the relevant credit rating agency entity*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Instruments has an interest material to the offer.] (*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 Prospectus under Article 16 of the Prospectus Directive*)]

4. [YIELD *(Fixed Rate Instruments only)*

Indication of yield: [ ]

[5. HISTORIC INTEREST RATES *(Floating Rate Instruments only*)

Details of historic [LIBOR/EURIBOR/*specify other Reference Rate*] rates can be obtained from [Reuters].

6. OPERATIONAL INFORMATION

(i)	ISIN Code:	[ ]
(ii)	Common Code:	[ ]
(iii)	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable/*give name(s), addresses and number(s)*]
(iv)	Settlement Procedures:	[*Specify whether customary medium term note/ eurobond/other settlement and payment procedures apply*]
(v)	Delivery:	Delivery [against/free of] payment
(vi)	Names and addresses of additional Paying Agent(s) (if any):	[ ]
(vii)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "Yes" simply means that the Instruments are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Instruments 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 Instruments are capable of meeting them the Instruments may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Instruments 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

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable/*give names*]
(iii)	Date of [Subscription] Agreement:	[ ]
(iv)	Stabilising Institution(s) (if any):	[In connection with the issue of the Instruments, [*name of Stabilising Institution*] (or persons acting on behalf of [*name of Stabilising Institution*] may over-allot Instruments or effect transactions with a view to supporting the market price of the Instruments at a level higher than that which might otherwise prevail. However, there is no assurance that [*name of Stabilising Institution*] (or persons acting on behalf of [*name of Stabilising Institution*]) 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 Instruments 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 Instruments and 60 days after the date of the allotment of the Instruments. Any such stabilisation or over-allotment must be conducted by [*name of Stabilising Institution*] (or person(s) acting on behalf of [*name of Stabilising Institution*]) in accordance will all applicable laws and rules]
(v)	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
(vi)	U.S. Selling Restrictions:	Regulation S, Category 2 restrictions apply to the Instruments [TEFRA C / TEFRA D / TEFRA not applicable] [*Specify whether the Instruments are subject to TEFRA C or TEFRA D Rules or whether TEFRA is not applicable. In the absence of specification TEFRA D Rules will apply*]

APPLICABLE PRICING SUPPLEMENT

EXEMPT INSTRUMENTS OF ANY DENOMINATION

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Instruments, whatever the denomination of those Exempt Instruments, issued under the Programme.

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC FOR THE ISSUE OF EXEMPT INSTRUMENTS DESCRIBED BELOW.

Date: [ ]

Series No.: [ ]

Tranche No.: [ ]

[ERB Hellas PLC/
ERB Hellas (Cayman Islands) Limited/
Eurobank Ergasias S.A.]

€25,000,000,000 Programme for the Issuance of Debt Instruments

[guaranteed
by Eurobank Ergasias S.A.]

Issue of
[Aggregate Principal Amount of Tranche]
[Title of Exempt Instruments]

PART A – CONTRACTUAL TERMS

Any person making or intending to make an offer of the Exempt Instruments may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

This document constitutes the Pricing Supplement for the Exempt Instruments described herein. This document must be read in conjunction with the Prospectus dated 25 April 2016 [as supplemented by the supplement[s] dated [*date*] (the "Prospectus"). Full information on the Issuer[, the Guarantor] and the offer of the Exempt Instruments is only available on the basis of the combination of this Pricing Supplement and the Prospectus. Copies of the Prospectus may be obtained from [*address*].

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "Conditions") set forth in the Prospectus [dated [*original date*] which are incorporated by reference in the Prospectus.]

[*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]*

1.	Issuer:	[ERB Hellas PLC/ERB Hellas (Cayman Islands) Limited/ Eurobank Ergasias S.A.]

2.	Guarantor:		[Eurobank Ergasias S.A./Not Applicable] (*Insert 'Not Applicable' if the Exempt Instruments are issued by Eurobank Ergasias S.A.*)
3.	Status:		
	(a)	[of the Exempt Instruments:]	[Unsubordinated (Condition 3A) / Subordinated (Condition 3B)] (*If nothing is specified, Exempt Instruments will be unsubordinated*)
	(b)	[of the Guarantee:	[Unsubordinated (Condition 4A) / Subordinated (Condition 4B)]
4.	Currency:		
	–	of Denomination:	[*Specify*]
	–	of Payment:	[*Specify*]
5.	Aggregate Principal Amount of Tranche:		[*Specify*]
6.	If fungible into an existing Series:		[*Provide issue amount/ISIN/maturity date/issue date of earlier Tranches*]
7.	Issue Date:		[*Specify*]
8.	Issue Price:		[ ] per cent.
9.	Form of Exempt Instruments:		Bearer
10.	(a)	Initially represented by a Temporary Global Instrument or Permanent Global Instrument:	[*Specify*] (*If nothing is specified and Pricing Supplement does not specify that the TEFRA C Rules apply or that TEFRA does not apply, Exempt Instruments will be represented initially by a Temporary Global Instrument*)
	(b)	Temporary Global Instrument exchangeable for [Permanent Global Instrument/Definitive Instruments only]:	[Permanent Global Instrument/Definitive Instruments] [*Specify Exchange Date*][1]
	(c)	Permanent Global Instrument exchangeable:	For Definitive Instruments [only] in the circumstances specified in "*Provisions Relating to the Instruments Whilst in Global Form*" paragraph (B)(4) [(a), (b) and (d) only (clearing system failure, Event of Default/Subordinated Default Event and at the option of the Issuer)]/[(c) (and (d)) (at any time at the option of the bearer

[1] N.B. Paragraphs (B)(4)(c) (*at any time at the request of the bearer*) and (d) (*at any time at the option of the relevant Issuer*) should not be expressed to be applicable if the Denomination of the Instruments in paragraph 11(a) includes language substantially to the following effect: "€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Instruments in definitive form will be issued with a denomination above €199,000". Furthermore, such Denomination construction is not permitted in relation to any issue of Instruments which is to be represented on issue by a Temporary Global Instrument exchangeable for Definitive Instruments or a Permanent Global Instrument exchangeable for Definitive Instruments.

			or the Issuer)][1]
	(d)	Coupons to be attached to Definitive Instruments:	[Yes/No]
	(e)	Talons for future Coupons to be added to Definitive Instruments:	[Yes/No]
	(f)	Definitive Instruments to be in ICMA or successor's format:	[Yes/No] (*If nothing is specified Definitive Instruments will be security printed and in ICMA or successor's format*)
	(g)	New Global Instrument:	[Yes/No]
11.	(a)	Denomination(s):	[ ]
	(b)	Calculation Amount:	[*Specify*] (*If only one denomination, insert the denomination. If more than one denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more denominations*)
12.		Redenomination:	[Not Applicable/The provisions annexed to this Pricing Supplement apply]
13.		Partly Paid Instruments:	[Yes/No]
		If yes, specify number, amounts and dates for, and method of, payment of instalments of subscription moneys and any further additional provisions (including Forfeiture Dates in respect of late payment of Partly Paid Instalments)	[*Give details*]
14.		Date Board approval for issuance of Instruments obtained:	[ ] (*N.B. Only relevant where Board authorisation is required for the particular Tranche of Instruments*)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Interest:	[Interest bearing/Non-interest bearing]
16.	Interest Rate:	[*Specify rate (if fixed) or Floating Rate (if floating) or ISDA Rate or formula*]
17.	Relevant Screen Page:	[Reuters Screen/*Other*] page [ ]
18.	Relevant Margin:	[Plus/Minus] [ ] per cent. per annum
19.	ISDA Rate:	Issuer is [Fixed Rate/Fixed Amount/Fixed

		Price/Floating Rate/Floating Amount/Floating Price] Payer
20.	Minimum Interest Rate:	[ ] per cent. per annum
21.	Maximum Interest Rate:	[ ] per cent. per annum
22.	Interest Payment Dates or (if the Applicable Business Day Convention is the FRN Convention) Interest Period:	[*Specify dates (or if the Applicable Business Day Convention is the FRN Convention) number of months*]
23.	Interest Period End Dates or (if the Applicable Business Day Convention is the FRN Convention) Interest Accrual Period:	[*Specify*] (*If nothing is specified Interest Period End Dates will correspond with Interest Payment Dates*)
24.	Applicable Business Day Convention:	[*Specify, unless no adjustment is required in which case specify "No Adjustment"*] (*Note that these conventions are only to apply for the purposes of accrual of interest. Thus, a fixed rate Instrument should normally specify "No Adjustment", but for purposes of payment, a modification may be required to match a swap (see paragraph 49 "Payments" below). Care should be taken to match the maturity date (as well as other key dates) of the Exempt Instruments with any underlying swap transaction. Since maturity dates do not automatically move with business day conventions under ISDA, it may be necessary to specify "No Adjustment" in relation to the maturity date of the Exempt Instruments to disapply the Applicable Business Day Convention*)
	– for Interest Payment Dates:	[ ]
	– for Interest Period End Dates:	[ ]
	– for Maturity Date:	[ ]
	– any other date:	[ ]
25.	Relevant Financial Centres:	[*Specify if different from Condition 6.9*]
26.	Day Count Fraction:	[*Specify*]
27.	Interest Commencement Date:	[*Specify, if different from the Issue Date*]
28.	Interest Determination Date:	[*Specify number of Banking Days in which city(ies), if different from Condition 6.9*]
29.	Relevant Time:	[*Specify if different from Condition 6.9*]
30.	Default Interest Rate:	[*Specify if different from the Interest Rate*]

31.	Calculation Agent:	[*Specify name and specified office*]
32.	Reference Banks:	[*Specify*]
33.	If non-interest bearing:	
	– Amortisation Yield:	[*Specify*]
	– Rate of interest on overdue amounts:	[*Specify, if not the Amortisation Yield*]
	– Day Count Fraction:	[*Specify for the purposes of Condition 6.10 and Condition 7.13*]
34.	Index Linked Interest Instruments:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Formula for calculating interest rate including provisions for determining the Interest Amount where calculation by reference to Index/Indices is impossible or impracticable and other back-up provisions:	[*Give or annex details*]
	(b) Whether the Exempt Instruments relate to a basket of indices or a single index, the identity of the relevant Index/Indices and details of the relevant index sponsors and whether such Index/Indices is/are a Multi-Exchange Index:	[Basket of Indices/Single Index] [*Give or annex details*] [Details of each Index Sponsor] Multi-Exchange Index: [Yes/No] (*Multi-Exchange Index only applies in relation to the Euro Stoxx Indices unless otherwise agreed*)
	(c) Exchange(s):	[ ]
	(d) Related Exchange(s):	[[ ]/All Exchanges]
	(e) [Valuation Dates/Averaging Dates]:	[ ]
	[Adjustment provisions in the event of a Disrupted Day:	[Omission/Postponement/Modified Postponement] (*Only applicable where Averaging Dates are specified*)]
	[Averaging Roll Days:	[ ] (*Only applicable where Modified Postponement is specified*)]
	[Valuation Roll Days:	[ ]

	[Reference Price:	[Condition 8.4 applies/*other*] (*If fallback set out in the definition of "Valuation Date" in Condition 8.4 does not apply, set out method for determining the Reference Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day*)]
(f)	Valuation Time:	[Condition 8 applies/*other*]
(g)	Strike Price(s):	[ ]
(h)	Multiplier for each Index comprising the basket:	[*Insert details*/Not Applicable]
(i)	Trade Date:	[ ]
(j)	Correction of Index Levels:	Correction of Index Levels [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction] (*If Correction of Index Levels does not apply, delete the following subparagraph*)
	[Correction Cut-Off Date:	[ ] Business Days prior to each Interest Payment Date]/[In relation to Averaging Dates other than the final Averaging Date, [ ] days after the relevant Averaging Date and in relation to the final Averaging Date, [ ] Business Days prior to the Maturity Date]
(k)	Other terms and special conditions:	[ ]
35.	Equity Linked Interest Instruments:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Formula for calculating interest rate including provisions for determining the Interest Amount where calculation by reference to Underlying Equity/Equities is impossible or impracticable and other back-up provisions:	[*Give or annex details*]
(b)	Whether the Instruments relate to a basket of equity securities or a single equity security, and the identity of the relevant issuer(s) of the Underlying Equity/Equities:	[Basket of Underlying Equities/Single Underlying Equity] [*Give or annex details*]

(c)	Exchange(s):	[ ]
(d)	Related Exchange(s):	[[ ]/All Exchanges]
(e)	Potential Adjustment Events:	[Applicable/Not Applicable]
(f)	De-listing, Merger Event, Nationalisation and Insolvency:	[Applicable/Not Applicable]
(g)	Tender Offer:	[Applicable/Not Applicable]
(h)	Equity Substitution:	[Applicable/Not Applicable]
(i)	Correction of Underlying Equity Prices:	Correction of Underlying Equity Prices [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction] (*If Correction of Underlying Equity Prices does not apply, delete the following subparagraph*)
	[Correction Cut-Off Date:	[ ] Business Days prior to each Interest Payment Date]/[In relation to Averaging Dates other than the Final Averaging Dates, [ ] days after the relevant Averaging Date and in relation to the Final Averaging Date, [ ] Business Days prior to the Maturity Date]
(j)	[Valuation Dates/Averaging Dates]:	[ ]
	[Adjustment provisions in the event of a Disrupted Day:	[Omission/Postponement/Modified Postponement] (*Only applicable where Averaging Dates are specified*)]
	[Averaging Roll Days:	[ ] (*Only applicable where Modified Postponement is specified*)]
	[Valuation Roll Days:	[ ]]
	[Reference Price:	[Condition 9.3 applies/*other*] (*If fallback set out in the definition of "Valuation Date" in Condition 9.3 does not apply, set out method for determining the Reference Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day*)
(k)	Valuation Time:	[Condition 9.3 applies/*other*]
(l)	Strike Price:	[ ]

(m)	Exchange Rate:	[Applicable/Not Applicable] [*Give details*]
(n)	Multiplier for each Underlying Equity comprising the basket (which is subject to adjustment as set out in Condition 9.2):	[Not Applicable/*Give details*]
(o)	Trade Date:	[ ]
(p)	Other terms and special conditions:	[ ]

PROVISIONS RELATING TO REDEMPTION

36.	Maturity Date:	[*Specify date (or Interest Payment Date occurring in month and year if FRN Convention applies)*] (*In the case of Exempt Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited, if the issue proceeds are received in the United Kingdom (in the case of Instruments issued by ERB Hellas (Cayman Islands) Limited only) and the Maturity Date is less than one year from the Issue Date, the Exempt Instruments must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" (or another applicable exemption from section 19 of the FSMA must be available)*)
37.	Dates for payment of Instalment Amounts (Instalment Exempt Instruments):	[*Specify dates (or Interest Payment Dates occurring in months and years if FRN Convention applies)*]
38.	Maturity Redemption Amount:	[*Specify, if not the Outstanding Principal Amount*] (*Where Instruments are Index Linked Redemption Instruments or Equity Linked Redemption Instruments, see paragraph 45, 46 or 47 below as applicable*)
39.	Instalment Amounts:	[*Specify*]
40.	Proceeds On-Loan Tax Call:	[Applicable/Not Applicable]
41.	Early Redemption for Taxation Reasons:	
	Early Redemption Amount (Tax):	[*Specify, if not the Outstanding Principal Amount or, in the case of any Exempt Instruments which are non-interest bearing, the Amortised Face Amount*]

42.	Optional Early Redemption (Call):		[Yes/No]
	(a)	Early Redemption Amount (Call):	[*Specify, if not the Outstanding Principal Amount or, in the case of any Exempt Instruments which are non-interest bearing, the Amortised Face Amount*]
	(b)	Series redeemable in part:	[Applicable/Not Applicable]
	(c)	Call Option Date(s)/Call Option Period:	[*Specify*] *(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
	(d)	Maximum Redemption Amount:	[None/*Specify*]
	(e)	Minimum Redemption Amount:	[None/*Specify*]
43.	Optional Early Redemption (Put):		[Yes/No] (*Only available for Unsubordinated Instruments*)
	(a)	Early Redemption Amount (Put):	[ ] per Calculation Amount
	(b)	Put Date(s)/Put Period:	[*Specify*] *(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
44.	[Autocall:		[Applicable/Not Applicable]
	[Autocall Event:]		[ ]
	[Autocall Redemption Amount:]		[ ]
	[Autocall Redemption Date:]		[ ]]
45.	Index Linked Redemption Instruments:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)

(a)	Whether the Instruments relate to a basket of indices or a single index, the identity of the relevant Index/Indices and details of the relevant index sponsors and whether such Index/Indices is/are a Multi-Exchange Index:	[Basket of Indices/Single Index] [Give or annex details] [*Specify details of each Index Sponsor*] Multi-Exchange Index: [Yes/No] (*Multi-Exchange Index only applies in relation to the Euro Stoxx Indices unless otherwise agreed*)
(b)	Calculation Agent responsible for making calculations pursuant to Condition 8:	[*Specify name and specified office*]
(c)	Exchange(s):	[ ]
(d)	Related Exchange(s):	[[ ]/All Exchanges]
(e)	Maturity Redemption Amount:	[*Express per Calculation Amount*]
(f)	[Valuation Date/Averaging Dates]:	[ ]
	[Adjustment provisions in the event of a Disrupted Day:	[Omission/Postponement/Modified Postponement] (*Only applicable where Averaging Dates are specified*)]
	[Averaging Roll Days:	[ ] (*Only applicable where Modified Postponement is specified*)]
	[Valuation Roll Days:	[ ]]
	[Reference Price:	[Condition 8.4 applies/other] (*If fallback set out in the definition of "Valuation Date" in Condition 8.4 does not apply, set out method for determining the Reference Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day*)]
(g)	Valuation Time:	[Condition 8.4 applies/*other*]
(h)	Strike Price(s):	[ ]
(i)	Multiplier for each Index comprising the basket:	[*Insert details*/Not Applicable]
(j)	Trade Date:	[ ]
(k)	Correction of Index Levels:	Correction of Index Levels [applies/does not

			apply and the Reference Price shall be calculated without regard to any subsequently published correction] (*If Correction of Index Levels does not apply, delete the following subparagraph*)
		[Correction Cut-Off Date:	[[ ] Business Days prior to the Maturity Date/In relation to Averaging Dates other than the final Averaging Date, [ ] days after the relevant Averaging Date and in relation to the final Averaging Date, [ ] Business Days prior to the Maturity Date]]
	(l)	Other terms or special conditions:	[ ]
46.	Equity Linked Redemption Instruments:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Whether the Instruments relate to a basket of equity securities or a single equity security and the identity of the relevant issuer(s) of the Underlying Equity/Equities:	[Basket of Underlying Equities/Single Underlying Equity] [*Give or annex details of each Underlying Equity and each Equity Issuer*]
	(b)	Calculation Agent responsible for to making calculations pursuant Condition 9:	[*Specify name and specified office*]
	(c)	Exchange(s):	[ ]
	(d)	Related Exchange(s):	[[ ]/All Exchanges]
	(e)	Potential Adjustment Events:	[Applicable/Not Applicable]
	(f)	De-listing, Merger Event, Nationalisation and Insolvency:	[Applicable/Not Applicable]
	(g)	Tender Offer:	[Applicable/Not Applicable]
	(h)	Equity Substitution:	[Applicable/Not Applicable]
	(i)	Correction of Underlying Equity Prices:	Correction of Underlying Equity Prices [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction] (*If Correction of Underlying Equity Prices does not apply, delete the following subparagraph*)
		[Correction Cut-Off Date:	[[ ] Business Days prior to the Maturity Date]
	(j)	Maturity Redemption Amount:	[*Express per Calculation Amount*]

	[Valuation Date/Averaging Dates]:	[ ]
	[Adjustment provisions in the event of a Disrupted Day:	[Omission/Postponement/Modified Postponement] (*Only applicable where Averaging Dates are specified*)]
	[Averaging Roll Days:	[ ] (*Only applicable where Modified Postponement is specified*)]
	[Valuation Roll Days:	[ ]]
	[Reference Price:	[ ] [Condition 9.3 applies [and the Reference Price shall be determined by reference to the price of the relevant Underlying Equity at the Valuation Time on the [Valuation Date]/[Averaging Date] [other] (*If fallback set out in the definition of "Valuation Date" in Condition 9.3 does not apply, set out method for determining the Reference Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day*)
(k)	Valuation Time:	[Condition 9.3 applies/*other*]
(l)	Strike Price:	[ ]
(m)	Exchange Rate:	[Applicable/Not Applicable] [*Insert details*]
(n)	Multiplier for each Underlying Equity comprising the basket (which is subject to adjustment as set out in Condition 9.2):	[*Insert details*/Not Applicable]
(o)	Trade Date:	[ ]
(p)	Other terms or special conditions:	[ ]
47.	Additional Disruption Events:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Change in Law:	[Applicable/Not Applicable]
(b)	Hedging Disruption:	[Applicable/Not Applicable]

(c) Increased Cost of Hedging: [Applicable/Not Applicable]

(d) Increased Cost of Stock Borrow: [Applicable/Not Applicable]

(e) Loss of Stock Borrow: [Applicable/Not Applicable]

(f) Equity Substitution: [Applicable/Not Applicable]

(g) Trade Date: [ ]

48. [Events of Default (Condition 11.1) / Subordinated Default Events (Condition 11.3) / Illegality (Condition 7.9) / Adjustments to an Index (Condition 8.2) / De-listing, Merger Event, Nationalisation and Insolvency and/or Tender Offer (Condition 9.2) / Additional Disruption Events (Condition 10.2)]:

(a) Early Termination Amount: [*Specify, if not the Outstanding Principal Amount or, in the case of any Exempt Instruments which are non-interest bearing, the Amortised Face Amount*]

[In respect of each Calculation Amount, an amount in [*insert Currency*] determined by the Calculation Agent which represents the fair market value of such Calculation Amount [(which for the avoidance of doubt shall be deemed to include amounts in respect of interest (if any))] immediately prior to the date on which the Instruments are to be redeemed less (except in the case of early redemption pursuant to Condition 11) the cost to the Issuer[, the Guarantor] and/or any of their Affiliates of unwinding any related hedging arrangements. For the purposes of determining the fair market value of the Instruments for the purposes of Condition 11, no account shall be taken of the financial condition of the Issuer which shall be presumed to be able to perform fully its obligation in respect of the Instruments. If the Instruments have become redeemable pursuant to Condition 7.9 (Illegality), then Condition 7.9 shall be amended by the deletion of the words "together with all interest (if any) accrued thereon". If the Instruments have become redeemable pursuant to Condition 11 (Events of Default), then Condition 11.2 shall be amended by the deletion of the words "together with all interest (if any) accrued thereon"] (*Consider inserting for Index Linked Instruments or Equity Linked Instruments but also consider how any accrued interest is to*

		be treated)
	(b) Any additional (or modifications to) [Events of Default/Subordinated Default Events]:	[*Specify*]
49.	Payments:	
	(a) Unmatured Coupons missing upon Early Redemption:	[*Specify whether paragraph (i) or paragraph (ii) of Condition 13A.5 applies. If nothing is specified paragraph (i) will apply to fixed rate or fixed coupon amount Instruments and paragraph (ii) will apply to floating rate or variable coupon amount Instruments*]
	(b) Specify any modification to the adjustment provisions for payment dates:	[*Specify whether e.g. the Modified Following Business Day Convention should apply for purposes of payment*]
50.	Replacement of Exempt Instruments:	[*Specify Replacement Agent, if other than (or in addition to) the Issue and Paying Agent*]
51.	Notices:	[*Specify any other means of effective communication*]

FURTHER INFORMATION

52.	Other Relevant Terms and Conditions:	[ ]

RESPONSIBILITY

[Subject as set out below,] the Issuer [and the Guarantor] accept[s] responsibility for the information contained in this Pricing Supplement. [The information relating to [ ] (the "Reference Information") contained herein has been accurately reproduced from [*insert information source(s)*]. [Each of/The] Issuer [and the Guarantor] accepts responsibility that [the Reference Information] has been accurately reproduced and, so far as the Issuer [and the Guarantor] [is/are] aware and [is/are] able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

[**ERB HELLAS PLC** as Issuer

By: .....
Authorised Signatory

Date:.....]

[ERB HELLAS (CAYMAN ISLANDS) LIMITED as Issuer

By: .....
Authorised Signatory

Date:.....]

EUROBANK ERGASIAS S.A. as [Issuer/Guarantor]

By: .....
Authorised Signatory

Date: .....

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i)	Listing:	[Not listed/[ ]] (*Exempt Instruments may not be listed on a European Economic Area stock exchange*)
(ii)	Admission to trading:	[Not Applicable/[ ]] (*Exempt Instruments may not be admitted to trading on a regulated market in the European Economic Area*)
(iii)	Estimate of total expenses related to admission to trading:	[Not Applicable/[ ]]

2. RATINGS

Ratings:	[The Instruments to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*]] (*The above disclosure should reflect the rating allocated to Instruments of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating*) [[*Insert the legal name of the relevant credit rating agency entity*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Instruments has an interest material to the offer.] (*Amend as appropriate if there are other interests*)

4. OPERATIONAL INFORMATION

(i)	ISIN Code:	[ ]
(ii)	Common Code:	[ ]
(iii)	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable/*give name(s, addresses) and number(s)*]
(iv)	Settlement Procedures:	[*Specify whether customary medium term note/*

		eurobond/other settlement and payment procedures apply]
(v)	Delivery:	Delivery [against/free of] payment
(vi)	Names and addresses of additional Paying Agent(s) (if any):	[ ]
(vii)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "Yes" simply means that the Instruments are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Instruments 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 this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Instruments are capable of meeting them the Instruments may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Instruments 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.]

5. DISTRIBUTION

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable/*give names*]
(iii)	Stabilising Institution(s) (if any):	[In connection with the issue of the Instruments, [*name of Stabilising Institution*] (or persons acting on behalf of [*name of Stabilising Institution*] may over-allot Instruments or effect transactions with a view to supporting the market price of the Instruments at a level higher than that which might otherwise prevail. However, there is no assurance that [*name of Stabilising Institution*] (or persons acting on behalf of [*name of Stabilising Institution*]) 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

		Instruments 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 Instruments and 60 days after the date of the allotment of the Instruments. Any such stabilisation or over-allotment must be conducted by [*name of Stabilising Institution*] (or person(s) acting on behalf of [*name of Stabilising Institution*]) in accordance will all applicable laws and rules]
(iv)	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
(v)	U.S. Selling Restrictions:	Regulation S, Category 2 restrictions apply to the Instruments [TEFRA C / TEFRA D / TEFRA not applicable] [Specify whether the Instruments are subject to TEFRA C or TEFRA D Rules or whether TEFRA is not applicable. In the absence of specification TEFRA D Rules will apply]
(vi)	Other Selling Restrictions:	[*Specify any modifications of or additions to selling restrictions contained in Dealership Agreement*]

6. OTHER INFORMATION

[*E.g.risk factors relating to a specific issue of Exempt Instruments*]

USE OF PROCEEDS

The net proceeds of the issue of each Tranche of Instruments will be applied by the relevant Issuer to meet part of the general financing requirements of the Bank and its subsidiaries.

EUROBANK ERGASIAS S.A.

Overview

The Bank and its consolidated subsidiaries (the "Group") is one of the four systemic banks in Greece, operating in key banking product and service markets. As at 31 December 2015, the Group had €73.6 billion, €51.7 billion and €31.4 billion in consolidated total assets, gross loans and advances to customers and customer deposits, respectively, a network of 917 branches and a worldwide workforce of 16,319 employees. The Bank's registered office is at 8 Othonos Street, Athens 10557, Greece and its telephone number is +30 210 333 7000.

The Group offers a wide range of financial services to retail and corporate clients. The Group 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. It is also among the leading providers of banking services and credit to SMEs, small businesses and professionals, large corporates and households. The Group's Greek operations for the year ended 31 December 2015 accounted for 71 per cent. of the Group's operating income, with international operations accounting for the remaining 29 per cent.

The Group has an international presence in six countries outside of Greece, with operations in Romania, Bulgaria, Serbia, Cyprus, Luxembourg and the United Kingdom, which, at 31 December 2015, collectively represented 372 branches and 30 business centres and 36 per cent. of the Group's total workforce. As at 31 December 2015, the Group's international operations had €12.7 billion in total assets (17 per cent. of the Group's total), €7.6 billion in gross loans (15 per cent. of the Group's total) and €9.3 billion in customer deposits (30 per cent. of the Group's total). The Group also has a presence in the Ukraine, which is accounted as held for sale.

In 2013, the Bank 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 Bank acquired full ownership of New TT HPB and New Proton Bank on 30 August 2013.

Greek Economy Liquidity Support Program

The Bank 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 31 December 2015, the government guaranteed bonds, of face value of €13,043 million, were fully retained by the Bank. During the year, the Bank issued new government guaranteed bonds of face value of €5,105 million, €4,779 million matured, while the Bank proceeded with the partial early redemption of government guaranteed bonds of face value of €1,000 million. During the first quarter of 2016, the Bank proceeded with the redemption of government guaranteed bonds of face value of €2,147 million, while bonds of face value of €500 million matured, all of which were fully retained by the Bank.

(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 Bank, were returned in full.

Recapitalisation

The Bank'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. The Bank's capital needs were estimated at approximately €5,800 million. The Bank 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 per cent. of the shares in the Bank.

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 STs 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 STs. The Bank of Greece assessed the Bank's capital needs at that time to be €2,945 million under the baseline scenario. The Bank 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 per cent. of the share capital of the Bank.

In November 2015, the Bank 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 "The Bank - European Central Bank's Comprehensive Assessment" 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 Bank'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 Bank 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 adverse economic conditions in Greece, especially since the second quarter of 2015, had a negative impact on the liquidity of the Greek banks and raised concerns regarding their solvency position. In accordance with the preliminary agreement of the 12 July 2015 Euro summit, the new ESM program would have to include the establishment of a buffer of €10 billion to €25 billion for the banking sector in order to address potential bank recapitalization needs and resolution costs and the

ECB /Single Supervisory Mechanism would conduct a comprehensive assessment ("CA") of the supervised four Greek banks.

In this context, the CA was conducted taking into account the combined effect of:

- An Asset Quality Review ("AQR"), by reviewing the quality of the banks' Greek portfolios, including the adequacy of asset and collateral valuation and related provisions; and

- A forward looking ("ST") to examine the resilience of the banks' balance sheet to a potential further deterioration of market conditions.

Capital adequacy was assessed over a three-year time period (2015-2017) under two ST scenarios: baseline and adverse. According to the ST process, the banks used as reference the preliminary data for the second quarter of 2015 and submitted their 3-year business plans built on base case assumptions: GDP growth as provided from ECB for 2015 -2.3 per cent., 2016 -1.3 per cent. and 2017 +2.7 per cent., while the other assumptions, including credit and deposit growth, were based on the four banks Economists' consensus. These business plans were stress-tested by ECB under the baseline and adverse scenarios to assess potential capital shortfalls.

On 31 October 2015, ECB announced the results of the CA on the four systemically important Greek banks, including the Bank.

CA results for Eurobank

The CA results for Eurobank are summarized as follows:

AQR Results

The AQR constituted a thorough review of the carrying values of the Bank's Greek portfolios as of 30 June 2015 encompassing 98 per cent. of the Greek portfolio. The AQR identified additional provisioning needs of €1,906 million, primarily driven by the deterioration in the macroeconomic environment in Greece, leading to a CET1 ratio of 8.6 per cent., after taking into account the entire amount of losses identified in the AQR. This implies a capital shortfall of €339 million, relative to the threshold of a CET1 ratio of 9.5 per cent.. The AQR-adjusted capital position provided the starting point for the ST.

ST Results

The ST under the baseline scenario has not triggered further negative impact on the Bank's solvency position, maintaining the post-AQR and baseline scenario CET1 at 8.6 per cent., which corresponds to a capital shortfall of €339 million, relative to a CET1 ratio of 9.5 per cent., which is the threshold in the baseline scenario of the ST.

The ST under the adverse scenario identified further negative impacts on the Bank's solvency position, leading to a CET1 ratio of 1.3 per cent., which implies a capital shortfall of € 2,122 million, relative to a CET1 ratio of 8 per cent., which is the threshold in the adverse scenario of the ST.

The 2015 AQR was a prudential exercise, which was performed under the same methodology as the 2014 AQR. The impact of €1,906 million relates mainly to provisions adjustments for loans and advances to customers of €1,876 million, and was determined according to the methodology that was developed by ECB for the purpose of the 2014 CA in order to ensure consistency across banks without introducing greater prescription into the accounting rules outside of the supervisory mechanisms.

The results of the AQR had no effect on the accounting policies applied by the Group for the year ended 31 December 2015. Furthermore, the results of the AQR have been reflected in the Group's results as at 30 June 2015 to the appropriate extent through the application of the Group's existing impairment accounting policies, which incorporate the constant evaluation and calibration of estimates and judgments based on the latest available information.

Eurobank's capital enhancement actions

In early November 2015, the Bank submitted a capital plan to the ECB for approval, describing in detail the measures it would implement in order to cover the shortfall identified in the CA, under both the base and the adverse scenario.

In this context, on 3 November 2015, the Bank's Board of Directors, resolved to call an Extraordinary General Meeting on 16 November 2015 to approve a share capital increase (the "SCI") of up to €2,122 million. On 13 November 2015, the Single Supervisory Mechanism of the ECB recognised €83 million of capital generation that could be taken into account to reduce the Bank's total capital shortfall identified as part of the CA. Following this recognition, the maximum amount of capital to be raised through the SCI reduced to €2,039 million.

The capital increase was effected by means of a private placement to institutional and other eligible investors in Greece and internationally through a bookbuilding process, with waiving of the pre-emption rights of the Bank's existing ordinary shareholders and preference shareholder.

In combination with the aforementioned SCI a Liability Management Exercise (the "LME"), was launched by Eurobank on 29 October 2015 relating to the tender offer on € 877 million (face value) of outstanding eligible senior unsecured, Tier I and Tier II securities.

Based on the results of the bookbuilding process, the BoD set the offer price at € 0.01 per offered new share or €1.00 following the 100-to-1 reverse stock split. Accordingly, on 23 November 2015, following the completion of the SCI of total amount of €2,039 million, the Bank announced that the 2,038,920,000 new ordinary registered shares were allocated as follows: (a) 1,621,150,153 of the new shares (80 per cent. of all new shares) to qualified investors, eligible institutional and other investors who meet certain criteria and (b) 417,769,847 of the new shares (20 per cent. of total of all new shares) to investors whose securities had been finally accepted for purchase in accordance with the terms and conditions of the Bank's LME .

The new shares are listed on the main market of the Athens Exchange and their trading commenced on 2 December 2015

The Bank's Strategy

The Bank 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 primary target of the Group is to return to profitability in 2016, through further expansion of the pre-provision income, substantial reduction in credit provisions and strengthening of international operations business profits. 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 the Bank's clients' primary bank

The Bank will focus its business generation activity on those parts of its customer base where it has a strong market position, in particular, corporate, SME, small businesses and professionals ("SBs") and affluent individual customers. These customer segments also have the potential to provide high levels of liquidity (e.g. deposits) and profitable business opportunities. Within each such customer

segment, the Group 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 Group has adopted a segment-based organisational structure, which identifies clients according to client size, complexity and revenue potential. The Group also uses advanced client profitability measurement tools and key performance indicators, such as economic value added and risk-adjusted return on capital. The Group 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 Bank

The Bank 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 Bank 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 Bank's fee and commission income and deposit gathering

The Bank'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 Group 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 Bank 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 Bank 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 Bank 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 Bank'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 Bank 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 Group

The Bank 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 Bank 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 Bank's ordinary shares were listed on the ATHEX in 1999. Today, the Bank 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

The Bank is one of the leading financial institutions in Greece with a significant role in the country's retail banking landscape, with over seven million retail deposit accounts, 484 branches (of which 136 are operating under the "New TT Branch Network" brand of the former "New TT Hellenic Postbank") and 827 ATMs as at 31 December 2015. The Bank offers its retail customers a broad range of deposit, loan, investment and bancassurance products as well as other retail banking services.

The Bank's current retail banking model is structured around its core customer segments, a multi-channel distribution platform and centralised, integrated product units. The Bank's Retail core segments cover individuals (affluent and mass), as well as SBs. The Bank's multi-channel distribution platform includes a nationwide network of branches with segment-oriented relationship managers serving the value segments, digital distribution channels (such as e-Banking, m-Banking and phone banking), the Greek postal offices network ("ELTA"), as well as other third party partners (e.g. car dealers). Finally, the Bank's centralised product units deliver the whole spectrum of retail banking products and services with a focus on customer-relevance and efficiency.

The Bank has consistently differentiated itself against the competition primarily through its customer-driven and technology-enabled innovation as well as its customer service. The Bank'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, the Bank'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 Bank.

In light of current economic conditions in Greece, the Bank 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 year ended 31 December 2015, the Group in the Greek market disbursed €76 million in mortgage loans, €90 million in consumer loans (including personal loans and car loans) and granted €149 million in new loans to small-sized enterprises. The Group's total retail lending portfolio in Greece amounted to €28.4 billion as at 31 December 2015, compared to €28.7 billion as at 31 December 2014.

The Bank's operations cover the whole spectrum of banking products and services, ranging from deposit and investment products, cards, household lending products, small business products and services, transactional services, to bancassurance products.

Mortgage lending

The Group's mortgage loan portfolio balances in the Greek market amounted to €16.5 billion as at 31 December 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, the Bank has been one of the leading players in this market, with total mortgage lending disbursements of €76 million in 2014 and €76 million for the year ended 31 December 2015.

The Bank 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 Bank. 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 Bank, as well as customers meeting certain other criteria, such as Group Sales customers and Personal and Private Banking customers. The pricing policies the Bank applies to these customer groups aim to preserve such customer groups in the Bank's customer base and enhance their relationship and co-operation with the Bank. Going forward, the Bank is planning to maintain its market share in Mortgage Lending.

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 31 December 2015.

During the year ended 31 December 2015, the Bank 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, the Bank has managed to maintain consumer loan disbursements at €90 million during the year ended 31 December 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 branch network.

Going forward, the Bank'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.

Credit, debit and prepaid cards and acceptance services

The Bank 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 Bank amounted to 2.2 million cards . Total turnover (purchases and cash withdrawals) was €1.8 billion for the year ended 31 December 2015 and €1.4 billion for the year ended 31 December 2014. The Group's total credit card balances in the Greek market stood at €1.4 billion as at 31 December 2015.

The Bank'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 Bank has significantly enhanced "Epistrofi" to comprise more than 7,000 merchants as at 31 December 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 Bank 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.

Responding to the trend of customers' increasing debit card usage in points-of-sale ("POS") terminals, the Bank designed the most sophisticated tool compared to any other in the Greek market. The Bank's debit card can be instantly obtained, has contactless functionality and rewards the customer through "Epistrofi" loyalty scheme.

The Bank's card transactions acceptance and clearance services ("POS Acquiring Services") comprise approximately 83,000 physical POS, together with a network of more than 2,700 e-commerce associates. During the year ended 31 December 2015, the Bank's total Acquiring Services reached €3 billion compared to €2.1 billion for the same period in 2014.

The Greek market has seen a significant expansion in cards usage (estimated to reach 20 per cent. of total transactions, compared to 6 per cent. 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 Bank 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 Bank remains aligned with its strategic focus on the "Travel & Entertainment" industry and takes advantage of increasing international volumes. Moreover, emphasis will be placed on launching card acceptance initiatives in areas without terminals.

Finally, the Bank 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 Bank has introduced "Dynamic Currency Conversion" functionality, and it also become a member of the "China Union Pay" payment scheme. Already approximately 250,000 cards carry the contactless functionality and can be used for payment transactions at 80,000 acceptance points across the Greek market.

Small Business Banking

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), The Group has managed to maintain its strong position in the SB lending sector in Greece, with a loan portfolio of €6.5 billion as at 31 December 2015, with €149 million in new loans and approximately €655 million of total new financing (including existing lines of credit and post-dated cheques financing).

The Bank'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 Bank also offers the dedicated Eurobank Business Debit MasterCard. The Bank's customers have the option to fully manage their banking needs online with the Bank's e-Banking service.

The Bank 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").

For the fifth consecutive year the Bank supported Greek companies in the tourism industry or operating in touristic areas. The Bank created a relevant tailor-made package that rewards them for selecting the Bank as their main collaborative partner.

The Bank'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 year ended 31 December 2015, the Bank experienced increases in its transactional banking business, i.e. on a year-on-year basis, the volume of imports realised through Small Business Banking increased by 16 per cent. and POS turnover increased by 19 per cent.; eBanking active users increased by 45 per cent.; and sight account balances increased by 4 per cent., in a period of significant deposit outflows from the banking system.

Finally, in the year ended 31 December 2015, an additional €68.5 million in lending to small businesses and professionals was secured with mortgage pre-notations. As a result the portfolio was 80 per cent. secured (75 per cent. covered primarily via financial collaterals and mortgage pre-notations)., In 2010 the Bank 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 Bank. Group customer deposits amounted to €31.5 billion as at 31 December 2015 compared to €40.9 billion as at 31 December 2014 and €41.5 billion as at 31 December 2013.

In 2015, the Bank continued its customer-centric approach providing its clients with the possibility to gain extra benefits in the form of Epistrofi or health insurance. Taking advantage of the wide spread acceptance of debit card usage due to capital controls, the Bank launched successful deposit gathering campaigns.

In the year ended 31 December 2015 more than 600,000 customers held "Megalo Tamieftirio" ("Big Savings") accounts. Stressing the importance of saving as a new way of life, the Bank 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 Bank focuses on savings, supporting families and children to realise their dreams. 180,000 children are already owners of the savings account "Megalono" (Growing Up) and more than 650 children doubled their account savings in 2015 through the Greek “Laiko” Lottery.

A large number of new customers were attracted by Epistrofi, the Bank’s card loyalty scheme, which is offered to the Bank’s deposit accounts through debit card usage. All deposit accounts provide additional value to the Bank’s clients’ deposits by rewarding them for using their transactions debit card instead of cash while they perform their everyday shopping.

Bancassurance

Bancasssurance activity is a strategic priority for the Bank. A 15 year bancassurance exclusive agreement between the Bank and Eurolife has been implemented, safeguarding the Bank’s commitment to bancassurance activity as a top priority line of business. Eurobank has developed a full range of bancassurance products, especially designed to satisfy the needs of its customers. The Bank’s bancassurance portfolio maintained €1.8 billion funds under management at 31 December 2015. New collected premia increased in the first semester of 2015 by 9 per cent. over the respective semester in 2014. Capital controls, imposed at the beginning of the second semester, practically stalled all new premia production for the remaining year. During 2015 the Bank achieved production of 40,000 new insurance policies.

Group sales

Group Sales play an important role in the Bank’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”. The Bank 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, the Bank 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, consulting services in labour law and tax, as well as HR technology and tools. Moreover, Eurobank Business Services S.A. supports the monthly pension calculation of 25,000 retirees.

In the B2C field, the Bank has developed the “Privileged Payroll Account” (“PPA”), a special payroll package for employees who receive their payroll through the Bank. Bundling several products and services, the PPA offers the Bank’s customer benefits and privileges in all key banking products and services. As at 31 December 2015, the Bank’s total client base exceeded 8,500 companies and 550,000 customers (out of which 195,000 are private sector employees, 110,000 are public sector and 245,000 are retirees).

Distribution channels

Retail banking network

The retail banking network of the Bank was comprised of 484 branches in Greece as at 31 December 2015. Of these branches, 136 are operating under the “New TT branch network” brand under the

Bank's dual-brand strategy principle (one bank, two brands). In addition to its retail banking network, the Bank also has 8 private banking centres and 23 corporate banking centres.

The New TT branch network caters for the needs of the average Greek family, through the recently introduced Family Banking advisors. In addition, ERB branch network has offered Eurobank Personal Banking services to affluent customers since 2007. Currently, Eurobank Personal Banking serves approximately 96,200 customers as at 31 December 2015. Personal Banking 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 dedicated Relationship Managers accredited by the Bank of Greece to "branded" branch space, to global statement and exclusive phone-banking line.

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, Greece's national postal services provider, which in 2007 was extended until 31 December 2021. The Bank decided to re-engage with the ELTA the agreement framework identifying its benefits and manage the above vast alternative network of more than 710 branches in Greece; its sales performance, product offering, operational model etc. in such a way that mutual benefits for both agreement parties will be created going forward. ELTA is a potential low cost to serve channel for Retail Banking, offering high margin products, covering "untapped" geographical areas and targeting lower mass sub-segments of pensioners, public sector employees, low-income youths and immigrants.

Digital banking services

In 2015, the Bank maintained its strategic focus for continuous growth and development of sophisticated electronic services. For the year ended 31 December 2015, visits to the Bank's website exceeded 17.6 million which was an increase of more than 3.5 million compared to the same period in 2014.

The Bank's e-Banking

The Bank'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 year ended 31 December 2015, 422,000 users (individuals and businesses) used the e-Banking service. The number of active e-Banking customers and the number of transactions increased by 33 per cent. and 30 per cent. respectively, compared to the same period in 2014.

The Bank's m-Banking

The Bank offers an integrated banking service via mobile phones, which is supported by the most widely available technologies and channels (sms, mobile site, mobile apps). The Bank's m-Banking application, launched in November 2009, is available through several online application stores (including Apple iTunes, Google Play, Windows Phone Store). The Banks'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 year ended 31 December 2015, more than 73,500 users have

installed the m-Banking application, and approximately 117,000 have used it for online statements and transactions. Active m-Banking users increased by 39 per cent. and transactions by 47.9 per cent. in the year ended 31 December 2015 (as compared to the same period in 2014).

Self-service banking terminals

As at 31 December 2015, the Bank's self-service terminals network comprised 1,305 points of service, including 509 ATMs and 478 automated transaction centres ("ATCs") located in branches of the Retail Banking network, as well as 219 ATMs located outside branches and 99 ATMs located in ELTA sites. In Greece, the Bank ATMs and ATCs account for 45 per cent. of the banking monetary transactions of the Group.

The Bank's Phone Banking (Europhone Banking)

The Bank's contact centre, which operates on a 24-hour basis, both with live agents and a voice banking self-service platform based on natural language understanding technology, 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. For the year ended 31 December 2015, Europhone Banking processed approximately 3.45 million monetary and information transactions, with an aggregate value of approximately €230 million, while making 2.62 million contacts with Bank's customers through phone, e-mail, Click2Chat & Click2Call.

Group Corporate & Investment Banking

The main objective of Group Corporate & Investment Banking ("GCIB") is to provide fully integrated business solutions to SMEs and very large and complex corporate clients. The basic pillars of the Bank'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 Bank'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 €3.5 billion as at 31 December 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 Bank's clients.

The CB lending portfolio amounted to €8.9 billion as at 31 December 2015. Within CB, there are two main business divisions: Central Commercial Banking ("CCB"), which is responsible for the coverage of the largest CB clients, principally in the Attica region; and Commercial Banking Network ("CBN"), which oversees the relationship with medium-sized clients nationwide, via a network of 16 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 Bank'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 has launched a major effort to support strong medium-sized companies that maintain a solid domestic or foreign market share. CB extended new credit facilities totalling €88.3 million to SMEs and local authorities in 2015 through either joint financing programmes such as ETEAN. The Hellenic Fund for Entrepreneurship and Development, or other funding sources such as IfG – Institution for Growth in Greece.

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

The Project Finance unit 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"). The unit combines solid experience and leading capabilities in financial advisory services and lead arranging PF transactions, and is hence considered as leader in the Greek market. 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. The Project Finance unit is also active in the renewable energy market, expanding its portfolio and working together with local and international sponsors. Leveraging on its track record, as well as its reputation as the Greek financial institution with the widest and deepest Project Finance know-how, Project Finance has managed to establish close and strong relationships with leading local and international project sponsors and lenders, including multilaterals.

Commercial Real Estate Finance

Commercial Real Estate Finance ("CRE") is a specialized unit that provides financial advisory services, organizes and structures complex financings for all types of large commercial real estate. The CRE unit exploits investment opportunities covering all asset types: office buildings, retail (malls, retail parks), and mixed use. Large scale residential developments & industrial buildings also fall under its scope. Restructuring capabilities is also a core competence of the unit. The outstanding portfolio stands at approximately €500 million. Since 2005 Eurobank's CRE unit has been at the forefront of financing prominent real estate projects in Greece and SEE markets, and during the last few years the unit has built strong relationships with major Greek and International investors/developers. The unit also provides Real Estate Financial Advisory services on a case by case basis such as advising the Hellenic Republic Asset Development Fund ("HRADF") in the

monetization of 28 government buildings through a Sale and Leaseback transaction during 2014. The CRE unit is focused on long term relationships, leading market knowledge providing tailored financing solutions for transactions aiming to satisfy client needs, while also introducing unique and innovative structures.

Eurobank has been awarded best Real Estate M&A Advisory for the year 2015 by Euromoney Magazine.

Leverage Finance and Special Situations

Leverage Finance and Special Situations is a dedicated unit responsible for the structuring and arrangement of complex leverage finance transactions (leveraged buy-outs ("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 Bank's leverage finance portfolio in Greece and Southeastern Europe and currently consists of less than €100 million in pre-2013 transactions and approximately €150 million in post-2013 transactions, as well as approximately €150 million of exposures in the Hotel and Leisure sector. Eurobank's LF unit is a leading provider of leverage finance and combines the ability to provide highly sophisticated financial advisory services to relevant clientele. The unit led the vast majority of the high profile LBOs in Greece and the Region.

A range of structured financing products can be offered by the Leverage Finance team including Exchangeable Bond Loans, Convertible Bond Loans, Refinancing and Bridge Financing Loans, Acquisition Finance and Margin Loans, nevertheless its pure competence is in coordinating and customising solutions to fit the needs of the client and the transaction. Over the last 5 years, the Leveraged Finance unit has also developed a unique specialised knowledge in complex debt restructurings.

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 31 December 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 Bank is strategically positioned in the largest hotel groups that collaborate with the top international tour operators.

Over 75 per cent. of the hotels that receive financing are located at the three most popular holiday destinations for international tourists in Greece: Crete (40 per cent.), Rhodes (26 per cent.) and Kos (10 per cent.).

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 to establish a large deposit base (USD 454 million as at 31 December 2015), which, despite outflows due to sovereign risks exposure, continues to provide a solid funding base for its shipping loans (USD 1 billion as at 31 December 2015). In collaboration with other teams of the Bank (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 2011 through to 31 December 2015, the Bank has arranged more than 90 transactions, raising over €19 billion of debt financing overall. The unit is also responsible for secondary loan trading, reinforcing the position of the Bank in the European markets and assisting in optimising the quality of its lending portfolio. In the last five years, the Bank's Secondary Loan trading platform has traded over €450 million of loans and loan portfolios.

Investment Banking and Principal Capital Strategies

The Bank Investment Banking ("IB") offers M&A and ECM advisory services to a wide range of corporate clients and private equity firms. In 2013, 2014 and 2015, 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 year ended 31 December 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 the Bank 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 year ended 31 December 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 the Bank'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 the Bank'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 the Bank'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

The Bank 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.

The Bank 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 Bank's regional securities services offering is internationally recognised by specialised industry magazines such as "Global Custodian" and "Global Finance", which have annually recognised the Bank's leading market position.

Interbank Relations and Payment Services

The Bank maintains a dedicated Correspondent Banking Division offering specialised relationship management for all its clients being the only bank in Greece with centralised payment services, enabling cost-effective payments execution and optimal cash management solutions. The Bank'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 Bank's International Award for Exceptional Quality in international payments in USD and Euros.

Leasing

Eurobank Ergasias Leasing S.A. ("Eurobank Leasing"), a 100 per cent. subsidiary of the Bank, 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 per cent. (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 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 the Bank 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 Bank 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 Bank's market share for 2014 stood at 38.4 per cent. (Source: Hellenic Factors Association) with a 43.8 per cent. 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 the Bank's brokerage firm providing a full range of trading and investment services to over 20,000 private, corporate and institutional clients in Greece and abroad. The firm has a dominant presence in the domestic capital market position is underpinned by its leading market share (ranked first in the last seven years) (Source: Hellenic Stock Exchange) and its recognition by the Pan European Thompson Reuters Extel Survey as the "Leading Brokerage Firm" in Greece for the last two consecutive years (2014, 2015). The same survey ranked Eurobank Equities Research as 1st in the "Country Research" category for the last three years, while the firm has led the individual "Research Category" for four years in a row.

The firm's Institutional Sales and Trading desk offers sales and execution services to the largest Greek and global institutional clients involved in domestic equities and derivatives by providing 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, 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 2015 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 MFMC. Eurobank Asset Management MFMC 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 €5.3 billion as at 31 December 2015. Eurobank Asset Management MFMC had a market share of approximately 45.9 per cent. in the mutual funds market in Greece as at 31 December 2015, ranking first among the fund management companies in Greece, with €3.35 billion of total assets in 66 mutual funds, €926 million of institutional mandates in segregated accounts, and €1 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 Company. (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) Fund of Funds, which are distributed in Romania, Bulgaria, 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 31 December 2015, Eurobank Asset Management managed 29 discretionary asset management mandates, of which 22 were institutional investors, with assets under management of €525 million and 877 discretionary portfolios with assets under management of €401 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 named the "Best Private Bank Greece" in separate surveys by World Finance and Global Finance. As at 31 December 2015, the Bank had over 6,200 clients and €5.5 billion of assets under management, of which 57 per cent. came from Greece, 22 per cent. from Luxembourg and 21 per cent. from Cyprus.

Insurance

The Group announced in December 2015 an agreement with Fairfax Financial Holdings Limited ("Fairfax") to sell 80 per cent. 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 per cent. of Eurolife from the Bank for a cash consideration of €316 million, while the Bank will retain a 20 per cent. 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 the Bank, for the exclusive distribution of insurance products in Greece and Romania through the Bank'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 fourth largest insurer in Greece with approximately 8 per cent total market share (gross written premiums of €291.2 million as at 31 December 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[1]). Eurolife's insurance subsidiaries distribute their insurance products and services through the network of the Bank 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 a 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 31 December 2015, the Group's international operations accounted for total loans and advances to customers amounting to €7.6 billion, total deposits of €9.3 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" where issues such as the strengthening of local currencies through more extensive use in lending and more effective management of problematic debts are envisaged.

In addition, the Bank 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 Group's subsidiary banks in Romania, Bulgaria, Serbia and Cyprus, 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.

[1] 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.

On 26 November 2015 the European Commission approved the Bank's restructuring plan, which includes a commitment to reduce the Bank'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. For the year ended 31 December 2015, the Bank's international operations reported a net profit before non-recurring charges of €67 million, as compared to a net loss of €182 million over the same period the previous year.

Romania

In Romania, the Group operates through its wholly owned subsidiary Bancpost S.A. ("Bancpost") with a network of 148 retail units and 8 business centres as at 31 December 2015. As at the same date, in Romania, the Group had total gross loans of €2.3 billion, of which 55.8 per cent. were retail (households) and 44.2 per cent. were businesses, and total deposits of €1.8 billion.

During the difficult years of the Romanian economy (2010-2013), Bancpost responded to the challenge by seeking opportunities to support its clients, operations and subsequently the economy. Furthermore, Bancpost optimised its funding sources through the active management of the retail deposit portfolio, as well as attracting significant lines of credit from international financial institutions such as the EBRD and the IFC.

Bancpost is committed to maintaining an active role in the growth of the Romanian economy and to supporting its key business sectors.

In 2014, Bancpost placed an emphasis on improving the quality of its loan portfolio and the bank's reorganisation process led to positive results in 2015. It restored profitability, while maintaining a comfortable liquidity position and capital adequacy ratio above the average of the banking system. Provisions for our operations in Romania for the year ended 31 December 2015 stood at €45.4 million, compared to €207.8 million for the same period last year representing a year-on-year reduction of 78.2 per cent..

As at 31 December 2015, Bancpost's capital adequacy ratio (regulatory capital over risk-weighted assets) was 20.51 per cent., significantly higher than the Central Bank floor of 10 per cent..

In 2015 the Group went through a transformation process in Romania that has re-engineered its operational model in the retail area by streamlining flows for better customer service and improved sale and costs effectiveness.

During the 2008-2014 period, the Group achieved a 44 per cent. reduction in operating costs in Romania. The decreasing trend in costs continued in 2015, resulting in a year-on-year reduction of 10.7 per cent. (operating costs for the year ended 31 December 2015 stood at €99.4 million as compared to €111.3 million for the same period in 2014).

Bulgaria

In Bulgaria, the Group operates through its wholly owned subsidiary Eurobank Bulgaria, known under its commercial brand name "Postbank", which had 143 branches and 7 business centres as at 31 December 2015. As at the same date, in Bulgaria the Group had total gross loans of €2,5 billion, of which 46 per cent. were retail (households) and 54 per cent. were businesses, and total deposits of €2.4 billion.

In 2015, Bulgaria's economy expanded by 3 per cent. year-on-year, as compared to 1.6 per cent. in 2014. Economic activity in the country was driven by exports and investments. The banking system remained stable and profitable, while customer confidence remained high. The system's liquidity and capital adequacy were very satisfactory.

In 2015 Postbank held a strategic position in retail and corporate banking in Bulgaria. The Bank maintained its long-term strategy of being client-centred, innovative institution working with care for the people and the community. It went beyond the conventional market of bank products, by establishing a new client-centred banking model.

The Bulgarian operations reported a net recurring profit of €23.6 million for the year ended 31 December 2015, recovering from a net loss of €56.9 million reported for the same period last year.

The capital adequacy of Eurobank Bulgaria remains at high levels, with a capital adequacy ratio (regulatory capital over risk-weighted assets) of 24.74 per cent. as at 31 December 2015, significantly higher than the Central Bank's minimum requirement of 13.5 per cent..

The operations in Bulgaria were especially successful in attracting deposits, mainly from retail customers and simultaneously managed the cost of funds level lower than the market average. The deposits level allowed our operations in Bulgaria to be self-funded and report a net loan to deposit ratio at 90 per cent. as at 31 December 2015.

Eurobank Bulgaria, in collaboration with the IFC, utilises significant amounts in financing intended for the development and promotion of the trade operations of Bulgarian import/export enterprises. Eurobank Bulgaria also offered new loan products and factoring products to support small and medium sized enterprises, while simultaneously providing appropriate restructuring solutions to customers facing financial distress.

On 17 July 2015 Postbank and Alpha Bank entered into a Memorandum of Understanding for the acquisition of the ongoing concern of Alpha Bank's Branch in Bulgaria. In November 2015 the two banks concluded a definitive agreement regarding the acquisition of the ongoing concern of Alpha Bank's Bulgarian Branch. On 1 March 2016 Postbank successfully finalized the agreement to acquire the ongoing concern of Alpha Bank Bulgaria. By signing the legal agreement on that date, the two banks have made the final step towards completing the transaction. The two financial institutions continue to work together under the Postbank brand, creating one of the country's leading banks. Postbank became the fourth biggest bank in Bulgaria in terms of loans and deposits, with over BGN 6.3 billion assets, a broad branch network across the country and a considerable client base in retail and wholesale banking segments. The operational merging, the rebranding of offices acquired from Alpha Bank Bulgaria and all resulting changes will be finalized in the first half of 2016. Till then, the operating systems, products and services of Alpha Bank Bulgaria, including internet banking platforms, will be unified with those of Postbank.

Serbia

In Serbia, the Group operates through its wholly owned subsidiary Eurobank A.D. Beograd ("Eurobank Beograd"), which had 80 branches and business centres as at 31 December 2015. As at the same date, the Group in Serbia had total gross loans of €0.9 billion, of which 44.5 per cent. were retail (households) and 55.5 per cent. were businesses, and total deposits of €0.7 billion.

In 2015, the Serbian economy's output rose by approximately 0.7 per cent., mainly as a result of higher investments inflow in the second half of the year and a less than expected drop in personal spending. Most of the macroeconomic high frequency indicators show clearly that the country has come out of recession and should remain on the upside path in both 2016 and 2017, with projected growth rates of 1.8 per cent. and 2.5 per cent., respectively.

As at 31 December 2015, Eurobank's network in Serbia comprised of 80 retail branches and 6 business centres, while the Bank's total assets stood at €1.3 billion. Despite the evidently challenging economic situation, Eurobank Serbia returned a pre-provision operating profit of €38 million. However due to a sizeable one-off loss related to new regulations introduced by the Central Bank and affecting

mortgage loans in foreign currency coupled with a further strengthening of the balance sheet to address the result of the comprehensive Asset Quality Review carried out by NBS, the net loss for the year amounted to €2 million.

The capital adequacy of Eurobank Beograd was 15.9 per cent. (regulatory capital over risk-weighted assets) as at 31 December 2015, higher than the Central Bank's minimum requirement (12.0 per cent.).

Since 2012, Eurobank Beograd has partnered with international financial institutions, such as the IFC, EBRD and EIB, to provide loans to domestic enterprises and companies. Also, in 2012, Eurobank Beograd participated in the launch of the process for the first EUR/CHF currency swap agreement in the region with EBRD.

In recent years, Eurobank Beograd has restructured its branch network and head office in order to achieve a more efficient and flexible model. The Group's total operating costs in Serbia were reduced by 44 per cent. for the period from 2008 to 2014. This decreasing trend continued in 2015, with operating expenses for our operations in Serbia of €44.7 million for the year ended 31 December 2015, compared to €49.5 million for the same period last year (year on year reduction 10 per cent.).

Corporate social responsibility has been a key priority for Eurobank Beograd since its establishment, and its contributions to Serbian society have been acknowledged by the country's leadership. In recent years, Eurobank Beograd has actively supported the youth, culture and environment of local communities. During 2015, Eurobank Serbia continued with Corporate Social activities, thought two main pillars: Social Solidarity and Education.

Cyprus

In Cyprus, the Group operates through its wholly owned subsidiary Eurobank Cyprus Ltd ("Eurobank Cyprus"), which had 8 business centres as at 31 December 2015.

Eurobank Cyprus continues to deliver positive results, thus strengthening its position in the Cyprus Banking Sector. Specifically, for the year ended 31 December 2015, net profit after tax reached €33.6 million, as compared to €28.8 million for the same period, a 16.7 per cent. year-on-year increase.

As at 31 December 2015, Cyprus had deposits of €3.3 billion and loans of €1.6 billion, of which a significant part is fully cash collateralised, and net loans to deposits ratio at 45.2 per cent.. The Group's operations in Cyprus maintain strong liquidity, with cash primarily invested in low-risk short-term assets.

Eurobank Cyprus is strongly capitalised with a capital adequacy ratio of 30.5 per cent., (regulatory capital over risk-weighted assets) as at 31 December 2015, significantly higher than the Cypriot Central Bank's minimum requirement (12.5 per cent.).

The successful performance further strengthens the leading position Eurobank Cyprus enjoys in the areas of international business banking, wealth management, corporate and commercial banking and capital markets. Eurobank Cyprus continues to be focused on providing excellent services to its clientele, based on its high calibre personnel, long experience in the market and innovative product range.

In January 2015, Eurobank Cyprus expanded its network by opening one new business centre reaching in total eight business centres, with the goal of further improving the services offered.

As at 31 December 2015, Eurobank Cyprus had total assets of €3.7 billion. The strong capital base of Eurobank Cyprus combined with the good quality of the loan portfolio ensured the liquidity position of Eurobank Cyprus against any future risks due to the debt crisis in Cyprus.

Ukraine

In Ukraine, the Group operates through its wholly owned subsidiary Public J.S.C. Universal Bank.

Ukraine in 2015 was subject to core reformations and at the same time had to face challenges in the eastern part of the country, survived several political crises and suffered recession in economy, resulting in devaluation and consumer ability fall. Despite the adverse factors, the country managed to significantly improve its macros as of the yearend, gaining state budget surplus in January 2016 and having upgraded long-term foreign currency rating by Fitch.

Despite the adverse market situation during 2015, Universal Bank maintained its satisfactory liquidity position, exceeding regulatory limits, and with cost-efficiency efforts managed to further reduce its operating expenses by 40 per cent.. Despite the situation, Universal Bank is regarded as a relatively small, yet trustworthy European bank in the market. The Group's operations in Ukraine are classified as a disposal group held for sale.

A share capital increase amounting to €77million was performed in Public J.S.C. Universal Bank in order to ensure that all local capital related ratios are compliant with National Bank of Ukraine requirements. The capital increase covered by conversion to capital of existing registered (€18 million) and unregistered subordinated debt (€9 million) and interbank group placements at Public J.S.C. Universal Bank (€50 million).

Western Europe (Luxembourg and United Kingdom)

Through the Bank's subsidiary in Luxembourg, Eurobank Private Bank Luxembourg S.A. ("Eurobank Luxembourg"), the Group has developed a significant presence in Private Banking, Wealth Management, Investment Advisory, and Lending services for both private and corporate clients. Furthermore, Eurobank Luxembourg provides administrative and custody services for Investment Funds and also functions as a booking centre for corporate loans of the Eurobank Group. Luxembourg is ranked as Eurozone's top private banking centre and second biggest location for funds worldwide. As at 31 December 2015, Eurobank Luxembourg had balance sheet assets of €3.9 billion, ample liquidity and a strong capital base, as manifested by a Basel III solvency ratio of 43.3 per cent..

At the beginning of June 2015, Eurobank Luxembourg acquired the former Eurobank London Branch in the United Kingdom, Eurobank Private Bank Luxembourg-London Branch ("Eurobank London"). Eurobank London provides an array of services to companies with international activities, especially in Central and Southeastern Europe and to individual clients with local and international banking needs. Furthermore, Eurobank London serves as an extension of Eurobank's Luxembourg Private Banking platform to London-based clients.

Other activities

In addition to the products and services described above, the Bank is also engaged in the following activities, both in Greece and in the other countries in which the Bank's 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, the Bank 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 the Bank'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.

The Troubled Assets Group ("TAG"), with a direct reporting line to the Chief Executive Officer, is the overall responsible body for the management of the Group's troubled assets portfolio, ensures close monitoring, tight control and 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. The TAG's recommendations and reports to the Board of Directors are also submitted for consideration to the Group Chief Risk Officer (the "GCRO")who express an opinion.

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;
- early intervention to prevent NPL formation and development of early warning models to predict the probability of an account to roll into delinquency;
- 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 through innovative propositions will lead to long-term sustainable solutions, ensuring a consistent approach for managing troubled assets across portfolios;
- define criteria to assess the sustainability of proposed forbearance or resolution and closure measures and design decision trees;
- 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 Bank's profitability and capital position, while reducing the troubled assets perimeter and associated risks.

Over 2,600 full-time equivalent personnel (including external resources) are involved in NPL management operations across and for the Bank 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 the Bank. The strategy implemented by TAC is closely monitored by the CEO, while TAC regularly reports to the BRC, in order to present the results of the management of troubled assets.

The main responsibilities of the Troubled Assets Committee are the following:

- determines and monitors the Arrears and Non-Performing Loans Strategy ("ANPLs") consistent with the Bank's Business Objectives, subject to the guidelines specified by the Bank of Greece, ensuring the availability of necessary technical resources and personnel for the management of the Arrears and Non-Performing Loans;
- ensures the implementation of the Code of Conduct according to the legislation;
- receives, reviews and evaluates all the internal reports regarding the management of the Arrears and Non-Performing Loans according to Bank of Greece requirements;
- sets the Policies of Management and Monitoring of Arrears and Non-Performing Loans, the available types of restructuring and settlements, as well as the monitoring of their effectiveness via appropriate performance indicators;
- sets and validates the criteria to assess the sustainability of every restructuring and final solution offered;
- determines the parameters and the responsibilities of the units and persons involved in the evaluation of the sustainability and suitability of the proposed restructuring type, as well as the monitoring of its implementation;
- designs, monitors and evaluates (potentially in collaboration with the Business Units) the new restructuring solutions' pilot tests, in cooperation with the Business Units;

- reviews and re-evaluates in frequent basis the strategic guidelines of the management of Arrears and Non-Performing Loans;

- coordinates and evaluates proposals for the sale of Troubled ANPLs and other assets (i.e. Real Estate and Other), owned by the Bank, as well as for potential outsourcing of ANPLs management to third parties; and

- supervises and provides guidance to international ERB subsidiaries in management of troubled assets

Real Estate

The Group's real estate subsidiary, Grivalia Properties is a 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 per cent of the share capital of Grivalia Properties.

As at 31 December 2015, Grivalia Properties' portfolio consisted of 86 properties. Most of the Grivalia 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 Central and Eastern Europe, the Group owns two commercial properties in Serbia and three in Romania.

As at 31 December 2015, the fair value of Grivalia's Group's investments properties was €826 million. Grivalia Group recorded net profit after tax of €62 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, excluding acquisition costs, was €8.5 million and €6.5 million respectively.

On 26 June 2015, Grivalia Properties established a 100 per cent. 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 per cent. 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, MART 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, excluding acquisition costs. 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.

On 9 December 2015 the Company's office building located in Sorou Street in Maroussi was certified according to leadership in energy and environmental design ("LEED") for Existing Buildings: Operations & Maintenance GOLD. The said certification was the result of the implementation of the certification system LEED for Operations and Maintenance, which takes into consideration a series of interventions and systematic monitoring of their effectiveness.

On 29 December 2015 the Company's building located in Thessalonikis street in Tavros, was certified according to LEED for Existing Buildings: Operations & Maintenance and achieved the

highest certification rating LEED Platinum. The certification was the result of implementing LEED for Operations & Maintenance system, which takes into consideration a series of interventions and monitoring of their effectiveness.

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, specialised products such as the legalisation of illegal properties and 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 Bank 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 Bank'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 the Bank's major shareholders, have 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 Bank amounted to 2.38 per cent., 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 Bank. 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 Bank's voting rights held indirectly by Fairfax, on 2 December 2015, through its controlled subsidiaries, out of the total number of the Bank's voting rights, excluding those held by the HFSF, amounted to 17.29 per cent., corresponding to 369,028,211 voting rights of the Bank'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 Bank’s voting rights held indirectly by Capital on 2 December 2015, out of the total number of the Bank’s voting rights, excluding those held by the HFSF, amounted to 8.5457 per cent.. 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 Bank, holds 5 per cent. or more.

Finally, the Greek State holds 100 per cent. of the non-voting preference shares of the Bank, issued according to l. 3723/2008 and consequently has no voting rights.

As at 31 December 2015, the Bank is not consolidated with another company. On 31 December 2015, the Bank consolidated 82 companies under the full consolidation method and 8 companies under the equity method.

The Bank’s Management Team

Board of Directors

The current Board of the Bank 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 Bank benefits from an exemption in this regards, (i.e. having an even number of Board members) which will be valid until the Bank’s Annual General Meeting in June 2016.

The Board of Directors of the Bank, along with their positions held on the Board, the Committees to which they are appointed and their principal activities outside the Group, which are significant with respect to the Bank, as at 21 April 2016 comprises the following persons:

Principal activities outside the Group

Name	***Position held on the Board of Directors (BoD) of the Bank***	***Positions held on BoD Committees of the Bank***	***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 Indicates controlled affiliate of Brookfield Asset Manamgent Inc. 2 Indicates jointly controlled by Brookfield Asset Management Inc.	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
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	Non-Executive Director	1. Audit Committee,	1. Basil Mansions Management	1. Chairman Non-Executive

Prince-Wright	(representative of the HFSF under Law 3864/2010)	Member 2. Risk Committee, Member 3. Remuneration Committee, Member 4. Nomination Committee, Member	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	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 the Bank is that of the Bank'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 of the Bank. The Executive Board's members along with their principle activities outside the Group, which are significant with respect to the Bank, as at 21 April 2016, are the following:

		Principal activities outside the Group	
Name	***Position held on Executive Board of the Bank***	***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 of the Bank is that of the Bank's registered office.

There are no potential conflicts of interest between the duties to the Bank of each of the members of the Board of Directors of the Bank and the members of the Executive Board of the Bank 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, the Bank 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 the Group consolidated financial statements are shown below:

Subsidiary Undertakings	***% as at 31.12.2015***	***Country of Incorporation***	***Category of Business***
Be-Business Exchanges S.A. of Exchanges Networks and Business Accounting and Tax Services	98.01	Greece	Business-to business e-commerce, accounting and tax services

Subsidiary Undertakings	***% as at 31.12.2015***	***Country of Incorporation***	***Category of Business***
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 S.A.	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 other services
Eurobank Mutual Fundsost Mutual Mngt Company S.A.	100.00	Greece	Mutual fund management
Eurolife ERB Insurance Group Holdings S.A.	100.00	Greece	Holding company
Herald Greece Real Estate development and services company 1	100.00	Greece	Real estate
Herald Greece Real Estate development and 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
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

Subsidiary Undertakings	***% as at 31.12.2015***	***Country of Incorporation***	***Category of Business***
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	Real Estate
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	Consultancy Services
Eurobank Finance S.A.	100.00	Romania	Investment banking
Eurobank Property Services S.A.	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
ERB 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	*per cent. as at 31.12.2015*	*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
Global Finance S.A.	33.82	Greece	Investment Financing

Legal Matters

As at 31 December 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 Bank. Up to date a small number of lower court decisions have been issued, the majority of which are in favor of the Bank. No judgment of the Court of Appeals or the Supreme Court has yet been issued on the subject.

Neither the Bank 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 Bank is aware) which the Bank believes may have or which have had a material effect on the Bank's financial condition or the Bank'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 Bank's ordinary shares on the ATHEX, the Bank 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, STs 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 Settlement 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 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 and 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, as amended by the Bank of Greece Governor's Act 2626/2010;
- 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 6 months up to a maximum extension of 18 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 Law 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 Bank 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 of 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 and Investment 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 of 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 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 Athens Stock Exchange Members' 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, which was transposed into Greek law by Law 4370/2016 (see "Hellenic Deposit and Investment Guarantee Fund (HDIGF)" below).

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 per cent. 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 ST, 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 of 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 per cent. 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.

Hellenic Deposit and Investment Guarantee Fund (HDIGF)

The HDIGF is a private law legal entity and the universal successor of the former Hellenic Deposit Guarantee Fund. The provisions currently applicable to the HDIGF are set out in Law 4370/2016 which came into force on 7 March 2016 and repealed the previously applicable Law 3746/2009, setting out the rules for the operation of guarantee schemes. Law 4370/2016 transposed into Greek law Directive 2014/49/EU that was enacted in June 2014 aiming at strengthening the protection of citizens' deposits in case of bank failures and enhancing the role of deposit guarantee schemes in the financial safety net.

Pursuant to Law 4370/2016, all credit institutions licensed 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 investments cover scheme of HDIGF at their discretion.

The HDIGF is supervised by the Ministry 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 coming from the Hellenic Bank Association.

The purpose of the HDIGF is (a) to indemnify depositors of the participating credit institutions that become unable to fulfil their obligations towards their depositors and finance resolution measures of credit institutions through the deposits cover scheme (the "Deposits Cover Scheme") in accordance with article 104 of Law 4335/2015; (b) to indemnify 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 through the investments cover scheme (the "Investments Cover Scheme"); and (c) to provide financing for resolution measures of credit institutions through the resolution scheme (the "Resolution Scheme"). The HDIGF guarantee schemes with respect to Greek credit Institutions also cover deposits of their branches in other EU Member States and deposits of their branches in non EU Member States as well as claims from covered investment services rendered by their branches in other EU Member States or third countries, provided that the relevant deposits (solely if such deposits are in branches of non EU Member States) or claims are not covered by a guarantee scheme equivalent to that of the HDIGF.

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 (and as of 1 January 2016 by the SRB), 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). HDIGF's national funds shall be gradually transferred into the SRF pursuant to the intergovernmental agreement signed between the participating Member States in the SRM and ratified by virtue of Greek Law 4350/2015 (see "Single Resolution Mechanism" above).

Under the Deposits Cover Scheme, the maximum coverage limit under Law 4370/2016, 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 of such

depositor towards the relevant credit institution, is €100,000. By way of exemption, the Deposits Cover Scheme covers deposits at an additional limit of up to a maximum amount of €300,000 deriving from specific activities (such as sale of a private property by an individual, payment of social security/insurance benefits, etc) expressly specified in para 2 of article 9 of Law 4370/2016 credited to the relevant accounts, subject to the time limits and other conditions specified in Law 4370/2016. 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 8 and 12 of Law 4370/2016, are excluded from the HDIGF coverage.

Pursuant to Law 4370/2016, all credit institutions licensed 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 competent 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.

The schemes of the HDIGF are clearly distinct from each other and each has its own assets and is funded mainly by the initial contributions, the annual/regular contributions and extraordinary contributions which are mandatorily paid by 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 amended Law 3864/2010, the HDIGF may receive a resolution loan from the HFSF to cover its expenses for the funding of resolution procedures in line with EU state aid rules. 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.

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, as amended by Laws 4366/2016 and 4371/2016 (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.

The Act no. 82/08.03.2016 of the Executive Committee of the Bank of Greece (Government Gazette no. 651/10.03.2016) sets out the rules on the establishment and operation of companies acquiring and/or managing receivables from non-performing loans under the New NPL Law. The aforesaid Act lays down in detail the procedure for the granting of licence to these companies, the prudential supervision requirements, as well as the main principles for the organisation and corporate governance of the aforementioned entities, including the data and report to be submitted to the Bank of Greece on a periodical basis, the fees to be paid to the Bank of Greece, as well as the liabilities of credit institutions which assign the management or transfer receivables under the New NPL Law.

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 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 amendment effected by virtue of par. 1 of article 14 of Law 4346/2015 (which took effect as of 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 per cent., (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.

Circular no. 1036/18.03.2016 issued by the Ministry of Finance provides further clarifications on the provisions of Law 3869/2010, as amended and in force, including details with respect to the requirements for the submission of an application related to the settlement of amounts due by over-indebted individuals.

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 per cent. of the total indebtedness (which must include at least 50.1 per cent. 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 per cent. 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 of 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 per cent. 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 in relation to enforcement proceedings initiated before 1 January 2016 and bankruptcies declared before 1 January 2016, 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 absolute priority of the above generally privileged claims does 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 was 21 March 2016 and its provisions shall not apply to credit agreements existing before 21 March 2016. Greece has not yet transposed Directive 2014/17 into national legislation.

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 of 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 of 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 adopted a full scale revision of the solvency and prudential framework applicable to insurance and reinsurance companies, as well as 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), which sets out the regulatory requirements for insurance and reinsurance undertakings operating in Greece, the relevant supervisory regime and the resolution and liquidation framework for insurance undertakings.

Solvency II repealed the previously applicable regime under Solvency I and 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 included 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").

Pursuant to Pillar I, specific risk-based solvency capital requirements are introduced and the insurers are required to hold capital against market, credit and operational risk. Law 4364/2016 sets out specific rules for the calculation of own funds, the valuation of assets and liabilities and the valuation of technical provisions. In particular, with respect to own funds calculation, the resources held by insurance or reinsurance companies must be sufficient in order to cover both a Minimum Capital Requirement ("MCR") and a Solvency Capital Requirement ("SCR"). The SCR shall be calculated on the basis of the company's assets and liabilities, either by using a standard model or by developing an internal model adjusted to the needs of each company following approval by the supervisory authority (i.e. the Bank of Greece).

Pursuant to Pillar II, strict requirements with regard to identification, measurement and proactive management of risks have been established through the introduction of "Own Risk and Solvency Assessment" (ORSA). ORSA shall be used for the valuation and assessment of risks that may be incurred by an insurance or reinsurance company depending on its risk profile and their impact on the company's solvency. An internal risk management control system shall also be introduced in the daily functions of insurance and reinsurance companies and the companies shall be required to report the way in which they undertake the risk management exercise and demonstrate how this affects their business activity and decision making procedures. Outsourcing of insurance or reinsurance activities to individuals or legal persons is permitted (subject to certain exceptions), but it does not discharge the company from its civil, penal, administrative and other obligations that are set out in Law 4364/2016.

Pursuant to Pillar III, an extensive and detailed reporting of financial and risk information is required to facilitate the supervisory review process through which the supervisor shall evaluate insurers' and reinsurers' compliance with the laws, regulations and administrative provisions adopted under the Solvency II framework and any implementing measures. In this context, the insurance and reinsurance undertakings are required to publish, on an annual basis, a report regarding their solvency and financial condition. Moreover, in case of crucial developments that have affected their MSR or SCR, insurance or reinsurance companies may be required to disclose the amount of such variation and announce any corrective measures that they purport to apply.

The Bank of Greece, in its capacity as supervisory authority, is responsible for the proper operation of the insurance and reinsurance market and the implementation of the new regulatory framework on a preventive, corrective and suppressive basis. The Bank of Greece exercises financial supervision

on insurance and reinsurance companies operating in Greece, in order to confirm their solvency in accordance with the provisions of Law 4364/2016. Moreover, it evaluates, on a regular basis, the corporate governance principles applied by the supervised entities, their capital adequacy, including the quality and adequacy of own funds, their technical provisions, their risk assessment process and the companies' ability to identify risks and adjust decision making process accordingly. The Bank of Greece may request to be provided with any information that is considered necessary to exercise its powers and it may impose on the insurance and reinsurance companies additional capital requirements under exceptional circumstances, as set out under article 26 of Law 4364/2016.

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 Bank, 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 of 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 of 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 per cent.) in a credit institution thus reaching or exceeding certain enumerated thresholds (i.e., 20 per cent., 33.3 per cent. and 50 per cent.) 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 per cent., 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 per cent. 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 of 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 per cent. of the eligible capital of a bank in undertakings outside the financial sector and (ii) a total amount of qualifying holdings exceeding 60 per cent. 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 per cent. to the greater of the amount of qualifying holdings referred to under (i) above in excess of 15 per cent. of eligible capital of the bank and the total amount of qualifying holdings referred to under (ii) above that exceed 60 per cent. 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 per cent. 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 per cent. 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 cent. per year on the 10 per cent. 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 of 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 per cent. 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:

i. the Hellenic Republic's nominal GDP growth rate for the preceding year;

ii. the mean annual asset growth rate of the banking sector during the 1987–2007 period; or

iii. 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 the Bank, 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 Bank's Monitoring Trustee on 22 February 2013. The mandate of the Bank'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 Bank'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 Group (the "State Aid Decision"). Pursuant to the State Aid Decision, the Hellenic Republic has undertaken the Commitments that are binding upon the Bank and, in addition to the amendment and extension of the mandate of the Bank's Monitoring Trustee, include the following:

- the reduction of the number of the Bank's branches in Greece, to a maximum of 546 by the end of 2017, and the number of the Bank's employees in Greece, to a maximum of 10,950 by the end of 2017;

- the reduction of the Bank'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 Bank'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 Bank);

- the reduction of the net loan to deposit ratio for the Bank's Greek banking activities to no higher than 115 per cent. by 31 December 2017;

- the reduction of the Bank'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 per cent. shareholding in the Group's life and non-life insurance activities;

- the reduction of the Bank's shareholding in Grivalia Properties to 20 per cent. by 31 December 2016, with the remainder of the Bank's shareholding to be sold by 31 December 2018;

- selling down the Bank'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 Bank'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 Bank'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 Bank'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 Bank'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 Bank'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 Prospectus.

In the context of the new recapitalisation process, the Restructuring Plan was revised and resubmitted for approval to the European Commission and on 26 November 2015, the European Commission approved the Bank's revised Restructuring Plan.

The principal revisions to the Commitments include, among others:

- further reductions in the number of the Bank'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 Bank'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 Bank is required to reduce the net loan to deposit ratio for its Greek banking activities to no higher than 115 per cent. 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 Bank's 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 Bank'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 per cent. to 35.41 per cent. and the HFSF and the Bank 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 Bank'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 per cent. to 2.38 per cent.. Pursuant to Law 3864/2010 (the "HFSF Law"), as in force, on 4 December 2015, the Bank 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 Bank, (b) the Restructuring Plan and its monitoring, (c) the monitoring of the implementation of the Bank's non-performing loan management framework and of the Bank'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 Bank's management to continue to determine independently, among others, the Bank'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 Bank'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 Bank'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 Bank, 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 Bank's liquidation, in the event the Bank is liquidated

- free access to the Bank'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 Bank'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 compensation (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 Bank (such as business strategy and asset/liability management etc.) or (iii) concerning corporate actions resulting in the amendments of the Bank'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 Bank, 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 Bank'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 Bank.

In exercising these rights, the HFSF representative should take into account the business autonomy of the Bank.

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 Bank's non-performing loan management framework and of the Bank'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 Bank's share capital.

Finally, the Bank is obliged to receive HFSF's prior written consent for the Bank's Group Risk and Capital strategy and for the Bank's Group Strategy, Policy and Governance regarding the management of its Arrears and Non-Performing Loans.

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 licensed 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 the and remuneration policy and additional compensation (bonus) to the chairman, the chief executive officer, the other board members, those who have been assigned the duties of general manager 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 corporate actions resulting in an amendment to 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 therefore, 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 per cent. in ordinary shares; and

  (ii) 75 per cent. 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 per cent. in ordinary shares and 75 per cent. 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 per cent. ("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 per cent. 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. 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 licensed 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:

$$\text{DTC} = \text{Eligible accumulated DTA} \times \frac{\text{IFRS Loss of the year after tax}}{\text{Equity (excl. IFRS loss of the year after tax)}}$$

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 per cent. 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 Bank, 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 and currently in force (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, which may be summarized 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: the Act of 18 July 2015 provides for specific exemptions/differentiations of the above restriction on cash withdrawals for certain enumerated transactions and subject to the limits and further conditions set out therein;

- 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 €1,000 per Customer ID and per calendar 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 €1,000 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. The Act of 18 July 2015 provides for specific exemptions on the restriction of transfer of funds abroad for certain enumerated transactions and subject to the conditions set out therein;

- openings of new accounts when a new Customer ID is created is prohibited except when necessary for certain enumerated transactions and subject to the specific conditions specified in the Act of 18 July 2015; furthermore, the addition of co-beneficiaries and activation of inactive accounts are also prohibited; however, the opening of new current or deposit accounts, as well as adding new co-beneficiaries to existing accounts is permitted to the extent that no new customer ID is established;

- the early repayment of the outstanding as at 11 March 2016 principal of a loan to a credit institution is permitted up to a percentage of 50 per cent. However, the early repayment of more than 50 per cent. of such outstanding principal 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 now permitted following the amendment on 15 March 2016 of the relevant article 1, par. 9 of the Act of 18 July 2015;

- 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 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, subject to the specific conditions set-out in the Act of 18 July 2015.

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, the Bank 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.

RISK MANAGEMENT

Overview - Board Risk Committee - Group Risk Management General Division

The Board Risk Committee ("BRC") and the Group Chief Risk Officer ("GCRO") formulate the Group risk management strategy. The Bank's structure, internal procedures and control mechanisms ensure independence and sufficient supervision.

The main risk management competences that have been delegated to the BRC relate to the design and the formulation of risk management strategy, the determination of risk appetite framework, the assets-liabilities management and the creation of effective mechanisms of identifying, assessing and managing the risks that derive from the overall activities of the Group.

In addition, under the Relationship Framework Agreement, the BRC should, *inter alia*:

(a) ensure that the Bank has the appropriate methodologies, modelling tools, data sources IT systems and competent staff to assess (i) the likely changes in asset quality under different macroeconomic and market assumptions, and (ii) the risks such changes may pose to the financial stability of the Bank;

(b) ensure appropriate oversight mechanisms and controls for the monitoring and effective management of troubled assets, defined so as to include:

- non-performing exposures;
- exposures which have been written off for accounting purposes but for which the Bank still pursues partial or full recovery;

(c) emphasise the development of appropriate early warning systems so as to identify borrowers reaching the limits of their ability to perform on their obligations, and ensure that the Bank develops, maintains and constantly updates an appropriate range of solutions for the mitigation of delinquencies and the preservation of the value of its loan assets; and

(d) ensure that the Bank's business units develop risk-adjusted performance and pricing measurement tools and methodologies, which are approved by the Group Risk Management General Division ("GRMGD") and integrated in the business decision process (e.g., decisions for new products, risk-adjusted pricing, performance measurement and capital allocation) and through GRMGD, should oversee their implementation.

The BRC members are appointed by the Board for a term of three (3) years with an option to renew their appointment for three (3) more terms. The BRC members should not exceed 40 per cent. (rounded to the nearest integer) of the total Board members (excluding the HFSF and the Greek State Representatives) with a minimum of three (3) members. All BRC members should be Non-Executive while at least one third (1/3) of the members (excluding the HFSF and the Greek State Representatives and rounded to the nearest integer) should be Independent Non-Executive. One (1) member should be the HFSF Representative. The HFSF also appoints an observer, in line with the RFA provisions. The Chairman of the BRC should not also serve as the Chairman of the Audit Committee and should be Independent Non-Executive with a solid experience in commercial banking, financial services and more specifically in risk related issues (credit, market, operational and NPL management), as well as, be familiar with local and international regulatory framework. The Risk Committee meets on a monthly basis and reports to the Board on a quarterly basis and on *ad hoc* instances. The Chairman of the BRC may, as he deems appropriate, invite members of our management, the chairpersons of the Bank's subsidiaries' risk committees, or outside advisers or experts to attend the BRC's meetings. The Monitoring Trustee also attends such meetings as an

observer. There is a quorum when a majority of the members (i.e., at least three) are in attendance. The Chairman of the BRC must be one of the participating members. The BRC resolutions require a majority vote, and, in case of a tie, the Chairman has the casting vote. The Board is informed whenever a decision of the BRC is not reached unanimously.

The BRC reviews and assesses the adequacy of its Terms of Reference and requests the approval of the Board for proposed amendments. The Terms of Reference are reviewed at least once every three years and revised if necessary, unless significant changes in the role, responsibilities, organisation and/or regulatory requirements necessitate earlier revision. The Risk Committee evaluates its own performance at least annually and establishes criteria for such evaluation. The results are discussed with the Board.

The GRMGD, which is headed by the GCRO, is independent from the business units and has full responsibility for monitoring operational, credit, market and liquidity risks of the Group. It comprises of the Group Credit Sector, the Group Credit Control Sector, the Group Market and Counterparty Risk Sector ("GMCRS"), the Group Operational Risk Sector, the International Credit Sector, the Capital Adequacy Control & Regulatory Framework Sector and the Single Supervisory Mechanism (SSM) which also reports to the Group CFO. The GCRO is also responsible for the subsidiary company Eurobank Property Services S.A. ("EPS"). Due to the nature of its activities, the Group is exposed to numerous financial risks, such as credit risks, market risks (including foreign exchange and interest rate risks), liquidity risks and operational risks, the management of which is undertaken at various levels of the organisation.

Audit Committee

The primary function of the Audit Committee is to assist the Board in discharging its oversight responsibilities primarily relating to:

- the review of the adequacy of the Internal Control and Risk Management systems and the compliance with rules and regulation monitoring process;
- the review of the financial reporting process and satisfaction as to the integrity of the Bank's financial statements;
- the External Auditors' selection, performance and independence; and
- the effectiveness and performance of the Internal Audit function and the Compliance function.

The Eurobank Group ALCO

The primary mandate of the Group Asset-Liability Management Committee (the "G-ALCO") is to:

- formulate, implement and monitor the Group's (i) liquidity and funding strategies and policies, (ii) interest rate guidelines, (iii) capital investments, including the foreign exchange exposure and hedging strategy, and (iv) business initiatives and/or investments that affect the Bank's market and liquidity risk profile; and
- approve or recommend changes to these policies that conform to the Bank's risk appetite and levels of exposure as determined by the BRC and Management, while complying with the framework established by regulatory authorities and/or supervisory bodies.

G-ALCO's responsibility is to review the overall liquidity positions and developments of the Group on a country-by-country level. In this context, the Asset-Liability Management Committees (the

"ALCOs")of our international subsidiaries should report on a monthly basis material country developments and decisions (reflected in the respective ALCO's minutes) to the G-ALCO based on the above principles and their respective regulatory authorities' instructions and guidelines.

The G-ALCO will convene once a month or more frequently if deemed necessary.

Credit Risk

Definition of Credit Risk

Credit risk is the risk that a counterparty will be unable to fulfil its payment obligations in full when due. Credit risk also includes country, dilution and settlement risk.

Country risk is the risk of losses arising from economic difficulties or political unrest in a country, including the risk of losses following nationalization, expropriation and debt restructuring.

Settlement risk is the risk arising when payments are settled, for example for trades in financial instruments, including derivatives and currency transactions. The risk arises when the Group remits payments before it can ascertain that the counterparties' payments have been received.

Credit risk arises principally from the corporate and retail lending activities of the Group, including from credit enhancement provided, such as financial guarantees and letters of credit. The Group is also exposed to credit risk arising from other activities such as investments in debt securities, trading activities, capital markets and settlement activities. Credit risk is the single largest risk the Group faces. It is rigorously managed and is monitored by centralized dedicated risk units, reporting to the GCRO.

Credit approval process

The credit approval and credit review processes are centralized both in Greece and in International operations. The segregation of duties ensures independence among those responsible for the customer relationship, the approval process and the loan disbursement, as well as monitoring of the loan during its lifecycle.

The Credit approval process in Corporate Banking is centralized through credit committees with escalating Credit Approval Levels, in order to manage the corporate banking credit risk. Indicatively such committees are:

- Credit Committees which are authorized to approve new limits, renewals or amendments to existing limits, in accordance with their approval authority level, depending on total customer exposure and customer risk category (i.e. high, medium or low), as well as the value and type of security;

- Regional Credit Committee, being Head Office committees which approve limits for International Operations in excess of each country's approval authority, depending also on customer risk category; and

- Special Handling Credit Committees which decide on credit issues and actions to be taken for specific cases of problematic loans.

The Credit Committees meet on a weekly basis or more frequently, if needed.

The Credit Sector of the Risk Management General Division independently reviews credit proposals. More specifically the main responsibilities of the Group Credit Sector are:

- the review and evaluation of credit requests and proposals by:
    - all (domestic) large and medium scale corporate entities of every risk category;
    - specialised units as shipping, Commercial Real Estate, Hotel & Leisure, Structured Finance and Global Corporate Clients;
    - retail sector customers (small business and household lending) above a predetermined threshold;
- the issuance of an independent risk opinion for each credit request, which includes:
    - assessment of the customer credit profile based on the risk factors identified (market, operations, structural and financial);
    - a focused sector analysis;
    - recommendations to structure a bankable, well-secured and well-controlled transactions;
- confirmation of the ratings of each separate borrower, to reflect the risks acknowledged; and
- participation with voting rights in all credit committees, as per credit approval procedures.

The Group Credit Sector is also responsible for the maintenance of the credit approval archives of the Bank, and with respect to the meetings of all of the Credit Committees, the preparation of meeting agendas, distribution of materials and preparation of minutes. The Group Credit Sector provides specialised knowledge and expertise and supports other departments in relation to operational and credit procedures, as well as collateral and securities' policies.

The approval process for loans to small businesses (turnover up to € 2.5 million) is centralized following specific guidelines for eligible collaterals as well as the 'four-eyes' principle. The assessment is based on an analysis of the borrower's financial position and statistical scorecards.

The credit approval process for Household Lending (consumer and mortgage loans) is centralized. It is supported by specialized credit scoring models and the application of credit criteria based on the payment behaviour of borrowers, the type and quality of collateral, the existence of real estate property, and other factors. The on-going monitoring of portfolio quality and performance of any deviations, leads to an immediate adjustment of the credit policy and procedures, when deemed necessary.

Lending approval processes in all bank subsidiaries throughout International operations comply in full with the standards applicable to the parent Bank in Greece. In order to ensure full harmonization with Group standards and in the light of increased credit risk management demands for the corporate business in New Europe countries, International Credit Sector was established in April 2008. The primary activities of the Sector are:

- participation and administrative support to the delegated International Credit Committees and Special Handling Committees of wholesale obligors;
- continuous support to the Credit Risk Units by means of providing training and advisory;

- origination and follow-up of the International Credit Policy Manual (Wholesale Banking);
- coordination and overall responsibility of the Country Risk Committees:
- implementation of special Credit related projects and
- to monitor wholesale lending portfolio (in co-operation with Group Credit Control).

Credit Risk Monitoring

The quality of the Group's loans portfolios (business, consumer and mortgage in Greece and abroad) is monitored and assessed by the Group Credit Control Sector ("GCCS"). The Sector operates independently from all the business units of the Bank and reports directly to the GCRO. The Credit Control Sector's key activities include:

- monitoring and reviewing the performance of all loan portfolios of the parent bank and its subsidiaries in Greece and South Eastern Europe;
- conducting field reviews and preparing written reports to management on the quality of loans for all of the Group's lending units;
- supervising and controlling the credit control functions in the subsidiary Banks and financial institutions in South eastern Europe;
- reviewing credit policies in order to be submitted to the GCRO for final approval;
- supervising, supporting and validating the Moody's Risk Advisor ("MRA"), used to assign borrower ratings to corporate lending customers;
- creating, overseeing and supporting the Transactional Rating ("TR") application, used for the wholesale lending portfolio, to measure the overall risk of the credit relationship taking into account both the creditworthiness of the borrower and required collaterals;
- regular monitoring and monthly/quarterly reporting to Eurobank's BRC and quarterly reporting to Eurobank's BoD asset quality issues;
- preparing the proposals of the provisioning policy and regularly reviewing the adequacy of provisions for all portfolios in Greece and in International;
- giving opinion for new lending products and restructuring/rescheduling schemes;
- attending meetings of Credit Committees, Special Handling Committees and Non-Performing Loans Committee without voting right; and
- participating in the Troubled Assets Committee and in the Loans and Products Committee.

The main responsibilities of the Capital Adequacy Control & Regulatory Framework Sector are to develop and maintain the Internal Ratings Based ("IRB") approach in accordance with the Basel framework and the Capital Adequacy Directive ("CRD") for the loans portfolio of the Group; to measure and monitor loan portfolios capital requirements and to manage credit risk regulatory related issues, such as Asset Quality Reviews ("AQR") and stress tests. The Sector reports to the GCRO.

The main activities of Capital Adequacy Control & Regulatory Framework Sector are:

- management of external Asset Quality Reviews (Bank of Greece, ECB);
- development, implementation and validation of IRB models of Probability of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD") for evaluating credit risk;
- measurement and monitoring of risk parameters and capital adequacy calculations (Pillar I) and preparation of relevant management, as well as, regulatory reports (COREPs, SREP);
- performing stress tests;
- development and maintenance of macro-economic models for the loan portfolios of the Group;
- preparation of credit risk analyses for Internal Capital Adequacy Assessment ("ICAAP") / Pillar II purposes;
- preparation of Basel Pillar III disclosures;
- participation in the preparation of the capital and the restructuring plan of the Group in relation to asset quality and capital requirements for the loan book;
- support the business units in the use of IRB models in business decisions and the development and usage of risk related metrics such as Risk Adjusted Return on Capital ("RAROC") etc.;
- monitoring of the regulatory framework in relation to the above; performing impact assessment; initiating and managing relevant projects.

All International bank subsidiaries apply the same credit risk management structure and control procedures as the parent Bank, reporting directly to the Group Chief Risk Officer. Risk management policies and processes are approved and monitored by the credit risk Sectors of the parent bank ensuring that group guidelines are in place and credit risk strategy is uniformly applied across the Group.

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to industry segments. The exposure to any one borrower including banks and brokers is further restricted by sub limits covering on and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts.

Such risks are monitored on a revolving basis and are subject to an annual or more frequent review. Risk concentrations are monitored regularly and reported to the BRC.

Credit and collateral workout management framework

Through the establishment of the TAG in July 2014, Eurobank transformed its troubled assets operating model into a vertical organisational structure with direct reporting line to the CEO. The establishment of an independent body, completely segregated from the Bank's Business Units both in terms of account management as well as credit approval process, ensures transparency, flexibility, prioritisation and management accountability, and safeguards the prudent management of troubled assets in line with the Bank's strategic objectives.

One of the key objectives of the troubled assets management framework is the identification of the most suitable solution for each borrower and specific methodologies have been developed in the form of segmentation analysis and decision trees for mapping modification products to borrowers. Collateral workout practices for non-viable, non-cooperative borrowers are applied when the realisable value is estimated to be higher than the value expected from credit workout.

The Bank employs a wide span of products, a sound internal control environment and a multichannel approach to interact with the borrower (e.g., branch network, credit officers, internal and external call centres, dedicated task forces) through a clearly targeted, coordinated and incentivised framework. The Bank has strengthened its policies, procedures and practices to cope more effectively with large-scale resolutions and end-to-end management of troubled assets across their loan life cycle. Granular processes and activities for different loan clusters have been developed to limit complexity management and administer activities by dedicated and centralised support functions.

The Bank's intensified remedial management efforts are empowered through Financial Planning Services S.A. ("FPS"), the only wholly owned subsidiary servicing platform in the Greek market, whose operations are founded on international best practices and advanced technology systems. FPS is highly specialised and responsible for the management and monitoring of delinquent retail exposures. It is involved in all stages of the loan remedial cycle including collections and pre-legal stages for both consumer and mortgage loans and legal stages for unsecured consumer loans only. FPS ensures that internal and external collection resources are focused and allocated appropriately and efficiently. The installation of a customized collections management system and an automated dialer has enhanced the operational efficiency of collections.

To achieve its objectives, the Bank has been leveraging analytics in an integrated, strategic manner, in order to derive actionable insights, sharpen risk assessment, evaluate opportunities, shape business decisions and improve outcomes. The performance monitoring framework is an integral part of the Bank's troubled assets strategy. The Bank has developed a target monitoring process and a comprehensive set of key performance indicators, which measure the effectiveness and the efficiency of the implementation of the business strategies and enable setting performance targets, establishing incentive schemes, amending capacity planning and redirecting future actions. Moreover, the Bank has developed a set of dynamic decision support systems (e.g., Loss Budget Allocation Framework, NPV tools, Early Warning Systems) to enable strategic decision-making, facilitate choice of optimal course of action and, ultimately, reduce uncertainty,

Credit risk reporting

Group Credit Control and Capital Adequacy Control Sectors regularly prepare a detailed analysis of information to quantify, monitor and evaluate risks, as well as provide support to implement the BRC risk management decisions. It has a fixed reporting cycle to ensure that the relevant management bodies, including the Board of Directors Risk Committee, are updated on an on-going basis on the developments in the credit portfolio.

The principal risk reports submitted to the relevant management bodies, on a quarterly basis, deal with the following topics:

The quality of the Group's portfolio:	Analysis of provisions for impairment and losses by business unit. Portfolio breakdowns and evolution by rating category, size, delinquency, industry, tenor, vintage and collateralisation (e.g. LTV bands) etc.
Large exposures:	- An overview of the twenty largest exposures (for Greece and International subsidiaries), as well as the credit limits above € 60 million.

	- The largest problematic and non performing exposures (o/s balances, collaterals, provisions).
Forborne loans evolution	Analysis by portfolio, delinquency status; impairment levels and evolution over time.
The Bank's risk management models and parameters:	Update on the use of risk models, including risk parameters applied and the key results of the models' validation. Update on capital adequacy. Stress testing scenarios.

In addition, there are reports which are prepared on a monthly basis, in order to inform the relevant management bodies on the evolution of each business area's balances, delinquencies and provisions required.

Internal Ratings Based ("IRB") approach

Risk classifications

The Bank's risk classifications can be divided into the following main categories:

- rating of large corporate and medium size customers; and
- credit scores assigned to retail customers.

a) Rating of large corporate and medium size customers

The Bank has decided upon the differentiation of rating models for corporate banking, in order to better reflect the risk for customers with different characteristics. Hence, rating models are employed for a number of general, as well as specific customer segments:

- Traditional corporate lending:
  - Moody's Risk Advisor (MRA).
  - Internal credit rating for those customers that cannot be rated by MRA.

MRA is a rating system that aggregates quantitative and qualitative information on individual obligors to perform the assessment of their creditworthiness and determine the credit rating for the obligor. It takes into account the company's financial performance, its cash flows, industry sector trends, peers' performance, as well as qualitative assessment of management, the company's status, market and industry structural factors. MRA is used for the assessment of all legal entities with full accountancy tax books irrespective of their legal form, and is calibrated on the Greek corporate environment.

Certain types of companies cannot be analyzed with MRA due to the special characteristics of their financial statements such as insurance companies, state-owned organizations, brokerage firms and start-ups. In such cases an internal credit rating system is applied. It is an expert judgment borrower rating system and, similarly to MRA, it combines quantitative and qualitative assessment criteria (such as size, years in business, credit history, industry sector etc.).

Customers are classified with respect to their credit worthiness to 11 Borrower rating categories. Categories 1 to 3 correspond to low risk customers, whereas categories 4 to 6 to customers with medium credit risk. Categories 7 to 9 apply to customers with higher risk who are monitored more closely. Categories 10 and 11 apply to non-performing exposures and write offs respectively.

In addition, the Bank performs an overall assessment of corporate customers, based both on the borrower rating of the obligors (MRA or ICR), and the collaterals and guarantees referred to in its

approved credit limit, using a 14 grade rating scale. Credit exposure is subject to detailed reviews by the appropriate approval level of the Bank based on the respective transactional rating ("TR"). Low risk corporate customers are reviewed at least once a year, whereas higher risk customers are reviewed either on a semi-annual (watchlist) or quarterly basis (substandard and distressed). All high risk corporate customers are reviewed by the Special Handling Committees (there are three SHCs) on a weekly basis.

- Specialized lending (shipping, real estate and project finance): slotting methodology.

For the specialized lending portfolios i.e. the primary source of repayment of the obligation is the income generated by the asset(s), rather than the independent capacity of the commercial enterprise, the Bank utilizes the Slotting Method by adapting and refining the Capital Requirements Directive ("CRD") criteria to the Bank's risk practices. Customers falling in the specialized lending category (shipping, real estate and project finance) are classified in 5 categories: strong, good, satisfactory, weak and default. Each of the 5 categories is associated with a specific risk weight and EL percentage.

The fundamental standards underlying the Group's centralized loan approval and rating processes are to review the global exposure of the customer and to use the 'four-eyes' principle, which requires each credit limit/rating to be evaluated by more than one individual. Ratings are approved by Credit Committees according to the level of exposure involved and each committee has its own specific approval limit. Ratings of customers whose exposure exceed Credit Committees' thresholds are reviewed by the Group's Central Committee. The Credit Committees are composed of senior managers from different business units, as well as from risk management and each committee has its own independent chairman.

As a general rule, each corporate customer is rated separately. For major corporate customers – where it is customary to assign a rating based on the customer's affiliation to a group or parent company – the rating of the parent company is transferred to the subsidiaries, if the Group believes that the parent company can and will guarantee the fulfilment of the obligations of its subsidiaries.

The rating systems described above are an integral part of the Corporate Banking decision making and risk management processes:

- the credit approval process, both at the origination and review process;
- the calculation of Economic Value Added ("EVA") and risk-adjusted pricing; and
- the quality assessment of issuers of cheques prior to their pledge as collateral.

b) Credit scores assigned to retail customers

The Bank assigns credit scores to its retail customers using a number of statistically based models both at origination and an on-going basis through behavioural scorecards. Those models have been developed to predict, on the basis of available information, the probability of default, loss given default and exposure at default. They cover the entire spectrum of retail products (Credit Cards, Consumer Lending unsecured revolving credits, Car loans, Personal loans, Mortgages and Small Business Loans).

The models were developed based on the Bank's historical data and credit bureau data. Behavioural scores are calculated automatically on a monthly basis, thus ensuring that credit risk assessments are up to date.

The models are used in the credit approval process, in credit limit management, as well as in the collections' process for the prioritization of the accounts in terms of handling. Furthermore, the

models have been often used for the risk segmentation of the customers. They are also utilized for risk based pricing in particular segments or new products introduced.

All of the above processes are centralized and based on the 'four-eyes' principle.

Retail exposures are grouped into homogeneous pools.

Rating process and models' monitoring

The Bank considers the process and periodic review of credit policy implementation to be of critical importance, as they enable both the integration of the latest market information and analysis into the decision process and ensure the necessary uniformity in the face of the customer. Accordingly, a comprehensive credit policy manual is utilized on the extension and monitoring of credit, detailing the guiding principles, as well as specific rules relating to lending policies.

The credit rating process is also monitored independently by the Credit Control Sector in the following ways: with a member's voting right, in cases of downgrading or upgrading the customer's rating (thus ensuring its accuracy) while attending Credit Committees and with post approval control and evaluation of all credit portfolios. Credit Control Sector evaluates the quality of the portfolios through field reviews (case by case) for corporate lending and statistical analysis and field reviews for retail lending.

Capital Adequacy Control Sector independently monitors the capacity of rating models and scoring systems to classify customers according to risk, as well as to predict the probability of default, loss given default and exposure at default.

The Bank's validation policy follows a procedure that complies with international best practices and regulatory requirements. The Bank verifies the validity of the rating models and scoring systems on an annual basis and the validation includes both quantitative and qualitative aspects.

The quantitative validation includes statistical tests relating to the following:

- model stability reports such as population stability, comparison of actual and expected score distributions and characteristic analysis.
- discriminatory power of rating models i.e. the ability to distinguish default risk on a relative basis.
- accuracy/backtesting, i.e. comparison of ex ante probabilities of default and other risk parameters and ex post observed default/loss/credit exposure as defined for regulatory purposes level.

The validation of risk parameters is based on historical in house data utilising confidence intervals or market data/benchmarks, where such benchmarks exist. The qualitative assessment includes the use of the models, data, model design, structures and processes underlying the rating systems. In addition to the annual validation of the models, the Bank has established a quarterly monitoring procedure to assess the significance of any changes.

Validation procedures are documented and regularly reviewed and reported to the BRC. Group Internal Audit also independently reviews the validation process annually.

Credit Risk Mitigation

A key component of the Group's business strategy is to reduce risk by utilizing various risk mitigating techniques. The most important risk mitigating means are collaterals' pledges, guarantees and netting arrangements in master agreements for derivatives.

Types of collateral commonly accepted by the Bank

Internal policies include specific instructions for the collateral types that could be accepted:

- residential real estate, commercial real estate and land;
- receivables (trade debtors) and post-dated cheques;
- financial collateral, listed shares, listed bonds and other specific securities accepted;
- deposits;
- guarantees and letters of support;
- insurance policies; and
- machinery and equipment, vehicles and vessels.

A specific coverage ratio is pre-requisite upon approval and on on-going basis for each collateral type, specified in the credit policy manual.

For Treasury exposures (i.e. repos, reverse repos, derivatives, etc.) the Group accepts only cash or liquid bonds as collaterals.

Valuation principles of collateral

For loan products, the valuation principle for collateral is regarded as a conservative approach, taking long term market value and volatility into account when defining the maximum collateral ratio. Valuation and hence eligibility is based on the following principles:

- market value is assessed; markets must be liquid, quoted prices must be available and the collateral is expected to be liquidated within a reasonable time frame;
- a reduction of the collateral value is considered if the type, location or characteristics (such as deterioration and obsolescence) of the asset indicate uncertainty regarding the sustainability of the market value.
- forced sale principle; assessment of market value or the collateral value must reflect that realization of collateral in a distressed situation is initiated by the Bank.
- no collateral value is assigned if a pledge is not legally enforceable.

Real estate collaterals for all units are valued by Eurobank Property Services S.A., a subsidiary of the Bank, which reports to the Group Chief Risk Officer. Eurobank Property Services S.A is regulated by the Royal Institute of Chartered Surveyors (RICS) and employs internal or external qualified appraisers based on predefined criteria (qualifications and expertise). All appraisals take into account, among other things, the region, age and marketability of the property, and are further reviewed and countersigned by experienced staff of the subsidiary. The valuation methodology employed is based on IVS and quality controls are in place such as reviewing mechanisms,

independent sample reviews by independent well established valuation companies. In 2006, the Bank initiated a project in collaboration with other banks in Greece to develop a real estate property index (Prop. Index) for residential properties. The methodology, which was developed by an independent specialized statistical company, has been approved by the Bank of Greece and its use enables a dynamic monitoring of residential property values and market trends, on an annual basis. For commercial real estate, re-valuations are performed by qualified property valuers within a time horizon of two to three years. More frequent re-valuations either on site or desktop are performed for material exposures, borrowers downgraded to watchlist / high risk areas and for borrowers active in the Real Estate sector.

To ensure the quality of post-dated cheques accepted as collateral, the Bank has developed a pre-screening system, which takes into account a number of criteria and risk parameters, so as to evaluate their eligibility. Furthermore, the post-dated cheques' valuation is monitored weekly through the use of advanced statistical reports and monthly through detailed information regarding recoverability of cheques, referrals and bounced cheques, per issuer broken down by business unit (corporate and small business banking).

In case of reverse repos, the bonds received as collateral are evaluated on a daily basis by the official valuation system. All these are monitored via credit exposure measurement system that takes into account the specific characteristics of every contract.

Collateral policy and documentation

For loan products, Group instructions emphasize that practices and routines followed are timely and prudent in order to ensure that collateral items are controlled by the Group's entities and that the loan and pledge agreement, as well as the collateral is legally enforceable. Therefore, the Group's entities hold the right to liquidate collateral in the event of the obligor's financial distress and can claim and control cash proceeds from a liquidation process.

The Group uses to a large extent standard loan and pledge agreements, ensuring legal enforceability.

The application of CSA (Credit Support Annex) and GMRA (Global Master Repurchase Agreements) contracts determines the cash that should be paid or received in case of derivatives and repos contracts.

Guarantees and credit derivatives

The guarantees used as credit risk mitigation by the Group are largely issued by central and regional governments in the countries in which it operates. The Public Fund for very small businesses (ETEAN) and similar funds, banks and insurance companies are also important guarantors of credit risk.

The Bank enters into credit derivative transactions with both retail and investment banks. The lowest counterparty rating is A, whereas the average counterparty rating is AA (Standard & Poor's rating scale).

Only eligible providers of guarantees and credit derivatives can be recognized in the Standardised and Foundation IRB approach for credit risk. All central governments, regional governments and institutions are eligible. Guarantees issued by corporate entities can only be taken into account if their rating corresponds to A- (Standard & Poor's rating scale) or better.

Netting agreements

The Group further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk is reduced by a master netting agreement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis. The Group's overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

For treasury exposures the Group uses standardised ISDA (International Swaps and Derivatives Association) contracts and GMRA contracts for the application of netting agreements on derivatives and repos, respectively. An exposure measurement system is used for the daily monitoring of the net exposure after netting application and collateral exchange.

Concentration risk on collaterals

For loan products, the most commonly accepted collaterals for credit risk mitigation purposes are real estate and post-dated cheques. Consumer loans are not collateralized, except for car loans where the Bank retains ownership until full loan repayment. Mortgage loans are fully collateralized.

The Bank does not undertake significant market or credit risk on collaterals of Treasury transactions. In case of cash collateral in foreign currency transactions, the Bank manages the respective foreign exchange exposure accordingly.

Furthermore since the Bank uses GMRAs for the risk mitigation of repos and reverse repos, the market risk exposure is minimal. In case of reverse repo transactions the Bank generally accepts high quality government issues as collaterals. The collateral amount on corporate bonds is immaterial.

Basel II Framework – Credit Risk

The Group first applied the Basel II framework under the Standardised approach in January 2007 and included the respective risk asset ratio figures in its published financial statements. Until that date the Group had been applying the Basel I rules.

In June 2008, the Group received the approval of Bank of Greece to use the Internal Ratings Based (IRB) approach to calculate the capital requirement for credit risk. Therefore, with effect from 1 January 2008 the Group applies:

- the Foundation IRB approach to calculate risk weighted assets for the corporate loans' portfolio of Eurobank Ergasias S.A. in Greece;
- the Advanced IRB for the majority of the retail loans' portfolio of the Bank, i.e. mortgages, small business lending, credit cards and revolving credits in consumer lending.
- from September 2009 the Foundation IRB approach was applied for the corporate loans' portfolio of Eurobank Ergasias Leasing S.A. in Greece.
- from March 2010 the Advanced IRB approach was applied for the Bank's portfolio of personal and car loans.

The implementation of IRB covers 73.8 per cent. of the Group's lending portfolio excluding portfolio segments which are immaterial in terms of size and risk profile. If we include the implementation of Basel II IRB methodology to NHPB Mortgage portfolio, which is subject to ECB approval, the ratio increases to 83.4 per cent.

There is a permanent exemption from the IRB approach, up to 10 per cent. of risk weighted assets, for which the Standardised approach is applied. In addition to the exemption of up to 10 per cent. of risk weighted assets, permanent exemption has been granted for the following exposure classes as prescribed in the CRD:

- exposures to/or guaranteed by central governments and central banks;
- exposures to/or guaranteed by credit and financial institutions; and
- exposures to administrative bodies and non-commercial undertakings.

The Standardised approach is applied for these exposures.

Market Risk

Definition and policies

Market risk is the potential loss occurring from changes in interest and foreign exchange rates, equities and commodity prices, as well as market volatilities.

In order to ensure the efficient monitoring of market risks that emanate from its overall activities, the Group adheres to certain principles and policies. The objectives of the market risk policies applied by the Group are to:

- establish an effective market risk monitoring and management framework at Group level;
- ensure regulatory compliance; and
- create a competitive advantage over competition through more accurate assessment of the risks assumed.

Internal model - Value at Risk (VaR) model & Credit Risk (IRC)

The Bank uses its own, validated by the Bank of Greece since 2005, internal VaR model in order to calculate capital requirements for market risk in its trading book, for the Bank's activities in Greece. VaR is a statistical risk measure of the maximum loss that the Bank may, under normal market conditions, incur over a certain period of time with a certain confidence level. For example, a 99 per cent. 1 day VaR of € 1 million means that there is a 99 per cent. probability that the Bank will not lose more than € 1 million within the next day.

The internal model described above covers the following risks:

- interest rate risk: the risk of losses because of changes in interest rates;
- foreign exchange risk: the risk of losses on foreign currency positions because of changes in exchange rates;
- equity risk: the risk of losses because of changes in equity prices, equity indices and mutual funds;

- commodity risk: the risk of losses because of changes in commodity prices; and
- volatility risk: the risk of losses on option positions because of changes in implied volatility levels.

Market risk of the Group, with the exclusion of International operations, is managed and monitored using Value at Risk (VaR) methodology. Market risk in International operations is managed and monitored using mainly sensitivity analyses. Information from International operations is presented separately as it originates from significantly different economic environments with different risk characteristics.

The internal VaR model is based on the Monte Carlo simulation. The VaR is calculated on 99 per cent. confidence level and for a 1 day holding period. Full repricing is applied on every position of the portfolio. This means that the model covers all types of non-linear instruments (i.e. options).

VaR models are designed to measure market risk under normal market environment. It is assumed that any changes in the risk factors follow a normal distribution. Since VaR constitutes an integral part of the Group's market risk control regime, VaR limits have been established for all (trading and non-trading portfolio) operations and actual exposure is reviewed daily by management. From 31.12.2011 the Bank implemented the Stressed VaR and Incremental Risk Charge (IRC) using the internal model as requested by Basel 2.5 framework. IRC is computed on all fixed income positions in Bank’s trading activities in Greece. It estimates the incremental risk arising from rating migrations and defaults, using Monte Carlo simulation, to a 99.9 per cent. confidence level over a one year holding period. The model was approved by Bank of Greece on 31.12.2011.

The Bank’s exposure to commodities and volatilities is immaterial.

Counterparty risk

Definition

Counterparty risk is the risk that a counterparty in an off balance sheet transaction (i.e. derivative transaction) defaults prior to maturity and the Bank has a claim over the counterparty (the market value of the contract is positive for the Bank).

Mitigation of counterparty risk

To reduce the exposure towards single counterparties, risk mitigation techniques are used. The most common is the use of closeout netting agreements (usually based on standardised ISDA contracts), which allow the bank to net positive and negative replacement values in the event of default of the counterparty.

Furthermore, the Bank also applies margin agreements (CSAs) in case of counterparties. Thus, collateral is paid or received on a daily basis to cover current exposure. In case of repos and reverse repos the Bank applies netting and daily margining using standardised GMRA contracts.

Wrong way risk

The Bank prevents the initiation of derivative transactions in cases that the value of the underlying instrument is highly correlated with the credit quality of the counterparty.

Implications under rating downgrade

The Bank's financial collateral agreements (CSAs covering derivative transactions) with other banks contain in some cases rating triggers. For these agreements, the minimum exposure level (threshold

amount) for further posting of collateral will be lowered in case of a downgrading. Given the Bank's current rating, the additional effect is immaterial.

Credit derivatives

As of 31 December 2015 the Group held no Credit Default Swap positions.

The Bank does not have any brokerage activity in this market. Furthermore, the Bank does not hedge its loan portfolio with CDSs as this market in Greece is not developed.

Liquidity Risk

The Group is exposed to events on a daily basis which affect the level of its available cash resources due to deposits withdrawals, maturity of medium or long term notes, and maturity of secured or unsecured funding (interbank repos and money market takings), loan draw-downs and forfeiture of guarantees. Furthermore, margin calls on secured funding transactions (with ECB and the market) and on risk mitigation contracts (CSAs, GMRAs) result in liquidity exposure. The Group maintains cash resources to meet all of these needs. The BRC sets liquidity limits to ensure that sufficient funds are available to meet such contingencies.

Past experience shows that liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the amount of the commitment. This is also the case with credit commitments where the outstanding contractual amount to extend credit does not necessarily represent future cash requirements, as many of these commitments will expire or terminate without being funded.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Group. It is unusual for banks to be completely matched, as transacted business is often of uncertain term and of different types. An unmatched position potentially enhances profitability, but also increases the risk of losses.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest bearing liabilities as they mature, are important factors in assessing the liquidity of the Group.

Liquidity Risk Management Framework

The Group’s Liquidity Risk Management Policy defines the following supervisory and control structure:

- Board Risk Committee's role is to approve all strategic liquidity risk management decisions and monitor the quantitative and qualitative aspects of liquidity risk;
- Group Assets and Liabilities Committee has the mandate to form and implement the liquidity policies and guidelines in conformity with Group's risk appetite, and to review at least monthly the overall liquidity position of the Group;
- Group Treasury is responsible for the implementation of the Group's liquidity strategy, the daily management of the Group’s liquidity and for the preparation and monitoring of the Group’s liquidity budget;
- Global Market and Counterparty Risk Sector is responsible for measuring, monitoring and reporting the liquidity of the Group.

The Bank as per ECB, EBA & BoG directives applies risk management policies, processes and controls regarding, Asset Encumbrance/ Liquidity Buffers and Collateral Management, Contingency

Funding Plan (CFP), Intraday Liquidity Risk Management and Liquidity Stress Tests. These policies, processes and controls along with the liquidity governance are described in the ILAAP (internal liquidity adequacy assessment process).

These policies, processes and controls are applicable in the specific Greek macro-economic environment, Banks' business model and market conditions on wholesale funding.

Operational Risk

Acknowledging the fact that operational risk is embedded in every business activity undertaken, the organizational governance stems from the Board of Directors through the Executive Board and Senior Management to the Heads and staff of every business unit. The organizational governance is applicable to all jurisdictions accordingly.

An Operational Risk Unit operates in every subsidiary of the Bank, being responsible for applying the Group's operational risk strategy and framework in the jurisdiction the Bank operates.

The Board of Directors monitors, through the BRC, the operational risk level and profile including the level of operational losses, their frequency and severity, and through the Audit Committee, the status of operational risk-related control issues. The Operational Risk Committee assesses the operational risks arising from the activities of the Group, ensures that each business entity has appropriate policies and procedures for the control of its operational risk and that prompt corrective action is taken whenever a high risk area is identified.

The Group Chief Risk Officer is the sponsor of any operational risk related initiative and ensures implementation of the operational risk policy. The Group Chief Risk Officer has the overall responsibility and oversight of the Operational Risk Units in the countries that the Bank operates.

The prime responsibility for operational risk management lies with the respective Heads of each business unit. To this end, every business unit:

- identifies, evaluates and monitors its operational risks and implements risk mitigation techniques;
- assesses control efficiency;
- reports all relevant issues; and
- has access to and uses the common methods and tools introduced by the Operational Risk Sector, in order to facilitate identification, evaluation and monitoring of operational risk.

An OpRisk Partner is assigned in each business unit, being responsible for acting as the internal operational risk manager and coordinator and as a liaison to the Operational Risk Unit.

Certain business units have established a dedicated Anti-Fraud Unit/Function, according to the fraud risk to which their operations are exposed. Their main objective is to continuously identify fraud risks and timely undertake all appropriate actions in addressing and mitigating those risks.

The Operational Risk Sector is responsible for defining and rolling out the methodology for the identification, assessment, reporting of operational risk in accordance with BRC decisions, implementing regulatory requirements and Group guidelines, monitoring the operational risk level and profile and reporting thereon to the BRC, and defining and rolling out the methodology for the calculation of the regulatory capital charge for operational risk.

Capital Position

	31 December 2015 € million	Pro-forma 31 December 2014 (1) € million	31 December 2014 € million
Total equity attributable to shareholders of the Bank	**6,420**	5,559	5,559
Add: Regulatory non-controlling interest	**401**	532	532
Less: Goodwill	**(0)**	(4)	(4)
Less: Other regulatory adjustments	**(198)**	(158)	(193)
Common Equity Tier I Capital	**6,623**	5,929	5,894
Add: Preferred securities	**30**	62	62
Less: Other regulatory adjustments	**(30)**	(62)	(62)
Total Tier I Capital	**6,623**	5,929	5,894
Tier II capital-subordinated debt	**15**	141	141
Add: Other regulatory adjustments	**147**	15	15
Total Regulatory Capital	**6,785**	6,085	6,050
Risk Weighted Assets	**38,888**	39,062	36,430
Ratios:	**%**	%	%
Common Equity Tier I	**17.0**	15.2	16.2
Tier I	**17.0**	15.2	16.2
Capital Adequacy Ratio	**17.4**	15.6	16.6

(1) Pro-forma with the regulatory treatment of Deferred Tax Assets (DTAs) as Deferred Tax Credits (DTCs) (see note 16 of 31 December 2015 Consolidated Financial Statements).

Note: The CET1 as at 31 December 2015, based on the full implementation of the Basel III rules in 2024, would have been 13.1 per cent. Information on the components of the regulatory capital on transitional and end-point basis as at 31 December 2015 and 2014 is presented in Appendix 1 of the regulatory (Basel III, Pillar 3) disclosures available at the Bank's website.

The Group has sought to maintain an actively managed capital base to cover risks inherent in the business. The adequacy of the Group's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision ("BIS rules/ratios"') and adopted by the European Union and the Bank of Greece in supervising the Bank. As of 1 January 2014 the capital adequacy calculation is based on Basel III ("CRDIV") rules. Supplementary to that, in the context of Internal Capital Adequacy Assessment Process ("ICAAP"), the Group considers a broader range of risk types and the Group's risk and management capabilities. ICAAP aims ultimately to ensure that the Group has sufficient capital to cover all material risks that it is exposed to, over a 12-month horizon.

To this direction, the Group, apart from the share capital increases which were completed in April 2014 and November 2015, is focused on the organic strengthening of its capital position by active de-risking of lending portfolios through tighter credit policies and change in the portfolio mix in favour of

more secured loans as well as by proceeding to several strategic initiatives to internally generate capital.

Finally, the Group is examining a number of additional initiatives for enhancing its capital base, associated with the management of non-performing loans as well as with the restructuring, transformation or optimization of operations, in Greece and abroad, that will generate or release further capital and/or reduce Risk Weighted Assets.

Single Supervisory Mechanism (SSM) / SSM Office

The Single Supervisory Mechanism ("SSM") is a new system of banking supervision for Europe. It comprises the ECB and the national supervisory authorities of the participating countries.

The SSM's main objectives are to:

- ensure the safety and soundness of the European banking system;
- increase financial integration and stability; and
- ensure consistent supervision.

The ECB in cooperation with national competent authorities is responsible for the effective and consistent functioning of the SSM.

It has the authority to:

- conduct supervisory reviews, on-site inspections and investigations;
- grant or withdraw banking licences;
- assess banks' acquisition and disposal of qualifying holdings;
- ensure compliance with EU prudential rules; and
- set higher capital requirements ("buffers") in order to counter any financial risks.

In order to respond to the increased supervisory requirements, the Bank established the Single Supervisory Mechanism Office ("SSM Office"). The SSM Office role it to coordinate and control initiatives and projects related to the framework of the SSM, and to serve as a central point of reference for the regulatory related requests.

THE BANKING SECTOR AND THE ECONOMIC CRISIS IN GREECE

The Structure of the Banking Sector in Greece and Recent Developments

Overview

The banking sector in Greece expanded rapidly between 1992 and 2009 due to deregulation, Greece's entry into the Eurozone and technological advances. The growth of the sector was the result of both organic expansion and mergers and acquisitions, primarily in the wider region of Southeastern Europe, where a number of Greek banks operate. Nevertheless, as a result of the international financial crisis beginning in 2008, and the emergence of the fiscal crisis in Greece in the last quarter of 2009, the Greek banking system has experienced particularly challenging conditions and has undergone a phase of significant consolidation through a series of mergers and acquisitions, including acquisitions of selective assets and liabilities of credit institutions and banking cooperatives which have been placed under special liquidation.

At present, according to the information available in the database of the Bank of Greece, there are eight credit institutions, nine banking cooperatives and 21 branches of foreign banks which are operating in Greece, compared to 19 credit institutions, 16 banking cooperatives and 29 branches of foreign banks which were operating in Greece in November 2009. As at the date of this Prospectus, all banks currently incorporated and operating in Greece are commercial banks, with the exception of the Consignment Deposits and Loans Fund, which is a specialised credit institution.

The four largest commercial banks, measured by gross customer loans, are Alpha Bank, Eurobank, National Bank of Greece and Piraeus Bank, which according to publicly available information, as well as information provided by the database of the Bank of Greece, accounted for 97 per cent. of the Greek banking market as at 31 December 2014.

The Hellenic Republic Bank Support Plan

In November 2008, the Greek Parliament passed Law 3723/2008, which sets out the Hellenic Republic Bank Support Plan. The law was passed with the goal of strengthening the capital and liquidity positions of Greek banks in an effort to safeguard the Greek economy from the adverse effects of the global financial crisis. The Hellenic Republic Bank Support Plan was revised by subsequent legislation and ministerial decisions, which abolished the compulsory redemption of the preference shares issued under Pillar I of the plan at the end of the five-year period after their issue date against an increase of their return by 2 per cent. per annum on a cumulative basis after such period has ended, amended the prohibition on the payment of dividends, increased the total amount that can be provided by the Hellenic Republic under Pillar II of the plan, increased, from 1 January 2012 onwards, the commission paid to the Hellenic Republic for the provision of guarantees under Pillar II of the plan and extended the duration of Pillar II until 31 December 2015.

The Hellenic Republic Bank Support Plan comprised three pillars. In the framework of Pillar I, Eurobank issued 345,500,000 non-transferable, non-voting, redeemable preference shares (the "Preference Shares") at a nominal value of €2.75 per Preference Share (i.e., of a total value of approximately €950 million), which were fully subscribed by the Hellenic Republic through the transfer to the Bank of an equivalent amount of Greek Government bonds which matured on 21 May 2014, in accordance with Law 3723/2008. In the framework of Pillar II, Eurobank issued bonds guaranteed by the Hellenic Republic, with a total nominal value of €16.5 billion as at 30 June 2015. In the framework of Pillar III, as at 30 June 2015, the face value of the outstanding balance of Greek government bonds ("GGBs") that the Bank borrowed under Pillar III was €1,918 million, all of which was returned in full in August 2015.

For more information concerning the Hellenic Republic Bank Support Plan and the effect of the Bank's participation therein, see "Regulation and Supervision of Banks in Greece—The Hellenic Bank Republic Support Plan" and "Description of Share Capital—Preference Shares of Law 3723/2008".

Of the other systemic banks in Greece participating in the Hellenic Republic Bank Support Plan, National Bank of Greece increased its share capital by €1,350 million, Piraeus Bank increased its share capital by €750 million and Alpha Bank increased its share capital by €940 million, each through the issuance of preference shares to the Hellenic Republic under Pillar I of the plan. Alpha Bank and Piraeus Bank repaid their respective preference shares in April 2014 and May 2014, respectively.

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 (see "Regulation and Supervision of Banks in the Hellenic Republic – The HFSF").

Recapitalisation of the Four Systemic Banks 2012-2014

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'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 (the "Systemic Banks"). In May 2012, the Bank of Greece estimated that the aggregate capital required to support all Greek banks so as to meet the minimum required levels of Core Tier 1 capital from 2012 to 2014 was €40.5 billion, out of which €27.5 billion was estimated to be required for the Systemic Banks. The Bank's capital needs were estimated to be approximately €5.8 billion. The Bank of Greece re-confirmed these estimates in October 2012 and December 2012 and used them as the basis for determining that €50 billion would be appropriate to cover the recapitalisation and restructuring costs of the Greek banking sector. Each of the Systemic Banks completed their recapitalisations in the first half of 2013. In that context, the Bank received capital support of approximately €5.8 billion exclusively from the HFSF, following which the HFSF owned approximately 95 per cent. of the shares in the Bank, and as a result the HFSF's voting rights in the Bank were subject to no restrictions at the time.

Pursuant to the terms of the May 2013 Memorandum of Economic and Financial Policies under the Second Economic Adjustment Programme, the Bank of Greece conducted a follow-up stress test on the basis of data as at 30 June 2013 to update its assessment of the capital needs of Greek banks on a consolidated basis and mandated BlackRock to conduct a second independent diagnostic exercise on the loan portfolios of Greek banks, including updated stress tests. In March 2014, the Bank of Greece published the results of the BlackRock Updated Exercise and announced that the capital needs of all Greek banks amounted to €6.4 billion under the baseline scenario and €9.4 billion under the adverse scenario. Each of the Systemic Banks completed their recapitalisations in the first

half of 2014. In that context, the Bank raised approximately €2.9 billion exclusively from private investors, following which the HFSF owned approximately 35 per cent. of the Bank's Ordinary Shares, and as a result the exercise of the voting rights that the .HFSF currently holds in the Bank is subject to restrictions.

European Central Bank's Comprehensive Assessment

Please see "Eurobank Ergasias S.A. – Recapitalisation - *European Central Bank's Comprehensive Assessment*".

Eurobank's capital enhancement actions

Please see "Eurobank Ergasias S.A. – Recapitalisation - *Eurobank's capital enhancement actions*".

The First Economic Adjustment Programme, the Second Economic Adjustment Programme, the PSI, the Buy-Back Programme and the Third Economic Adjustment Programme

The aggravated financial condition of Greece since the end of 2009 has limited, to a significant extent, the Greek banks' access to the international capital markets. In early May 2010, the then Greek government agreed to the First Economic Adjustment Programme jointly supported by the Institutions, which was to provide significant financial support of €110 billion in the form of a cooperative package of IMF and EU funding. The First Economic Adjustment Programme was established pursuant to two memoranda, each dated 3 May 2010, which set out a series of fiscal measures and structural reforms, including the creation of the HFSF.

On 21 February 2012, following consultations at an international level, the Institutions agreed to the Second Economic Adjustment Programme, the main objective of which was to ensure the sustainability of Greece's debt and to restore competitiveness to the Greek economy. Pursuant to the Second Economic Adjustment Programme, Greece was to set fiscal consolidation targets so as to return to a primary surplus by 2013, to fully carry out the privatisation plan and to proceed to implement structural reforms in the labour, goods and services markets. In addition, the principles for the PSI in the restructuring of the Hellenic Republic's sovereign debt were agreed, as well as the 53.5 per cent. reduction in the nominal value of GGBs. As a result of the PSI, which began on 24 February 2012, and which was completed on 25 April 2012, the total amount of sovereign debt restructured was approximately €199 billion, or 96.9 per cent. of the total eligible bonds (approximately €205.5 billion).

Apart from the PSI principles, in order to ensure the sustainability of Greece's debt, it was also decided on 21 February 2012 that: (i) the interest rate margin on the loan that Greece had been granted by the Eurozone countries would be retroactively decreased to 150 basis points; (ii) the ECB's income from acquiring and holding GGBs would be allocated to central banks and through them to the Member States, which would in turn direct such amounts to Greece's debt relief; and (iii) central banks holding Greek bonds in their investment portfolio would cede the income arising from these bonds to Greece until 2020.

According to a March 2012 report by the European Commission on the Second Economic Adjustment Programme for Greece, the Eurozone's contribution to cover the financing needs of Greece (including, inter alia, the PSI and the recapitalisation of banks) for the 2012–2014 period was estimated to be €144.7 billion, whilst the IMF's contribution for this period was estimated to be €19.8 billon. By mid-2012, the political uncertainty created in Greece after two elections, the delays in implementing the Second Economic Adjustment Programme, as well as a stronger-than-expected recession in the Greek economy, led to a review of the terms of such programme, as the sustainability of Greece's debt was put into question. On 27 November 2012, following consultations on national and international levels, basic points and actions were agreed, with the aim of achieving

the sustainability of Greece's debt at 175 per cent. of GDP in 2016, 124 per cent. in 2020 and below 110 per cent. in 2022. At the same time, an agreement was reached to extend the programme and delay the targeted primary surplus of 4.5 per cent. of GDP from 2014 to 2016. Among other things, it was agreed that the interest rate on bilateral state loans would be reduced, that the time frame to pay back the tranches of bilateral state loans and loans by EFSF would be extended, that payment of interest on EFSF loans would be deferred, that Member States would return to Greece any profits their central banks made on the Greek bonds they held in their investment portfolios and that additional debt relief measures in order to improve the sustainability of Greek debt to GDP ratio would be considered once Greece achieves the target of a sustainable primary surplus. The implementation of these measures was made conditional on the strict implementation of the Second Economic Adjustment Programme by Greece. On 3 December 2012, the PDMA announced the terms for the Buy-Back Programme under which the Greek Government organised an auction for buying back GGBs. On 11 December 2012, the Buy-Back Programme was completed and total offers to exchange amounted to a nominal value of approximately €31.9 billion, while the weighted average price was approximately 33.8 per cent. of the nominal value. For the buy-back of the bonds offered, six-month EFSF notes were issued for a nominal value of €11.29 billion (including accrued interest).

The successful completion of the third and fourth reviews of the Second Economic Adjustment Programme permitted the respective disbursements by the ESM and the IMF. The conclusion of the fifth review of the Second Economic Adjustment Programme, as well as the enactment of Law 4254/2014, which included, among other things, the relevant structural reforms agreed with the Institutions, permitted the disbursement of the ESM instalment of an additional €8.3 billion in three tranches. The progress regarding the programme implementation in the first semester of 2014 allowed Greece's return to the international capital markets with the issue of a five-year bond in April 2014 and of a three-year bond in July 2014. Discussions between the Greek government and the Institutions continued in autumn 2014 for the successful conclusion of the last review of the Second Economic Adjustment Programme. The instalment that corresponded to the last review amounted to €7.2 billion (€3.6 billion from the IMF, €1.9 billion from the ESM and €1.8 billion from the ECB (gains of the ECB from GGBs bought in spring 2010 under the ECB's Securities Markets Programme (the "SMP"))).

Following the failure of the constitutional process to elect a new President of the Hellenic Republic at the end of 2014 early parliamentary elections were held on 25 January 2015.A new coalition government came inoffice. The new government managed to elect the new President of the Hellenic Republic and moved to negotiate a new financing framework and a revised reform programme with the Institutions for the Final review of the Second Economic Adjustment Programme.

In the context of these negotiations the extension of the Master Financial Assistance Facility Agreement of the Second Economic Adjustment Programme that the Greek Government managed to achieve under the February 20 2015 Agreement expired on June 30 2015 without a successful conclusion of the review or a new extension. In addition, on 5 June 2015 the Greek Government decided not to permit the disbursement of a scheduled payment to the IMF. This decision did not cause the triggering of a cross default process. However, it created arrears with the IMF. The prolonged negotiations of the Greek Government with the Institutions until the expiration of the extension of the Master Financial Assistance Facility Agreement on 30 June 2015, led to increased uncertainty and significant deposit outflows. With banks' liquidity buffers falling to significantly low levels, the Greek Government on 28 June 2015 introduced restrictions on banking transactions (capital controls) and a temporary bank holiday, in order to contain further liquidity outflows. Following the termination of the bank holiday in Greece on 20 July 2015 there has been some gradual relaxation of capital controls.

After the imposition of capital controls and a referendum that led to the rejection of the Eurozone proposal as tabled in the negotiations before the expiration of the MFFA, the government restarted

the negotiations. The government managed to cover the financing needs of the country for July 2015 via a 3-month "bridge loan" of €7.1 billion from the European Financial Stabilization Mechanism ("EFSM"). The "bridge loan" was approved after the Greek Government legislated on a series of pre-specified structural reforms.

The new 3-year ESM Programme – the Third Economic Adjustment Programme that was finalised in mid-August 2015 included a financing envelope of €86 billion with an average maturity of 32.5 years, the same average maturity with the outstanding EFSF loan. The new loan will permit Greece to service its debt, recapitalize its banks, clear accumulated arrears and finance its budget. The final agreement on the Third Economic Adjustment Programme, together with an additional series of prerequisite structural reforms passed in the Greek Parliament and got the approval of the Eurogroup on 14 August 2015. The IMF did not participate in the Third Economic Adjustment Programme, it will continue with the provision of technical assistance only. Its full participation will be conditional on the significant progress on structural reforms implementation and the achievement of debt sustainability. It is expected to take place not earlier than the successful conclusion of the first review of the Third Economic Adjustment Programme (the "First Review")

The government managed to complete two sets of prior actions/reforms from the Third Economic Adjustment Programme at the end of November and December 2015. This permitted the disbursement of two additional instalments of €3.0 billion in total, in addition to the €13 billion disbursed in August 2015 as a first instalment from the ESM loan. By mid - December 2015, the bank recapitalization was completed with only €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. 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 2016-18, the secondary market for first residence and SMEs NPL loans, the modernization of Greece's public administration and the creation of a new privatization fund. However, the First Review of the Third Economic Adjustment Programme is still pending and is not expected to be completed before the end of April 2016.

Financing of the Greek Economy by the Economic Adjustment Programmes

From May 2010, when the First Economic Adjustment Programme was concluded, until the end of June 2015 when the Second Economic Adjustment Programme expired, the Eurozone and the IMF disbursed approximately €216.0 billion to Greece (bilateral state loans from Eurozone countries and EFSF: €183.9 billion; IMF: €32.8 billion). In the Third Economic Adjustment Programme the financing envelope was approximately €86.0 billion including a buffer of up to €26 billion for the bank recapitalization. However, by mid-December 2015 only €5.4 billion were used for the bank recapitalization. The unused funds were subtracted from the ESM loan, reducing it to €64.5 billion as at the end of January 2016. Disbursement of the funds under the Third Economic Adjustment Programme is conditional on the successful completion of the reviews of the programme.

After the successful conclusion of the first review of the Third Economic Adjustment Programme, the IMF is expected to participate and cover part of the loan under the Third Economic Adjustment Programme, which is currently financed solely by the ESM, although this is conditional on significant progress on structural reforms implementation and the achievement of debt sustainability.

The first instalment of the Third Economic Adjustment Programme of approximately €26 billion was approved before 20 August 2015. It included €10 billion for the bank recapitalisation and €13 billion aiming to cover the July 2015 EFSM bridge-loan, the financing needs of the country to the ECB and the IMF in August 2015 and a small amount for the clearance of the arrears of the public sector. The remaining €3.0 billion from the first instalment were disbursed by the end of December 2015 after the completion of two sets of prior actions/structural reforms which were part of the reforms required for the successful conclusion of the first review of the Third Economic Adjustment Programme and the

successful conclusion of structural reforms. The schedule for the disbursement of the remaining funds from the Third Economic Adjustment Programme, which is estimated as of mid-March 2016 at €38 billion has not been determined yet. It is expected to be determined after the successful conclusion of the First Review, the decision regarding the IMF's participation and the assessment of the liquidity needs of the country.

Corrective Actions in the Event of Deviations from the Third Economic Adjustment Programme

Fiscal adjustment has been extended in time to reduce the impact of the ongoing recession in Greece. According to recent data from the IMF (World Economic Outlook, October 2015), Greece recorded a positive primary surplus of approximately 1.0 per cent. of GDP at the end of 2013 for the first time since 2002 and from a. primary deficit of 10.3 per cent. of GDP in 2009. According to the 2016 Budget the primary balance for 2014 was positive, a primary surplus, at 0.3 per cent. of GDP while the primary balance in 2015 is expected to be a deficit of approximately 0.3 per cent. of GDP due to the uncertainty over the agreement on the last review of the Second Economic Adjustment Programme, its expiration on 30 June 2015, the imposition of capital controls, the implementation of the Third Economic Adjustment Programme and the bank recapitalisation process. Under the Third Economic Adjustment Programme, the primary balance is targeted to be a surplus of 0.5 per cent., 1.8 per cent. and 3.5 per cent. of GDP for 2016, 2017 and 2018, respectively. The primary balance figures are based on the respective definition of the Second Economic Adjustment Programme (i.e., without accounting for support regarding the financial institutions and the revenues from the Eurosystem's SMP and GGBs held by central banks of the Eurozone Member States in their investment portfolio (ANFA GGB holdings)). On the real economy developments now, the above fiscal targets are in accordance with real GDP growth rates (Winter EC projection (February 4th 2016)) of 0.0 per cent., -0.7 per cent., 2.7 per cent. for 2015, 2016, 2017 respectively conditional on the prompt Third Economic Adjustment Programme implementation, the successful conclusion of the 1st review of the programme. According to most recent ELSTAT data, real GDP is expected to decrease by approximately -0.2 per cent. in 2015.

The Greek government has developed a strategy to achieve the targeted primary surplus of 3.5 per cent. of GDP by 2018. The Greek government expects that income will increase when the economy enters the recovery phase, whilst benefits are also expected from the stronger and more efficient administration of revenue collection procedures. In addition, Greek public sector efficiency is expected to improve through the reforms implemented so far and the reforms that will follow in the coming period because of the Third Economic Adjustment Programme's implementation. Furthermore, among the prerequisites for the successful conclusion of the First Review is the medium-term fiscal strategy for 2016-2019 supported by a credible package of parametric measures and structural reforms that will improve the fiscal performance of the country in the following period. In addition, according to the Third Economic Adjustment Programme, the Greek government is required to legislate credible structural measures yielding savings of at least 0.75 per cent. of GDP and 0.25 per cent. of GDP for 2017 and 2018, respectively so as to safeguard the achievement of the primary balance target of 3.5 per cent. for 2018 and beyond. To the extent that deviation from the primary balance targets is observed, the Greek government could pursue actions to address it, including the further improvement of the tax collection, the broadening of the tax base by further reducing exemptions and tax deductions, the extension of measures that are due to expire and the implementation of targeted current spending cuts.

ERB HELLAS PLC

Introduction

ERB Hellas PLC was incorporated as EFG Finance PLC under the laws of England and Wales on 29 June 1999 as a public limited company with number 3798157. On 16 July 1999 the name of EFG Finance PLC was changed to EFG Hellas PLC and on 11 October 2012 was changed to ERB Hellas PLC. The registered office of ERB Hellas PLC is at 1st Floor, 25 Berkeley Square, London W1J 6HN, United Kingdom and its telephone number is +44 (0) 20 7973 8630.

ERB Hellas PLC was acquired by EFG Eurobank S.A. (now Eurobank Ergasias S.A. or the Bank) on 30 September 1999 and the share capital of ERB Hellas PLC continues to be held, directly or indirectly, by the Bank. ERB Hellas PLC does not, as at the date of this Prospectus, have any subsidiaries.

Directors

The Directors of ERB Hellas PLC and their respective business are as follows:

Name	*Business Address*
Mr. D. Archontidis	22 Voukourestiou Street, Athens, GR 10671
Mr. A. Ioannidis	8 Othonos Street, Athens, GR 10557
Mr. N. Laios	8 Othonos Street, Athens, GR 10557
Ms D. Spyrou	8 Othonos Street, Athens, GR 10557

Apart from the activities pertaining to his function and position, no Director conducts any activities outside ERB Hellas PLC and the Group which are significant with respect to ERB Hellas PLC.

The Secretary of ERB Hellas PLC is Mrs. H. Fotineas.

ERB Hellas PLC has no employees or non-executive Directors.

ERB Hellas PLC is not aware of any potential conflicts of interest between the duties to ERB Hellas PLC of each of the members of the Board of Directors and his/her private interests or other duties nor of any kind of personal interest of each such member of the Board of Directors that is material to the issue of Instruments under the Programme.

To the best of its knowledge and belief, ERB Hellas PLC complies with the laws and regulations of the United Kingdom regarding corporate governance.

ERB Hellas PLC does not have an audit committee.

Activities

The share capital of ERB Hellas PLC was acquired, directly or indirectly, by the Bank (formerly ERB Eurobank S.A.) with the intention that ERB Hellas PLC should operate as a financing vehicle for the Bank and its subsidiaries. ERB Hellas PLC is a finance company whose sole business is raising debt to be deposited with the Bank on an arm's length basis. ERB Hellas PLC is accordingly dependent on the Bank paying interest on the deposited balances. Under some issues, ERB Hellas PLC also enters into swap arrangements with third parties, with the Bank acting as credit support provider.

In August 2001 ERB Hellas PLC began issuing commercial paper. The notes and commercial paper outstanding have been guaranteed by the Bank. The net proceeds of the notes and commercial paper issued have been applied by ERB Hellas PLC to meet the general financing requirements of its immediate parent, the Bank, and its subsidiaries.

Share Capital

The authorised and issued share capital of ERB Hellas PLC is £50,000. The allotted and paid up share capital of ERB Hellas PLC is £12,500, divided into 50,000 ordinary shares of a nominal value of £1 each, paid up as to 25p each. The paid up share capital of £12,500 is reflected in the financial statements as €19,216 based on the prevailing exchange rate at 31 December 2002 of €1/£0.6505. The entire issued share capital of ERB Hellas PLC is, directly and indirectly, owned by the Bank.

Corporate Objects

The corporate objects of ERB Hellas PLC are set out in paragraph 4 on page 1 of its Memorandum of Association. They include, but are not limited to, carrying on the business of a general commercial company or any trade or business whatsoever and borrowing or raising money by any method and obtaining any form of credit or finance (including by the issuing securities of any kind). A copy of the Memorandum of Association is available for inspection at the registered office of ERB Hellas PLC and at the specified office of the Issue and Paying Agent and the Paying Agent in Luxembourg.

Dividends

No dividend was paid in 2014 and there is no subsequent decision of the BOD for distribution of dividend (2013: Under article 6b of Law 3864/2010€1,965,000, €39.30 per share).

ERB HELLAS (CAYMAN ISLANDS) LIMITED

Introduction

ERB Hellas (Cayman Islands) Limited was incorporated under the laws of the Cayman Islands on 26 April 2002 as an exempted company with limited liability with number CR 117363. On 4 October 2012, the name of EFG Hellas (Cayman Islands) Limited was changed to ERB Hellas (Cayman Islands) Limited. The registered office of ERB Hellas (Cayman Islands) Limited is at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111 Cayman Islands and its telephone number is c/o Codan Trust Company (Cayman) Limited +1 (345) 949 1040.

At a meeting of the Board of Directors of ERB Hellas (Cayman Islands) Limited held on 15 May 2002, the Directors approved the transfer and issue of shares in ERB Hellas (Cayman Islands) Limited to the Bank. The entire issued share capital of ERB Hellas (Cayman Islands) Limited is held indirectly by the Bank via its subsidiary EFG New Europe Funding III Ltd, a company incorporated in Cyprus. ERB Hellas (Cayman Islands) Limited does not, as at the date of this Prospectus, have any subsidiaries.

Directors

The Directors of ERB Hellas (Cayman Islands) Limited and their respective business addresses are as follows:

Name	*Business Address*
Mr. D. Archontidis	22 Voukourestiou Street, Athens, GR 10671
Mr. A. Ioannidis	8 Othonos Street, Athens, GR 10557
Mr. N. Laios	8 Othonos Street, Athens, GR 10557
Ms D. Spyrou	8 Othonos Street, Athens, GR 10557

Apart from the activities pertaining to his function and position, no Director conducts any activities outside ERB Hellas (Cayman Islands) Limited and the Group which are significant with respect to ERB Hellas (Cayman Islands) Limited.

The Secretary of ERB Hellas (Cayman Islands) Limited is Mrs. H. Fotineas.

ERB Hellas (Cayman Islands) Limited has no employees or non-executive Directors.

ERB Hellas (Cayman Islands) Limited is not aware of any potential conflicts of interest between the duties to ERB Hellas (Cayman Islands) Limited of each of the members of the Board of Directors and his/her private interests or other duties nor of any kind of personal interest of each such member of the Board of Directors that is material to the issue of Instruments under the Programme.

To the best of its knowledge and belief, ERB Hellas (Cayman Islands) Limited complies with the Companies Law (2013 Revision) of the Cayman Islands regarding corporate governance.

ERB Hellas (Cayman Islands) Limited does not have an audit committee.

Activities

The share capital of ERB Hellas (Cayman Islands) Limited was acquired, directly or indirectly, by the Bank with the intention that ERB Hellas (Cayman Islands) Limited should operate as a financing vehicle for the Bank and its subsidiaries.

ERB Hellas (Cayman Islands) Limited is a finance company whose sole business is raising debt to be deposited with the Bank on an arm's length basis. ERB Hellas (Cayman Islands) Limited is accordingly dependent on the Bank paying interest on the deposited balances. In addition, some issues are coupled with a swap arrangement with the Bank, which are on an arm's length basis.

The notes outstanding have been guaranteed by the Bank. The net proceeds of the notes have been applied by ERB Hellas (Cayman Islands) Limited to meet the general financing requirements of its immediate parent, the Bank, and its subsidiaries.

In March 2008 ERB Hellas (Cayman Islands) Limited established a U.S.$2,000,000,000 programme for the issuance of debt instruments to qualified investment buyers in the United States. As at the date of this Prospectus, no notes have been issued under this programme.

Share Capital

The authorised share capital of ERB Hellas (Cayman Islands) Limited amounts to U.S.$150,050,000, of which: (i) U.S.$50,000 is divided into 50,000 ordinary shares of a nominal or par value of U.S.$1 each and (ii) U.S.$150,000,000 is divided into 1,500 preference shares of a nominal or par value of U.S.$100,000 each. The issued share capital of ERB Hellas (Cayman Islands) Limited is 50,000 ordinary shares of a nominal value of U.S.$1 each. The allotted and paid up share capital is U.S.$15,001, divided into 49,999 ordinary shares of a nominal value of U.S.$1 each, paid up as to U.S.$0.30 each and one ordinary share of a nominal or par value of U.S.$1, fully paid up. The paid up share capital of U.S.$15,001 is reflected in the financial statements as €16,436 based on the prevailing exchange rate of €1/U.S.$0.9127 on the date of issue. The entire issued share capital of ERB Hellas (Cayman Islands) Limited is held indirectly by the Bank via its subsidiary ERB New Europe Funding III Limited, incorporated in Cyprus.

Corporate Objects

The corporate objects of ERB Hellas (Cayman Islands) Limited are set out in paragraph 3 on page 1 of its Memorandum of Association. The objects for which ERB Hellas (Cayman Islands) Limited is established are unrestricted and the company shall have full power and authority to carry out any object not prohibited by the Companies Law (2007 Revision) of the Cayman Islands or as the same may be revised from time to time, or any other law of the Cayman Islands. A copy of the Memorandum of Association is available for inspection at the registered office of ERB Hellas (Cayman Islands) Limited and at the specified office of the Issue and Paying Agent and the Paying Agent in Luxembourg.

Dividends

Since the date of incorporation of ERB Hellas (Cayman Islands) Limited, no dividends have been declared or paid.

FORM OF THE DEED OF GUARANTEE

The following is the form of the Deed of Guarantee of the Guarantor:

THIS DEED OF GUARANTEE is made on 27 May 2014 in London, England

---

BY

(1) **EUROBANK ERGASIAS S.A.** (the "Guarantor")

IN FAVOUR OF

(2) **THE HOLDERS** for the time being and from time to time of the Instruments referred to below (each a "Holder"); and

(3) **THE ACCOUNTHOLDERS** (as defined in the Deed of Covenant described below) (together with the Holders, the "Beneficiaries").

WHEREAS

(A) ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited (each an "Issuer" and together the "Issuers", and references in this Deed of Guarantee to the "relevant Issuer" shall, in relation to any Instrument, be references to the Issuer of such Instrument) have established a Programme (the "Programme") for the issuance of instruments (the "Instruments") in connection with which they have entered into an amended and restated dealership agreement dated 27 May 2014 (the "Dealership Agreement"), an amended and restated issue and paying agency agreement dated 27 May 2014 (the "Agency Agreement") and in the case of ERB Hellas PLC has executed a deed of covenant dated 27 May 2014 and in the case of ERB Hellas (Cayman Islands) Limited has executed a deed of covenant dated 27 May 2014 (each a "Deed of Covenant" and references in this Deed of Guarantee to "the Deed of Covenant" are, in relation to the relevant Issuer, to the Deed of Covenant executed by such Issuer).

(B) Instruments may be issued on a listed or unlisted basis. The Issuers have made an application for PD Instruments issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be admitted to the Official List of the Luxembourg Stock Exchange.

(C) In connection with such application, the Issuers have prepared a prospectus in connection with the Programme (the "Prospectus", which expression includes any supplements to the Prospectus and any further prospectus prepared in connection with the listing of the Instruments on any other stock exchange on which any Instruments may from time to time be listed together with any information incorporated therein by reference).

(D) The Guarantor has agreed to guarantee the payment of all sums expressed to be payable from time to time by the relevant Issuer to Holders in respect of the Instruments issued by such Issuer and to Accountholders in respect of the Deed of Covenant.

NOW THIS DEED OF GUARANTEE WITNESSES as follows:

1. INTERPRETATION

1.1 Definitions

All terms and expressions which have defined meanings in the Prospectus, the Dealership Agreement, the Agency Agreement or a Deed of Covenant shall have the same meanings in this Deed of Guarantee except where the context requires otherwise or unless otherwise stated.

1.2 Clauses

Any reference in this Deed of Guarantee to a Clause is, unless otherwise stated, to a clause hereof.

1.3 Other agreements

All references in this Deed of Guarantee to an agreement, instrument or other document (including the Prospectus, the Dealership Agreement, the Agency Agreement and a Deed of Covenant) shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, replaced or novated from time to time. In addition, in the context of any particular Tranche of Instruments, each reference in this Deed of Guarantee to the Prospectus shall be construed as a reference to the Prospectus as amended by the applicable Final Terms or applicable Pricing Supplement, as the case may be.

1.4 Statutes

Any reference in this Deed of Guarantee to a statute, to any provision thereof or to any statutory instrument, order or regulation made thereunder shall be construed as a reference to such statute, provision, statutory instrument, order or regulation as the same may have been, or may from time to time be, amended or re-enacted.

1.5 Headings

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Deed of Guarantee.

1.6 Benefit of Deed of Guarantee

Any Instruments issued under the Programme before the date of this Deed of Guarantee shall not have the benefit of this Deed of Guarantee but shall have the benefit of any preceding guarantee relating to the Programme as provided therein. Any Instruments issued under the Programme on or after the date of this Deed of Guarantee unless otherwise expressly provided in the applicable Final Terms or applicable Pricing Supplement, as the case may be, relating to such Instruments shall have the benefit of this Deed of Guarantee but shall not have the benefit of any subsequent guarantee relating to the Programme (unless expressly so provided in any such subsequent guarantee).

2. GUARANTEE AND INDEMNITY

2.1 Guarantee

The Guarantor hereby unconditionally and irrevocably guarantees:

2.1.1 *The Instruments:* to each Holder the due and punctual payment of all sums from time to time payable by the relevant Issuer in respect of the relevant Instrument as and when the same become due and payable and accordingly undertakes to pay to such Holder, forthwith upon the demand of such Holder and in the manner and currency prescribed by the Conditions for payments by such Issuer in respect of such Instrument, any and every sum or sums which such Issuer is at any time liable to pay in respect of such Instrument and which such Issuer has failed to pay; and

2.1.2 *The Direct Rights:* to each Accountholder the due and punctual payment of all sums from time to time payable by the relevant Issuer to such Accountholder in respect of the Direct Rights as and when the same become due and payable and accordingly undertakes to pay to such Accountholder, forthwith upon the demand of such Accountholder and in the manner and currency prescribed by the Conditions for payments by such Issuer in respect of the Instruments, any and every sum or sums which such Issuer is at any time liable to pay to such Accountholder in respect of the Instruments and which such Issuer has failed to pay.

2.2 **Indemnity**

The Guarantor irrevocably undertakes to each Beneficiary that, if any sum referred to in Clause 2.1 is not recoverable from the Guarantor thereunder for any reason whatsoever (including, without limitation, by reason of any Instrument, either Deed of Covenant or any provision thereof being or becoming void, unenforceable or otherwise invalid under any applicable law), then (notwithstanding that the same may have been known to such Beneficiary) the Guarantor will, forthwith upon demand by such Beneficiary, pay such sum by way of a full indemnity in the manner and currency prescribed by the Conditions. This indemnity constitutes a separate and independent obligation from the other obligations under this Deed of Guarantee and shall give rise to a separate and independent cause of action if any sum is not recoverable under Clause 2.1.

2.3 **Place of Performance**

Notwithstanding the foregoing provisions of Clauses 2.1 and 2.2 hereof, it is specifically agreed that the place of performance of any and all obligations of the Guarantor under this Deed of Guarantee shall be London, England and consequently any and all payments of the Guarantor under this Deed of Guarantee shall be made out of or to the credit of bank accounts maintained with banks legally operating and situated in London, England.

3. COMPLIANCE WITH THE CONDITIONS

The Guarantor covenants in favour of each Beneficiary that it will duly perform and comply with the obligations expressed to be undertaken by it in the Conditions in relation to those Instruments where such Beneficiary is a Holder thereof or an Accountholder in respect thereof.

4. PRESERVATION OF RIGHTS

4.1 **Principal obligor**

The obligations of the Guarantor hereunder shall be deemed to be undertaken as principal obligor and not merely as surety.

4.2 **Continuing obligations**

The obligations of the Guarantor herein contained shall constitute and be continuing obligations notwithstanding any settlement of account or other matter or thing whatsoever and shall not be considered satisfied by any intermediate payment or satisfaction of all or any of the relevant Issuer's obligations under or in respect of any Instrument or the Deed of Covenant and shall continue in full force and effect for so long as the Programme remains in effect and thereafter until all sums due from such Issuer in respect of the Instruments and under the Deed of Covenant have been paid, and all other actual or contingent obligations of such Issuer thereunder or in respect thereof have been satisfied, in full.

4.3 **Obligations not discharged**

Neither the obligations of the Guarantor herein contained nor the rights, powers and remedies conferred upon the Beneficiaries by this Deed of Guarantee or by law shall be discharged, impaired or otherwise affected by:

4.3.1 *Winding-up:* the winding-up, dissolution, administration or re-organisation of the relevant Issuer or any change in its status, function, control or ownership;

4.3.2 *Illegality:* any of the obligations of the relevant Issuer under or in respect of any Instrument or the Deed of Covenant being or becoming illegal, invalid, unenforceable or ineffective in any respect;

4.3.3 *Indulgence:* time or other indulgence being granted or agreed to be granted to the relevant Issuer in respect of any of its obligations under or in respect of any Instrument or the Deed of Covenant;

4.3.4 *Amendment:* any amendment to, or any variation, waiver or release of, any obligation of the relevant Issuer under or in respect of any Instrument or the Deed of Covenant or any security or other guarantee or indemnity in respect thereof; or

4.3.5 *Analogous events:* any other act, event or omission which, but for this sub-clause, might operate to discharge, impair or otherwise affect the obligations expressed to be assumed by the Guarantor herein or any of the rights, powers or remedies conferred upon the Beneficiaries or any of them by this Deed of Guarantee or by law.

4.4 **Settlement conditional**

Any settlement or discharge between the Guarantor and the Beneficiaries or any of them shall be conditional upon no payment to the Beneficiaries or any of them by the relevant Issuer or any other person on the relevant Issuer's behalf being avoided or reduced by virtue of any laws relating to bankruptcy, insolvency, liquidation or similar laws of general application for the time being in force and, in the event of any such payment being so avoided or reduced, the Beneficiaries shall be entitled to recover the amount by which such payment is so avoided or reduced from the Guarantor subsequently as if such settlement or discharge had not occurred.

4.5 **Exercise of Rights**

No Beneficiary shall be obliged before exercising any of the rights, powers or remedies conferred upon it by this Deed of Guarantee or by law:

4.5.1 *Demand:* to make any demand of the relevant Issuer, save for the presentation of the relevant Instrument;

4.5.2 *Take action:* to take any action or obtain judgment in any court against the relevant Issuer; or

4.5.3 *Claim or proof:* to make or file any claim or proof in a winding-up or dissolution of the relevant Issuer,

and (save as aforesaid) the Guarantor hereby expressly waives presentment, demand, protest and notice of dishonour in respect of any Instrument.

4.6 **Deferral of Guarantor's rights**

The Guarantor agrees that, so long as any sums are or may be owed by the relevant Issuer in respect of any Instrument or under the Deed of Covenant or the relevant Issuer is under any other actual or contingent obligation thereunder or in respect thereof, the Guarantor will not exercise any right which the Guarantor may at any time have by reason of the performance by the Guarantor of its obligations hereunder:

4.6.1 *Indemnity:* to be indemnified by the relevant Issuer;

4.6.2 *Contribution:* to claim any contribution from any other guarantor of the relevant Issuer's obligations under or in respect of any Instrument or the Deed of Covenant; or

4.6.3 *Subrogation:* to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Beneficiary against the relevant Issuer in respect of amounts paid by the Guarantor under this Deed of Guarantee or any security enjoyed in connection with any Instrument or the Deed of Covenant by any Beneficiary.

4.7 **Unsubordinated Obligations**

The Guarantor irrevocably undertakes that its obligations hereunder in respect of Instruments specified in the applicable Final Terms or applicable Pricing Supplement, as the case may be, as Unsubordinated Instruments will constitute direct, general, unconditional and unsubordinated obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured (subject to Condition 5) and unsubordinated obligations of the Guarantor, save for such obligations as may be preferred by mandatory provisions of law.

4.8 **Subordinated Obligations**

Unless otherwise expressly provided in the applicable Final Terms or applicable Pricing Supplement, as the case may be, relating to a Tranche of Instruments, the Guarantor irrevocably undertakes that its obligations hereunder in respect of Instruments specified in the applicable Final Terms or applicable Pricing Supplement, as the case may be, as Subordinated Instruments will constitute direct, general, unconditional, subordinated and unsecured obligations of the Guarantor which will be subordinated to the claims of Senior Creditors of the Guarantor in that payments hereunder (whether in the winding-up of the Guarantor or otherwise) will be conditional upon the Guarantor being solvent at the time of payment by the Guarantor and in that no amount shall be payable hereunder (whether in the winding-up of the Guarantor or otherwise) except to the extent that the Guarantor could make such payment and still be solvent immediately thereafter. For this purpose, the Guarantor shall be considered to be solvent if it can pay principal and interest in respect of the Instruments and still be able to pay its outstanding debts to Senior Creditors of the Guarantor, which are due and payable.

In case of dissolution, liquidation and/or bankruptcy of the Guarantor the Holders will only be paid by the Guarantor after all Senior Creditors of the Guarantor have been paid in full and the Holders irrevocably waive their right to be treated equally with all other unsecured, unsubordinated creditors of the Guarantor in such circumstances.

5. DEPOSIT OF DEED OF GUARANTEE

This Deed of Guarantee shall be deposited with and held by the Issue and Paying Agent for so long as the Programme remains in effect and thereafter until the date which is two years after all the obligations of each Issuer under or in respect of Instruments issued by it (including, without limitation, such Issuer's obligations under the Deed of Covenant) have been discharged in full. The Guarantor hereby acknowledges the right of every Beneficiary to the production of this Deed of Guarantee.

6. STAMP DUTIES

The Guarantor shall pay all stamp, registration and other similar taxes and duties (including any interest and penalties thereon or in connection therewith) which are payable upon or in connection with the execution and delivery of this Deed of Guarantee, and shall, to the extent permitted by law, indemnify each Beneficiary against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, reasonable legal fees and any applicable value added tax) which it incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.

7. BENEFIT OF DEED OF GUARANTEE

7.1 Deed poll

This Deed of Guarantee shall take effect as a deed poll for the benefit of the Beneficiaries from time to time.

7.2 Benefit

This Deed of Guarantee shall ensure to the benefit of each Beneficiary and its (and any subsequent) successors and assigns, each of which shall be entitled severally to enforce this Deed of Guarantee against the Guarantor.

7.3 Assignment

The Guarantor shall not be entitled to assign or transfer all or any of its rights, benefits and obligations hereunder. Each Beneficiary shall be entitled to assign all or any of its rights and benefits hereunder.

8. PARTIAL INVALIDITY

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

9. NOTICES

9.1 Address for notices

All notices, demands and other communications to the Guarantor hereunder shall be made in writing (by letter or fax) and shall be sent to the Guarantor at:

EUROBANK ERGASIAS S.A.

Address: 8 Othonos Street
Athens 105 57

Fax: +30 210 3337 190

Attention: Global Markets Division

or to such other address or fax number or for the attention of such other person or department as the Guarantor has notified to the relevant Holders in the manner prescribed for the giving of notices in connection with the relevant Instruments.

9.2 **Effectiveness**

Every notice, demand or other communication sent in accordance with Clause 9.1 (*Address for notices*) shall be effective upon receipt by the Guarantor *provided that* any such notice, demand or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the Guarantor.

10. LAW AND JURISDICTION

10.1 **Governing law**

This Deed of Guarantee (other than Clause 4.8), and any non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with, English law. Clause 4.8 shall be governed by, and construed in accordance with, Greek law.

10.2 **Jurisdiction**

The Guarantor agrees for the benefit of the Beneficiaries that the High Courts of Justice of England in London shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which arises out of or in connection with this Deed of Guarantee (including a proceeding or a dispute relating to any non-contractual obligations arising out of or in connection with this Deed of Guarantee) (respectively, "Proceedings" and "Disputes") and, for such purposes, irrevocably submits to the jurisdiction of such courts.

10.3 **Appropriate forum**

The Guarantor irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.

10.4 **Service of process**

The Guarantor agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to it at ERB Hellas PLC, 1st Floor, 25 Berkeley Square, London W1J 6HN. If the appointment of the person mentioned in this Clause 10.4 ceases to be effective, the Guarantor shall forthwith appoint a further person in England to accept service of process on its behalf in England and notify the name and address of such person to

the Issue and Paying Agent and, failing such appointment within fifteen days, any Beneficiary shall be entitled to appoint such a person by written notice to the Guarantor. Nothing in this paragraph shall affect the right of any Beneficiary to serve process in any other manner permitted by law.

10.5 **Non-exclusivity**

The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of the Beneficiaries to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

11. MODIFICATION

The Agency Agreement contains provisions for convening meetings of Holders to consider matters relating to Instruments, including the modification of any provision of this Deed of Guarantee. Any such modification may be made by supplemental deed poll if sanctioned by an Extraordinary Resolution and shall be binding on all Beneficiaries.

IN WITNESS whereof this Deed of Guarantee has been executed by the Guarantor and is intended to be and is hereby delivered on the date first before written.

EXECUTED as a deed)
by **EUROBANK ERGASIAS S.A.**)

acting by its duly authorised attorney)

[name]

in the presence of:

Signature of witness:

Name of witness:

Address of witness:

Occupation of witness:

TAXATION

HELLENIC REPUBLIC

The following is an overview of certain material Greek tax consequences relating to the Instruments and to the Deed of Guarantee. This discussion does not purport to deal with all the tax consequences applicable to all possible categories of investors, some of which may be subject to special rules. Further, it is not intended as tax advice to any particular investor and it does not purport to be a comprehensive description or analysis of all of the potential tax considerations relating to the Instruments and to the Deed of Guarantee. The below overview is based upon Greek tax law as currently in force, as well as practice and interpretation available, at the date hereof, which is subject to change at any time, possibly with retroactive effect. The Greek taxation framework was significantly amended and reformed by virtue of Greek Law 4172/2013 as amended and in force (the "Greek Income Tax Code"). All regulations issued under the previous income tax code were repealed, thus past administrative practice may not be followed going forward. As a result, limited precedent on how the Tax Authorities will treat the tax events described in the majority of the following analysis exists. Holders of Instruments who are in doubt as to their personal tax position should consult their professional advisers.

Also, the discussion below is limited to the payment of interest under Instruments the terms of which provide that the redemption amount may not be less than the principal amount thereof upon their issue and does not address payment of interest under Instruments (including, for the avoidance of doubt, Reference Item Linked Instruments such as Equity Linked Instruments and/or Index Linked Instruments as specified in the applicable Final Terms) in relation to which the Maturity Redemption Amount payable upon redemption may be less than the nominal amount invested in such Instruments.

Greek withholding tax

Payments of interest under the Instruments

1. In relation to payments made to holders of Instruments (the "Holder") issued by ERB Hellas PLC or by ERB Hellas (Cayman Islands) Limited under the Instruments which represent accrued interest on the Instruments:

   (i) a withholding tax of 15 per cent. will be imposed on interest payments made to holders of Instruments who are tax residents in Greece and on Holders who maintain, for tax purposes, a permanent establishment in Greece and the interest is attributed/paid to that permanent establishment. The withholding will be applied on the date of payment of the interest under the Instruments or on any date on which a Holder sells any Instruments with reference to the interest accrued during the relevant Interest Period up to the time of such sale. In any case, the tax basis for withholding is the amount of interest accrued from the date the Holder acquired the Instruments to the following Interest Payment Date or from the date the Holder acquired the Instruments to the date of sale thereof if no Interest Payment Date has occurred, in each case, determined with reference to the nominal value of the Instrument sold. Such withholding will be imposed on payments by credit institutions registered or established in Greece, upon collection of interest on behalf of the Greek tax residents. Such withholding exhausts the tax liability of Greek tax residents who are individuals. *And*

   (ii) no withholding tax on account of Greek tax laws will be imposed on holders who are not Greek tax residents and do not maintain, for tax purposes, a permanent

establishment in Greece and on holders that maintain a permanent establishment in Greece, but the interest is not attributed/paid to that permanent establishment.

2. Payments made to Holders of Instruments issued by the Bank under the Instruments are subject to tax as follows, depending on the circumstances of the Holder:

(i) a withholding tax of 15 per cent., will be imposed on interest payments made to Holders of Instruments who are tax residents in Greece and on Holders who maintain for tax purposes, a permanent establishment in Greece and the interest is attributed/paid to that permanent establishment. The withholding is calculated on the total interest amount of the coupon and is imposed on the coupon maturity date. Such withholding exhausts the tax liability of the Greek tax residents who are individuals.

More particularly, the withholding will be applied on the date of payment of the interest under the Instruments or on any date on which a Holder sells any Instruments with reference to the interest accrued during the relevant Interest Period up to the time of such sale.

And

(ii) 15 per cent. withholding tax on account of Greek tax law (as interpreted by circular POL 1042/26.1.2015) will be imposed on Holders who are not Greek tax residents and do not maintain, for tax purposes, a permanent establishment in Greece, subject to the provisions of the applicable double taxation treaty signed between Greece and the state of origin (if any).

If the Holder is a legal person or legal entity, tax resident of Greece, a Greek permanent establishment of a legal person or legal entity, or tax resident of any other country, withholding is imposed on the interest at a rate of 15 per cent.. The interest is taxed as business profits and is declared in the annual income tax return. The tax withheld is credited against the Holder's annual income tax due for this income and in case the amount withheld is larger than the amount due under the annual income tax return then the difference amounts to a tax credit to the Holder.

If the Holder is an individual or legal person or legal entity, tax resident of a country with which Greece has not entered into a double taxation treaty and the Instruments are not effectively connected with a Greek permanent establishment (Article 10(5) OECD Model), then tax is imposed on the interest at a rate of 15 per cent., withheld by the Bank acting in its capacity as Issuer. Income thus received by the Holder may be subject to tax in the Holder's country of tax residence.

If the Holder is an individual or legal person or legal entity, tax resident of a country with which Greece has entered into a double taxation treaty and the Instruments are not effectively connected with a Greek permanent establishment, then tax is imposed on the interest at an effective rate limited to the rate specified in the applicable double taxation treaty, subject to such Holder claiming such right under the double taxation treaty and producing a tax residence certificate. Income thus received by the Holder may be subject to tax in the Holder's country of tax residence.

If the Holder is a UCITS (ΟΣΕΚΑ) with establishment either within Greece or within the EU or EEA, or Greek Investment Company (ΑΕΕΧ), or Greek REIC (ΑΕΕΑΠ) then no withholding tax is imposed on the interest (Article 46(c) ITC for ΟΣΕΚΑ and ΑΕΕΧ, Article 31(2) law 2778/1999 for ΑΕΕΑΠ).

Capital gains realised from the sale of the Instruments

3. In relation to capital gains realised by Holders from the sale of Instruments issued by the Bank:

   Pursuant to article 14 of Greek law 3156/2003, capital gains realised by holders of Instruments issued under law 3156/2003 are exempted from taxation in Greece (circular POL 1032/26.1.2015). If the capital gains beneficiaries are Greek legal entities or foreign legal entities which have a permanent establishment in Greece, the corporate taxation is deferred upon their distribution to the shareholders or capitalisation.

4. In relation to capital gains realised by Holders from the sale of Instruments issued by ERB Hellas PLC or by ERB Hellas (Cayman Islands) Limited:

   Pursuant to the Greek Income Tax Code, Greek legal entities and foreign legal entities with a permanent establishment in Greece are subject to taxation at 29 per cent. on capital gains derived from the sale of foreign corporate bonds (such as the Instruments issued by ERB Hellas PLC and/or ERB Hellas (Cayman Islands) Limited).

   However, as interpreted by circular POL 1032/26.1.2015, capital gains arising from the sale of Instruments issued by EU legal entities are exempt from Greek corporate taxation. Such taxation is deferred upon capital gains distribution to the shareholders or capitalisation.

   In addition, individuals tax resident in Greece will be exempt of capital gains tax in relation to Instruments issued by ERB Hellas PLC on the basis of circular POL 1032/26.1.2015. In relation to Instruments issued by ERB Hellas (Cayman Islands) Limited, individuals will be subject to capital gains tax of 15 per cent or if the capital gains constitute income from business activity for certain individuals, then those individuals will be taxed at a tax rate of 26 per cent. for income up to €50,000 and 33 per cent. for income above €50,000.

   If the Holder is a UCITS (ΟΣΕΚΑ) with establishment either within Greece or within the EU or EEA, or Greek Investment Company (ΑΕΕΧ), or Greek REIC (ΑΕΕΑΠ) then no tax is imposed on the capital gains realised from the sale of Instruments (Article 46(c) ITC for ΟΣΕΚΑ and ΑΕΕΧ, Article 31(2) law 2778/1999 for ΑΕΕΑΠ).

Payments of interest under the Guarantee

In relation to payments made to Holders of Instruments by the Guarantor under the Deed of Guarantee which represent accrued interest on the Instruments:

(i) a withholding tax of 15 per cent., which exhausts the tax liability of the Holder, will be imposed on the payment of interest to Holders who are individuals and who are tax residents in Greece and on Holders who are individuals and maintain, for tax purposes, a permanent establishment in Greece.

   a withholding tax of 15 per cent., which does not exhaust the tax liability of the Holder, will be imposed on the payment of interest to Holders who are legal entities and who are tax residents in Greece and on Holders who are legal entities and maintain, for tax purposes, a permanent establishment in Greece.

   The same withholding tax will be imposed on Holders (that are a foreign individual or foreign legal entity/legal corporation) who are not residents of Greece.

   And

(ii) a withholding tax of 15 per cent., which exhausts the Greek tax liability of a Holder of Instruments, will be imposed on the payment of interest to Holders of Instruments who are companies or legal entities (other than "residual entities" of art. 4 par. 2 of the Implementing Law), and who are not resident in Greece and do not maintain for tax purposes a permanent establishment in Greece.

Additionally, if such a Holder (that is a foreign individual or foreign legal entity) of an Instrument is a resident of a country with which Greece has executed a bilateral treaty for the avoidance of double taxation then the provisions of such bilateral treaty shall prevail over the provisions of internal Greek tax laws, provided that such a Holder presents an appropriate tax residence certificate.

UNITED KINGDOM

The following is an overview of the Bank's understanding of current United Kingdom tax law and published practice of HM Revenue & Customs ("HMRC") which may be subject to change, sometimes with retrospective effect, and relates only to the withholding tax treatment of payments of interest in respect of the Instruments. The comments do not deal with any other United Kingdom tax aspects of acquiring, holding or disposing of Instruments. The comments are made on the assumption that any interest on Instruments issued by the Bank will not have a United Kingdom source ("UK Source"). The comments relate only to the position of persons who are absolute beneficial owners of the Instruments. Prospective Holders should be aware that the particular terms of issue of any Series of Instruments as specified in the applicable Final Terms may affect the tax treatment of that Series of Instruments. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Holders who are in any doubt as to their tax position should consult their own professional advisers.

Holders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Instruments are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Instruments. In particular, Holders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Instruments even if such payments may be made without deduction of or withholding on account of taxation under the laws of the United Kingdom.

Interest on the Instruments

1. *United Kingdom Withholding Tax on United Kingdom Source Interest*

Payments of interest on the Instruments issued by ERB Hellas (Cayman Islands) Limited may be considered to have a UK Source. The location of the source of a payment is a complex matter and it is necessary to have regard to case law and HMRC practice.

If such payments do have a UK Source, the statements which follow in paragraphs 1 to 5 in relation to ERB Hellas PLC will apply *mutatis mutandis* to payments of or in respect of interest on the Instruments issued by ERB Hellas (Cayman Islands) Limited. If payments of such interest do not have a UK Source, they may be made without deduction of or withholding on account of United Kingdom income tax.

The Instruments issued by ERB Hellas PLC which carry a right to interest ("UK Instruments") will constitute "quoted Eurobonds" within the meaning of section 987 of the Income Tax Act 2007 provided they are and continue to be "listed on a recognised stock exchange" within the

meaning of section 1005 of the Income Tax Act 2007. Instruments will be regarded as "listed on a recognised stock exchange" for this purpose if (and only if) they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the United Kingdom official list (within the meaning of and in accordance with Part VI of the Financial Services and Markets Act 2000) and are admitted to trading on the London Stock Exchange, or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange and are admitted to trading on that recognised stock exchange.

The Luxembourg Stock Exchange is a recognised stock exchange for these purposes. The Issuers' understanding of current HMRC practice is that Instruments which are listed and admitted to trading on the Main Market of the Luxembourg Stock Exchange should be regarded as "listed on a recognised stock exchange" for these purposes. Provided, therefore, that the UK Instruments carry a right to interest and are and continue to be quoted Eurobonds, interest on the UK Instruments will be payable without deduction of or withholding on account of United Kingdom income tax.

Interest on the Instruments may also be paid without deduction of or withholding on account of United Kingdom tax where the maturity of the Instruments is less than 365 days and those Instruments do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on Instruments that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to any other available exemptions and reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Holder, HMRC can issue a notice to the Issuer to pay interest to the Holder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

2. *Payments by the Guarantor*

If the Guarantor makes any payments in respect of interest (or other amounts due under the relevant Instruments other than the repayment of amounts subscribed for such Instruments) on Instruments issued by ERB Hellas PLC (or on Instruments issued by ERB Hellas (Cayman Islands) Limited, to the extent that those payments have a UK Source), such payments may be subject to United Kingdom withholding tax at the basic rate (currently 20 per cent.) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply. Such payments by the Guarantor may not be eligible for any of the other exemptions described above.

3. *Payments under Deed of Covenant*

Any payments made by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited, to the extent that those payments have a UK Source under the relevant Deed of Covenant may not qualify for the exemptions from UK withholding tax described above.

4. *Other Rules Relating to United Kingdom Withholding Tax*

Instruments may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Instruments will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned above.

Where Instruments are issued with a redemption premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest in respect of UK Instruments are subject to United Kingdom withholding tax.

Where interest has been paid under deduction of United Kingdom income tax, Holders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to “interest” above mean “interest” as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of “interest” which may prevail under any other law or which may be created by the terms and conditions of the Instruments or any related documentation. Prospective Holders should seek their own professional advice as regards the withholding tax treatment of any payment on the Instruments which does not constitute "interest" as that term is understood in United Kingdom tax law.

Where a payment on the Instruments does not constitute (or is not treated as) interest for United Kingdom tax purposes, it may be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment, a manufactured payment, rent or royalties for United Kingdom tax purposes (which will be determined by, amongst other things, the terms and conditions of the relevant Instruments). In such a case, the payment may fall to be made under deduction of United Kingdom tax (the rate of withholding tax depending on the nature of the payment), subject to any exemption from withholding tax which may apply and to such relief as may be available under the provisions of any applicable double taxation treaty.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an Issuer pursuant to Condition 21 of the Instruments and does not consider the tax consequences of any such substitution.

To the extent that a guarantee payment or a payment on the Instruments made by ERB Hellas (Cayman Islands) Limited is made after withholding or deduction for or on account of United Kingdom income tax, the Guarantor or ERB Hellas (Cayman Islands) Limited (as the case may be) may not be obliged to pay such additional amounts as may be necessary in order that the net amounts received by the Holder after such withholding or deduction shall equal the respective amounts that would have been receivable by the Holder in the absence of such withholding or deduction. In addition, the Issuers and Guarantor will not be required to pay any such additional amounts to the extent that any Instrument or Coupon is presented for payment in the Hellenic Republic, the Cayman Islands or the United Kingdom.

CAYMAN ISLANDS

Prospective investors should consult their professional advisers on the possible tax consequences of buying, holding or selling any Instrument under the laws of their country of citizenship, residence or domicile.

The following is a discussion of certain Cayman Islands tax consequences of an investment in the Instruments issued by ERB Hellas (Cayman Islands) Limited. The discussion is a general overview of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor’s particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

1. UNDER EXISTING CAYMAN ISLANDS LAWS:

1.1 payments of interest and principal on the Instruments issued by ERB Hellas (Cayman Islands) Limited will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal to any holder of the Instruments issued by ERB Hellas (Cayman Islands) Limited nor will gains derived from the disposal of such Instruments be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax;

1.2 no stamp duty is payable in respect of the issue of the Instruments issued by ERB Hellas (Cayman Islands) Limited, if in bearer form. The Instruments themselves will be stampable if they are executed in or brought into the Cayman Islands; and

1.3 no stamp duty is payable in respect of the issue of the Instruments and certificates evidencing the Instruments, if in registered form. An instrument of transfer in respect of such an Instrument or a certificate is stampable if executed in or brought into the Cayman Islands.

ERB Hellas (Cayman Islands) Limited has been incorporated under the laws of the Cayman Islands as an exempted company and, as such, has obtained an undertaking from the Governor in Cabinet of the Cayman Islands in the following form:

"The Tax Concessions Law
1999 Revision
Undertaking as to Tax Concessions

In accordance with Section 6 of The Tax Concession Law (1999 Revision) the Governor in Cabinet undertakes with ERB Hellas (Cayman Islands) Limited "the Company":

1. that no Law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

2. in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:

   2.1 on or in respect on the shares, debentures or other obligations of the Company;

   or

   2.2 by way of the withholding in whole or part of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (1999 Revision).

These concessions shall be for a period of twenty years from the 14th day of May, 2002."

LUXEMBOURG

The following information is of a general nature only and 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 Instruments 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 nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

(i) Non-resident holders of Instruments

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 Instruments, nor on accrued but unpaid interest in respect of the Instruments, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Instruments held by non-resident holders of Instruments.

(ii) Resident holders of Instruments

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 as amended (the "Relibi Law") mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Instruments, nor on accrued but unpaid interest in respect of Instruments, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Instruments held by Luxembourg resident holders of Instruments.

Under the Relibi Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to 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 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 an EU Member State (other than Luxembourg) or one of the Territories and securing 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 Luxembourg paying agent. Accordingly, payments of interest under the Instruments coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 10 per cent.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("FATCA") impose a new reporting regime and potentially a 30 per cent. 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"). Eurobank is classified as an FFI and each of (i) ERB Hellas PLC and (ii) ERB Hellas (Cayman Islands) Limited may be 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 2019. This withholding would potentially apply to payments in respect of (i) any Instruments 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 (A) with respect to Instruments

that give rise solely to foreign passthru payments, 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 and (B) with respect to Instruments that give rise to a dividend equivalent pursuant to section 871(m) of the U.S. Internal Revenue Code of 1986, is 1 January 2019, or which are materially modified after the grandfathering date and (ii) any Instruments characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Instruments are issued before the grandfathering date, and additional Instruments of the same series are issued on or after that date, the additional Instruments may not be treated as grandfathered, which may have negative consequences for the existing Instruments, 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 would generally 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 the United Kingdom have entered into an agreement (the "US-UK IGA") based largely on the Model 1 IGA. The United States and the Cayman Islands have entered into an agreement (the "US-Cayman IGA") based largely on the Model 1 IGA. 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 "US-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 each of (i) Eurobank, (ii) ERB Hellas PLC and (iii) ERB Hellas (Cayman Islands) Limited is treated as a Reporting FI pursuant to the US-Greece IGA, US-UK IGA and US-Cayman IGA respectively, they do not anticipate that they will be obliged to deduct any FATCA Withholding on payments they make. There can be no assurance, however, that the Issuers will be treated as Reporting FIs, or that they would in the future not be required to deduct FATCA Withholding from payments they make. The relevant Issuer and financial institutions through which payments on the Instruments are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Instruments 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 Instruments 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 Instruments by the relevant Issuer, the Guarantor, as the case may be, any paying agent and the common depositary or common safekeeper, given that each of the entities in the payment chain between the relevant 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 Instruments. The documentation expressly contemplates the possibility that the Instruments 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 Instruments 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 Instruments.]

HIRING INCENTIVES TO RESTORE EMPLOYMENT ACT

The U.S. Hiring Incentives to Restore Employment Act introduced Section 871(m) of the U.S. Internal Revenue Code of 1986 which treats a "dividend equivalent" payment as a dividend from sources within the United States. Under Section 871(m), such payments generally would be subject to a 30 per cent. U.S. withholding tax that may be reduced by an applicable tax treaty, eligible for credit against other U.S. tax liabilities or refunded, provided that the beneficial owner timely claims a credit or refund from the IRS. A "dividend equivalent" payment is (i) a substitute dividend payment made pursuant to a securities lending or a sale-repurchase transaction that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, (ii) a payment made pursuant to a "specified notional principal contract" that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, and (iii) any other payment determined by the IRS to be substantially similar to a payment described in (i) and (ii). Recently published final U.S. Treasury regulations issued under Section 871(m) (the "Section 871(m) Regulations") will, when effective, require withholding on certain non-U.S. holders of the Instruments with respect to amounts treated as attributable to dividends from certain U.S. securities. Under the Section 871(m) Regulations, only an Instrument that has an expected economic return sufficiently similar to that of the underlying U.S. security, as determined on the Instrument's issue date based on tests set forth in the Section 871(m) Regulations, will be subject to the Section 871(m) withholding regime (making such Instrument a "Specified Instrument"). The Section 871(m) Regulations provide certain exceptions to this withholding requirement, in particular for instruments linked to certain broad-based indices.

Withholding in respect of dividend equivalents will generally be required when cash payments are made on a Specified Instrument or upon the date of maturity, lapse or other disposition by the non-U.S. holder of the Specified Instrument. If the underlying U.S. security or securities are expected to pay dividends during the term of the Specified Instrument, withholding generally will still be required even if the Specified Instrument does not provide for payments explicitly linked to dividends. If the Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld. If the Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld.

The Section 871(m) Regulations generally apply to Specified Instruments issued beginning 1 January 2017. If the terms of an Instrument are subject to a "significant modification" such that the Instrument is treated as retired and reissued, it could lose its "grandfathered" status and might become a Specified Instrument based on economic conditions in effect at that time.

Upon the issuance of a series of Instruments, the Issuer will state in the Final Terms if it has determined that they are Specified Instruments, in which case a non-U.S. holder of the Instruments should expect to be subject to withholding in respect of any dividend-paying U.S. securities underlying those Instruments. The Issuer's determination is binding on non-U.S. holders of the Instruments, but it is not binding on the IRS. The Section 871(m) Regulations require complex calculations to be made with respect to Instruments linked to U.S. securities and their application to a specific issue of Instruments may be uncertain. Prospective investors should consult their tax advisers regarding the potential application of Section 871(m) to the Instruments.

THE PROPOSED FINANCIAL TRANSACTIONS TAX ("FTT")

On 14 February 2013, the European Commission published a proposal (the "Commission's 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"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Instruments (including secondary market transactions) in certain circumstances. The issuance and subscription of Instruments should, however, be exempt.

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 Instruments 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.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

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

SUBSCRIPTION AND SALE

Instruments may be sold from time to time by each relevant Issuer to, *inter alios*, any one or more of Eurobank Ergasias S.A. in its capacity as a dealer (the "Initial Dealer") and/or any other entity appointed by the Issuers from time to time either generally in respect of the Programme or in relation to a particular Tranche (together with the Initial Dealer, the "Dealers"). The arrangements under which Instruments may from time to time be agreed to be sold by the relevant Issuer to, and purchased by, Dealers are set out in an amended and restated dealership agreement dated 25 April 2016 (such Dealership Agreement as modified and/or supplemented and/or restated from time to time, the "Dealership Agreement") and made between the Issuers, the Guarantor and the Initial Dealer. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Instruments, the price at which such Instruments will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the relevant Issuer in respect of such purchase. The Dealership 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 Instruments.

United States of America *Regulation S Category 2; TEFRA D, unless TEFRA C or TEFRA not applicable is specified in the applicable Final Terms.*

Instruments have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and 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 not subject to, the registration requirements of the Securities Act. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

Instruments 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 United States persons, except in certain transactions permitted by United States Treasury regulations. Terms used in the preceding sentence 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.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer, sell or deliver Instruments, (i) as part of their distribution at any time or (ii) otherwise until forty days after the completion of the distribution of the Instruments comprising the relevant Tranche, as certified by the relevant Dealer or, in the case of an issue of Instruments on a syndicated basis, the relevant lead manager, of all of the Instrument of the Tranche of which such Instruments are a part, within the United States or to, or for the account or benefit of, U.S. persons. 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 any Instruments during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Instruments 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.

In addition, until forty days after the commencement of the offering of Instruments comprising any Tranche, any offer or sale of such Instruments 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.

Each issuance of Exempt Instruments which are also Index Linked Instruments, Equity Linked Instruments or Dual Currency Instruments shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Exempt Instruments, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

Public Offer Selling Restriction 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 Instruments which are the subject of the offering contemplated by this 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 Instruments to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) 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 relevant Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Instruments referred to in (a) to (c) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Instruments to the public" in relation to any Instruments 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 Instruments to be offered so as to enable an investor to decide to purchase or subscribe the Instruments, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in the 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) in relation to any Instruments issued by ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Instruments other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Instruments would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;

(b) 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 FSMA) received by it in connection with the issue or sale of any Instruments in circumstances in which Section 21(1) of the FSMA (i) (where the relevant Issuer is ERB Hellas PLC or ERB Hellas (Cayman Islands) Limited) does not, or, in the case of the Guarantor, would not, if the Guarantor was not an authorised person, apply to the relevant Issuer or the Guarantor or (ii) (where the relevant Issuer is the Bank) would not, if the Bank was not an authorised person, apply to the Bank; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Instruments in, from or otherwise involving the United Kingdom.

Japan

The Instruments have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the "FIEA") and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Instruments, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act 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 Republic of France

The relevant Issuer, the Guarantor (if applicable) and 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 or sold and will not offer or sell, directly or indirectly, Instruments to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Prospectus, the applicable Final Terms or any other offering material relating to the Instruments, and that such offers, sales and distributions have been and will be made in France only to qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D411-4 of the French *Code monétaire et financier*.

Greece

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 provisions of the Public Offer Selling Restriction under the Prospectus Directive, described above in this section; (ii) all applicable provisions of Law 3401/2005, implementing into Greek Law the Prospectus Directive; and (iii) all applicable provisions of Law 3606/2007, with respect to anything done in relation to any offering of any Instruments or advertisement, notice, statement or other action involving Instruments in, from or otherwise involving the Hellenic Republic.

Cayman Islands

In the case of any Instruments issued by ERB Hellas (Cayman Islands) Limited, no invitation may be made directly or indirectly to the public in the Cayman Islands to subscribe for any of the Instruments. In the case of any Instruments issued by an Issuer (other than ERB Hellas (Cayman Islands) Limited), no Instruments may be offered (by electronic means or otherwise) or sold by or on behalf of such Issuer within, or from within, or through an internet service provider or other electronic service

provider located in, the Cayman Islands if such offer or sale would require such Issuer to be registered as a foreign company under the Companies Law (2013 Revision) of the Cayman Islands.

General

Other than with respect to the approval of this Prospectus as a base prospectus in accordance with Article 5.4 of the Prospectus Directive and, in relation to any issue of Instruments, as may be specified in the applicable Final Terms, no action has been or will be taken in any country or jurisdiction by the Dealers that would permit a public offering of Instruments, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Prospectus or any Final Terms comes are required by the relevant Issuer, (if applicable) the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Instruments or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealership Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, in applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the first paragraph of this section "General".

Selling restrictions may be supplemented or modified with the agreement of the relevant Issuer. Any such supplement or modification will, in the case of Exempt Instruments only, be set out in the applicable Pricing Supplement (in the case of a modification relevant only to a particular Tranche of Exempt Instruments) or (in any other case) in a supplement to this Prospectus and a supplement to the Dealership Agreement.

GENERAL INFORMATION

1. Application has been made for PD Instruments 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, Instruments may be issued under the Programme which will not be listed or admitted to trading on the Luxembourg Stock Exchange or any other stock exchange or any other relevant authority or which will be listed or admitted to trading on such stock exchange or any other relevant authority as the relevant Issuer and the relevant Dealer(s) may agree.

2. The establishment of the Programme and the issuance of Instruments thereunder by ERB Hellas PLC was authorised by resolutions of the Board of Directors of ERB Hellas PLC on 30 September 1999. The accession of ERB Hellas (Cayman Islands) Limited as an Issuer under the Programme was authorised by resolutions of the Board of Directors of ERB Hellas (Cayman Islands) Limited on 15 May 2002. The establishment of the Programme and the giving of the guarantee was authorised by resolutions of the Board of Directors of the Guarantor on 12 March 1999, 10 June 1999, 22 September 1999, 13 October 1999 and 24 April 2002. The increase in the aggregate principal amount of the Programme to €25,000,000,000 was authorised by resolutions of the Board of Directors of ERB Hellas PLC on 30 July 2008, of ERB Hellas (Cayman Islands) Limited on 30 July 2008 and of the Guarantor on 3 July 2008. The accession of the Bank as an Issuer under the Programme was authorised by resolutions of the Board of Directors of the Bank on 20 July 2009. The 2014 update of the Programme was authorised by resolutions of the Board of Directors of the Bank on 31 March 2014 and by resolutions of the Board of Directors of ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited each on 21 May 2014. The 2015 update of the Programme was authorised by resolutions of the Board of Directors of the Bank on 28 April 2015 and by resolutions of the Board of Directors of ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited each on 12 May 2015. The 2016 update of the Programme was authorised by resolutions of the Board of Directors of the Bank on 12 April 2016 and by resolutions of the Board of Directors of ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited each on 21 April 2016. Each Obligor has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Instruments.

3. As at 31 December 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 Bank. Up to date a small number of lower court decisions have been issued, the majority of which are in favor of the Bank. No judgment of the Court of Appeals or the Supreme Court has yet been issued on the subject.

   None of the Obligors and 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 any of the Obligors is aware) which any Obligor believes may have or which have had a material effect on the financing condition or the results of operations or that of any Obligor in the 12 months preceding the date of this Prospectus.

4. There has been no material adverse change in the prospects of the Bank and no significant change in the financial position of the Bank and its subsidiaries taken as a whole since 31 December 2015 (the last day of the financial period in respect of which the most recent audited financial statements of the Bank have been prepared).

   There has been no material adverse change in the prospects of ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited, respectively, and there has been no significant change in the financial or trading position of ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited, respectively since 31 December 2014 (the last day of the financial period in respect of which the most recent audited financial statements of ERB Hellas PLC and ERB Hellas (Cayman Islands) Limited have been prepared).

5. For the period of 12 months following the date of this Prospectus, copies and (where appropriate) English translations of the following documents will, when published, be available for inspection at the registered offices of each Obligor and at the specified offices of the Issue and Paying Agent and the Paying Agent in Luxembourg:

   (a) the constitutional documents of each Obligor;

   (b) the Issue and Paying Agency Agreement, the Dealership Agreement, the Deed of Guarantee, the ERB Hellas PLC Deed of Covenant, the ERB Hellas (Cayman Islands) Limited Deed of Covenant and the Bank Deed of Covenant;

   (c) a copy of this Prospectus, any supplement to this Prospectus, each document incorporated herein by reference, Final Terms and Pricing Supplements (in the case of Exempt Instruments) (save that Pricing Supplements will only be available for inspection by a holder of such Exempt Instrument and such holder must produce evidence satisfactory to the Issuer or the Guarantor, as the case may be, as to its holding of such Exempt Instrument);

   (d) in the case of each issue of PD Instruments admitted to trading on the Luxembourg Stock Exchange's regulated market subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document);

   (e) the audited consolidated annual financial statements of the Bank in respect of the financial years ended 31 December 2015 and 31 December 2014, in each case together with the auditors' reports prepared in connection therewith;

   (f) the audited annual financial statements of ERB Hellas PLC in respect of the financial years ended 31 December 2014 and 31 December 2013, in each case together with the auditors' reports prepared in connection therewith;

   (g) the audited annual non-statutory financial statements of ERB Hellas (Cayman Islands) Limited in respect of the financial years ended 31 December 2014 and 31 December 2013, in each case together with the auditors' reports prepared in connection therewith; and

   (h) all reports (other than auditors' reports), letters, valuations and statements prepared at an Obligor's request and included (in whole or in part) in this Prospectus.

   In addition, copies of this Prospectus, any supplement to this Prospectus, each document incorporated by reference and Final Terms relating to PD Instruments which are either admitted to trading on the Luxembourg Stock Exchange's regulated market or offered to the public in the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be available on the Luxembourg Stock

Exchange's website at www.bourse.lu and, free of charge, upon request from the registered office of each Obligor.

6. The Instruments 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 the International Securities Identification Number in relation to the Instruments of each Tranche will be specified in the applicable Final Terms relating thereto. The applicable Final Terms shall specify any other clearing system as shall have accepted the relevant Instruments for clearance together with any further appropriate information.

   The address of Euroclear Bank SA/NV is 1, Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

7. The issue price and amount of the Instruments of any Tranche to be issued under the Programme will be determined at the time of offering of such Tranche in accordance with then prevailing market conditions.

8. In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes 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 Notes and will not be an indication of future yield.

9. Instruments (other than Temporary Global Instruments) which have a maturity of more than one year and any Coupon appertaining thereto will bear the following legend: "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 in such legend provide that a United States person who holds an Instrument or Coupon generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Instrument or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

10. The auditors of ERB Hellas PLC are PricewaterhouseCoopers LLP of 7 More London Riverside, London SE1 2RT, England (members of the Institute of Chartered Accountants in England and Wales), Chartered Accountants and Registered Auditors, who have audited the financial statements of ERB Hellas PLC, without qualification, in accordance with IFRS for the financial year 31 December 2013 and without qualification but with an emphasis of matter, in accordance with IFRS, for the financial year ended 31 December 2014.

    The auditors of ERB Hellas (Cayman Islands) Limited 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 financial statements of ERB Hellas (Cayman Islands) Limited, without qualification but with an emphasis of matter, in accordance with IFRS for each of the two financial years ended 31 December 2014 and 31 December 2013.

    The auditors of the Bank 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 Bank's financial

statements, without qualification but with an emphasis of matter, in accordance with IFRS, for each of the two financial years ended 31 December 2015 and 31 December 2014.

REGISTERED OFFICE OF ERB HELLAS (CAYMAN ISLANDS) LIMITED

ERB Hellas (Cayman Islands) Limited
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands

REGISTERED OFFICE OF ERB HELLAS PLC

ERB Hellas PLC
1st Floor
25 Berkeley Square
London W1J 6HN
England

REGISTERED OFFICE OF EUROBANK ERGASIAS S.A.

Eurobank Ergasias S.A.
8 Othonos Street
Athens 10557
Greece

ARRANGER AND DEALER

Eurobank Ergasias S.A.
8 Othonos Street
Athens 10557
Greece

ISSUE AND PAYING AGENT

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
England

PAYING AGENT

Deutsche Bank Luxembourg S.A.
2 Boulevard Konrad Adenauer
L-1115 Luxembourg

LUXEMBOURG LISTING AGENT

Deutsche Bank Luxembourg S.A.
2 Boulevard Konrad Adenauer
L-1115 Luxembourg

AUDITORS

ERB Hellas PLC

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT
England

ERB Hellas (Cayman Islands) Limited

PricewaterhouseCoopers
268 Kifissias Avenue
152 32 Halandri
Greece

Eurobank Ergasias S.A.

PricewaterhouseCoopers
268 Kifissias Avenue
152 32 Halandri
Greece

LEGAL ADVISERS

To the Obligors as to Greek law

G. Orfanidis
8 Othonos Street
Athens 10557
Greece

G. Lekkas
8 Othonos Street
Athens 10557
Greece

To ERB Hellas (Cayman Islands) Limited as to Cayman Islands law

Maples and Calder
11th Floor
200 Aldersgate Street
London EC1A 4HD
England

To the Dealers as to Greek Law

Karatzas & Partners
8 Omirou Street
Athens 10564
Greece

To the Dealers as to English law

Allen & Overy LLP
One Bishops Square
London E1 6AD
England

Printed by Allen & Overy LLP
ICM:23818480.9