

BASE PROSPECTUS



EUROBANK ERGASIAS S.A.

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

€5 billion Global Covered Bond Programme

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

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

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

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

The maximum aggregate nominal amount of all Covered Bonds from time to time outstanding under the Programme will not exceed €5 billion (or its equivalent in other currencies calculated as described herein). The payment of all amounts due in respect of the Covered Bonds will constitute direct and unconditional obligations of the Issuer, having recourse to assets forming part of the cover pool (the **Cover Pool**).

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

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

The rating of certain Series of Covered Bonds to be issued under the Programme may be specified in the applicable Final Terms as assigned by Moody's Investors Service Limited or its successors (**Moody's**) and DBRS Ratings Limited or its successors (**DBRS**). Moody's Investors Service Limited and DBRS Ratings Limited are both established in the European Union and are registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such Moody's Investors Service Limited and DBRS Ratings Limited are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating organisation.

Investing in Covered Bonds issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations in respect of the Covered Bonds are discussed under "*Risk Factors*" below.

Arranger and Dealer
Barclays
Dealer
Eurobank

The date of this Base Prospectus is 9 March 2015.

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

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

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see the section entitled *Documents Incorporated by Reference* below). This Base Prospectus shall be read and construed on the basis that such documents are so incorporated and form part of this Base Prospectus.

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

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

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

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

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Covered Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer, the Arranger and any Dealer to inform

themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Covered Bonds and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Covered Bonds, see “*Subscription and Sale*”. In particular, Covered Bonds have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, Covered Bonds may not be offered, sold or delivered within the United States or to U.S. persons. Covered Bonds may be offered and sold outside the United States in reliance on Regulation S under the Securities Act (**Regulation S**).

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

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

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

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

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

In connection with the issue of any Series of Covered Bonds, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over allot Covered Bonds or effect transactions with a view to supporting the market price of the Covered Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series of Covered Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Covered Bonds and 60 days after the date of the allotment of the relevant Tranche of Covered Bonds. Any stabilisation or over allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

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RISK FACTORS

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

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

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

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

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

The Covered Bonds will be obligations of the Issuer only

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

Maintenance of the Cover Pool

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

Pursuant to the Servicing and Cash Management Deed after the occurrence of an Issuer Event the Cover Pool is subject to an Amortisation Test. The Amortisation Test is intended to ensure that the Cover Pool Assets are sufficient to meet the obligations under all Covered Bonds outstanding together with senior expenses that rank in priority to or *pari passu* with amounts due on the Covered Bonds. Failure to satisfy the Amortisation

Test on any Calculation Date following an Issuer Event will constitute an Event of Default, thereby entitling the Trustee to accelerate the Covered Bonds subject to and in accordance with the Conditions and the Trust Deed.

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

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

- (a) default by borrowers (each borrower being, in respect of a Loan Asset, the individual specified as such in the relevant mortgage terms together with each individual (if any) who assumes from time to time an obligation to repay such Loan Asset (the **Borrower**)) in payment of amounts due on their Loans;
- (b) changes to the lending criteria of the Issuer; and
- (c) possible regulatory changes by the regulatory authorities.

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

Default by Borrowers in paying amounts due on their Loans

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

Changes to the Lending Criteria of the Issuer

Each of the Loans originated by the Issuer will have been originated in accordance with its Lending Criteria at the time of origination. The Lending Criteria of the Issuer also includes the Lending Criteria applied by Proton Bank and New Postbank (which merged with the Issuer in November and December 2013 respectively). It is expected that the Issuer's Lending Criteria will generally consider, *inter alia*, type of property, term of loan, age of applicant, the loan-to-value ratio, status of applicant and credit history. The Issuer retains the right to revise its Lending Criteria from time to time but would do so only to the extent that such a change would be acceptable to a reasonable, prudent mortgage lender. If the Lending Criteria change in a manner that affects the creditworthiness of the Loans, that may lead to increased defaults by Borrowers and may affect the realisable value of the Cover Pool, or part thereof, and the ability of the Issuer to make payments under the Covered Bonds.

Loans not originated by Issuer

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

Risks relating to Subsidised Loans

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

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

The Issuer receives the subsidised component of interest due under the some of the Subsidised Loans from the OEK, the Greek State or any other applicable Greek State subsidised entity. The OEK will maintain a savings bank account at Eurobank (the **OEK Savings Account**) and the Servicer, will be authorised to deduct the amount of the subsidy related to the relevant Subsidised Loan from this account and then transfer such amounts to the Collection Account or, following an Issuer Event, to the Transaction Account according to the terms of the Servicing and Cash Management Deed. On the other hand, until such withdrawal from the OEK Savings Account by the Servicer, OEK remains liable to the Issuer for the relevant subsidy. If the OEK Savings Account balance for any given month has not been sufficiently replenished by the OEK in advance of the next month's automated deduction of the subsidy amounts, the remaining balance owing to Eurobank and to be transferred by the Servicer into the Collection Account or, following an Issuer Event, the Transaction Account will be deducted once additional funds have been deposited by the OEK.

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

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

Historically, subsidised loans perform better than non-subsidised loans, as the Greek State or the OEK (as appropriate) is required to make payments of the subsidised interest amounts. However, Borrowers are liable

to repay the full amount of interest due under the relevant Loan. If the Greek State and/or the OEK fails to pay any subsidised interest amounts then the Borrower may be unable to meet payments due under their Loan. If the Borrower fails to pay the full amount under its Loan, the Issuer may be unable to satisfy its obligations under the Covered Bonds.

By virtue of article 55 of Greek Law 4305/2014 the Borrowers may file a petition for the extension of their OEK Subsidised Loans provided that at the date of such petition the amount of any due payments that remain unpaid does not exceed the aggregate of six monthly instalments. The aforementioned petition must be filed within six months from the publication of Greek Law 4305/2014 which took place on 31.10.2014 subject to any extension that may be granted by a joint decision of the competent Ministries. Therefore the said law may have an adverse effect on the timing of the amount of collections under the loans granted to the Borrowers that make use of its provisions.

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

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

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

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

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

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

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

Following an Issuer Event, the Servicer will be obliged to sell Loan Assets to third party purchasers (subject in certain circumstances to a right of pre-emption in favour of the Issuer) pursuant to the terms of the Servicing and Cash Management Deed. In respect of any sale of Loan Assets to third parties, however, the Servicer will not be permitted to give representations and warranties or indemnities in respect of those Loan Assets. There is no assurance that the Issuer would give any representations and warranties or indemnities in respect of the Loan Assets. Any representations and warranties previously given by the Issuer in respect of the Loan Assets in the Cover Pool may not have value for a third party purchaser if the Issuer is then insolvent. Accordingly, there is a risk that the realisable value of the Loan Assets could be adversely affected by the lack of representations and warranties or indemnities. See “*Description of the Transaction Documents – The Servicing and Cash Management Deed*”.

Reliance on Hedging Counterparties

To provide a hedge against possible variances in the rates of interest payable on the Loans in the Cover Pool (which may, for instance, include discounted rates of interest, fixed rates of interest or rates of interest which track a base rate and other variable rates of interest and EURIBOR for 1, 3 or 6 month euro deposits), the Issuer may enter into an Interest Rate Swap with the Interest Rate Swap Provider in respect of each Series of Covered Bonds under the Interest Rate Swap Agreement.

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

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

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

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

Conflicts of Interest

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

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

With respect to each of the Covered Bond Swaps, the Issuer (or the Servicer on its behalf) will, periodically, pay or provide for payment of an amount to each corresponding Covered Bond Swap Provider based on EURIBOR for Euro deposits for the agreed period. The Covered Bond Swap Provider may not be obliged to make corresponding swap payments to the Issuer under a Covered Bond Swap until amounts are due and payable by the Issuer under the Covered Bonds. If a Covered Bond Swap Provider does not meet its payment obligations to the Issuer under the relevant Covered Bond Swap Agreement or such Covered Bond

Swap Provider does not make a termination payment that has become due from it to the Issuer under the Covered Bond Swap Agreement, the Issuer may have a larger shortfall in funds with which to make payments under the Covered Bonds than if the Covered Bond Swap Provider's payment obligations coincided with the Issuer's payment obligations under the Covered Bond Swap. Hence, the difference in timing between the obligations of the Issuer and the obligations of the Covered Bond Swap Providers under the Covered Bond Swaps may affect the Issuer's ability to make payments with respect to the Covered Bonds. A Covered Bond Swap Provider may be required, pursuant to the terms of the relevant Covered Bond Swap Agreement, to post collateral with the Issuer if the relevant rating of the Covered Bond Swap Provider is downgraded by a Rating Agency below the rating specified in the relevant Covered Bond Swap Agreement.

Change of counterparties

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

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

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

Economic Activity in Greece and South-Eastern Europe

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

Market turmoil and deteriorating macro-economic conditions, especially in Greece and New Europe, could materially adversely affect the liquidity, businesses and/or financial conditions of Eurobank's borrowers, which could in turn further increase its non-performing loan ratios, impair its loans and other financial assets and result in decreased demand for borrowings in general. In a context of continued market turmoil, worsening macro-economic conditions and increasing unemployment coupled with declining consumer spending, the value of assets collateralising Eurobank's secured loans, including homes and other real estate, could decline, which could result in impairment of the value of Eurobank's loan assets and could be accompanied by an increase in its non-performing loan ratios. In addition, Eurobank's customers may further significantly decrease their risk tolerance to non-deposit investments such as stocks, bonds and mutual funds, which would adversely affect Eurobank's fee and commission income. Any of the conditions described above could have a material adverse effect on Eurobank's business, financial condition and results of operations.

Risks relating to Greece

Uncertainty resulting from Greece's financial and economic crisis has had and is likely to continue to have a significant adverse impact on the Issuer's business, results of operations, financial condition and prospects.

The composition of the Issuer's assets, business, results of operations, financial condition and prospects depend on the macroeconomic and political conditions in Greece. As at and for the period ended 30 September 2014, 72.0 per cent. of the Issuer's operating income and 82.7 per cent. of the Issuer's total assets were derived from or related to the Issuer's operations in Greece.

The Greek economy experienced in 2013 its sixth consecutive year of financial recession, and Greece continued in 2014 to face unprecedented pressure in its public finances. Over the last two years, Greece has committed to certain structural measures intended to restore competitiveness and promote economic growth in the country, as part of a bailout package agreed with the IMF, the European Commission and the ECB (collectively referred to as the "Institutions"), involving implementation of fiscal adjustment policies and growth-enhancing structural reforms.

As a result of the PSI (the programme of voluntary exchange of Greek Government bonds completed in April 2012 which offered private investors the opportunity to exchange certain eligible Greek Government bonds on certain terms), as well as the Second Economic Adjustment Programme (the IMF/Eurozone stabilisation and recovery programme as replaced by a second economic adjustment programme in March 2012 and amended in November 2012 (the "Second Economic Adjustment Programme")) for the financial support of Greece and provisions which have been established for providing additional debt relief to Greece and Greek banks, Greece managed to achieve a time extension needed to implement fiscal adjustment policies and growth-enhancing structural reforms. In addition, the PSI has resulted in a significant gross relief of the Greek sovereign debt burden by more than 50 per cent. of GDP, as well as a sharp reduction in debt servicing needs through lower interest rates and a substantial extension of the average debt maturity of Greek Government bonds. However, the net impact of these actions was substantially reduced by the assumption of new sovereign borrowing of €50 billion from the European Financial Stability Facility (the "EFSF") in order to recapitalise the Greek banks. The completion of the buy-back of Greek Government bonds by Greece in December 2012 (the "Buy-Back Programme") pursuant to the Second Economic Adjustment Programme provided an additional debt relief of at more than 10 per cent. of GDP, while the restructuring of interest payments under loans owed to the EFSF and the further decrease in interest rates of official sector loans granted to Greece will further decrease the servicing cost of the Greek sovereign debt burden. These actions, however, have resulted in significant impairment losses for Greek banks, including Eurobank.

Eurobank and its consolidated subsidiaries (the "Group") participated in the PSI by exchanging all its eligible Greek Government bonds and loans guaranteed by the Greek state with a nominal value of €7.3 billion for (i) new Greek Government bonds with a face value equal to 31.5 per cent. of the old Greek Government bonds, (ii) EFSF notes having a face amount of 15 per cent. of the exchanged securities and (iii) a security linked to Greek GDP in accordance with the terms announced by the Greek Government. For the year ended 31 December 2011, as a result of participating in the PSI, the Group recognised an impairment loss of €5.8 billion, which was calculated based on the difference between the carrying amount of the Group's Greek Government bonds and the fair value of the new Greek Government securities that were received in the exchange, based on the assumption that there was an inactive market for the new Greek Government bonds issued in the PSI. The reassessment of market conditions in 2012 led to the recognition of an additional impairment loss resulting from the exchange amounting to €428 million before tax.

The Group also participated in Greece's invitation of December 2012 concerning the Buy-Back Programme, submitting for exchange all its Greek Government bonds of a nominal value of €2.3 billion and a carrying amount of €0.6 billion. As a result of its participation in the Buy-Back Programme, the Group recognised a gain of €192 million before tax in the fourth quarter of 2012.

The Second Economic Adjustment Programme also includes a comprehensive strategy for the recapitalisation of the Greek banking system following PSI-related losses and the detrimental impact of a prolonged recession on quality of loans made by Greek banks.

Despite the successful completion of the PSI and the debt buyback program, the significant progress in fiscal deficit reduction, the adjustment in the labour market and external balance, the Greek economy continues to face macroeconomic challenges. Uncertainty about debt sustainability and the ability for the transition to a new sustainable export oriented model of economic growth, which will boost fiscal consolidation and improve public debt dynamics, remains high. Failure to successfully implement the Second Economic Adjustment Programme may lead to termination of the financial support by the IMF and the EU, which could create the conditions for a new credit event with respect to Greek sovereign debt or could lead to a default by Greece on its sovereign debt which could include both marketable instruments and official sector loans from EU Member States.

On 8 December 2014 the Eurogroup announced that it will withhold the disbursements due under the Second Economic Adjustment Programme and announced a “technical extension” of the EU side of the Second Economic Adjustment Programme, initially set to be completed by the end of 2014, to end February 2015.

On 20 February 2015, the Eurogroup agreed to a four-month extension of the Master Financial Assistance Facility Agreement (MFFA) underpinning the Second Economic Adjustment Programme. As part of the agreement to extend the MFFA, the Greek government has presented a list of reform measures which has been in principle accepted by the Eurozone Member-States and the Institutions and the details of which will be agreed with the Institutions by the end of April 2015. There are risks related to the Greek State’s ability to cover its financing needs from own resources after the expiration of the Second Economic Adjustment Programme.

The Eurogroup’s stated purpose in extending of the MFFA was to ensure the successful completion of the pending programme review, which must be successfully completed in order to allow for any disbursement of the outstanding financings under the programme. The continuing delay in the completion of the pending programme review (IMF 6th review) and the non-disbursement of about €7.3 billion of related financing from EU and the IMF as of December 2014, in conjunction with uncertainty surrounding the potential modalities of Greece’s exit process from the Second Economic Adjustment Programme, have resulted in weakening financial market sentiment.

Greece has little, if any, margin to absorb additional adverse shocks or slippages in the implementation of the Second Economic Adjustment Programme and/or the reform measures that will be specified and agreed between Greece and the Institutions by the end of April 2015. In the event that policy implementation takes longer than expected or falls short of expectations, the Greek economy takes longer than expected to respond to labour market and other structural reforms designed to help enhance competitiveness, or the fiscal impact of recession is higher than estimated, the likely result would be a higher debt trajectory than that suggested by the post-PSI analysis underlying the Second Economic Adjustment Programme. Such slippages could even outweigh the benefits from the additional debt and funding relief provided to Greece by the decisions of the Eurozone finance ministers (the “Eurogroup”) and the IMF of 27 November 2012 and 13 December 2012 and the successful completion of the Buy-Back Programme in December 2012.

Even if Greece successfully implements the Second Economic Adjustment Programme, government debt as a percentage of GDP was 175.1 per cent. in 2013 (174.2 per cent. in 2014) according to the IMF (June 2014) and is projected to be 171.0 per cent. of GDP in 2015. The debt sustainability depends, among other things, on the real GDP growth rates. It remains uncertain whether the Greek economy will grow sufficiently in order to keep pace with the GDP growth targets for debt sustainability, and additional debt relief may be needed. This relief could occur through new changes in conditions of official sector loans, further restructuring of Greek Government bonds or a direct haircut on official sector loans or loans from the EFSF or any other measure. Failure of Greece to agree with its creditors on a credible way to restore long-term debt sustainability and cover possible additional needs of the country for external financing in upcoming

years, in the event there are deviations from the Second Economic Adjustment Programme, may result in a credit crisis with respect to Greek sovereign debt occurring prior to the completion of the Second Economic Adjustment Programme.

The uncertainty relating to the implementation of the Second Economic Adjustment Programme and to the outcome of the negotiations between Greece and the Institutions regarding the reforms and next steps for the financing of the Greek economy has directly affected the capital levels, liquidity and profitability of the Greek financial system and consequently of the Bank. The limited liquidity in the Greek banking system reflects an effective closing of market financing since the end of 2009 and a sizeable contraction of the domestic deposit base since the third quarter of 2009 (31.4 per cent. cumulatively as at 31 December 2013, according to Bank of Greece data).

A failure of the Second Economic Adjustment Programme to result in a marked improvement in the Greek economy and/or failure of the Greek Government to come to an agreement with the Institutions on the specifics of its reform package and further financing steps would have significant adverse consequences for the Bank. If another credit crisis with respect to the Greek sovereign debt or an additional restructuring of Greek Government bonds were to occur, the Issuer's regulatory capital would be severely affected due to the Issuer's direct exposure to Greek sovereign debt, requiring the Issuer to raise additional capital and thus diluting existing shareholders significantly. Furthermore, there would be no assurance that the Issuer could raise all of the required additional capital on acceptable terms.

Even if the Second Economic Adjustment Programme is successfully implemented and Greece agrees with the Institutions on the specifics of its reform programme and further financial assistance, 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. Notwithstanding the Second Economic Adjustment Programme, as amended and/or replaced after its expiry at the end of April 2015, 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. In addition, a continued depression in the Greek economy will have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Recessionary pressures in Greece stemming from the Second Economic Adjustment Programme have had and may continue to have an adverse effect on the Issuer's business, financial condition, results of operations and prospects.

The Issuer's business activities are dependent on the level of demand for the banking, finance and financial products and services the Issuer offers, as well as the Issuer's customers' capacity to repay their liabilities. In particular, the levels of savings and credit demand are heavily dependent on customer confidence, employment trends and the availability and cost of funding.

If the Second Economic Adjustment Programme is not implemented successfully - especially with respect to the structural reform agenda - or if additional austerity measures beyond those agreed to in the Second Economic Adjustment Programme are required to counterbalance potential deviations from the Second Economic Adjustment Programme's targets (such as what took place in Cyprus, see "Risks Relating to the Issuer's Business - The debt crisis in Cyprus and the sustainability problems which its financial sector faces, the consequences of which cannot be immediately and accurately determined, has caused intense uncertainty and may adversely affect the Issuer's business, financial condition, results of operations and prospects"), the Greek economy may experience a continuation of the recession or a slower than anticipated recovery in 2014 and 2015, as it did in 2011 and 2012, resulting in a further delayed recovery and a further adverse effect on the Issuer's business, financial condition, results of operations and prospects. Nevertheless, according to the more recently published data, in the second and third quarter of 2014, the Greek real GDP (non seasonally

adjusted data) grew on yearly basis by 0.41% and 1.92% respectively, according to the Hellenic Statistical Authority.

The protracted period of financial recession in Greece has and could continue to materially and adversely affect the liquidity, business activity and financial conditions of borrowers, which in turn has and may lead to further increases in 90dpd loans, impairment charges on the Issuer's loans and other financial assets and decreased demand for borrowings in general and increased deposit outflows.

Eurobank is currently restricted in its ability to obtain funding in the capital markets and is heavily dependent on the ECB and the Bank of Greece for funding; changes in ECB and Bank of Greece rules relating to the eligibility of collateral used for funding could further restrict the Issuer's access to funding

The on-going economic crisis in Greece has adversely affected the Issuer's credit risk profile, restricted its access to the international markets for funding, increased the cost of such funding and the need for additional collateral requirements in secured funding arrangements, including those with the Eurosystem. Concerns relating to the on-going impact of these conditions may further restrict the Issuer's ability to obtain funding in the capital markets in the medium term. The severity of pressure experienced by Greece in its public finances has restricted the access of the Issuer to the capital markets for funding because of concerns by counterparty banks and other lenders, particularly for unsecured funding and funding from the short-term inter-bank market. These markets had been effectively closed to all Greek banks since the end of 2009. As a result, maturing inter-bank liabilities have not been renewed, or have been renewed only at higher costs. In Q1 2014, for the first time since 2009, one of the four systemic banks successfully tapped the debt capital markets with the issuance of a EUR 500 million three-year senior note while the Greek state returned to the international capital markets for the first time since 2010, in April 2014, with the successful issuance of a five-year euro-bond. The trend followed with the issuance of notes from all remaining systemic banks including Eurobank. Despite positive market reaction and the improvement in the economic climate, Greek banks continue to face the consequences of an economy just getting out of a very prolonged recession and the inability of many borrowers to service their debt obligations.

In addition, deposit outflows beginning in late 2009 and lasting through the middle of 2012, continue to put pressure on the liquidity position of many Greek banks despite the inflows realized after the elections in June 2012. Political initiatives at the EU level for amendments to the framework for supporting credit institutions could result in the shareholders, creditors and unsecured depositors sharing the burden of the recapitalisation and/or liquidation of troubled banks, and/or the taxation of deposits, which may result in a loss of customer confidence in the countries in which the Issuer operates and further outflows of deposits from the banking system (see “—An accelerated outflow of funds from customer deposits could cause an increase in the Issuer's costs of funding and have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects”). Consequently, the Issuer's ECB funding and funding from the Bank of Greece, through the ELA (which has less strict collateral rules but carries a higher rate of interest, 1.55 percent compared to 0.05 percent for ECB funding), has increased considerably since the start of the crisis. As at December 2013, the Issuer's Eurosystem funding amounted to €16.9 billion, of which €5.6 billion was through the ELA, while as at September 2014, the Issuer's net Eurosystem funding amounted to €9.1 billion with zero funding through the ELA.

In addition, if the ECB or the ELA were to revise their collateral standards or increase the rating requirements for collateral securities that the Issuer currently pledges with the ECB and the ELA, including the Issuer's covered bonds, then, the Issuer's funding costs could potentially increase and its access to liquidity could become more limited. For example, this occurred in the second half of 2012, when the ECB revised its collateral standards, which resulted in the Issuer being unable to access ECB funding and being forced to utilise funding from the ELA, significantly increasing its cost of funding due to the higher interest rate of ELA funding compared with ECB funding. The ECB has announced that, as at March 2015, the use as collateral of uncovered government-guaranteed bank bonds that have been issued by the counterparty itself or any entity closely linked to that counterparty will not be permitted for funding through the ECB and a similar limitation for their use as collateral in ELA funding could be established in the future. In addition,

the Issuer uses its covered bonds as collateral with the ELA which may also become ineligible for use as collateral in the future, as a result of further credit rating downgrades or changes in the ELA rules currently permitting this collateral. A further downgrade or withdrawal of Greek sovereign ratings could potentially have a material adverse effect on the Issuer's ability to continue to access current levels of funding from the ECB, the ELA or from any other source.

On 10 February 2015 the ECB announced that its Governing Council had assessed that the conditions for the granting of a suspension of the Eurosystem's minimum requirements for credit quality thresholds applicable to marketable debt instruments issued or fully guaranteed by the Hellenic Republic were no longer in place; in particular, the Governing Council was of the opinion that the Hellenic Republic is no longer deemed to be in compliance with the conditionality of the Second Economic Adjustment Programme. As a consequence, the Eurosystem's credit quality thresholds in respect of marketable debt instruments issued or fully guaranteed by the Hellenic Republic became applicable as of 11 February 2015 which in turn, led to an increase of the Issuer's funding through the ELA.

A continued loss of deposits and the prolonged need for additional Eurosystem funding may result in the exhaustion of the instruments held by the Group that are eligible to be used as collateral to obtain funding from the Eurosystem and may lead to funding issues for the Group.

An accelerated outflow of funds from customer deposits could cause an increase in the Issuer's costs of funding and have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects

Historically, one of the Issuer's principal sources of funds has been customer deposits. Since the Issuer relies on customer deposits for the majority of its funding, if the Issuer's depositors were to withdraw their funds at a rate faster than the rate at which borrowers repay their loans and/or the Issuer is unable to obtain the necessary liquidity by other means including the ECB, then, the Issuer would be unable to maintain its current levels of funding without incurring significantly higher funding costs or having to liquidate certain of the Issuer's assets. As at 30 September 2014, the Group's customer deposits in Greece increased by 1.8 percent compared to 31 December 2013, but, since December 2014 and due to the political instability, the system and Eurobank as well have witnessed significant deposit outflows affecting the bank's liquidity position.

The on-going availability of customer deposits to fund the Group's loan portfolio is subject to potential changes in certain factors outside the Group's control, such as depositors' concerns relating to the economy in general, the financial services industry or the Group 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 non-secured depositors and/or initiatives for taxation of deposits, significant further deterioration in economic conditions in Greece and the availability and extent of deposit guarantees. Any of these factors separately or in combination could lead to a sustained reduction in the Group's ability to access customer deposit funding on appropriate terms in the future, which would impact the Group's ability to fund its operations and meet its minimum liquidity requirements and have an adverse effect on the Group's business, financial condition, results of operations and prospects. Unusually high levels of withdrawals could have the result that the Issuer or another member of the Group may not be in a position to continue to operate without additional funding support, which it may be unable to secure.

There are risks associated with the Issuer's need for additional capital and liquidity, most notably from impairments, as well as deterioration in the Issuer's portfolio's quality compared to previous estimates.

The Group is required by regulators in Greece and other countries in which it undertakes regulated activities to maintain adequate capital. Where it undertakes regulated activities elsewhere in the European Economic Area (EEA), it will remain subject to the minimum capital requirements prescribed by the regulatory authority in Greece, except in jurisdictions where it has regulated subsidiaries, which will be subject to the

capital requirements prescribed by local regulatory authorities. In jurisdictions where it has branches, including within the EEA, the Issuer is also subject to local regulatory capital and liquidity requirements. The Bank, its regulated subsidiaries and its branches are subject to the risk of having insufficient capital resources to meet the minimum regulatory capital and/or liquidity requirements. In addition, those minimum regulatory capital requirements are likely to increase in the future and the methods of calculating capital resources may change. Likewise, liquidity requirements may come under heightened scrutiny, and may place additional stress on the Group's liquidity in the jurisdictions in which it operates.

As at 30 September 2014, the Group maintained a Common Equity Tier 1 (**CET1**) ratio equal to 16.9 per cent. and a pro forma CET1 ratio equal to 16.1 per cent by taking into account the new regulatory treatment of Deferred Tax Assets (**DTA**), where DTA related to loan loss provisions and PSI loss, is eligible to be converted into Deferred Tax Credits (**DTC**). DTAs treated as DTCs are not deducted from Common Equity Tier I capital and are risk weighted at 100%. Transitional rules apply for 2018 phasing and final rules will be fully implemented starting from 1 January 2024, which allow for deferred tax assets dependent on future profitability and arising from other temporary differences to contribute a maximum of 10 per cent to CET1 capital. DTAs arising from other temporary differences not deducted from CET1 capital are to be risk-weighted at 250 per cent. Based on the above assumptions and assuming the full implementation of the Basel III rules in effect as of 1 January 2014, the pro forma Common Equity Tier 1 ratio and total capital adequacy ratio as at 30 September 2014 would have been 13.9 per cent..

In addition, following the BlackRock Updated Exercise conducted by BlackRock on the instructions of the Bank of Greece, on 6 March 2014, the Bank of Greece initially announced that the Group's additional capital needs were €2,945 million under the baseline scenario of the stress test and €4,980 million under the adverse scenario of the stress test. The Bank of Greece requested that the Issuer submit its capital enhancement plan based on the baseline scenario by 15 April 2014 and its contingency plan, in the event that the adverse scenario were to materialise, for creating the relevant capital buffers, by 15 May 2014. The Issuer submitted its capital enhancement plan based on the baseline scenario in March 2014. Following submission to the Bank of Greece of the Issuer's capital enhancement plan, the initial assessment of €2,945 million was adjusted to €2,864 million. The main risks to the Issuer's recapitalisation needs are: (a) the adverse economic environment in Greece, which may result in (i) a sharper deterioration in the quality of the loan portfolio than those projected by the BlackRock Updated Exercise and (ii) weak pre-provision profits in the domestic market; and (b) a weaker international environment, which may lead to lower-than projected profits from the Issuer's international subsidiaries.

The objective of the Share Capital Increase was to increase the Issuer's Core Tier I capital by €2,864 million as prescribed by Decision 109/8.4.2014 of the Credit and Insurance Committee of the Bank of Greece on 8 April 2014. However, even though the Issuer has met these capital requirements, the above risks could result in further recapitalisation needs in the future.

If the Group is not able to meet its capital requirements by raising funds from the capital markets, it may need to seek additional funding by means of new state support, thereby increasing the likelihood that the shareholders will be subject to limitations on their rights, suffer significant dilution in their shareholding and/or incur significant losses in their investments.

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

A downgrade in the credit ratings of the Issuer or that of Greece may have an adverse effect on the Issuer's access to and cost of funding.

Negative publicity following a downgrade in the Issuer's credit rating may have an adverse effect on depositors' sentiment, which may increase the Issuer's dependency on Eurosystem funding. Eurobank is currently restricted in its ability to obtain funding in the capital markets and is heavily dependent on the Eurosystem for funding, and any further reductions in the long-term credit ratings of the Bank could delay

the Issuer's return to the capital and interbank markets for funding, increase the Issuer's borrowing costs and/or restrict the potential sources of funding available to the Bank. It could also, coupled with deterioration in market conditions, have an adverse effect on the Issuer's ability to use its collateral to secure funding.

Since 2009, Greece has experienced a series of credit rating downgrades and at the end of 2010 moved to below investment grade. In early 2012, following announcement of the reduction of public debt in Greece through the PSI, Greece was given default ratings by Standard & Poor's Credit Market Services ("S&P"), Moody's Investors Service ("Moody's") and Fitch Ratings Limited ("Fitch"). Since then, Greece's sovereign ratings improved due to attainment of certain fiscal targets and the on going implementation of structural reforms under the Economic Adjustment Programmes. As at the date of this Prospectus, Greece was rated B- by S&P, Caa1 by Moody's, B by Fitch and B by DBRS. As at the date of this prospectus, Greece had been given a negative ratings outlook by all above mentioned international credit rating agencies, reflecting increased risks stemming of the recent political instability. A further downgrade of Greece's rating may occur in the event of a failure to implement the Second Economic Adjustment Programme or if the Second Economic Adjustment Programme fails to produce the intended results. Accordingly, the cost of risk for Greece could increase further, with negative effects on the cost of risk for Greek banks and thereby on their results. Further downgrades of Greece's sovereign credit rating could result in a corresponding downgrade in the Issuer's credit rating.

As at the date of this Prospectus, the Issuer's long term credit ratings as assigned by the international credit rating agencies are:

- Standard & Poor's: "CCC+" Negative Outlook
- Fitch: "B-" Negative Outlook
- Moody's: "Caa3" Negative Outlook

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

The global economic slowdown and the economic crisis in Greece from 2009 to 2014 have resulted in an increase in past due loans and significant changes in the fair values of the Issuer's financial assets. A substantial portion of the Group's loans to corporate and individual borrowers are secured by collateral such as real estate, securities, term deposits and receivables. In particular, as mortgage loans are one of the Issuer's principal assets (approximately €18.5 billion as at 30 September 2014) Eurobank 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, positive 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 2013, the cumulative decrease of Gross fixed capital formation (in chain linked volumes (2010)) in total construction was equal to 61 per cent, according to the Hellenic Statistical Authority. Housing prices began decreasing in 2009 and these decreases have continued and are expected to continue in 2014 due to further contraction of disposable income and high supply of houses available for sale. More specifically, during the period between the first quarter of 2009 to the third quarter of 2014, the average annual change of apartment prices was equal to -7.34 per cent., according to the Bank of Greece. The sharp increase in unemployment during the economic crisis, which in the period of January to September 2014 averaged 26.8 per cent., compared to 7.8 per cent. in the corresponding period in 2008, according to the Hellenic Statistical Authority, aggravated the situation, with mortgage delinquencies increasing further.

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

deterioration of the financial conditions in any of the sectors in which the Issuer's debtors conduct business may cause the Group to suffer further impairment losses and provisions to cover credit risk, which could exceed those projected by the Issuer as included in the assessment of the Group by the Bank of Greece under its adverse scenario.

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. In addition, the Issuer's failure to recover the expected value of collateral in the case of foreclosure, or the Issuer's inability to initiate foreclosure proceedings due to domestic legislation, may expose the Issuer to losses which could have a material adverse effect on the Issuer's business, results of operations and financial condition. 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 recently expanded until 31 December 2014, pursuant to Law 4224/2013 which was enacted on 21 December 2013. There can be no assurance that this prohibition will not be extended beyond this date, or that the private debt resolution mechanism to be proposed by a special governmental council established by virtue of Law 4224/2013 will not restrict the Issuer's ability to take enforcement measures against the Issuer's debtors. See "*Regulation and Supervision of Hellenic Republic*".

In addition, an increase in financial, property and other markets volatility or adverse changes in the marketability of the Issuer's assets could impair the Issuer's ability to value certain of the Issuer's assets and exposures. The value ultimately realised by the Issuer will depend on their fair value determined at that time 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 Issuer to recognise additional impairment charges, which could adversely affect the Issuer's business, financial condition, results of operations and prospects, as well as the Issuer's capital adequacy.

Eurobank is exposed to the risk of political instability in Greece

The political and economic environment in Greece remains fluid and subject to significant uncertainty. Any aggravation of the economic environment or of social tensions could precipitate a change of government or a revision of policies. Following the parliamentary elections of 25 January 2015 a new coalition government is now in office with an aim to implement radical reforms in all sectors of economy and administration with strong focus to reinstatement of social injustices and easing of the impact of the austerity measures included in the current Second Economic Adjustment Programme on low income individuals. These policies may contradict the principles applicable in the current Second Economic Adjustment Programme and may lead to a disruption in the relationship between Greece and its Eurozone partners. This could affect the Issuer's business and strategic orientation, which may adversely affect the Issuer's business, financial condition, results of operations and prospects.

The Issuer may not be able to pay dividends to its holders of ordinary shares and preference share

As a result of the Issuer's participation in the Hellenic Republic Bank Support Plan (see "*Regulation and Supervision of Banking in Hellenic Republic*"), the Issuer paid dividends to holders of its ordinary shares in relation to the financial year ended 31 December 2008 in the form of ordinary shares. In relation to the financial years ended 31 December 2009 and 2010, the Issuer did not pay any dividends to holders of its ordinary shares, but it did pay the fixed return to the Greek state as holder of its preference shares. In relation to the financial years ended 31 December 2011, 2012 and 2013, the Issuer neither paid dividends to holders of its ordinary shares nor the fixed return to the Greek state, as a result of the losses generated in these financial years. In addition, under the terms of the Issuer's preference shares and Law 3723/2008, payment of the fixed return to the Greek state should be made before any payment of dividends to the Issuer's ordinary shareholders and is subject to an annual step up of 2 per cent. in case the Issuer's preference shares have not been redeemed five years after their issuance.

As a result of the Issuer's participation in the Hellenic Republic Bank Support Plan, the Greek state has appointed a representative to the Board of Directors of the Issuer with the right to veto any decision for the distribution of dividends either at the instruction of the Minister of Finance or at his own initiative if he considers that such decision may jeopardise the interests of the Issuer's depositors or materially affect the solvency and the orderly operation of the Bank. Additionally, as a consequence of the Issuer's recapitalisation exclusively by the HFSF in May 2013, pursuant to Law 3864/2010, the HFSF representative on the Board of Directors of the Issuer has the right to veto decisions about the distribution of dividends.

Moreover, under the commitments that the Greek Government has undertaken under the Second Economic Adjustment Programme which are binding on the Issuer (see "*Regulation and Supervision of Banking in Hellenic Republic*") and the terms of Eurobank's revised restructuring plan approved by the European Commission on 29 April 2014 (see "Risks Relating to Our Business—The Group could be subject to a variety of risks as a result of implementing its state aid restructuring plan"), unless the European Commission otherwise agrees to an exception, neither the Bank nor any member of the Group will pay any dividend prior to the end of its restructuring period, which is defined in the Issuer's revised restructuring plan as 31 December 2018, other than where there is a legal obligation to do so, while the Issuer will not release reserves to put itself in such a position.

Consequently, for as long as the Issuer continues to participate in the Hellenic Republic Bank Support Plan and/or is subject to Law 3864/2010 and/or is bound by the above commitments, as well as the terms of the Issuer's revised restructuring plan, it may be prohibited from paying dividends to the holders of ordinary shares.

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

In May 2013, two regulations on economic governance were enacted by the European Parliament: (i) Regulation (EU) 473/2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area; and (ii) Regulation (EU) 472/2013 on the strengthening of economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability. These two regulations which became effective in May 2013 introduce provisions for enhanced 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 (the EU's debt reference value), 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 has been proposed, which implies that annual expenditure growth should not exceed a reference medium-term rate of GDP growth. A new set of financial sanctions have been proposed for Member States in the euro area that do not comply with the excessive deficit procedure as described in Regulation 473/2013 of the European Union; such sanctions would be triggered at a lower deficit level and would 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.

Risks relating to Volatility in the Global Financial Markets

The Group is vulnerable to the on-going 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, 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 European Monetary Union. Economic activity remains dependent on highly accommodative

macroeconomic policies and is subject to downside risks, as room for countercyclical policy measures has sharply diminished. Policymakers in many advanced economies have publicly acknowledged the need to urgently adopt credible strategies to contain public debt and excessive fiscal deficits and later reduce debt and deficits to more sustainable levels. The implementation of these policies may restrict economic recovery, with a corresponding negative impact on the Issuer's business, financial condition, results of operations and prospects.

In financial markets, during the period of 2010 – early 2013, concerns surfaced in a progressive widening of intra-Eurozone government bond and sovereign credit default swap (“CDS”) spreads for several Eurozone government issuers with large fiscal imbalances. Against a background of increasing unease over the sizeable fiscal imbalances, investors had reduced their investments in these countries. However, since then, market concerns over the aforementioned issues have eased considerably, aided by actions taken or announced by the ECB, resulting in a gradual tightening of Eurozone government credit spreads providing a positive impetus on investment flows. Nevertheless, renewed uncertainty and/or deterioration of investment flows may retard economic recovery, with a corresponding negative impact on the Issuer's business, financial condition, results of operations and prospects, including the Issuer's ability to fund its operations.

The Issuer's results of operations, both in Greece and abroad, in the past have been, and in the future may continue to be, materially affected by many factors of a global nature, including: political and regulatory risks and the condition of public finances; the availability and cost of capital; the liquidity of global markets; the level and volatility of equity prices 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.

Uncertainty resulting from the sovereign debt crisis in the Eurozone is likely to continue to have a significant adverse impact on the Issuer's business, results of operations and financial condition.

The deterioration of the sovereign debt of several countries, including Greece, Italy, Ireland, Spain, Cyprus and Portugal, together with the risk of contagion in other Eurozone countries, has exacerbated the European economic crisis. This situation has also raised a number of uncertainties regarding the stability and overall standing of the European Monetary Union, which escalated to the risk of a potential Eurozone break-up in 2012.

In particular, the Eurozone has seen an increase in credit spreads, in the 2010 – early 2013 period together with reduced liquidity and access to financing. These negative trends had worsened and caused considerable turbulence in the global financial and credit markets due to fear of a downgrading of the sovereign debt of other Eurozone countries and fiscal instability in countries such as France, Japan, the United Kingdom and the United States, which saw its credit rating downgraded by Standard & Poor's in August 2011. There was a subsequent downgrade of Spain by Fitch in June 2012, France by Standard & Poor's and Moody's in November 2012 and the United Kingdom by Moody's in February 2013 and by Fitch in April 2013.

The Eurozone sovereign debt crisis led to discussions and scenarios involving the reintroduction of national currencies in one or more Eurozone countries (including Greece) or, in particularly extreme circumstances, the abandonment of the euro. The departure or risk of departure from the euro by one or more Eurozone countries and/or the abandonment of the euro as a currency would be a material event that could have significant adverse effects in the ability of the Group to fulfil its obligations and have a significant negative impact on the activity, operating results and financial position of the Group.

Throughout the European sovereign debt crisis, the European countries' leaders have tried to take measures to preserve the financial stability of the EU and the Eurozone. In May 2010, along with Greece's first bailout request, the EFSF was established, a €440 billion special purpose vehicle guaranteed by the euro area members, whose mandate is to safeguard financial stability in Europe by providing financial assistance to Eurozone states in need. In autumn 2011, European government leaders discussed further measures, including a significant increase in the EFSF's funds and a restructuring plan for Greece's sovereign debt. In

September 2012, the ECB announced that it was ready to provide full support through new bond purchase programmes known as Outright Monetary Transactions to all Eurozone countries that had requested a bailout and received support by the EFSF and European Stability Mechanism (the “ESM”) programmes. The ESM was formally established in October 2012 and is a permanent international financial institution that aims to assist in preserving the financial stability of the European Monetary Union by providing temporary stability support to Eurozone countries through a lending capacity of €500 billion.

More recently, the ECB has taken further steps on the monetary policy front aiming to stimulate credit expansion (and ultimately economic recovery/growth); it reduced interest rates in Q2-Q3 2014, and re-introduced long term refinancing operations (**TLTRO**) in Q3 2014. Further increasing its accommodative stance, it expanded its asset purchase program for asset backed securities and covered bonds (late 2014), and also decided to include Eurozone government and agency debt (in early 2015). Pursuant to the 22 January 2015 ECB press release regarding the Eurozone government and agency debt assets purchase programme in combination with the ECB’s announcement of 10 February 2015, Greek government debt is currently not eligible for ECB purchases under the assets purchase programme.

There can be no assurance, however, that such measures will ultimately be successful or have the intended results, and any further deterioration in Eurozone’s economic situation could have a significant impact on the activities, business and operations of the Group, given its material exposure to the Eurozone’s economy.

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

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

Risks relating to the Issuer’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 Issuer’s 345.5 million non-voting, non-transferable, redeemable preference shares issued pursuant to Law 3723/2008 under the Hellenic Republic Bank Support Plan (see “*Regulation and Supervision of Banking in Hellenic Republic*”). This direct stake of the Greek state in the Issuer provides the Greek state, among other things, with voting rights at the general meeting of preferred shareholders, the right to appoint a representative on the Board of Directors, who has the ability to veto decisions relating to strategic issues or decisions that could have a material impact on the legal or financial status of the Issuer and for which the approval of the general meeting of the Issuer’s ordinary shareholders (“*General Meeting*”) is required, or decisions referring to the distribution of dividends and the remuneration of the Issuer’s Chairman, Chief Executive Officer and the remaining members of the Issuer’s Board of Directors and the Issuer’s general managers and their deputies pursuant to a relevant decision of the Ministry

of Finance, or in the case that the representative believes that such a decision may jeopardise the interests of the depositors or may materially affect the Issuer's solvency and orderly operation. In addition, the representative of the Greek state has full access to the Issuer's liquidity, 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 partakes in the General Meeting and has a veto right during the discussion and the decision-making regarding the abovementioned matters.

The Greek state also has interests in other Greek financial institutions and an interest in the financial soundness of the Greek banking industry and other industries generally, and those interests may not always be aligned with the commercial interests of the Group or its 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, including the appointment of a monitoring trustee, who acts on behalf of the European Commission and aims to ensure the compliance of the Issuer and its subsidiaries with the aforementioned commitments (the "Monitoring Trustee"), which are in force during the period of the restructuring plan to be agreed and approved by the EU unless otherwise provided for in the decision of the EU Directorate-General for Competition of the European Commission approving the Issuer's restructuring plan. On 22 February 2013 Grant Thornton S.A. was appointed as Monitoring Trustee of the Issuer after prior approval by the European Commission. The Monitoring Trustee is responsible for monitoring the compliance of the Issuer with Law 2190/1920 on sociétés anonymes, the corporate governance provisions and in general the banking regulatory framework, and will monitor the implementation of the restructuring plan and the organisational structure of the Issuer in order to ensure that the internal audit and risk management departments of the Issuer are fully independent from commercial networks. The Monitoring Trustee may attend the meetings of the audit committee, the Group asset-liability committee (G-ACLO) and risk management committee of the Issuer as an observer, reviews the annual audit plan and may require additional investigations, receives all reports emanating from internal control bodies of the Issuer and is entitled to interview any auditor. Furthermore, the Monitoring Trustee monitors the commercial practices of the Bank, with a focus on credit policy and deposit policy. Accordingly, the Monitoring Trustee attends the meetings of the credit committees of the Issuer as an observer, and monitors the development of the loan portfolio, the maximum amount that can be granted to borrowers, the transactions with related parties and other relevant matters. The Monitoring Trustee also has access to all the relevant credit files and the right to interview credit analysts and risk officers. Furthermore, the Monitoring Trustee monitors the management of claims and litigations of the Bank. As a result, the Issuer's management's discretion is subject to further oversight and certain decisions may be constrained by powers accorded to the Monitoring Trustee.

The HFSF as shareholder has certain rights and currently exercises significant influence over the Issuer on all important decisions

As a result of the Issuer's recapitalisation exclusively by the HFSF in May 2013 pursuant to Law 3864/2010 (see "*Regulation and Supervision of Banking in Hellenic Republic*"), the HFSF had acquired unrestricted shareholder voting rights in respect of its shareholdings in the Bank. Following the successful participation of private investors in the Share Capital Increase of the Issuer in May 2014, which exceeded the minimum requirement of 50 per cent., and the decrease in the percentage of the ordinary shares with voting rights held by HFSF from 95.23 per cent. to 35.41 per cent., under article 7A, paragraph 2(b) of Law 3864/2010, as amended pursuant to 4254/2014 the HFSF's voting rights in the Issuer will be exercised at the General Meeting of the Issuer's ordinary shareholders only with respect to resolutions relating to the amendment of the Issuer's Articles of Association, including resolutions relating to the increase or decrease of the Issuer's share capital, or the granting of a relevant authorisation to the Issuer's Board of Directors, resolutions relating to mergers, divisions, conversions, revivals, extensions of the term 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. In addition, under article 10, paragraph 2(b)(iii) of Law 3864/2010, as amended pursuant to Law 4254/2014, the HFSF representative on the Issuer's Board of Directors will be entitled to veto any decision of the Issuer's Board of Directors relating to any of the above matters, to the extent that such decision is likely to significantly affect the participation of the HFSF in the Issuer's share capital. Furthermore the initial relationship framework agreement dated 12 July 2013 between the Issuer and the HFSF, concluded pursuant to article 6 paragraph 5 of Greek Law 3864/2010, was replaced in its entirety by a new relationship framework agreement dated 26 August 2014 (the **Relationship Framework Agreement**).

Following the above, under Law 3864/2010, as amended by Law 4254/2014 and as in force today, and in accordance with the terms of the Relationship Framework Agreement, the HFSF's appointed representative on the Issuer's Board of Directors, as a non-executive member, is entitled, among other things: (i) to request the convocation of the Shareholders' General Meeting within shortened deadlines; (ii) to veto any decision of the Issuer's Board of Directors (A) regarding the distribution of dividends and the remuneration policy concerning the Issuer's Chairman, Chief Executive Officer and the remaining members of the Issuer's Board of Directors and the Issuer's general managers and their deputies; (B) where the decision in question could jeopardise the interests of depositors or materially and adversely affect the Issuer's liquidity or solvency or the overall prudent and orderly operation of the Issuer; or (C) concerning corporate actions relating to resolutions regarding an amendment of the Issuer's Articles of Association, including resolutions relating to the increase or decrease of the Issuer's share capital or the granting of a relevant authorisation to the Issuer's Board of Directors, resolutions relating to mergers, divisions, conversions, revivals, extensions of the term or dissolution of the Issuer, resolutions relating to transfers of assets, including the sale of subsidiaries or resolutions with respect to any other matter requiring approval by an increased majority in accordance with Law 2190/1920, to the extent such decision is likely to significantly affect the HFSF's participation in the Issuer's share capital; (iii) to request an adjournment of any meeting of the Board of Directors for up to three (3) business days in order to get instructions from the HFSF's Executive Committee, following consultation with the Bank of Greece; (iv) to request the convocation of the Board of Directors; (v) to approve the Issuer's Chief Financial Officer (CFO). In addition, the HFSF has the right to appoint a representative on the Audit Committee, the Risk Committee, the Remuneration Committee and the Nomination Committee, request the convocation of the aforementioned committees of the Board of Directors in which such representative participates, add items to the agendas of general meetings of the Issuer's shareholders and meetings of the Board of Directors and of the aforementioned Committees of the Board of Directors in which such representative participates, as well as to monitor the Issuer's business performance and risk profile to ensure that the objectives of the Issuer's restructuring plan and the control environment standards are met. See *"Regulation and Supervision in the Hellenic Republic—The Hellenic Financial Stability Fund (HFSF)"*.

The Issuer also has the obligation to seek and obtain the prior written consent of the HFSF in relation to certain material matters, including any material corporate transactions, such as acquisitions or disposals, mergers, restructurings, capital increases and capital reductions.

Consequently, although under the terms of the Relationship Framework Agreement the HFSF has undertaken certain commitments in relation to the Issuer's business autonomy and independence in the Issuer's decision making, there is a risk that the HFSF may exercise the rights it has to exert influence over the Issuer and may disagree with certain decisions of the Issuer and the Group relating to dividend distributions, benefits policies and other commercial and management decisions which will ultimately limit the operational flexibility of the Group.

The Group could be subject to a variety of risks as a result of implementing its state aid restructuring plan

Following the execution of the Presubscription Agreement on 28 May 2012 between the HFSF the Issuer and the EFSF as subsequently amended on 21 December 2012 and 30 April 2013 (the "Presubscription Agreement") the HFSF contributed EFSF notes to the Issuer of nominal value €3,970 million, €1,341 million and €528 million respectively (total of €5,839 million) as an advance payment against the total amount of recapitalisation required by the Bank, the Issuer submitted to the EU Directorate-General for Competition on

31 October 2012 (through the Ministry of Finance) a restructuring plan in accordance with Law 3864/2010. As the restructuring plan the Issuer submitted no longer adequately reflects the Issuer's business prospects because of the Issuer's recapitalisation by the HFSF and its acquisitions of New TT HPB and New Proton Bank, the EU Directorate-General for Competition requested the submission of a revised restructuring plan.

On 16 April 2014, Eurobank, through the Ministry of Finance, submitted to the European Commission the Issuer's revised restructuring plan, which was approved by the Issuer's Board of Directors on 11 April 2014 and by the General Council of the HFSF on 14 April 2014. The revised restructuring plan, which was approved by the European Commission on 29 April 2014, was based on macroeconomic assumptions in line with those provided by the HFSF and comprises the following principal commitments, to be implemented by 31 December 2018:

- the reduction of the Issuer's total costs in Greece (Greek banking and non banking activities) to below €800 million for the year ending 31 December 2017;
- the reduction of the Issuer's cost of deposits collected in Greece (including savings, sight and term deposits and other similar products offered to customers and which costs are borne by the Bank);
- the reduction of the net loan to deposit ratio for the Issuer's Greek banking activities to no higher than 115 per cent. by 31 December 2017;
- the reduction of the Issuer's portfolio of foreign assets (defined as assets related to the activities of customers outside Greece, independently of the country where the assets are booked) to a maximum of €8.77 billion by 30 June 2018;
- the sale of a minimum 80 per cent. shareholding in the Group's insurance activities (life and non life);
- the reduction of the Issuer's shareholding in Givalia Properties to 20 per cent. by 31 December 2016, with the remainder of the Issuer's shareholding to be sold by 31 December 2018;
- selling down the Issuer's portfolio of equity securities and subordinated bonds and hybrid bonds (subject to certain exceptions) to less than €35 million by 31 December 2015;
- commitments not to provide the Issuer's foreign subsidiaries with additional equity or subordinated capital in excess of a specified threshold (calculated as a percentage of the weighted assets of each subsidiary up to a maximum percentage per subsidiary, unless the regulatory framework of each relevant jurisdiction requires otherwise), not to purchase any non investment grade securities (subject to certain exceptions) and to institute a cap on the remuneration of the Issuer's employees and managers, in each case subject to certain exceptions;
- commitments relating to the credit policy to be adopted by the Group, including specific requirements applying to connected borrowers (defined as including, among others, the Group's employees, management and shareholders, public institutions and government controlled organisations and political parties); and
- certain other commitments, including (i) restrictions on the Issuer's ability to make certain acquisitions and (ii) commitments not to make discretionary payments of coupons in accordance with the terms of the notes included in the Issuer's regulatory capital, exercise voluntary call options on own funds instruments and subordinated debt instruments or buy back hybrid capital instruments.

The implementation of these commitments may have a material adverse effect on the Issuer's business, operating results and financial condition. If the Group fails to complete any of the required disposals within the agreed timeframes, subject to the terms of the state aid decision approving the Issuer's revised

restructuring plan, a divestiture trustee may be empowered to conduct the disposals, with the mandate to complete the disposal at no minimum price.

Any inability on the Issuer's part to comply with the terms of the Issuer's revised restructuring plan may result in the European Commission initiating a procedure to investigate the misuse of aid, which may result in the partial or entire recovery of state aid and/or the imposition of additional conditions, including limiting the Issuer's ability to support the Issuer's foreign subsidiaries, introducing additional limitations on the Issuer's ability to hold and manage its securities portfolio, introducing additional limitations on the Issuer's investment policy and other conditions, in line with previous requests to banks in the European Union that have received state aid.

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 Issuer has received from the HFSF. In addition, material obligations of the Group that are set forth in the Issuer's revised restructuring plan or further its implementation would have been breached, and pursuant to article 7, par. 4 of Law 3864/2010, as amended pursuant to Law 4254/2014, the HFSF would be entitled to exercise its voting rights deriving from the ordinary shares it owns in the Issuer (as set out in "*The HFSF as shareholder has certain rights and currently exercises significant influence over the Issuer on all important decisions*" above) without restrictions.

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

The Issuer maintains positions in its 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 been observed in 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. 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 22.5 per cent. and 24.1 per cent. of the Group's total assets as at 30 September 2014 and 31 December 2013, respectively.

Volatility can also lead to losses relating to a broad range of other trading securities and derivatives that the Issuer holds, including swaps, futures, options and structured products.

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

Loans more than 90 days past due represented 33.0 per cent. of the Issuer's loans as at 30 September 2014, compared to 29.4 per cent. as at 31 December 2013. The effect of the economic crisis in Greece and adverse macroeconomic conditions in the countries in which the Issuer operates may result in further adverse effects on the credit quality of the Issuer's borrowers, with increasing delinquencies and defaults. As at 30 September 2014, the Issuer had cumulative provisions for impairment losses on loans and advances to customers of €9,163 million, an increase of €1,275 million compared to 31 December 2013. Any further deterioration in the credit quality of the Issuer's loan portfolio, and any resulting increase in delinquencies and defaults, could lead the Issuer to further increase its provision for impairment losses, which could have a material adverse effect on the Issuer's capital position, financial condition and results of operations. Moreover, as a result of the financial crisis, and for the protection of the weaker debtors, foreclosure actions have been suspended until 31 December 2014, in cases involving the primary residence of an individual (see "*Regulation and Supervision of Banks in Greece*").

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

Interest rates are highly sensitive to many factors beyond the Issuer's control, including monetary policies and domestic and international economic and political conditions. Events in the future could alter the interest rate environment in Greece and the other markets in which the Group operates. Cost of funding is especially at risk for the Issuer due to increased Eurosystem funding and the tight liquidity conditions in the Greek domestic deposit market.

As with any bank, changes in market interest rates may affect the interest rates the Issuer earns on its interest earning assets differently than the interest rates the Issuer pays on its interest bearing liabilities. This difference could reduce the Issuer's net interest income. Since the majority of the Issuer's loan portfolio effectively re-prices within a year, rising interest rates may also result in an increase in the Issuer'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 Issuer's clients' capacity to repay in the current economic circumstances. Conversely, an environment of falling or very low interest rates may likely alleviate the aforementioned risks, as it may improve both the clients' ability to refinance and capacity to service or repay their loans.

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

Potential adverse macroeconomic developments in Greece, such as a further decline in GDP or a further increase in unemployment, would place additional pressure on the Issuer's fee-generating businesses, including the Issuer's insurance, mutual funds, capital markets, network fees and lending businesses, and their contributions to the Issuer's overall profitability. During Greece's economic crisis, the Issuer's fee and commission income decreased from 0.9 per cent. of total assets in 2007 to 0.4 per cent. in 30 September 2014. The Issuer's fee and commission income is highly correlated to the macroeconomic environment and market performance generally, and any deterioration in the macroeconomic environment in Greece or market conditions generally could have a material adverse effect on the Issuer's fee-generating businesses.

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

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

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. In some countries, the laws offer significantly less protection for creditors than the bankruptcy regime in the United States. 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.

The Issuer'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. As a result of these and other on-going and possible future changes in the financial services regulatory landscape framework (including requirements imposed by virtue of the Issuer's participation in any government or regulator-led initiatives, such as the Hellenic Republic bank support scheme), the Issuer expects to face greater regulation in Greece and New Europe. Compliance with such regulations may increase the Issuer's capital requirements and costs, heighten Bank Support Plan), the Issuer may face stricter regulation. 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.

For example, regulation of the banking industry in Greece has changed in recent years largely as a result of Greece's implementation of applicable EU directives and in response to the economic crisis in Greece. During 2011 and the beginning of 2012, the Bank of Greece issued a series of Governor's Acts (GA/Bank of Greece) aiming to further strengthen the regulatory framework of financial institutions and to incorporate specific European guidelines. In June 2013, the European Parliament and the Council adopted Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, and Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, which incorporates respective amendments that have been proposed by the Basel Committee for Banking Supervision (the "Basel Committee") ("Basel III"). The majority of the provisions of Directive 2013/36/EU was enacted in Greece pursuant to Greek law 4261/2014 (see also "*Regulation and Supervision of Banks in Greece*").

The new regime amends current rules on the capital requirements for banks and investment firms, aiming to further transpose into EU law the Basel III requirements, including rules regarding capital requirements, capital conservation and buffers, and liquidity and leverage. The rules have been in force since 1 January 2014, with full implementation on 1 January 2019.

In addition, the Solvency II Directive (2009/138/EC) is a fundamental review of the capital adequacy regime for the European insurance industry. This directive entered into force on 1 January 2014, but because the Omnibus II Directive, which directly effects the implementation date of Solvency II, has not yet been approved, implementation is now expected to be delayed until 2016. Once implemented, the capital structure and overall governance of the Group's life insurance business will change significantly, and this may have an adverse impact on the Issuer's business, financial condition, results of operations and prospects. For additional information see "*Regulation and Supervision of Banks in Greece*").

Furthermore, the revised definitions and policies relating to restructured and non-performing loans and predetermined processes for calculating risk parameters announced by the ECB pursuant to the ECB Assessment and the ECB's assumption of prudential supervisory duties as part of the SSM may differ from those already used by the Issuer's management and may affect credit risk monitoring. As a result, the ECB Assessment may reflect a different credit quality than the existing credit quality of the Issuer's loan portfolio.

Compliance with these new requirements may increase the Issuer's regulatory capital and liquidity requirements and costs and the Issuer's disclosure requirements, restrict certain types of transactions, affect the Issuer's strategy and limit or require the modification of rates or fees that the Issuer charges on certain loan and other products, any of which could lower the return on its the Group's investments, assets and equity. Eurobank may also face increased compliance costs and limitations on the Issuer's ability to pursue certain business opportunities. The new regulatory framework may have significant scope and may have unintended consequences for the global financial system, the Greek financial system or the Issuer's business,

including increasing competition, increasing general uncertainty in the markets or favouring or disfavouring certain lines of business. Eurobank cannot predict the effect of any such changes on its business, financial condition, results of operations and prospects.

The planned creation of a deposit guarantee system applicable throughout the European Union may result in additional costs to the Group

The harmonisation of the deposit guarantee systems will represent significant changes to the mechanisms of the deposit guarantee systems currently in force in individual countries. Harmonisation of the deposit guarantee systems contemplates increasing ex ante funding to approximately 75 per cent. of total funds and increasing the target levels of the deposit guarantee systems to 2 per cent. of eligible deposits. Currently, the Greek deposit guarantee system guarantees up to 2.7 per cent. of eligible deposits (one of the highest in the EU).

If the contributions by the European Commission for the deposit guarantee scheme are higher than the ones currently in place in Greece and in the other countries in which the Issuer operates this may result in the Issuer increasing its contributions in this scheme which in turn may adversely affect the Issuer's operating results.

Although the harmonisation of the deposit guarantee systems is currently expected to maintain the level of coverage at €100,000, the pressure on the EU authorities to simplify eligibility criteria and put swifter payment procedures in place may lead to additional adjustments in the level and scope of coverage, resulting in higher bank contributions to the deposit guarantee schemes.

The new framework on bank recovery and resolution may adversely affect the rights of the creditors and shareholders of the Issuer, the Issuer's financial condition, results of operations and prospect

The Council of the European Union has adopted a Bank Recovery and Resolution Directive which is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The implementation of the Directive or the taking of any action under it could materially affect the value of any Covered Bonds.

On 6 May 2014, the Council of the European Union adopted a Directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU) (the Bank Recovery and Resolution Directive or BRRD). The BRRD was published in the Official Journal of the EU on 12 June 2014 and came into force on 2 July 2014.

The Directive provides for either the reorganisation or the liquidation of credit institutions facing financial difficulties and the allocation of the losses to their shareholders and creditors and the establishment of a single resolution fund which would be financed by bank levies raised at national level. The new framework may materially and adversely affect the rights of creditors and shareholders of the Bank, as well as the Issuer's financial condition, results of operations and prospects (for a detailed analysis of the proposed framework please see "*Regulation and Supervision of Banking in the Hellenic Republic*").

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

In addition to the Issuer's operations in Greece, the Issuer has substantial operations in Bulgaria, Romania, Serbia, Cyprus and Luxembourg. The Group's international operations accounted for 14.7 per cent. of its €51.8 billion gross loans as at 30 September 2014 (compared to 15 per cent. as at 31 December 2013) and 27.1 per cent. of its net interest income for the period ended 30 September 2014 (compared to 34.5 per cent. for the period ended 30 September 2013). The Group's international operations are exposed to the risk of adverse political, governmental or economic developments in the countries in which the Group 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 Issuer’s business, results of operations and financial condition. The Issuer’s international operations also expose the Issuer to foreign currency risk. A decline in the value of the currencies in which the Issuer’s international subsidiaries receive their income or value their assets relative to the value of the euro may have an adverse effect on the Issuer’s results of operations and financial condition.

The debt crisis in Cyprus and the sustainability problems which its financial sector faces, the consequences of which cannot be immediately and accurately determined, may adversely affect the Issuer’s business, financial condition, results of operations and prospects

On 25 March 2013, the European Commission reached an agreement with the Government of Cyprus, regarding a programme of macroeconomic adjustment, aiming at re-establishing the viability of the financial sector and implementing fiscal reforms for the following years. As part of this programme, Cyprus will receive €10 billion and two of the largest banks in Cyprus, Cyprus Popular Bank and Bank of Cyprus, have been subject to reorganisation measures resulting in the winding up of Cyprus Popular Bank and combining its operations with Bank of Cyprus. In particular, this programme aims to ensure that all deposits below €100,000 are insured and that the domestic banking sector as a percentage of GDP will reach the average of the EU by 2018 and withholding tax on capital returns and the corporate income tax rate will increase. Cyprus and the European Commission in cooperation with the ECB and the IMF, agreed on a memorandum of understanding for this programme in early April 2013, which was enacted by the parliament of Cyprus and intends to fully cover the financing needs of Cyprus for the 2013–2016 period. Nevertheless, additional measures may be necessary in the event of deviations.

As part of the Cyprus programme, Cyprus Popular Bank is under liquidation, as a result of which its depositors with deposits above €100,000 will incur losses and could have deposits over €100,000 wiped out entirely, and with regard to Bank of Cyprus, its depositors with deposits above €100,000 will participate in its recapitalisation by exchanging part of their deposits for Bank of Cyprus shares, which may lead to significant deposit withdrawals when the capital controls cease to be in effect.

As at 30 September 2014, the Issuer’s Cypriot subsidiary Eurobank Cyprus Ltd. had total assets of €4.2 billion. As at 30 September 2014, Eurobank Cyprus Ltd. had total deposits of €3.1 billion, which represented 7.2 per cent. of total deposits of the Group, compared to 6.0 per cent. as at 31 December 2013. As at and for the period ended 30 September 2014, operating income of the Issuer’s Cypriot subsidiary amounted to €52.8 million (after the deduction of intragroup transactions), which represented 3.7 per cent. of the Group’s consolidated operating income.

The consequences from the implementation of the new regime in the Cypriot economy and the financial system of Cyprus as well as the extent of the recession cannot be currently foreseen and may adversely affect the Issuer’s business, financial condition, results of operations and prospects.

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

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

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

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

Eurobank may be unable to recruit or retain experienced and/or qualified personnel

The Issuer's competitive position depends, in part, on the Issuer's ability to continue to attract, retain and motivate qualified and experienced banking and management personnel. Competition for personnel with relevant expertise is high due to the relatively limited availability of qualified individuals. Under the terms of the Hellenic Republic Bank Support Plan, as currently applicable, the Issuer is prohibited from paying bonuses to the members of the Board of Directors, the Chief Executive Officer and any general managers or their deputies. Furthermore, as a result of the economic crisis and regulatory restrictions on bonus payments, the Issuer is limiting or restricting the bonuses and other performance incentives the Issuer 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 Issuer operates, or manage the Issuer's current personnel successfully, could adversely affect the Issuer'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 Issuer's employees belong to a union, and the Greek banking industry has been subject to strikes over the issues of pensions and wages. Greek bank unions in general participate in general strikes, which have increased. Prolonged labour unrest or collective action in which a significant number of the Issuer's employees participate could have a material adverse effect on the Issuer's operations in Greece, either directly or indirectly, for example on the willingness or ability of the government to pass the reforms necessary to successfully implement the Second Economic Adjustment Programme.

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. Also, 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.

Risks related to the Issuer's business

As a result of its business activities, the Issuer is exposed to a variety of risks, the most significant of which are credit risk, market risk, operational risk and liquidity risk. Failure to control these risks could result in material adverse effects on the Issuer's financial performance and reputation.

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. Therefore the Issuer's management is cautious in the handling of exposure to credit risk. 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 risks 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.

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..

Liquidity Risk

The Group is exposed daily to liquidity risks due to deposit withdrawals, maturity of medium or long term notes, loan draw downs 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, GMRA) result in variations in the levels of liquidity the Bank holds at any point in time.

Since 2011 and due to the Greek debt crisis, Greek banks had to rely on the European Central Bank (ECB) and the Bank of Greece (BoG) for a significant part of their funding requirements. In December 2013 the financing received by the ECB and the BoG, net of related costs, amounted to €16.9 billion compared to €28.9 billion as at December 2012 and €32.2 billion as at 31 December 2011. This funding need was reduced significantly by September 2014 when it stood at €9.1 billion.

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

Eurobank is exposed to the risk of fraud and illegal activities

Like all financial institutions, the Issuer is exposed to risks of fraud and other illegal activities, which, could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects. Although the Issuer believes 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 Issuer believes that its current anti-money laundering and anti-terrorist financing policies and procedures are adequate to ensure compliance with applicable legislation, the Issuer 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 Banks workers in all circumstances. A violation, or even any suspicion of a violation, of these rules may have serious legal and financial consequences, which could have a material adverse effect on the Issuer's business, reputation, financial condition, results of operations and prospects.

Eurobank's economic hedging may not prevent losses

If any of the variety of instruments and strategies that the Issuer uses to economically hedge its exposure to market risk is not effective, the Issuer may incur losses. Many of the Issuer's strategies are based on historical trading patterns and correlations. Unexpected market developments therefore may adversely affect the effectiveness of the Issuer's hedging strategies. Moreover, the Issuer does not economically hedge all of its risk exposure in all market environments or against all types of risk. The Group is exposed to several types of risk including, but not limited to, counterparty risk, which is taken into consideration in the valuation of the fair values of the various items, or currency risk from the Issuer's participations in certain non Eurozone foreign subsidiaries, where currency derivatives against local currencies may be unavailable. Even when the Issuer is able to hedge certain of its risk exposures, the methodology by which certain risks are economically hedged may not qualify for hedge accounting, which may result in additional volatility in the Group's income statement.

Transactions in the Issuer's own portfolio involve risks.

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

The Group's operational systems and networks have been, and will continue to be, vulnerable to an increasing risk of continually evolving cybersecurity or other technological risks, which could result in the disclosure of confidential client or customer information, damage to the Group's reputation, additional costs to the Group, regulatory penalties and financial losses

A significant portion of the Group's operations relies heavily on the secure processing, storage and transmission of confidential and other information, as well as the monitoring of a large number of complex transactions on a real time basis. The Group stores an extensive amount of personal and client specific information for its retail, corporate and governmental customers and clients and must accurately record and reflect their extensive account transactions. The proper functioning of the Issuer's payment systems, financial and sanctions controls, risk management, credit analysis and reporting, accounting, customer service and other information technology systems, as well as the communication networks between its branches and main data processing centres, are critical to the Issuer's operations. These activities have been, and will continue to be, subject to an increasing risk of cyber attacks, the nature of which is continually evolving. The Group's computer systems, software and networks have been and will continue to be vulnerable to unauthorised access, loss or destruction of data (including confidential client information), account takeovers, unavailability of service, computer viruses or other malicious code, cyber attacks and other events. These threats may derive from human error, fraud or malice on the part of employees or third parties, or may result from accidental technological failure. If one or more of these events occurs, it could result in the disclosure of confidential client information, damage to the Group's reputation with its clients and the market, additional costs to the Group (such as repairing systems or adding new personnel or protection technologies), regulatory penalties and financial losses, to both the Group and its clients. Such events could also cause interruptions or malfunctions in the operations of the Group (such as the lack of availability of the Group's online banking systems), as well as the operations of its clients, customers or other third parties. Given the volume of transactions the Group processes, certain errors or actions may be repeated or compounded before they are discovered and rectified, which would further increase these costs and consequences.

In addition, third parties with which the Group does business may also be sources of cybersecurity or other technological risks. The Group outsources a limited number of supporting functions, which involve the storage and processing of customer information. Although the Group adopts a range of actions to eliminate the exposure resulting from outsourcing, such as not allowing third party access to the active IT systems and operating a highly controlled IT environment, unauthorised access, loss or destruction of data or other cyber incidents could occur, resulting in costs and consequences to the Group similar to those discussed above. While the Group maintains insurance coverage that may, subject to policy terms and conditions, cover certain aspects of cyber risks such as fraud and financial crime, such insurance coverage may be insufficient to cover all losses.

Eurobank'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 decline. Furthermore, the number of high credit quality customers of the Group, and for which

the Group competes, is limited. Developments in the Issuer's loan portfolio will be affected mainly by, among other factors, the health of the Greek economy and the successful implementation of the Second Economic Adjustment Programme. The continuing decline in the Issuer's loan portfolio, in combination with past due loans, may limit the Issuer's net interest income, which could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Additional taxes may be imposed on the Group

Law 4110/2013 imposed an increase in the tax rate for legal entities from 20 per cent. to 26 per cent. for fiscal years 2013 and onwards. In addition, the Greek income tax regime has been reformed pursuant to Law

4172/2013, which applies to income and profits earned as at 1 January 2014. 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. For unaudited tax years from tax year 2011 and onwards, Group entities in Greece that have obtained an “unqualified” annual tax certificate from statutory auditors, may be under certain conditions subject to a tax re-audit from tax authorities within specific deadlines. For the year ended 31 December 2011, any “re audit” conducted by the Ministry of Finance should have been completed by 30 April 2014. Since this deadline has expired and provided that no tax issues had been identified in the tax authorities’ potential re audits, the tax audit for the year ended 31 December 2011 is considered final, subject to certain reservations (e.g. further tax audits may be effected only if there is evidence of, or information regarding breaches of the money laundering legislation, forced or fictitious invoices, transactions with non existent companies or breaches of transfer pricing rules, which the first tax audit has not identified).

Any additional taxes imposed on the Issuer in the future, or any increases in tax rates, may have a material adverse effect on the Issuer’s business, financial condition, results of operations and prospects.

Risks relating to the Acquisitions

Potential liabilities may result in a write down of assets, charges or other expenses that are higher than expected

In the process of integrating New TT HPB and New Proton Bank (the **Acquired Businesses**), the Issuer may discover issues relating to the Acquired Businesses, including legal, regulatory, control, compliance and operational issues, that may have a material adverse effect on the Issuer’s business, results of operations, financial condition and reputation. In particular, the decision regarding which assets would be transferred to New TT HPB and New Proton Bank upon the break up of Hellenic Postbank and Proton Bank, respectively, was made by the Bank of Greece without the Issuer’s participation. In addition, the values of some of the assets of New TT HPB and New Proton Bank have further deteriorated since the Issuer acquired those businesses.

Events and circumstances leading to the acquisitions of New TT HPB and New Proton Bank were such that the Issuer is not able, despite its best efforts, to apply the Issuer’s normal due diligence procedures to the operations, risks, uncertainties, liabilities, assets and prospects of the businesses acquired. The Issuer was therefore unable to verify the accuracy and completeness of the information provided to the Issuer prior to the relevant acquisitions. Despite the passage of time and the partial integration of those businesses into the Issuer’s Group, Eurobank may still be unaware of material liabilities, risks and uncertainties relating to those businesses. As a result, liabilities associated with any or all of the Acquired Businesses, including provisions, may be substantial and may exceed the amount of liabilities the Issuer initially anticipated.

Eurobank’s assessment of the risks presented by the Acquisitions may not be accurate. Should circumstances arise that the Issuer did not identify, anticipate or correctly evaluate, any necessary provisions, write downs, charges or other expenses could be significant and could lead to significant losses, which could have a material adverse effect on the Issuer’s business, financial condition, results of operations and prospects.

The historical financial information Eurobank includes in this Prospectus are not necessarily representative of the results of operations the Issuer would have achieved as a stand alone company and may not be reliable indicators of the Issuer’s future results

The Issuer’s historical financial and other statistical data included elsewhere in this Prospectus do not reflect the financial condition, results of operations or cash flows the Issuer would have achieved as a stand alone

company, following the integration of the Acquired Businesses, during the periods presented or those the Issuer will achieve in the future. This is primarily the result of the following factors:

- the Issuer's historical financial and other data for the year ended 31 December 2013 reflects the New TT HPB Acquisition and the New Proton Bank Acquisition only from the time of acquisition by the Bank; and
- the financial and statistical information we present elsewhere in this Prospectus does not include certain important historical financial information relating to the Acquisitions.

Accordingly, the historical financial information included elsewhere in this Prospectus may not reflect what the Issuer's results of operations and financial condition would have been had the Issuer been a combined entity during the entirety of the periods presented, or what the Issuer's results of operations and financial condition will be in the future, which may be materially different from amounts reflected in the Issuer's consolidated historical financial information presented in this Prospectus. As a result of the Acquisitions, the financial information presented in this Prospectus, including the Issuer's historical financial statements, is not indicative of the Issuer's future results of operations and financial condition, and it will be difficult for investors to compare the Issuer's future results to historical results or to evaluate the Issuer's relative performance or trends in the Issuer's business.

A failure to integrate the Acquired Businesses effectively and in a timely manner could adversely affect the Issuer's business

Mergers and acquisitions involve a number of risks inherent in assessing the value of the acquired assets and the profitability of merger or acquisition candidates, as well as their operational advantages and disadvantages, including:

adverse short term effects of mergers and acquisitions on operating results;

- the need for management and other personnel resources to pay close attention to the completion of the merger or the acquisition at the expense of their other responsibilities;
- the importance of retaining key personnel;
- failure to retain customers of the Acquired Businesses; and
- risks associated with unanticipated problems, including unanticipated expenses.

In addition to the usual risks relating to mergers and acquisitions, problems may appear during the integration of the operations of the Acquired Businesses, including their IT systems, with the Issuer's own, and the Issuer may face difficulties managing an integration process of this magnitude in light of the size of the Acquired Businesses and their impact on the size of the Group.

Although the Issuer has acquired and successfully integrated several banks in the past, the Issuer could encounter significant unexpected difficulties or incur material unexpected expenditures in connection with the integration of the Acquired Businesses. In particular, the Issuer will likely face costs, which may be material, associated with operating separate IT systems in parallel until the Issuer is able fully to integrate or standardise the various IT systems employed by the Issuer and the Acquired Businesses. The failure to integrate the Acquired Businesses successfully and on a timely and efficient basis, as well as to achieve expected income return and to capitalise on funding synergies to achieve economies of scale, could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

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

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

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Covered Bonds, the merits and risks of investing in the Covered Bonds and the information contained or incorporated by reference in this Base Prospectus and any applicable supplement and/or Final Terms;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Covered Bonds and the impact the Covered Bonds will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Covered Bonds, including Covered Bonds with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Covered Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

Risks related to the Covered Bonds

Extendable obligations under the Covered Bonds

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

The applicable Final Terms may provide that the Issuer's obligations under the relevant Covered Bonds to pay the Principal Amount Outstanding on the relevant Final Maturity Date may be deferred past the Final Maturity Date until the Extended Final Maturity Date (as specified in the Final Terms) (such date the **Extended Final Maturity Date**). In such case, such deferral will occur automatically if the Issuer fails to pay any amount representing the amount due on the Final Maturity Date as set out in the Final Terms (the **Final Redemption Amount**) in respect of the relevant Series of Covered Bonds on their Final Maturity Date provided that, any amount representing the Final Redemption Amount due and remaining unpaid on the Final Maturity Date may be paid by the Issuer on any Interest Payment Date thereafter up to (and including) the relevant Extended Final Maturity Date. Interest will continue to accrue and be payable on any unpaid amounts on each Interest Payment Date up to the Extended Final Maturity Date in accordance with the Conditions and the Issuer (or the Servicer on its behalf) will make payments on each relevant Interest Payment Date and Extended Final Maturity Date.

Appointment of a replacement Servicer

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

In the event that no substitute servicer is appointed pursuant to the Transaction Documents, continuation of the servicing is ensured as follows:

- In the event of the Issuer's insolvency under Greek Law 4261/2014, including the appointment of an administrator (Epitropos) pursuant to article 137 of Greek Law 4261/2014, the order for the implementation of any other resolution measure pursuant to article 139 of Greek Law 4261/2014 (share capital increase, mandatory transfer of assets, establishment of an interim credit institution) or the placing of the Issuer under special liquidation pursuant to article 145 of Greek Law 4261/2014, the Bank of Greece may appoint a servicer, if the Trustee fails to do so. Any such person appointed shall be obliged to service the Cover Pool in accordance with the terms of the Servicing and Cash Management Deed. Such replacement might not be made immediately upon the Issuer's insolvency.

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

Limited description of the Cover Pool

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

- (i) the Issuer assigning Additional Cover Pool Assets to the Cover Pool; and
- (ii) the Issuer removing Cover Pool Assets from the Cover Pool or substituting existing Cover Pool Assets in the Cover Pool with Additional Cover Pool Assets.

There is no assurance that the characteristics of the Loan Assets assigned to the Cover Pool will be the same as those Loan Assets in the Cover Pool as at that date. However, each Loan Asset will be required to meet the Individual Eligibility Criteria and be subject to the representations and warranties set out in the Servicing and Cash Management Deed. In addition, the Nominal Value Test is intended to ensure that the Principal Amount Outstanding of all Series of Covered Bonds, together with all accrued interest thereon, is not greater

than 80 per cent. of the Nominal Value of the Cover Pool for so long as Covered Bonds remain outstanding (although there is no assurance that it will do so) and the Asset Monitor will provide an annual agreed upon procedures report on the required tests by the Bank of Greece (including Nominal Value Test) where exceptions, if any, will be noted.

Ratings of the Covered Bonds

The credit ratings assigned to the Covered Bonds address:

- (i) the probability of default and loss given default; and
- (ii) the likelihood of ultimate payment of principal in relation to Covered Bonds on (a) the Final Maturity Date thereof.

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

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

Rating Agency Confirmation in respect of Covered Bonds

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

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

any other person or create any legal relations between the Rating Agencies and the Issuer, the Trustee, the Secured Creditors (including the Covered Bondholders) or any other person whether by way of contract or otherwise.

Any such Rating Agency Confirmation may or may not be given at the sole discretion of each Rating Agency. It should be noted that, depending on the timing of delivery of the request and any information needed to be provided as part of any such request, it may be the case that a Rating Agency cannot provide a Rating Agency Confirmation in the time available or at all, and the Rating Agency will not be responsible for the consequences thereof. Such confirmation, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time, and in the context of cumulative changes to the transaction of which the securities form part since the issuance closing date. A Rating Agency Confirmation represents only a restatement of the opinions given, and is given on the basis that it will not be construed as advice for the benefit of any parties to the transaction.

Covered Bonds not in physical form

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

- result in payment delays on the Covered Bonds because distributions on the Covered Bonds will be sent by or on behalf of the Issuer to Euroclear or Clearstream, Luxembourg instead of directly to Covered Bondholders;
- make it difficult for Covered Bondholders to pledge the Covered Bonds as security if Covered Bonds in physical form are required or necessary for such purposes; and
- hinder the ability of Covered Bondholders to resell the Covered Bonds

Covered Bonds issued under the Programme

Covered Bonds issued under the Programme will either be fungible with an existing Series of Covered Bonds or have different terms to an existing Series of Covered Bonds (in which case they will constitute a new Series). All Covered Bonds will rank *pari passu* and rateably without any preference or priority among themselves, irrespective of their Series, except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Following the occurrence of an Event of Default and service by the Trustee of a Notice of Default, the Covered Bonds of all outstanding Series will become immediately due and payable against the Issuer.

Further Issues

In order to ensure that any further issue of Covered Bonds under the Programme does not adversely affect existing Covered Bondholders:

- (i) the Statutory Tests will be required to be met both before and immediately after any further issue of Covered Bonds; and
- (ii) on or prior to the date of issue of any further Covered Bonds, the Issuer will be obliged to notify the Rating Agencies.

Obligations under the Covered Bonds

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

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

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

- (i) (other than in respect of a Series Reserved Matter) provided that the Trustee is of the opinion that such modification, waiver or authorisation will not be materially prejudicial to the interests of any of the Covered Bondholders; or
- (ii) which in the sole opinion of the Trustee is of a formal, minor or technical nature or is to correct a manifest error or an error which is, in the opinion of the Trustee, proven,

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

Certain decisions of Covered Bondholders taken at Programme level

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

Absence of secondary market

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

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

In addition, the current liquidity crisis has stalled the primary market for a number of financial products including instruments similar to the Covered Bonds. While it is possible that the current liquidity crisis may soon alleviate for certain sectors of the global credit markets, there can be no assurance that the market for

securities similar to the Covered Bonds will recover at the same time or to the same degree as such other recovering global credit market sectors.

Credit ratings may not reflect all risks

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

General legal investment considerations

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

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

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

Covered Bonds subject to optional redemption by the Issuer

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

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

If the Issuer has the right to convert the interest rate on any Covered Bonds from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Covered Bonds concerned

If the Issuer has the right to convert the interest rate on any Covered Bonds from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Covered Bonds concerned. Fixed/Floating Rate Covered Bonds are Covered Bonds which Fixed/Floating Rate Covered Bonds may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Covered Bonds since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Covered Bonds may be less favourable than then prevailing spreads on comparable Floating Rate Covered Bonds tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Covered Bonds. If the Issuer

converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than the prevailing market rates.

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

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

Risks in relation to Pass-Through Covered Bonds

If as a result of the occurrence of an Issuer Event a Series of Covered Bonds becomes a series of Pass-Through Covered Bonds, there is a risk that Covered Bondholders of such series receive principal repayments earlier than expected, which may result in a lower yield on such Covered Bondholders' investment than expected.

If as a result of the occurrence of a breach of the Amortisation Test all Series of Covered Bonds become Pass-Through Covered Bonds, there is a risk that, as a consequence of all Covered Bonds becoming Pass-Through Covered Bonds, the speed of repayment of such Pass-Through Covered

Bonds will be reduced, because the available funds for repayment will be divided pro rata with respect to all Covered Bonds. In such case, it is likely that the repayment of such Covered Bonds will take longer. Covered Bondholders should be aware that the period in which the Issuer can repay Covered Bonds on a pass-through basis is designed to match the underlying maturities of the loans comprising the Cover Pool and as a result any Series of Pass-Through Covered Bonds may take a considerable time to be redeemed in full.

General risk factors

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

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

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

Insurance

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

Suspension of Enforcement Proceedings

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

However, a Borrower may delay enforcement against the relevant property by contesting the order for payment and/or the procedure for enforcement which in turn will delay the receipt of proceeds from an enforcement against the property by the Issuer after the relevant Loan has been terminated. A Borrower can file a petition of annulment against the order for payment pursuant to Articles 632-633 of the Greek Civil Procedure Code (an **Article 632-633 Annulment Petition**) with the relevant Court of First Instance within 15 business days after service of the order for payment contesting the substantive or procedural validity of the order of payment. If the Borrower fails to contest the order for payment, the order may be served again on the Borrower and a further 10 business days are available to the Borrower to file an Article 632-633 Annulment Petition. The order for payment will be final either if both terms of 15 and 10 business days elapse or if the Court of Appeal rejects the Article 632-633 Annulment Petition.

The filing of an Article 632-633 Annulment Petition entitles the Borrower to file a petition for suspension of the enforcement against the relevant property pursuant to Article 632 of the Greek Civil Procedure Code (an **Article 632 Suspension Petition**). Upon filing an Article 632 Suspension Petition, enforcement procedures may be suspended until the hearing of the Article 632 Suspension Petition, which takes place approximately one to two months after the Article 632 Suspension Petition has been filed. Following the issue of a decision in relation to the hearing of the Article 632 Suspension Petition (which itself can take up to approximately two months to be issued), enforcement may be suspended until the Court of First Instance has issued an official decision in respect of the Article 632-633 Annulment Petition. This can take up to approximately 20 months after the decision in respect of the Article 632 Suspension Petition. In some cases, suspension of enforcement may be granted until the Court of Appeal reaches a final decision which means an additional delay in enforcement of approximately 12 months. The procedure can take up to approximately four and a half years from the issue of a decision in relation to the Article 632 Suspension Petition if the Borrower requests adjournments of the hearings for the Article 632-633 Annulment Petition before the Court of First Instance and Court of Appeal, up until the decision of the latter.

The Borrower may also file with the relevant Court of First Instance a petition for the annulment of certain actions of the foreclosure proceedings based on reasons pertaining to both the validity of the order of payment and to procedural irregularities (an **Article 933 Annulment Petition**) pursuant to Article 933 of the Greek Civil Procedure Code. Both Annulment Petitions may be filed either concurrently or consecutively, but it should be noted that the Article 632-633 and Article 933 Annulment Petitions may not be based on reasons pertaining to the validity of the order for payment, once the order for payment has become final as mentioned above. The time for the filing of an Article 933 Annulment Petition varies depending on the foreclosure action that is contested.

The filing of an Article 933 Annulment Petition entitles the Borrower to file a petition for the suspension of the enforcement until the decision of the Court of First Instance on the annulment motion is issued pursuant to Article 938 of the Greek Civil Procedure Code (an **Article 938 Suspension Petition**). Again, foreclosure proceedings may be suspended until the hearing of the Article 938 Suspension Petition, which, in a normal case where the Borrower seeks the suspension of the auction, takes place five days prior to the auction and the relevant decision is issued two days prior to the auction. It should nevertheless be noted that such suspension is more difficult to obtain if the Court has already rejected a suspension requested for similar

reasons under Article 632. However, it is to be noted that the initial auction price cannot be less than the taxable (“objective”) value of the property (set out in accordance with articles 41 and 41a of Greek Law 1249/1982 as amended) pursuant to Greek Law 3714/2008, article 2.

The Borrower may seek the postponement of the auction by alleging that the value of the property has been underestimated by the enforcing party or that the fixed first offer is too low. While at present the "objective" values of properties are on average lower than their commercial values, there can be no assurance that in the future this will continue to be the case. Furthermore, suspension of the auction for up to six months may be sought by the Borrower, on the grounds that there is a good chance of the Borrower being able to satisfy the enforcing party or that, following the suspension period, a better offer would be received at auction.

Once the allocation of proceeds amongst the creditors of the Borrower has been determined pursuant to a deed issued by a notary public, the creditors of the Borrower may dispute the allocation and file a petition contesting the deed. The Court of First Instance will adjudicate the matter but the relevant creditor is entitled to appeal against the decision to the Court of Appeal. This procedure may delay the collection of proceeds for up to two and a half years. This can further delay the time at which the Issuer finally receives the proceeds of the enforcement of the relevant property. However, the law provides that a bank is entitled to the payment of its claim even if its allocation priority is subject to a challenge, provided that the bank provides a guarantee securing repayment of the money in the event that such challenge is upheld. In addition, there is a period of mandatory suspension for all enforcement procedures between 1 and 31 August of each year, except for auctions, which cannot be conducted between 1 August and 15 September of each year.

Moreover, according to article 2 of Law 4224/2013 which was published on December 31, 2013, from January 1, 2014 until December 31, 2014 enforcement of auctions concerning the primary residence declared as such in their last income tax return of individuals are suspended provided that their objective value does not exceed the amount of €200,000, and that the following criteria are cumulatively met; (a) the debtor's family annual declared income excluding social security contributions, income tax and the one-off solidarity contributions is equal or lower than €35,000; (b) the total value of the debtor's assets and property does not exceed the amount of €270,000; and (c) the total value of the debtor's deposits and investments in securities in Greece and abroad as of November 20, 2013 does not exceed the amount of €15,000. Those properties that do not fall under the criteria of the above law are no longer protected from foreclosure and auction proceedings. During the aforementioned suspensions, debtors are obliged to pay monthly instalments. Nevertheless, in exceptional cases (e.g., debtors with no income), there is an option of zero amount payments. The aforementioned restriction may be re-introduced with the same or different criteria. For further details, see “*Restrictions on Enforcement of Granted Collateral*” below.

Rescheduling of the Business Debts of individuals and legal entities

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

Rescheduling of debts of distressed debtors

Law 3869/2010 of the Hellenic Republic (published in the Government Gazette issue No. A/130/3.8.2010) regulates the readjustment of overdue debts of individuals that do not have the ability to be declared bankrupt pursuant to general bankruptcy provisions under Greek law. Eligible individuals are only those who are in permanent financial inability to repay their overdue debts. Debts that have been undertaken during the year preceding the filing of the application with the competent Justice of Peace and debts that derive from malicious torts, administrative fines, taxes, state levies and social security contributions are excluded from the scope of the law. This law may have an adverse effect on the timing and amount of collections under

certain loans concluded with borrowers that fall under the scope and make use of its provisions, which may in turn affect the Issuer's ability to meet its obligations in respect of the Covered Bonds. For further details, see "*Settlement of Amounts Due by Indebted Individuals*" below.

On 15 November 2014, the Hellenic Parliament introduced a new set of measures for the restructuring of non-performing loans. In particular, Greek law 4307/2014 (Government's Gazette A, 246/15.11.2014), allows for a restructuring agreement between the debtor and its creditors. *Inter alia*, the restructuring measures thereof may include the partial write-off of debt, the extension of the repayment period and the conversion of receivables into equity. According to the provisions of the aforementioned law, small businesses and professionals may file an application to the relevant credit institution requesting the write-off and/or settlement of their debt if they cumulatively meet the following criteria:

- (a) they have not filed an application for submission to the provisions of Greek Law 3869/2010, and they have not validly waived their respective right;
- (b) they have not been dissolved nor have they ceased their activities, and they have bankruptcy capacity;
- (c) they have not filed an application for submission to any procedure provided for in Greek Law 3588/2007 nor have they validly waived their respective right; and
- (d) there is no final judgment issued against them for tax evasion or fraud offences against the State.

The amount that the eligible debtors aim to settle has to be overdue towards the relevant credit institution for a period of more than 90 days. In addition, the debtor has to either be unable to obtain tax and social security clearance owing to overdue debts or it must have obtained clearance following settlement pursuant to the provisions of Greek Law 4305/2014. Also, the amount which is due to be settled cannot exceed € 500,000 per credit institution.

The debtor must submit the application for settlement by 31 March 2016. Another prerequisite is that the relevant credit institution must have recorded the relevant loan as non-performing in its books by 31 December 2014. Nevertheless, the credit institution may reject the debtor's application or propose the write-off and/or settlement of the amount due under different terms.

In addition to the above, a debtor may apply to the competent court until 31 March 2016 for the settlement of its aggregate banking debts, if it complies with the following requirements:

- (e) it has bankruptcy capacity;
- (f) its principal place of business is situated in Greece;
- (g) it receives the consent of creditors representing at least: i) 50.1% of all its debts; ii) 50.1% of its debts are secured *in rem* or by virtue of any other security. Moreover, in case there are multiple creditors, at least two credit institutions, whose claims represent combined at least 20% of the debtor's outstanding total obligations, need to provide their consent to this settlement; and
- (h) it has settled any outstanding amount owed to the tax authorities or the social security funds.

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.

Furthermore, pursuant to the provisions of Greek Law 4307/2014, the creditors may file an application with the court of first instance of the debtor's principal place of business for the latter one's submission to special administration. In order for such an application to be filed, the debtor must: i) have bankruptcy capacity; ii) have its principal place of business situated in Greece; have ceased servicing its loan payments (according to article 3 para. 1 of the Greek Law 3588/2007); and iv) in case the debtor is a company limited by shares, it must fulfill the requirements of article 48 para. 1 of Codified Law 2190/1920 for its dissolution for two consecutive years.

Notwithstanding these, the creditors must: i) include at least one credit institution; ii) represent at least 40% of the total amount of debt according to the debtor's latest financial statements; and iii) submit along with the application a statement by virtue of which the entity/person proposed for the role of the administrator accepts such mandate. The duration of this special administration procedure shall be 12 months maximum, starting from the issuance of the court's decision.

Auction Proceeds

The proceeds of an auction following enforcement against a property securing a Loan must be allocated in accordance with Articles 975 and 976 of the Greek Civil Procedure Code. These Articles require the notary public which acted as the auction clerk to deduct the expenses (including legal, bailiff's and notarial fees) incurred in connection with the enforcement from the proceeds and then to satisfy, in priority to other claims, (a) claims of the Hellenic Republic against the relevant Borrower arising from value added tax liabilities and surcharges, (b) claims against the relevant Borrower pursuant to employment relationships and contracts for legal and educational services arising in the previous two years, as well as (c) monetary obligations of the Borrower towards social security funds subject to the responsibility of the General Secretariat of Social Security arising until the time of the auction and (d) compensation claims in case of death of the person who was responsible for alimony and compensation claims due to disability more than 67%, provided that they have arisen until the time of the auction. Up to one-third of the remaining proceeds are allocated to the following creditors of the Borrower, to the extent applicable, in the following order:

- (i) claims for hospitalisation and funeral costs of the Borrower and his family arising in the previous 12 months as well as compensation claims against Borrowers, due to disability more than 80%, save for the compensation for moral damages, provided that such claims have arisen until the date of the auction or the declaration of the bankruptcy;
- (ii) costs for the nourishment of the Borrower and his family arising in the previous six months;
- (iii) claims by farmers or farming partnerships arising from the sale of agricultural goods during the previous 24 months;
- (iv) claims of the Greek state and municipal authorities that are due and payable prior to the auction;
- (v) claims by the Athens Exchange Members' Guarantee Fund (if the borrower is or was an investment services company within the meaning of Greek Law 3606/2007 of the Hellenic Republic) arising two years prior to the auction date (this should not be relevant for any Borrower).

The remaining two-thirds of the proceeds are allocated to secured creditors in order of class and date of creation of security and, once these claims have been satisfied, any remaining amounts are allocated to unsecured creditors. Accordingly, the Issuer, as owner of a first-ranking pre-notation could be limited to receiving approximately two-thirds of the proceeds raised by an auction of a property securing a Loan if a claim under Article 975 of the Greek Civil Procedure Code exists. In such case, the proceeds may not be sufficient to discharge the amount that is owed by the Borrower to the Issuer under the Loan, which may in turn affect the Issuer's ability to meet its obligations in respect of the Covered Bonds.

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

Greek Covered Bond Legislation

In Greece, the primary legal basis for Covered Bonds issuance is Article 152 of Law 4261/2014 ("**Primary Legislation**"). This Provision is identical with the Provision of Article 152 of the new repeated Law 3601/2007. The transactions contemplated in this Base Prospectus are based, in part, on the provisions of the Greek Covered Bond Legislation. So far as the Issuer is aware, as at the date of this Base Prospectus there have been six similar issues of securities based upon the Greek Covered Bond Legislation and there has been no judicial authority as to the interpretation of any of the provisions of the Greek Covered Bond Legislation. For further information on the Greek Covered Bond Legislation, see "*Overview of the Greek Covered Bond Legislation*". There are a number of aspects of Greek law which are referred to in this Base Prospectus with which potential Covered Bondholders are likely to be unfamiliar. Particular attention should be paid to the sections of this Base Prospectus containing such references.

Insolvency proceedings and subordination provisions

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

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

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

market value of the Covered Bonds and/or the ability of the Issuer to satisfy its obligations under the Covered Bonds.

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

EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State. On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. They will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which operate a withholding system when they are implemented.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Covered Bond as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

U.S. Foreign Account Tax Compliance Act Withholding

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

Whilst the Covered Bonds are in global form and held within Euroclear Bank SA/NV or Clearstream Banking, société anonyme (together the ICSDs), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs (see "*Taxation – Foreign Account Tax Compliance Act*"). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an

ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Covered Bonds are discharged once it has made payment to, or to the order of, the common depositary or common safekeeper for the ICSDs (as bearer or registered holder of the Covered Bonds) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries. Further, foreign financial institutions in a jurisdiction which has entered into an intergovernmental agreement with the United States (an **IGA**) are generally not expected to be required to withhold under FATCA or an ICA (or any law implementing an IGA) from payments they made.

Changes of law

The structure of the issue of the Covered Bonds and the ratings which are to be assigned to them are based on English and Greek law, respectively, in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible change to English or Greek law or administrative practice in the UK or Greece after the date of this Base Prospectus.

Covered Bonds where denominations involve integral multiples: definitive Covered Bonds

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

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

Exchange rate risks and exchange controls

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

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

Greek Withholding Tax

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

In particular, investors should note that the Greek income taxation framework was recently amended and reformed. A new Greek income tax code was very recently brought into force (by virtue of Law 4172/2013, applicable to income generated as of 1 January 2014, as amended by virtue of Law 4254/2014, effective as of 7 April 2014 and Law 4316/2014 effective as of 24 December 2014). See "Taxation" below for further details. Accordingly, very little (if any) precedent or authority exists as to the application of this new income tax code. Further, non-Greek tax residents may have to submit a declaration of non-residence or produce documentation evidencing non-residence in order to claim any exemption under applicable tax laws of Greece.

Pursuant to article 69 par. 9 of Law 3746/2009, which is applicable to Covered Bonds by virtue of Greek Law 3601/2007, effectively replaced by Greek Law 4261/2014, foreign tax residents (individuals or legal entities) are exempt from any withholding tax on interest payments made on Covered Bonds. However, in the absence of written guidelines, it remains unclear whether the Law 3746/2009 is also applicable to Covered Bonds issued in accordance with Article 152 of Greek Law 4261/2014. If this is not the case, the interest income realised by the above-mentioned holders of Covered Bonds will fall under the scope of application of the new Income Tax Code and will be subject to the following taxation.

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

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

GENERAL DESCRIPTION OF THE PROGRAMME

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

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

PRINCIPAL PARTIES

Issuer	Eurobank Ergasias S.A. (Eurobank or the Issuer) having its registered office at 8 Othonos Street, Athens 10557, Greece.
Arranger	Barclays Bank PLC.
Dealers	Eurobank, Barclays Bank PLC and any other dealers appointed from time to time in accordance with the Programme Agreement as specified in the relevant final terms.
Servicer	<p>Eurobank (in its capacity as the servicer and, together with any replacement servicer appointed pursuant to the Servicing and Cash Management Deed from time to time, the Servicer) will service the Loans and Related Security in the Cover Pool pursuant to the Servicing and Cash Management Deed.</p> <p>The Servicer shall also undertake certain notification and reporting services together with account handling services in relation to moneys from time to time standing to the credit of the Transaction Account and cash management activities (the Servicing and Cash Management Activities) in accordance with the Servicing and Cash Management Deed and the Greek Covered Bond Legislation, including the calculation of the Statutory Tests and the Amortisation Test. See “<i>Servicing and Collection Procedure</i>” below.</p>
Asset Monitor	A reputable firm of independent auditors and accountants, not being the auditors of the Issuer for the time being, appointed pursuant to the Asset Monitor Agreement as an independent monitor to perform tests in respect of (i) the Statutory Tests when required in accordance with the requirements of the Bank of Greece and (ii) the Amortisation Test when required in accordance with the Servicing and Cash Management Deed. The initial Asset Monitor will be Deloitte Hadjipavlou, Sofianos & Cambanis S.A. acting through its office at 250-254 Kifisias Ave., GR 152 31 Halandri, Athens, Greece (the Asset Monitor).
Account Bank	The Bank of New York Mellon acting through its London Branch at One Canada Square, London E14 5AL has agreed to act as account bank (the Account Bank) pursuant to the Bank Account Agreement.

In the event that the Account Bank ceases to be an Eligible Institution, the Servicer will be obliged to transfer the Transaction Account to a credit institution with the appropriate minimum ratings.

Eligible Institution means any bank whose long-term and short-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least Baa3 or P-3 by Moody's and whose long-term and short-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least the DBRS Minimum Rating by DBRS.

Principal Paying Agent	The Bank of New York Mellon acting through its office at One Canada Square, London E14 5AL (the Principal Paying Agent and, together with any agent appointed from time to time under the Agency Agreement, the Paying Agents). The Principal Paying Agent will act as such pursuant to the Agency Agreement.
Registrar	The Bank of New York Mellon (Luxembourg) S.A. (the Registrar). The Registrar will act as such pursuant to the Agency Agreement.
Trustee	The Bank of New York Mellon (International) Limited acting through its office at One Canada Square, London E14 5AL (the Trustee) has been appointed to act as bond trustee for the Covered Bondholders in respect of the Covered Bonds and will also act as security trustee to hold the benefit of all security granted by the Issuer (on trust for itself, the Covered Bondholders and the other Secured Creditors) under the Deed of Charge and the Statutory Pledge granted pursuant to the Greek Covered Bond Legislation. See " <i>Security for the Covered Bonds</i> " below.
Hedging Counterparties	The Issuer may, from time to time, enter into Hedging Agreements with various swap providers to hedge certain currency and/or other risks (each a Covered Bond Swap Provider), interest risks (each an Interest Rate Swap Provider and, together with the Covered Bond Swap Providers, the Hedging Counterparties) associated with the Covered Bonds. The Hedging Counterparties will act as such pursuant to the relevant Hedging Agreements (as defined herein). Each Hedging Counterparty will be required to satisfy the conditions under paragraph I. 2(b)(bb) of the Secondary Covered Bond Legislation.)
Listing Agent	The Bank of New York Mellon (Luxembourg) S.A. (the Luxembourg Listing Agent).
Rating Agencies	Moody's and DBRS and any additional rating agency which may be appointed under the Programme from time to time to provide ratings for a specific issue of Covered Bonds or on an ongoing basis (together, the Rating Agencies and each a Rating Agency).

PROGRAMME DESCRIPTION

Description	Eurobank €5 billion Covered Bond Programme.
Programme Amount	€5 billion (or its equivalent in other currencies determined as described in the Programme Agreement) outstanding at any time as described herein. The Issuer may increase the amount of the Programme in accordance with

the terms of the Programme Agreement.

Issuance in Series

Covered Bonds will be issued in Series, but on different terms from each other, subject to the terms set out in the relevant Final Terms in respect of such Series. Save in respect of the first issue of Covered Bonds, Covered Bonds issued under the Programme will either be fungible with an existing Series of Covered Bonds or have different terms from an existing Series of Covered Bonds (in which case they will constitute a new Series). The Issuer may issue Covered Bonds without the prior consent of the Covered Bondholders pursuant to Condition 16 (*Further Issues*). See “*Conditions Precedent to the Issuance of a new Series or Tranche of Covered Bonds*” below.

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

Final Terms

Final terms (the **Final Terms**) will be issued and published in accordance with the terms and conditions set out herein under “*Terms and Conditions of the Covered Bonds*” (the **Conditions**) prior to the issue of each Series or Tranche detailing certain relevant terms thereof which, for the purposes of that Series only, complete the Conditions and the Base Prospectus and must be read in conjunction with the Conditions and the Base Prospectus. The terms and conditions applicable to any particular Series are the Conditions as completed by the relevant Final Terms.

Conditions Precedent to the Issuance of a new Series or Tranche of Covered Bonds

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

Proceeds of the Issue of Covered Bonds

The gross proceeds from each issue of Covered Bonds will be used by the Issuer to fund its general corporate purposes.

Form of Covered Bonds

The Covered Bonds will be issued in either bearer or registered form, see “*Forms of the Covered Bonds*”. Registered Covered Bonds will not be exchangeable for Bearer Covered Bonds and *vice versa*.

Issue Dates

The date of issue of a Series or Tranche as specified in the relevant Final Terms (each, the **Issue Date** in relation to such Series or Tranche).

Specified Currency

Subject to any applicable legal or regulatory restrictions, such currency or currencies as may be agreed from time to time by the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms).

Denominations

The Covered Bonds will be issued in such denominations as may be

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

Redenomination

Certain Covered Bonds may be redenominated in Euro in accordance with the redenomination provisions set out in Condition 6.8. The applicable Final Terms will set out whether the redenomination provisions of Condition 6.8 are applicable to a particular Series of Covered Bonds.

Fixed Rate Covered Bonds

The applicable Final Terms may provide that certain Covered Bonds will bear interest at a fixed rate (**Fixed Rate Covered Bonds**), which will be payable on each Interest Payment Date and on the applicable redemption date and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms).

Floating Rate Covered Bonds

The applicable Final Terms may provide that certain Covered Bonds bear interest at a floating rate (**Floating Rate Covered Bonds**). Floating Rate Covered Bonds will bear interest at a rate determined:

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions; or
- (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service

as set out in the applicable Final Terms.

The margin (if any) relating to such floating rate (the **Margin**) will be agreed between the Issuer and the relevant Dealer(s) for each issue of Floating Rate Covered Bonds, as set out in the applicable Final Terms.

Other provisions in relation to Floating Rate Covered Bonds

Floating Rate Covered Bonds may also have a Maximum Rate of Interest, a Minimum Rate of Interest or both (as indicated in the applicable Final Terms). Interest on Floating Rate Covered Bonds in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, in each case as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms).

Zero Coupon Covered Bonds

The applicable Final Terms may provide that Covered Bonds, bearing no interest (**Zero Coupon Covered Bonds**), may be offered and sold at a discount to their nominal amount.

Ranking of the Covered Bonds

All Covered Bonds will rank *pari passu* and rateably without any preference or priority among themselves, irrespective of their Series, for all purposes except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Taxation

All payments of principal, interest and other proceeds (if any) on the Covered Bonds will be made free and clear of any withholding or deduction for, or on account of, any taxes, unless the Issuer or any intermediary that intervenes in the collection of interest and other proceeds on the Covered Bonds is required by applicable law to make such a withholding or deduction. In the event that such withholding, or deduction is required by law, the Issuer will not be required to pay any additional amounts in respect of such withholding or deduction.

Status of the Covered Bonds

The Covered Bonds are issued on an unconditional basis and in accordance with Article 152 of Greek Law 4261/2014 (published in the Government Gazette No 107/A/5-5-2014), (**Article 152**) and the Act of the Governor of the Bank of Greece No. 2598/2007, as amended and restated by the codifying Act of the Governor of the Bank of Greece No. 2620/2009 (the **Secondary Covered Bond Legislation** and, together with Article 152 the **Greek Covered Bond Legislation**). The Covered Bonds are backed by assets forming the Cover Pool of the Issuer and have the benefit of a statutory pledge established over assets that are governed by Greek law by virtue of registration statement(s) filed with the Athens Pledge Registry (each a **Registration Statement**) pursuant to paragraph 5 of Article 152 (the **Statutory Pledge**). The form of the Registration Statement is defined in Ministerial Decree No 95630/8-9-2008 (published in the Government Gazette No 1858/B/12-9-2008) of the Minister of Justice. See also “*Overview of the Greek Covered Bond Legislation*” below.

Payments on the Covered Bonds

Payments on the Covered Bonds will be direct and unconditional obligations of the Issuer.

Prior to an Issuer Event and prior to service of a Notice of Default on each Cover Pool Payment Date the Issuer will apply any funds available to it (including, but not limited to, funds arising in relation to the assets comprised in the Cover Pool) to pay all items which are listed in the Pre Event of Default Priority of Payments.

After the occurrence of an Issuer Event (but prior to service of a Notice of Default) on each Cover Pool Payment Date, the Servicer will apply the Covered Bonds Available Funds in accordance with the Pre-Event of Default Priority of Payments.

After the service of a Notice of Default, all funds deriving from the Cover Pool Assets, the Transaction Documents and standing to the credit of the Transaction Account shall be applied on any Athens Business Day in accordance with the Post Event of Default Priority of Payments.

Security for the Covered Bonds

In accordance with the Greek Covered Bond Legislation, by virtue of the Transaction Documents and pursuant to any Registration Statement, the Cover Pool and all cashflows derived therefrom (including any amounts standing to the credit of the Collection Account or Third Party Collection Account) will be available both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Covered Bondholders and the other Secured Creditors in priority to the Issuer’s obligations to any other creditors, until the repayment in full of the Covered Bonds.

In accordance with the Deed of Charge, security will be created for the benefit of the Trustee on behalf of the Secured Creditors in respect of the Hedging Agreements and any other Transaction Documents governed by English law.

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

Receiver means any person or persons appointed (and any additional person or persons appointed or substituted) as an administrative receiver, receiver, manager, or receiver and manager of the Charged Property by the Trustee pursuant to the Deed of Charge.

Charged Property means the property, assets and undertakings charged by the Issuer pursuant to Clause 3 of the Deed of Charge together with, where applicable, the property pledged pursuant to the Statutory Pledge.

Cross-collateralisation and Recourse

By operation of Article 152 and in accordance with the Transaction Documents, the Cover Pool Assets shall form a single portfolio, irrespective of the date of assignment to the Cover Pool and shall be held for the benefit of the Covered Bondholders and the other Secured Creditors irrespective of the Issue Date of the relevant Series. The Covered Bondholders and the other Secured Creditors shall have recourse to the Cover Pool.

The Cover Pool Assets may not be seized or attached in any form by creditors of the Issuer other than by the Trustee on behalf of the Covered Bondholders and the other Secured Creditors.

In order to ensure that the Cover Pool is, at any time, sufficient to meet the payment obligations of the Issuer under the Covered Bonds, the Issuer shall be obliged, within certain limits and upon certain conditions, to effect certain changes to the Cover Pool Assets comprising the Cover Pool. See "*Optional Changes to the Cover Pool*" below.

Issue Price

Covered Bonds of each Series may be issued at par or at a premium or discount to par on a fully-paid basis (in each case, the **Issue Price** for such Series or Tranche) as specified in the relevant Final Terms in respect of such Series.

Interest Payment Dates

In relation to any Series of Covered Bonds, the Interest Payment Dates will be specified in the applicable Final Terms (as the case may be).

Cover Pool Payment Date

The 20th day of each month and if such day is not an Athens Business Day the first Athens Business Day thereafter (the **Cover Pool Payment Date**).

Athens Business Day means a day (other than a Saturday or Sunday) on

which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Athens.

Final maturity and extendable obligations under the Covered Bonds

The final maturity date for each Series (the **Final Maturity Date**) will be specified in the relevant Final Terms as agreed between the Issuer and the relevant Dealer(s). Unless specified otherwise in the Final Terms or previously redeemed as provided in the Conditions, the Covered Bonds of each Series will be redeemed at their Principal Amount Outstanding on the relevant Final Maturity Date. If the Covered Bonds are not redeemed in full on the Final Maturity Date, this will constitute an Issuer Event upon which the Covered Bonds will become Pass Through Covered Bonds with an Extended Final Maturity Date. If the Covered Bonds are not redeemed in full on the Extended Final Maturity Date, then the Trustee shall serve a Notice of Default on the Issuer pursuant to Condition 10 (*Events of Default and Enforcement*). Following the service of a Notice of Default the Covered Bonds of each Series shall become immediately due and payable.

The applicable Final Terms may also provide that the Issuer's obligations under the relevant Covered Bonds to pay the Principal Amount Outstanding on the relevant Final Maturity Date may be deferred past the Final Maturity Date until the extended final maturity date (as specified in the applicable Final Terms) (such date the **Extended Final Maturity Date**). In such case, such deferral will occur automatically if the Issuer fails to pay any amount representing the amount due on the Final Maturity Date as set out in the Final Terms (the **Final Redemption Amount**) in respect of the relevant Series of Covered Bonds on their Final Maturity Date, provided that any amount representing the Final Redemption Amount due and remaining unpaid on the Final Maturity Date may be paid by the Issuer on any Interest Payment Date thereafter up to (and including) the relevant Extended Final Maturity Date. Interest will continue to accrue and be payable on any unpaid amounts on each Interest Payment Date up to the Extended Final Maturity Date in accordance with Condition 5 (*Interest*) and the Issuer (or the Servicer on its behalf) will make payments on each relevant Interest Payment Date and Extended Final Maturity Date.

The Final Redemption Amount will not be less than the Principal Amount Outstanding of the relevant Covered Bonds.

Following service of a Notice of Default, any amount outstanding shall bear interest in accordance with Condition 7.9 (*Late Payment*).

Accumulation Covered Bonds

Following an Issuer Event, each Series of Covered Bonds where, on any relevant date, the Final Maturity Date is not more than 6 months following such date, shall be Accumulation Covered Bonds.

In relation to each Series of Accumulation Covered Bonds, the Issuer shall credit an amount equal to the relevant Pro-Rata Accumulation Amount to the relevant Accumulation Sub-Ledger on each Cover Pool Payment Date prior to the Final Maturity Date of such series of Covered Bonds. Amounts credited to the relevant Accumulation Sub-Ledger will be used to pay amounts due in respect of the Final Redemption Amount in respect of the relevant series of Accumulation Covered Bonds on their

Final Maturity Date.

Pro Rata Accumulation Amount

Pro Rata Accumulation Amount means in respect of any relevant Series of Accumulation Covered Bonds on each Cover Pool Payment Date an amount equal to

$$A \times \frac{B}{C}$$

Where

A = the Covered Bonds Available Funds on such Cover Pool Payment Date minus (i) if the Pro Rata Accumulation Amount is being calculated to determine payments at paragraph (vi) of the Pre-Event of Default Priority of Payments, all amounts due in respect of items (i) to (v) of the Pre-Event of Default Priority of Payments or (ii) if the Pro Rata Accumulation Amount is being calculated to determine payments at paragraph (vii) of the of the Pre-Event of Default Priority of Payments, all amounts due in respect of items (i) to (vi) of the Pre-Event of Default Priority of Payments;

B = the Euro Equivalent of the Principal Amount Outstanding of the relevant Series of Accumulation Covered Bonds less any amount credited to the Accumulation Sub-Ledger in respect of such Series on such Cover Pool Payment Date; and

C = the aggregate of the Euro Equivalent of the Principal Amount Outstanding of all Pass-Through Covered Bonds and Accumulation Covered Bonds which are paid pari passu with the relevant Series of Accumulation Covered Bonds paid in accordance with either paragraph (g) or paragraph (h) of the Pre-Event of Default Priority of Payments, as applicable minus any amounts standing to the credit of the Accumulation Ledger on such Cover Pool Payment Date;

Pass-Through Covered Bonds

On and following an Issuer Event, those Covered Bonds in respect of which the Final Redemption Amount has not been paid in full on the Final Maturity Date (taking into account any grace periods) and, following a breach of the Amortisation Test, all outstanding Series of Covered Bonds will become Pass-Through Covered Bonds.

Upon a Series of Covered Bonds becoming a Series of Pass-Through Covered Bonds, the Issuer will pay principal amounts on each such Series to the extent it has amounts available for the purpose in accordance with the Pre-Event of Default Priority of Payments on each Interest Payment Date until such Series is redeemed in full.

Ratings

Each Series issued under the Programme will be assigned a rating by each of the Rating Agencies as set out in the applicable Final Terms.

Listing and admission to trading

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Covered Bonds issued under the Programme after the date hereof to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and to be listed on the official list of the

Luxembourg Stock Exchange.

Covered Bonds may be unlisted or may be listed or admitted to trading, as the case may be, on other stock exchanges or markets agreed between the Issuer, the Trustee and the relevant Dealer(s) in relation to each issue. The Final Terms relating to each Tranche of the Covered Bonds will state whether or not the Covered Bonds are to be listed and/or admitted to trading and, if so, on which other stock exchanges or markets.

Clearing Systems

Euroclear Bank S.A./N.V. (**Euroclear**), and/or Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**) in relation to any Series of Covered Bonds or any other clearing system as may be specified in the relevant Final Terms.

Selling Restrictions

There are restrictions on the offer, sale and transfer of the Covered Bonds in the United States, the European Economic Area (including the United Kingdom, the Hellenic Republic and Luxembourg) and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Covered Bonds. See "*Subscription and Sale*" below.

Greek Covered Bond Legislation

The Covered Bonds will be issued pursuant to the Greek Covered Bond Legislation.

For further information on the Greek Covered Bond Legislation, see "*Overview of the Greek Covered Bond Legislation*" below.

Governing law

The Servicing and Cash Management Deed, the Trust Deed, the Deed of Charge, the Agency Agreement, the Asset Monitor Agreement, the Bank Account Agreement, the Programme Agreement, each Subscription Agreement and each Hedging Agreement will be governed by, and construed in accordance with, English law.

The Covered Bonds will be governed by and construed in accordance with English law, save that the Statutory Pledge referred to in Condition 3 (*Status of the Covered Bonds*), will be governed by and construed in accordance with Greek law.

CREATION AND ADMINISTRATION OF THE COVER POOL

The Cover Pool

Pursuant to the Greek Covered Bond Legislation, the Issuer will be entitled to create the Statutory Pledge over the Cover Pool Assets.

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

CHANGES TO THE COVER POOL

Optional changes to the Cover

The Issuer shall be entitled, subject to filing a Registration Statement so

Pool

providing and subject to the satisfaction of the requirements in the Servicing and Cash Management Deed, to allocate to the Cover Pool Additional Cover Pool Assets and/or remove or substitute Cover Pool Assets.

Any further assets added to the Cover Pool at the option of the Issuer in accordance with the above shall form part of the Cover Pool.

Upon any addition to the Cover Pool of any Additional Cover Pool Assets where the relevant transfer date is also an Issue Date or the Issuer ceases to have the Minimum Credit Ratings, the Issuer shall deliver to the Trustee a solvency certificate stating that the Issuer is, at such time, solvent.

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

Disposal of the Loan Assets

Following the occurrence of an Issuer Event (but before an Event of Default or service of a Notice of Default), the Servicer, or any person appointed by the Servicer, acting in the name and on behalf of the Issuer, or the Trustee, as the case may be, will be obliged to sell in whole or in part the Loan Assets in accordance with the provisions of the Servicing and Cash Management Deed. The proceeds from any such sale will be credited to the Transaction Account and applied in accordance with the relevant Pre-Event of Default Priority of Payments.

In certain circumstances the Issuer shall have the right to prevent the sale of Loan Assets to third parties by removing the Loan Assets made subject to sale from the Cover Pool and transferring within ten Athens Business Days from the receipt of an offer letter, to the Transaction Account, an amount equal to the then Outstanding Principal Balance of the Selected Loans and the relevant portion of all arrears of interest and accrued interest relating thereto, subject to the provision of a solvency certificate. See "*Description of the Transaction Documents – The Servicing and Cash Management Deed*".

Following the occurrence of an Event of Default and service of a Notice of Default, the Trustee shall be entitled to (and shall if directed by the Covered Bondholders) direct the Servicer to dispose of the Cover Pool.

Undertakings of the Issuer in respect of the Cover Pool

Pursuant to the Transaction Documents, the Issuer undertakes to manage the Cover Pool in the interest of the Covered Bondholders and the other Secured Creditors and undertakes to take in a timely manner any actions required in order to ensure that the servicing of the Loan Assets is conducted in accordance with the collection policy and recovery procedure applicable to the Issuer.

Representations and Warranties of the Issuer

Under the Servicing and Cash Management Deed, the Issuer has made and will make certain representations and warranties regarding itself and the Cover Pool Assets including, *inter alia*:

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

- (ii) the legality, validity, binding nature and enforceability of the obligations assumed by it;
- (iii) the existence of the Cover Pool Assets and the absence of any lien attaching to the Cover Pool Assets;
- (iv) its full, unconditional, legal title to the Cover Pool Assets; and
- (v) the validity and enforceability against the relevant debtors of the obligations from which the Cover Pool Assets arise.

Individual Eligibility Criteria Each Loan Asset to be included in the Cover Pool shall comply with the Individual Eligibility Criteria. See "*Description of the Transaction Documents*" – "*The Servicing and Cash Management Deed*"

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

- (i) the Cover Pool satisfies the Nominal Value Test;
- (ii) the Cover Pool satisfies the Net Present Value Test; and
- (iii) the Cover Pool satisfies the Interest Cover Test,

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

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

Applicable Calculation Date means:

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

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

Breach of Statutory Tests If on any Applicable Calculation Date any one or more of the Statutory Tests being tested on such Applicable Calculation Date are not satisfied, the Issuer must take immediate action to cure any breach(es) of the relevant Statutory Tests.

The Issuer or (where Eurobank is not the Servicer) the Servicer, as the

case may be will immediately notify the Trustee of any breach of any of the Statutory Tests.

In the event that the Issuer breaches any Statutory Test, the Issuer will not be permitted to issue any further Covered Bonds until such time as such Statutory Test breach has been cured.

Amortisation Test

In addition to the Statutory Tests and pursuant to the Servicing and Cash Management Deed, after the occurrence of an Issuer Event and so long as an Event of Default has not occurred the Cover Pool will be subject to the Amortisation Test. The Amortisation Test is intended to ensure that the Cover Pool Assets are sufficient to meet the obligations under all Covered Bonds outstanding together with senior expenses that rank in priority or *pari passu* with amounts due on the Covered Bonds.

The Amortisation Test will be tested by the Servicer on each Calculation Date following an Issuer Event. A breach of the Amortisation Test will cause all Series of Covered Bonds to become Pass Through Covered Bonds.

The Servicer will immediately notify the Trustee of any breach of the Amortisation Test.

Amendment to definitions

The Servicing and Cash Management Deed will provide that the definitions of Individual Eligibility Criteria, Cover Pool, Cover Pool Asset, Statutory Test and Amortisation Test may be amended by the Issuer from time to time as a consequence of, *inter alia*, including in the Cover Pool, Cover Pool Assets which have characteristics other than those pertaining to the Initial Assets and/or changes to the hedging policies or servicing and collection procedures of Eurobank without the consent of the Trustee provided that Moody's has provided confirmation in writing that the ratings on the Covered Bonds would not be adversely affected by, or withdrawn as a result of such amendment and DBRS has been notified in writing of such amendment. The Servicing and Cash Management Deed shall set forth the conditions for any such amendment to be effected.

See “*Description of the Transaction Documents – The Servicing and Cash Management Deed – Amendment to Definitions*”.

Issuer Events

If, prior to, or concurrent with the occurrence of an Event of Default, an Issuer Event occurs then (i) no further Covered Bonds will be issued, (ii) the Servicer will procure that any and all payments due from Borrowers under the Cover Pool Assets are effected henceforth directly to the Third Party Collection Account, (iii) all collections of principal and interest on the Cover Pool Assets will be dedicated exclusively to the payment of interest and repayment of principal on the Covered Bonds and to the fulfilment of the obligations of the Issuer vis-à-vis the Secured Creditors in accordance with the relevant Priority of Payments, (iv) if Eurobank is the Servicer, its appointment as Servicer will be terminated and a new servicer will be appointed pursuant to the terms of the Servicing and Cash Management Deed and the Covered Bond Legislation and (v) the Servicer or, as applicable, the Replacement Servicer appointed pursuant to the Servicing and Cash Management Deed and the Covered Bond

Legislation will be required to try and sell Selected Loans in accordance with the provisions of the Servicing and Cash Management Deed. See Condition 9 (Issuer Events) of the Covered Bonds and "*Description of the Transaction Documents*" – "*The Servicing and Cash Management Deed*".

Authorised Investments

Pursuant to the Servicing and Cash Management Deed, the Servicer is entitled in its discretion prior to the occurrence of an Issuer Event to draw sums from time to time standing to the credit of the Transaction Account for effecting Authorised Investments. See "*Description of the Transaction Documents*" – "*Servicing and Cash Management Deed*"

Servicing and collection procedures

The Servicer will be responsible for the servicing of the Cover Pool, including, *inter alia*, for the following activities:

- (a) collection and recovery in respect of each Cover Pool Asset;
- (b) administration and management of the Cover Pool;
- (c) management of any judicial or extra judicial proceeding connected to the Cover Pool;
- (d) keeping accounting records of the amounts due and collected under the Loan Assets and the Hedging Agreements;
- (e) preparation of quarterly reports (to be submitted to the Trustee, the Asset Monitor and the Rating Agencies) on the amounts due by debtors, and on the collections and recoveries made in respect of the Loan Assets and Hedging Agreements; and
- (f) carrying out the reconciliation of the amounts due and the amounts effectively paid by the debtors under the Loans on the relevant Cover Pool Payment Date.

ACCOUNTS AND CASH FLOW STRUCTURE:

Segregation Event and Collection Account

Prior to the occurrence of an Issuer Event, Eurobank will deposit on a daily basis within one Athens Business Day of receipt, all collections of interest and principal it receives on the Cover Pool Assets (including any Subsidy Payments) and all moneys received from Marketable Assets and Authorised Investments, if any, included in the Cover Pool into a segregated account maintained at Eurobank (the **Collection Account**). Eurobank will not commingle any of its own funds and general assets with amounts standing to the credit of the Collection Account. For the avoidance of doubt, any cash amounts standing to the credit of the Collection Account shall not comprise part of the Cover Pool for purposes of the Statutory Tests.

All amounts deposited in, and standing to the credit of, the Collection Account shall constitute segregated property distinct from all other property of Eurobank pursuant to paragraph 9 of Article 152 and by virtue of an analogous application of paragraphs 14 through 16 of Article 10 of Greek Law 3156/2003.

Following the occurrence of a Segregation Event, but prior to the occurrence of an Issuer Event, (i) all amounts deposited shall remain in the Collection Account for the benefit of the holders of the Covered Bonds and the other Secured Creditors and (ii) Eurobank shall only be entitled to withdraw Excess Amounts from the Collection Account.

If Eurobank's rating(s) are reinstated above the level at which a Segregation Event occurs and so long as no Issuer Event has occurred and is continuing, then Eurobank will be entitled to draw sums standing to the credit of the Collection Account and make payments on the Covered Bonds using any funds available to it.

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

Transaction Account

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

Following the occurrence of an Issuer Event (as defined above), the Servicer shall (i) procure that within 2 days after the occurrence of such Issuer Event, all collections of principal and interest on deposit in the Collection Account (or the Third Party Collection Account) be transferred to the Transaction Account and (ii) provide notification to all Borrowers that any and all future payments due under the Cover Pool Assets are henceforth to be effected directly to a bank account opened in the name of the Issuer with a Greek credit institution or a Greek branch of a foreign credit institution which is an Eligible Institution (the **Third Party Collection Account**). The Servicer shall procure that all amounts deposited into the Third Party Collection Account shall be transferred to the Transaction Account within one Athens Business Day of receipt and provide any requisite notice to procure that this occurs. Following an Issuer Event, the Transaction Account will be used for the crediting of, *inter alia*, moneys received in respect of the Cover Pool Assets included in the Cover Pool or to effect a payment in respect of the Covered Bonds. See "*Description of the Transaction Documents*" – "*The Servicing and Cash Management Deed*" .:

Event of Default

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

- (a) on the Extended Final Maturity Date, in respect of any Series of Covered Bonds or on any Interest Payment Date or any earlier date for redemption on which principal thereof is due and repayable, there is a failure to pay any amount of principal due on such Covered Bonds on such date and such default is not remedied within a period of 7 days from the due date thereof; or
- (b) on any Interest Payment Date, a default in the payment of the amount of interest due on any Series occurs and such default is not remedied within a period of 14 days from the due date thereof.

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

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

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

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

Pursuant to Condition 4 (*Priorities of Payments*), at any time upon or after the occurrence of any Issuer Event but prior to the delivery of a Notice of Default, the Servicer shall apply all Covered Bonds Available Funds on each Cover Pool Payment Date in making the following payments and provisions in the following order of priority (the **Pre Event of Default Priority of Payments**) (in each case only if and to the extent that payments of a higher priority have been made in full):

- (i) *first*, in or towards satisfaction of all amounts then due and payable or to become due and payable prior to the next Cover Pool Payment Date to the Trustee or any Appointee (including, remuneration or amounts by way of indemnity payable to it) under the provisions of the Trust Deed or any other Transaction Document together with interest and applicable VAT (or other similar taxes) thereon to the extent provided therein;
- (ii) *second, pari passu* and *pro rata* according to the respective amounts thereof to pay any additional fees, costs, expenses and taxes due and payable on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date, properly incurred in respect of any notice to be given to any parties in accordance with any of the Transaction Documents or to the Covered Bondholders;
- (iii) *third, pari passu* and *pro rata* according to the respective amounts thereof, to pay (i) all amounts due and payable on the Cover Pool Payment Date, or to provide for all such amounts that

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

- (iv) *fourth, pari passu and pro rata* according to the respective amounts thereof to pay all amounts due and payable on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date (and for which payment has not been provided for elsewhere in the relevant Priorities of Payments), to any Secured Creditors other than the Covered Bondholders, Couponholders, the Agents, the Account Bank, the Trustee and any Appointee and other than any amount due to be paid, or that will become due and payable prior to the next Cover Pool Payment Date, to the Hedging Counterparties under the Hedging Agreements;
- (v) *fifth, pari passu and pro rata*, according to the respective amounts thereof (a) to pay all amounts of interest due and payable on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date, on any Covered Bonds and (b) to pay any amounts due and payable on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date, under any Hedging Agreement other than Subordinated Termination Payments to any Hedging Counterparties under any such Hedging Agreements;
- (vi) *sixth*, for so long as any Covered Bonds remain outstanding, to credit the Reserve Ledger with an amount equal to the difference between the Reserve Ledger Required Amount and the amount standing to the credit of the Reserve Ledger after having made the payments under paragraph (i) to (v) above.
- (vii) *seventh, pro rata and pari passu* in respect of (A) any Accumulation Covered Bonds which do not have an Extended Final Maturity Date, to credit the Accumulation Sub-Ledger with the Pro Rata Accumulation Amount and (B) any Series of Pass-Through Covered Bonds, to pay principal in respect of each Series of Pass-Through Covered Bonds then outstanding on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date (if any) on any Series of Pass-Through Covered Bonds in either case where such Series of Pass-Through Covered Bonds has an Extended Final Maturity Date that falls within 6 months of the relevant Cover Pool Payment Date;
- (viii) *eighth*, to pay *pari passu and pro rata*, (A) principal in respect of each other Series of Pass-Through Covered Bonds then outstanding on the Cover Pool Payment Date, or to provide for all

such amounts that will become due and payable prior to the next Cover Pool Payment Date (if any), on any other Series of Pass-Through Covered Bonds and (B) in respect of any Accumulation Covered Bonds (or any Series of Covered Bonds that will become Accumulation Covered Bonds prior to the next following Cover Pool Payment Date) to credit the relevant Accumulation Sub-Ledger with the Pro Rata Accumulation Amount (provided such amount has not already been credited to the Accumulation Sub-Ledger in accordance with paragraph (vii) above);

- (ix) *ninth*, for so long as any Covered Bonds remain outstanding, any remaining Covered Bonds Available Funds will remain standing to the credit of the Transaction Account, or, as applicable, be deposited in the Transaction Account;
- (x) *tenth*, to pay *pari passu* and *pro rata*, according to the respective amounts thereof, any amount due and payable on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date to any Hedging Counterparties which are Subordinated Termination Payments; and
- (xi) *eleventh*, to pay any excess to the Issuer.

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

Covered Bonds Available Funds

Covered Bonds Available Funds means, at any time upon or after the occurrence of an Issuer Event, in respect of any Cover Pool Payment Date, as the case may be, the aggregate of:

- (a) all amounts standing to the credit of the Transaction Account at the immediately preceding Calculation Date other than amounts credited to the Accumulation Ledger;
- (b) all amounts (if any) paid or to be paid on or prior to such Cover Pool Payment Date by the Hedging Counterparties into the Transaction Account pursuant to the Hedging Agreement(s);
- (c) all amounts of interest paid on the Transaction Account during the Interest Period immediately preceding such Cover Pool Payment Date;
- (d) all amounts deriving from repayment at maturity of any Authorised Investment on or prior to such Cover Pool Payment

Date; and

- (e) any Excess Accumulation Receipts

For the avoidance of doubt:

- (i) should there be any duplication in the amounts included in the different items of the Covered Bonds Available Funds above, the Servicer shall avoid such duplication when calculating the Covered Bonds Available Funds; and
- (ii) the Covered Bonds Available Funds will not include any asset (including, without limitation, cash or securities) which is paid or transferred by any Hedging Counterparty to the Issuer as collateral to secure the performance by such Hedging Counterparty of its obligations under a Hedging Agreement together with any income or distributions received in respect of such asset and any equivalent or replacement of such asset into which such asset is transferred but which may not be applied at such time in satisfaction of the obligations of the relevant Hedging Counterparty under the terms of such Hedging Agreement (the **Swap Collateral Excluded Amounts**).

**Priority of Payments
following the delivery of a
Notice of Default**

Pursuant to Condition 4 (*Priorities of Payments*) and the terms of the Deed of Charge, following delivery of a Notice of Default, all funds deriving from the Cover Pool Assets, the Transaction Documents and standing to the credit of the Transaction Account shall be applied on any Athens Business Day in accordance with the following order of priority of payments (the **Post Event of Default Priority of Payments** and, together with the Pre Event of Default Priority of Payments, the **Priorities of Payments** and, each of them a **Priority of Payments**) (in each case only if and to the extent that payments of a higher priority have been made in full) provided that any such amount has not been paid by the Issuer using funds not forming part of the Cover Pool:

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

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

- (iii) *third*, to pay *pari passu* and *pro rata*, according to the respective amounts thereof, any amount due and payable to any Hedging Counterparties which are Subordinated Termination Payments; and
- (iv) *fourth*, following the payment in full of all items under (i) to (iii), to pay all excess amounts (if any) to the Issuer.

Indemnity means any indemnity amounts due to the Trustee pursuant to the Trust Deed, the Deed of Charge or otherwise, including (without limitation) Clause 14 of the Trust Deed. See "*Description of the Transaction Documents*" – "*Deed of Charge*".

Servicing and Cash Management Deed

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

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

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

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

Programme Closing Date means 4 March 2010.

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

Asset Monitor Agreement

Under the terms of the asset monitor agreement entered into on the Programme Closing Date between the Asset Monitor, the Servicer, the Issuer and the Trustee (the **Asset Monitor Agreement**), the Asset

Monitor has agreed to carry out various testing and notification duties in relation to the calculations performed by the Servicer in relation to the Statutory Tests and, if required, the Amortisation Test.

Trust Deed

Under the terms of the Trust Deed entered into on the Programme Closing Date (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) between the Issuer and the Trustee, the Trustee will be appointed to act as the Covered Bondholders' representative in accordance with paragraph 2 of Article 91.

Deed of Charge

The Issuer shall assign its rights arising under the Hedging Agreements and any Transaction Document governed by English law to the Trustee (on trust for itself and on behalf of the Covered Bondholders and the other Secured Creditors) in accordance with a deed of charge (the **Deed of Charge**).

In addition, the Covered Bondholders and the other Secured Creditors have agreed that, upon the occurrence of an Issuer Event, all the Covered Bonds Available Funds will be applied in or towards satisfaction of all the Issuer's payment obligations towards the Covered Bondholders and the other Secured Creditors, in accordance with the terms of the Servicing and Cash Management Deed and the relevant Priority of Payments.

The Trustee has been authorised, in accordance with the Servicing and Cash Management Deed, subject to a Notice of Default being delivered to the Issuer following the occurrence of an Event of Default, to exercise, in the name and on behalf of the Issuer, all the Issuer's rights arising out of the Transaction Documents to which the Issuer is a party.

The Deed of Charge shall be governed by English Law.

Agency Agreement

Under the terms of an agency agreement entered into on the Programme Closing Date between the Issuer, the Agents and the Trustee (the **Agency Agreement**), the Agents have agreed to provide the Issuer with certain agency services and the Paying Agents have agreed, *inter alia*, to make available for inspection such documents as may be required from time to time by the rules of the Luxembourg Stock Exchange and to arrange for the publication of any notice to be given to the Covered Bondholders.

Bank Account Agreement

Under the terms of the bank account agreement entered into on the Programme Closing Date between the Account Bank, the Servicer, the Issuer and the Trustee (the **Bank Account Agreement**), the Account Bank has agreed to operate the Transaction Account and any Swap Collateral Accounts opened in accordance with the terms of any Hedging Agreement and the Bank Account Agreement (together with the Transaction Account, the **Bank Accounts**) in accordance with the instructions given by the Servicer.

Hedging Agreements

The Issuer may, from time to time during the Programme, enter into Interest Rate Swap Agreements and Covered Bond Swap Agreements (together the **Hedging Agreements**) with one or more Hedging Counterparties for the purpose of, *inter alia*, protecting itself against certain risks (including, but not limited to, interest rate, liquidity, currency and credit) related to the Loan Assets and/or the Covered Bonds.

In accordance with the terms set forth in the Servicing and Cash Management Deed, the Issuer may include the claims of the Issuer arising from the Hedging Agreements, together with the cash flows deriving therefrom, in the Cover Pool provided that, *inter alia*, the terms and conditions of such Hedging Agreements shall not adversely affect the ratings of the then outstanding Covered Bonds.

The Hedging Agreements shall be governed by English Law.

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

Transaction Documents

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

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

Investor Report

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

DOCUMENTS INCORPORATED BY REFERENCE

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

- (i) the audited consolidated annual financial statements of the Issuer for each of the financial years ended 31 December 2013 and 31 December 2012 (as contained within the Issuer's Annual Financial Report for the Year Ended 31 December 2013 and Annual Financial Report for the Year Ended 31 December 2012), in each case prepared in accordance with International Financial Reporting Standards (**IFRS**), including the information set out at the following pages of the Issuer's 'Consolidated Financial Statements' for 2013 and 'Consolidated Financial Statements' for 2012, respectively:

	2013	2012
<i>Independent auditor's report</i>	page 1	page 8
<i>Consolidated Income Statement</i>	page 3	page 3
<i>Consolidated Balance Sheet</i>	page 4	page 4
<i>Consolidated Cash Flow Statement</i>	page 7	page 7
<i>Notes to the consolidated financial statements</i>	pages 8 - 117	pages 9 - 54

- (ii) the audited condensed consolidated interim financial statements for the period ended 30 September 2014:

<i>Independent auditor's report</i>		page 1
<i>Consolidated Interim Income Statement</i>		page 2
<i>Consolidated Interim Balance Sheet</i>		page 3
<i>Consolidated Interim Cash Flow Statement</i>		page 6
<i>Notes to the consolidated financial statements</i>		pages 7 - 39

- (iii) the sections entitled "*Terms and Conditions of the Covered Bonds*" set out on pages 59 to 93 (inclusive) of the offering circular dated 28 April 2011 and on pages 56 to 93 (inclusive) of the offering circular dated 4 March 2010 (for the avoidance of doubt, the applicable Final Terms for a Series or Tranche of Covered Bonds will indicate the Terms and Conditions applicable to such Series or Tranche and unless otherwise indicated in the applicable Final Terms, the Terms and Conditions of all Covered Bonds issued after the date hereof shall be those set out in full in this Offering Circular). The remaining portions of the offering circulars dated 4 March 2010 and 28 April 2011 are not relevant for prospective investors.

Following the publication of this Base Prospectus, a supplement to this Base Prospectus may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this

Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

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

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

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

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

TERMS AND CONDITIONS OF THE COVERED BONDS

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

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

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

- (a) in relation to any Covered Bonds represented by a global Covered Bond (a **Global Covered Bond**), units of the lowest denomination specified in the relevant Final Terms (**Specified Denomination**) in the currency specified in the relevant Final Terms (**Specified Currency**);
- (b) any Global Covered Bond; and
- (c) any definitive Covered Bonds in bearer form (**Bearer Definitive Covered Bonds**) issued in exchange for a Global Covered Bond in bearer form; and
- (d) any definitive Covered Bonds in registered form (**Registered Definitive Covered Bonds** and, together with Bearer Definitive Covered Bonds, **Definitive Covered Bonds**) (whether or not issued in exchange for a Global Covered Bond in registered form).

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

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

Interest bearing Definitive Covered Bonds have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons.

The Final Terms for this Covered Bond (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Covered Bond which supplement these Terms and Conditions (the **Conditions**) and may 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 Covered Bond. References to the applicable Final Terms are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Covered Bond.

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

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

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

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

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

1. Form, Denomination and Title

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

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

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

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

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

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

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

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

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

2. Transfers of Registered Covered Bonds

2.1 Transfers of interests in Registered Global Covered Bonds

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

2.2 Transfers of Registered Covered Bonds in definitive form

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

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

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

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

2.3 Registration of transfer upon partial redemption

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

2.4 Costs of registration

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

3. Status of the Covered Bonds

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

4. Priorities of Payments

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

- (i) *first*, in or towards satisfaction of all amounts then due and payable or to become due and payable prior to the next Cover Pool Payment Date to the Trustee or any Appointee (including, remuneration or amounts by way of indemnity payable to it) under the provisions of the Trust Deed or any other Transaction Document together with interest and applicable VAT (or other similar taxes) thereon to the extent provided therein;
- (ii) *second, pari passu and pro rata* according to the respective amounts thereof to pay any additional fees, costs, expenses and taxes due and payable on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date, properly incurred in respect of any notice to be given to any parties in accordance with any of the Transaction Documents or to the Covered Bondholders;
- (iii) *third, pari passu and pro rata* according to the respective amounts thereof, to pay (i) all amounts due and payable on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date, to the Account Bank and the Agents under the Bank Account Agreement and the Agency Agreement, respectively and (ii) to the Servicer an amount equal to any Levy received from Borrowers, such amount to be used by the Servicer towards satisfaction of the Issuer's obligation to pay any Levy;
- (iv) *fourth, pari passu and pro rata* according to the respective amounts thereof to pay all amounts due and payable on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date (and for which payment has not been provided for elsewhere in the relevant Priorities of Payments), to Secured Creditors other than the Covered Bondholders, Receiptholders, Couponholders, the Trustee and any Appointee and other than any amount due to be paid, or that will become due and payable prior to the next Cover Pool Payment Date, to the Hedging Counterparties under the Hedging Agreements;
- (v) *fifth, pari passu and pro rata*, according to the respective amounts thereof (a) to pay all amounts of interest due and payable on the Cover Pool Payment Date, or to provide for all

such amounts that will become due and payable prior to the next Cover Pool Payment Date, on any Covered Bonds and (b) to pay any amounts due and payable on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date, under any Hedging Agreement other than Subordinated Termination Payments to any Hedging Counterparties under any such Hedging Agreements;

- (vi) *sixth*, for as long as any Covered Bonds remain outstanding, to credit the Reserve Ledger with an amount equal to the difference between the Reserve Ledger Required Amount and the amount standing to the credit of the Reserve Ledger after having made the payments under paragraphs (i) to (v) above;
- (vii) *seventh, pro rata and pari passu* in respect of (A) any Accumulation Covered Bonds which do not have an Extended Final Maturity Date, to credit the Accumulation Sub-Ledger with the Pro Rata Accumulation Amount and (B) any Series of Pass-Through Covered Bonds, to pay principal in respect of each Series of Pass-Through Covered Bonds then outstanding on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date (if any) on any Series of Pass-Through Covered Bonds in either case where such Series of Pass-Through Covered Bonds has an Extended Final Maturity Date that falls within 6 months of the relevant Cover Pool Date;
- (viii) *eighth, pari passu and pro rata* (A) principal in respect of each other Series of Pass-Through Covered Bonds then outstanding on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date (if any), on any other Series of Pass-Through Covered Bonds, and (B) in respect of any Accumulation Covered Bonds (or any Series of Covered Bonds that will become Accumulation Covered Bonds prior to the next following Cover Pool Payment Date) to credit the relevant Accumulation Sub-Ledger with the Pro Rata Accumulation Amount (provided such amount has not already been credited to the Accumulation Sub-Ledger in accordance with paragraph (vii) above);
- (ix) *ninth*, for so long as any Covered Bonds remain outstanding, any remaining Covered Bonds Available Funds will remain standing to the credit of the Transaction Account, or, as applicable, be deposited in the Transaction Account;
- (x) *tenth*, to pay *pari passu* and *pro rata*, according to the respective amounts thereof, any amount due and payable on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date to any Hedging Counterparties which are Subordinated Termination Payments; and
- (xi) *eleventh*, to pay any excess to the Issuer.

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

- (i) *first*, to pay any Indemnity to which the Trustee or any Receiver or any Appointee is entitled pursuant to the Trust Deed or the Deed of Charge and any costs and expenses incurred by or on behalf of the Trustee or any Receiver or any Appointee (a) following the occurrence of a Potential Event of Default or any Issuer Event or in connection with or as a result of serving

on the Issuer a Notice of Default (to the extent that any such amounts have not yet been paid out of the Covered Bond Available Funds before the delivery of a Notice of Default) and (b) following the delivery of a Notice of Default in connection with or as a result of the enforcement or realisation of (A) the security granted under the Statutory Pledge and the Deed of Charge and/or (B) any other right or remedy that the Trustee is entitled or required to pursue under or in connection with the Transaction Documents and/or the Covered Bonds for the purpose of protecting the interests of the Covered Bondholders and/or the other Secured Creditors;

- (ii) *second, pari passu and pro rata* according to the respective amounts thereof, (a) to pay all amounts of interest and principal due and payable on any Covered Bonds, (b) to pay any additional fees, costs, expenses and taxes due and payable in connection with any notice to be given to any parties in accordance with any of the Transaction Documents or to the Covered Bondholders, (c) to pay all amounts due and payable to the Secured Creditors, other than the Covered Bondholders and (d) to pay any amounts due and payable under any Hedging Agreement other than the Subordinated Termination Payments to any Hedging Counterparties under any such Hedging Agreements;
- (iii) *third*, to pay *pari passu and pro rata*, according to the respective amounts thereof, any Subordinated Termination Payment due and payable to any Hedging Counterparties; and
- (iv) *fourth*, following the payment in full of all items under (i) to (iii) above, to pay all excess amounts (if any) to the Issuer.

5. Interest

5.1 Interest on Fixed Rate Covered Bonds

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

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

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

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

5.2 Floating Rate Covered Bond

(a) Interest on Payment Dates

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

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

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

(b) Rate of Interest

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

(i) ISDA Determination for Floating Rate Covered Bonds

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

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is the period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the day as specified in the applicable Final Terms.

For the purposes of this subparagraph (i), (1) **Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

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

(ii) Screen Rate Determination for Floating Rate Covered Bonds

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

- (A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

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

If the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Principal Paying Agent shall request each of the Reference Banks to provide the Principal Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more Reference Banks provide the Principal Paying Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Principal Paying Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent with such offered rates, such offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Principal Paying Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of

Interest cannot be determined in accordance with the foregoing provisions of this Condition 5.2(b)(ii), the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

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

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

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

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

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

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

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

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

(e) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and to any stock exchange or other relevant competent authority or quotation system on which the relevant Floating Rate Covered Bonds are for the time being listed, quoted and/or traded or by which they have been admitted to listing or trading and to be published in accordance with Condition 17 (*Notices*) as soon as possible after their determination but in no event later than the fourth Business Day (as defined in Condition 5.5) thereafter and in the case of any notification to be given to the Luxembourg Stock Exchange on or before the first Business Day of each Interest Period. Each

Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will be promptly notified to the Trustee and each stock exchange or other relevant authority on which the relevant Floating Rate Covered Bonds are for the time being listed, quoted and/or traded or by which they have been admitted to listing or trading and to Covered Bondholders in accordance with Condition 17 (*Notices*).

(f) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period, provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent shall determine such rate at such time and by reference to such sources as it (in consultation with the Issuer) determines appropriate.

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

(g) Determination or Calculation by Trustee

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

(h) Certificates to be final

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

5.3 Interest on Zero Coupon Covered Bonds

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

5.4 Accrual of interest

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

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

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

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

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

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

calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

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

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

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

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

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

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

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

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

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

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

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

where:

“Y¹” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y²” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M¹” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M²” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

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

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

where:

“Y¹” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y²” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M¹” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M²” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D¹” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D¹ will be 30; and

“D²” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D² will be 30;

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

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

where:

“Y¹” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y²” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M¹” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M²” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D¹” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D¹ will be 30; and

“D²” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Final Maturity Date or (ii) such number would be 31 and D² will be 30; or

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

- (d) **Determination Date** has the meaning given in the applicable Final Terms.
- (e) **Determination Period** means each period from (and including) a Determination Date to (but **excluding**) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).
- (f) **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.
- (g) **Interest Commencement Date** means in the case of interest-bearing Covered Bonds, the date specified in the applicable Final Terms from (and including) which the relevant Covered Bonds will accrue interest.
- (h) **Interest Payment Date** means, in respect of Fixed Rate Covered Bonds, the meaning given in the applicable Final Terms and in respect of Floating Rate Covered Bonds, the meaning given in Condition 5.2, together the **Interest Payment Dates**.
- (i) **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.
- (j) **Principal Amount Outstanding** means in respect of a Covered Bond on any day the principal amount of that Covered Bond on the relevant Issue Date thereof less principal amounts received by the relevant Covered Bondholder in respect thereof on or prior to that day provided that the Principal Amount Outstanding in respect of a Covered Bond that has been purchased and cancelled by the Issuer shall be zero.
- (k) If **adjusted** is specified in the applicable Final Terms against the Day Count Fraction, interest in respect of the relevant Interest Period shall be payable in arrear on the relevant Interest Payment Date and calculated from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date, as such Interest Payment Date shall, where applicable, be adjusted in accordance with the Business Day Convention.
- (l) If **not adjusted** is specified in the applicable Final Terms against the Day Count Fraction, interest in respect of the relevant Interest Period shall be payable in arrear on the relevant Interest Payment

Date and calculated from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date, but such Interest Payment Dates shall not be adjusted in accordance with any Business Day Convention.

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

6. Payments

6.1 Method of payment

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively);
- (ii) payments will be made in euro by credit or electronic transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque; and
- (iii) payments in U.S. Dollars will be made by transfer to a U.S. Dollar account maintained by the payee with a bank outside of the United States (which expression, as used in this Condition 6, means the United States of America, including the State and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction), or by cheque drawn on a United States bank.

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

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

6.2 Presentation of Definitive Covered Bonds, Receipts and Coupons

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

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

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

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

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

6.3 Payments in respect of Bearer Global Covered Bonds

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

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

6.4 *Payments in respect of Registered Covered Bonds*

Payments of principal in respect of each Registered Covered Bond (whether or not in global form) will be made against presentation and surrender of the Registered Covered Bond at the specified office of the Registrar or any of the Paying Agents. Such payments will be made in accordance with Condition 6.1 by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Covered Bond appearing in the register of holders of the Registered Covered Bonds maintained by the Registrar (the **Register**) at the close of business on the business day (**business day** being for the purposes of this Condition 6.4 a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date (the **Record Date**). Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account, or (ii) the principal amount of the Covered Bonds held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** means the account (which, in the case of a payment in Yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro.

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

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

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

6.5 General provisions applicable to payments

The bearer of a Global Covered Bond or the Trustee shall be the only person entitled to receive payments in respect of Covered Bonds represented by such Global Covered Bond and the obligations of the Issuer will be discharged by payment to, or to the order of, the holder of such Global Covered Bond (or the Trustee, as the case may be) in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Covered Bonds represented by such Global Covered Bond must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each

payment so made by the Issuer to, or to the order of, the holder of such Global Covered Bond (or the Trustee, as the case may be). No person other than the holder of the relevant Global Covered Bond (or, as provided in the Trust Deed, the Trustee) shall have any claim against the Issuer in respect of any payments due on that Global Covered Bond.

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

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. Dollars at such specified offices outside the United States of the full amount of principal and/or interest on the Bearer Covered Bonds in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. Dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer adverse tax consequences to the Issuer.

6.6 Payment Day

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

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

6.7 Interpretation of principal and interest

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

- (i) any additional amounts which may be payable with respect to principal under Condition 8 (*Taxation*) or under any undertakings or covenants given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (ii) the Final Redemption Amount (as defined in the Final Terms) (the **Final Redemption Amount**) of the Covered Bonds;
- (iii) the Early Redemption Amount of the Covered Bonds but excluding any amount of interest referred to therein;
- (iv) the Optional Redemption Amount(s) (if any) of the Covered Bonds;
- (v) in relation to Zero Coupon Covered Bonds, the Amortised Face Amount (as defined in Condition 7.6(ii)); and
- (vi) any premium and any other amounts (other than interest) which may be payable under or in respect of the Covered Bonds;

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

6.8 Redenomination

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

The election will have effect as follows:

- (i) the Covered Bonds shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Covered Bond equal to the nominal amount of that Covered Bond in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, in consultation with the Agents that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Trustee, the Covered Bondholders, the competent listing authority, stock exchange and/or market (if any) on or by which the Covered Bonds may be listed and/or admitted to trading and the Paying Agents of such deemed amendments;
- (ii) save to the extent that an Exchange Notice has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Covered Bonds will be calculated by reference to the aggregate nominal amount of Covered Bonds presented (or, as the case may

be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;

- (iii) if Definitive Covered Bonds are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of €100,000 and/or such higher amounts as the Agents may determine and notify to the Covered Bondholders and any remaining amounts less than €100,000 shall be redeemed by the Issuer and paid to the Covered Bondholders in euro in accordance with Condition 8 (*Taxation*);
- (iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Covered Bonds) will become void with effect from the date on which the Issuer gives notice (the **Exchange Notice**) that replacement euro-denominated Covered Bonds and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Covered Bonds and Coupons so issued will also become void on that date although those Covered Bonds and Coupons will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Covered Bonds and Coupons will be issued in exchange for Covered Bonds, Receipts and Coupons denominated in the Specified Currency in such manner as the Agents may specify and as shall be notified to the Covered Bondholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Covered Bonds;
- (v) after the Redenomination Date, all payments in respect of the Covered Bonds and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Covered Bonds to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (vi) if the Covered Bonds are Fixed Rate Covered Bonds and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention;
- (vii) (if the Covered Bonds are Floating Rate Covered Bonds), the applicable Final Terms will specify any relevant changes to the provisions relating to interest; and
- (viii) such other changes shall be made to this Condition (and the Transaction Documents) as the Issuer may decide, after consultation with the Trustee and the Agents and as may be specified in the notice, to conform it to conventions then applicable to instruments denominated in euro.

6.9 Definitions

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

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

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

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

Early Redemption Amount means the amount calculated in accordance with Condition 7.6 (*Early Redemption Amounts*) .

Established Rate means the rate for the conversion of the relevant Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty.

euro means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty.

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

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

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

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

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

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

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

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

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

Secured Creditors means the Covered Bondholders, the Couponholders, the Trustee, any Receiver, the Asset Monitor, the Account Bank, the Agents, the Servicer, the Hedging Counterparties and any other creditor of the Issuer pursuant to any Transaction Document entered into in the course of the

Programme having recourse to the Cover Pool (provided that where Eurobank performs any of the above roles, Eurobank will not be a Secured Creditor).

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

7. Redemption and Purchase

7.1 Final redemption

- (i) Unless previously redeemed in full or purchased and cancelled as specified below, each Covered Bond will be redeemed by the Issuer at its Final Redemption Amount specified in, the applicable Final Terms in the relevant Specified Currency on the Final Maturity Date.
- (ii) Without prejudice to Conditions 9 and 10, if an Extended Final Maturity Date is specified in the applicable Final Terms for a Series of Covered Bonds and the Issuer has failed to pay the Final Redemption Amount on the Final Maturity Date specified in the Final Terms, then (subject as provided below) payment of any unpaid Final Redemption Amount by the Issuer shall be deferred until the Extended Final Maturity Date, provided that any amount representing the Final Redemption Amount due and remaining unpaid on the Final Maturity Date shall be paid by the Issuer on any Interest Payment Date occurring thereafter up to (and including) the relevant Extended Final Maturity Date *pro rata* and *pari passu* in respect of all Pass-Through Covered Bonds, in accordance with and subject to the relevant Priority of Payments, subject to the Issuer having funds available for such purpose in accordance with the Priority of Payments and Condition 7.6 (*Early Redemption Amounts*).
- (iii) The Issuer shall use any amounts standing to the credit of the relevant Accumulation Sub-Ledger to redeem the relevant Series of Accumulation Covered Bonds on the Final Maturity Date.
- (iv) Following the occurrence of an Issuer Event and breach of the Amortisation Test all Series of Covered Bonds become Pass Through Covered Bonds and the Issuer shall redeem all Series of Covered Bonds on each Interest Payment Date, in accordance with and subject to the relevant Priority of Payments.
- (v) The Issuer shall confirm to the relevant Covered Bondholders (in accordance with Condition 17), the Rating Agencies, any relevant Hedging Counterparty, the Trustee, the Registrar (in the case of a Registered Covered Bond) and the Principal Paying Agent as soon as reasonably practicable and in any event at least five Athens Business Days prior to the Final Maturity Date of any inability of the Issuer to pay in full the Final Redemption Amount in respect of a Series of Covered Bonds on the Final Maturity Date. Any failure by the Issuer to notify such parties shall not affect the validity or effectiveness of the extension nor give rise to any rights in any such party.
- (vi) Where the applicable Final Terms for a relevant Series of Covered Bonds provides that such Covered Bonds are subject to an Extended Final Maturity Date, such failure to pay by the Issuer on the Final Maturity Date shall not constitute a default in payment (but, for the avoidance of doubt, such failure to pay shall constitute an Issuer Event).

7.2 Redemption for taxation reasons

The Covered Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time (if the relevant Covered Bond is not a Floating Rate Covered Bond) or on any Interest Payment Date (if the relevant Covered Bond is a Floating Rate Covered Bond), on giving not less than 30 nor more than 60 days' notice to the Trustee and, in accordance with Condition 17 (*Notices*), the

Covered Bondholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that on the occasion of the next date for payment of interest on the relevant Covered Bonds, the Issuer is or would be required to pay additional amounts as provided or referred to in Condition 8 (*Taxation*). Covered Bonds redeemed pursuant to this Condition 7.2 (*Redemption for taxation reasons*) will be redeemed at their Early Redemption Amount referred to in Condition 7.6 (*Early Redemption Amounts*) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

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

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

- (i) not less than 15 nor more than 60 days' notice to the Covered Bondholders in accordance with Condition 17 below with a copy of such notice to be provided to the Trustee; and
- (ii) not less than 5 days before the giving of the notice referred to in (i), notice to the Trustee and the Principal Paying Agent,

which notice shall be irrevocable and shall specify the date fixed for redemption (the **Optional Redemption Date**), redeem all or some only of the Covered Bonds then outstanding on any Optional Redemption Date and at the **Optional Redemption Amount(s)** specified in, or determined in the manner specified in, the applicable Final Terms together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date. Upon expiry of such notice, the Issuer shall redeem the Covered Bonds accordingly. Any such redemption must be for an amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount (if any) as specified in the applicable Final Terms. In the case of a partial redemption of Covered Bonds, the Covered Bonds to be redeemed (the **Redeemed Covered Bonds**) will be selected individually by lot, in the case of Redeemed Covered Bonds represented by Definitive Covered Bonds, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Covered Bonds represented by a Global Covered Bond, in each case, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Covered Bonds represented by Definitive Covered Bonds, a list of the serial numbers of such Redeemed Covered Bonds will be published in accordance with Condition 17 (*Notices*) not less than 15 days (or such shorter period as may be specified in the applicable Final Terms) prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Covered Bonds represented by Definitive Covered Bonds or represented by Global Covered Bonds shall, in each case, bear the same proportion to the aggregate nominal amount of all Redeemed Covered Bonds as the aggregate nominal amount of Definitive Covered Bonds or Global Covered Bonds outstanding bears, in each case, to the aggregate nominal amount of the Covered Bonds outstanding on the Selection Date, provided that such nominal amounts shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination. No exchange of the relevant Global Covered Bond will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 7.3 and notice to that effect shall be given by the Issuer to the Covered Bondholders in accordance with Condition 17 (*Notices*) at least five days (or such shorter period as is specified in the applicable Final Terms) prior to the Selection Date.

7.4 Redemption at the option of the Covered Bondholders (Investor Put)

- (i) If an investor put is specified in the Final Terms (the **Investor Put**), then if and to the extent specified in the applicable Final Terms, upon the holder of this Covered Bond giving to the Issuer not less than 30 nor more than 60 days' (or such other notice period specified in the

applicable Final Terms) notice (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem subject to, and in accordance with, the terms specified in the applicable Final Terms, such Covered Bond on the Optional Redemption Date and at the relevant Optional Redemption Amount as specified in, or determined in the manner specified in, the applicable Final Terms, together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date.

- (ii) If this Covered Bond is in definitive form, to exercise the right to require redemption of this Covered Bond, the holder of this Covered Bond must deliver such Covered Bond, on any Business Day (as defined in Condition 5.5) falling within the above-mentioned notice period at the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise of the Investor Put in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition 7.4.
- (iii) Any Put Notice given by a Covered Bondholder of any Covered Bond pursuant to this Condition shall be irrevocable.

It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

7.5 Repurchase by the Issuer at the option of the Covered Bondholders (Investor Repurchase Put)

- (a) If an investor Repurchase Put is specified in the Final Terms (the **Investor Repurchase Put**), then if and to the extent that the Issuer does not redeem the Covered Bonds in full on the Final Maturity Date (taking into account any applicable grace periods), upon the holder of this Covered Bond giving to the Issuer not less than 30 nor more than 60 days' notice (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, be required to purchase such Covered Bond on the date specified in such notice (the **Repurchase Date**) and at the relevant Optional Redemption Amount as specified in, or determined in the manner specified in, the applicable Final Terms, together, if applicable, with interest accrued to (but excluding) the relevant Repurchase Date.
- (b) If this Covered Bond is in definitive form, to exercise the right to require redemption of this Covered Bond, the holder of this Covered Bond must deliver such Covered Bond, on any Business Day (as defined in Condition 5.5) falling within the above-mentioned notice period at the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise of the Investor Repurchase Put in the form (for the time being current) obtainable from any specified office of any Paying Agent (a Put Notice) and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition 7.5.
- (c) Any notice given by a Covered Bondholder of any Covered Bond pursuant to this Condition shall be irrevocable.

Any failure by the Issuer to repurchase Covered Bonds pursuant to this Condition shall not constitute an Event of Default (but, for the avoidance of doubt, will constitute an Issuer Event).]

7.6 Early Redemption Amounts

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

- (i) in the case of a Covered Bond with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of a Zero Coupon Covered Bond, at an amount (the **Amortised Face Amount**) equal to the sum of:
 - (A) the Reference Price; and
 - (B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date of the first Tranche of the Covered Bonds to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Covered Bond becomes due and repayable.

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

7.7 Purchases

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

7.8 Cancellation

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

7.9 Late Payment

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

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

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

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

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

- (i) the date which the Principal Paying Agent determines to be the date on which, upon further presentation of the relevant Covered Bond, payment of the full amount (including interest as aforesaid) in the relevant currency in respect of such Covered Bond is to be made; and
- (ii) the seventh day after notice is given to the relevant Covered Bondholder (whether individually or in accordance with Condition 17 (*Notices*)) that the full amount (including interest as aforesaid) in the relevant currency in respect of such Covered Bond is available for payment,

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

8. Taxation

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

9. Issuer Events

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

- (i) an Issuer Insolvency Event (as defined below);
- (ii) the Issuer fails to pay any amount of principal due and payable on the Covered Bonds of any Series (which shall for these purposes be deemed to include a failure by the Issuer to pay any amount representing the Final Redemption Amount of the Covered Bonds of that Series notwithstanding that the relevant Series of Covered Bonds has an Extended Final Maturity Date) within a period of seven Athens Business Days or if the Issuer fails to pay interest in respect of the Covered Bonds of any Series within a period of seven Athens Business Days from the due date thereof;
- (iii) the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Covered Bonds, Receipts or Coupons of any Series and such default remains unremedied for 30 days after written notice thereof has been delivered by the Trustee to the Issuer requiring the same to be remedied;

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

then (i) no further Covered Bonds will be issued, (ii) the Servicer will procure that any and all payments due under the Cover Pool Assets are effected henceforth directly to the Transaction Account, (iii) all collections of principal and interest on the Cover Pool Assets will be dedicated exclusively to the payment of interest and repayment of principal on the Covered Bonds and to the fulfilment of the obligations of the Issuer vis-à-vis the Secured Creditors in accordance with the relevant Priority of Payments and (iv) if Eurobank is the Servicer, its appointment as Servicer will be terminated and a new servicer will be appointed pursuant to the terms of the Servicing and Cash Management Deed and the Secondary Covered Bond Legislation and, (v) the Servicer or, as applicable, the Replacement Servicer appointed pursuant to the Servicing and Cash Management Deed and the Covered Bond Legislation will be required to try to sell Selected Loans in accordance with the provisions of the Servicing and Cash Management Deed.

Issuer Insolvency Event means, in respect of Eurobank:

- (i) any order shall be made by any competent court or resolution passed for the winding-up or dissolution of the Issuer (other than for the purpose of amalgamation, merger or reconstruction on terms approved by an Extraordinary Resolution of the Covered Bondholders of all Series taken together as a single Series); or
- (ii) the Issuer shall cease to carry on the whole or substantially the whole of its business (other than for the purpose of an amalgamation, merger or reconstruction on terms approved by an Extraordinary Resolution of the Covered Bondholders of all Series taken together as a single Series); or
- (iii) the Issuer shall stop payment or shall be unable to, or shall admit inability to, pay its debts as they fall due, or shall be adjudicated or found bankrupt or insolvent by a court of competent jurisdiction or shall make a conveyance or assignment for the benefit of, or shall enter into any composition or other arrangement with, its creditors generally; or
- (iv) a receiver, trustee or other similar official shall be appointed in relation to the Issuer or in relation to the whole or over half of the assets of the Issuer, or an interim supervisor of the Issuer is appointed by the Bank of Greece or an encumbrancer shall take possession of the whole or over half of the assets of the Issuer, or a distress or execution or other process shall be levied or enforced upon or sued out against the whole or a substantial part of the assets of the Issuer and in any of the foregoing cases it or he shall not be discharged within 60 days; or
- (v) any action or step is taken which has a similar effect to the foregoing,

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

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

- (i) whose affairs and policies the Issuer controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of such entity or otherwise; or
- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles or standards, consolidated with those of the Issuer.

10. Events of Default and Enforcement

10.1 Events of Default

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

- (a) on the Extended Final Maturity Date, in respect of any Series of Covered Bonds or on any Interest Payment Date or any earlier date for redemption on which principal thereof is due and repayable, there is a failure to pay any amount of principal due on such Covered Bonds on such date and such default is not remedied within a period of 7 days from the due date thereof; or
- (b) on any Interest Payment Date, a default in the payment of the amount of interest due on any Series of Covered Bonds occurs and such default is not remedied within a period of 14 days from the due date thereof ,

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

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

10.2 Enforcement

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

In exercising any of its powers, trusts, authorities and discretions under this Condition 10.2 the Trustee shall only have regard to the interests of the Covered Bondholders of all Series taken equally

and shall not have regard to the interests of any individual Covered Bondholders (whatever their number) or any other Secured Creditors.

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

11. Prescription

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

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

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

12. Replacement of Covered Bonds, Coupons and Talons

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

13. Exchange of Talons

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

14. Trustee and Agents

- (a) In acting under the Agency Agreement and in connection with the Covered Bonds and the Coupons, the Agents act solely as agents of the Issuer (or, in the circumstances specified in the Agency

Agreement, the Trustee) and do not assume any obligations towards or relationship of agency or trust for or with any of the Covered Bondholders or Couponholders.

- (b) The initial Agents and their initial specified offices are set forth in the Base Prospectus and in the Master Definitions and Construction Schedule. If any additional agents are appointed in connection with any series, the names of such Agents will be specified in Part B of the applicable Final Terms. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time with the prior written consent of the Trustee to vary or terminate the appointment of any Agent and to appoint a successor Principal Paying Agent or Calculation Agent and additional or successor paying agents *provided, however, that*:
- (i) so long as the Covered Bonds are listed on any stock exchange or admitted to listing by any other relevant authority there will at all times be a Paying Agent (which may be the Principal Paying Agent), in the case of Covered Bonds, with a specified office in such place as may be required by the rules and regulations of such stock exchange or other relevant authority;
 - (ii) if a Calculation Agent is specified in the relevant Final Terms, the Issuer (or following the occurrence of an Issuer Event, the Servicer) shall at all times maintain a Calculation Agent;
 - (iii) if and for so long as the Covered Bonds are listed on any stock exchange which requires the appointment of an Agent in any particular place, the Issuer (or following the occurrence of an Issuer Event, the Servicer) shall maintain an Agent having its specified office in the place required by such stock exchange; and
 - (iv) the Issuer (or following the occurrence of an Issuer Event, the Servicer) shall at all times maintain a paying agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

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

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

15. Meetings of Covered Bondholders, Modification and Waiver

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

less than one-quarter, of the aggregate principal amount of the outstanding Covered Bonds of such Series form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Covered Bondholders, Receipt-holders of such Series and Couponholders, whether present or not.

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

In connection with any meeting of the holders of Covered Bonds of more than one Series where any Series of such Covered Bonds is not denominated in Euro, the nominal amount of the Covered Bonds of such Series not denominated in Euro shall be deemed, for the purposes of such meeting, to be an amount in Euro equal to the Principal Amount Outstanding of such Covered Bonds converted into Euro using the relevant Covered Bond Swap Rate.

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

- (b) *Modification*: The Trustee may, without the consent or sanction of any of the Covered Bondholders of any Series or any of the other Secured Creditors (other than the Swap Providers in respect of a modification to the Pre-Event of Default Priority of Payments, the Post-Event of Default Priority of Payments, the Conditions of the Covered Bonds, the Individual Eligibility Criteria or the Servicing and Cash Management Deed (such consent not to be unreasonably withheld or delayed)) at any time and from time to time concur with the Issuer and any other party, to:
- (i) any modification (other than in respect of a Series Reserved Matter) of the terms and conditions applying to the Covered Bonds of one or more Series (including these Conditions), the related Coupons, the Trust Presents and/or any Transaction Document provided that in the sole opinion of the Trustee such modification is not materially prejudicial to the interests of the Covered Bondholders of such Series; or
 - (ii) any modification of the terms and conditions applying to Covered Bonds of any one or more Series (including these Conditions), the related Coupons or any Transaction Document which is in the sole opinion of the Trustee of a formal, minor or technical nature or is to correct a manifest error or an error which is, in the opinion of the Trustee, proven.

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

- (i) reduction or cancellation of the amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of payment or, where

applicable, modification of the method of calculating the date of payment in respect of any principal or interest in respect of the Covered Bonds other than in accordance with the terms thereof;

- (ii) alteration of the currency in which payments under the Covered Bonds and Coupons are to be made other than in accordance with Condition 6.8 (*Redenomination*);
 - (iii) alteration of the quorum or majority required to pass an Extraordinary Resolution;
 - (iv) the sanctioning of any such scheme or proposal for the exchange or sale of the Covered Bonds for or the conversion of the Covered Bonds into, or the cancellation of the Covered Bonds in consideration of, shares, stock, covered bonds, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, bonds, covered bonds, debentures, debenture stock and/or other obligations; and
 - (v) alteration of this definition of Series Reserved Matter.
- (c) The Trustee may without the consent of any of the Covered Bondholders of any Series and/or Couponholders and any Secured Creditors and without prejudice to its rights in respect of any subsequent breach, Issuer Event or Event of Default from time to time and at any time but only if in so far as in its opinion the interests of the Covered Bondholders of any Series shall not be materially prejudiced thereby, waive or authorise any breach or proposed breach by the Issuer of any of the covenants or provisions contained in the Trust Presents or the other Transaction Documents or determine that any Event of Default shall not be treated as such for the purposes of the Trust Presents PROVIDED ALWAYS THAT the Trustee shall not exercise any powers conferred on it by this Condition 15(c) in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 10 (Events of Default) but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Trustee may determine, shall be binding on the Covered Bondholders and/or the Couponholders and shall be notified by the Issuer (i) (if, but only if, the Trustee shall so require) to the Covered Bondholders and (ii) to the Rating Agencies, in accordance with Condition 17 (Notices) as soon as practicable thereafter.
- (d) Notwithstanding the provisions of this Condition 15, the Trustee shall be obliged, without any consent or sanction of the Covered Bondholders of any Series and/or the Couponholders and without the consent of the Secured Creditors, to concur with the Issuer in making any modification (other than in respect of a Series Reserved Matter) to the terms and conditions applying to the Covered Bonds of one or more Series (including the Conditions), the related Coupons or any Transaction Document for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, provided that in relation to any amendment under this Condition 15, the Issuer certifies in writing to the Trustee (upon which certificate the Trustee may rely without liability or inquiry) that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria and the Issuer either:
- (i) has obtained from each of the Rating Agencies written confirmation (or certifies in writing to the Trustee (upon which certificate the Trustee may rely without liability or inquiry) that it has been unable to obtain written confirmation, but has received oral confirmation from an appropriately authorised person at each of the Rating Agencies) that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Covered Bonds by such Rating

Agency and would not result in any Rating Agency placing any Series of Covered Bonds on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Trustee; or

- (ii) certifies in writing to the Trustee (upon which certificate the Trustee may rely without liability or inquiry) that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated that such modification would result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Covered Bonds by such Rating Agency or such Rating Agency placing any Covered Bonds on rating watch negative (or equivalent).

16. Further Issues

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

17. Notices

All notices regarding the Bearer Covered Bonds will be valid if published in one leading English language daily newspaper of general circulation in London or any other daily newspaper in London approved by the Trustee and (for so long as any Bearer Covered Bonds are listed on the official list of the Luxembourg Stock Exchange) if published in a daily newspaper of general circulation in Luxembourg or on the website of the Luxembourg Stock Exchange www.bourse.lu. It is expected that such publication will be made in the Financial Times in London and (in relation to Bearer Covered Bonds listed on the official list of the Luxembourg Stock Exchange) in the *Luxemburger Wort* or the *Tageblatt* in Luxembourg. The Issuer or, in the case of a notice given by the Trustee, the Trustee shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or any other relevant authority on which the Bearer Covered Bonds are for the time being listed. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers or where published in such newspapers on different dates, the last date of such first publication). If publication as provided above is not practicable, notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

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

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

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

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

18. Substitution of the Issuer

- (a) If so requested by the Issuer, the Trustee may, without the consent of any Covered Bondholder or Couponholder or any other Secured Creditor, agree with the Issuer to the substitution in place of the Issuer (or of the previous substitute under this Condition) as the principal debtor under the Trust Presents and all other Transaction Documents (the **New Company**) upon notice by the Issuer and the New Company to be given to the Covered Bondholders and the other Secured Creditors in accordance with Condition 17 (*Notices*), *provided that*:
- (i) the Issuer is not in default in respect of any amount payable under the Covered Bonds;
 - (ii) the Issuer and the New Company have entered into such documents (the **Documents**) as are necessary, in the opinion of the Trustee, to give effect to the substitution and in which the New Company has undertaken in favour of each Covered Bondholder to be bound by these Conditions and the provisions of the Trust Deed as the debtor in respect of the Covered Bonds in place of the Issuer (or of any previous substitute under this Condition 18 (*Substitution of the Issuer*));
 - (iii) If the New Company is resident for tax purposes in a territory (the **New Residence**) other than that in which the Issuer prior to such substitution was resident for tax purposes (the **Former Residence**), the Documents contain an undertaking and/or such other provisions as may be necessary to ensure that each Covered Bondholder has the benefit of an undertaking in terms corresponding to the provisions of this Condition 18 (*Substitution of the Issuer*), with the substitution of references to the Former Residence with references to the New Residence;
 - (iv) the New Company and the Issuer have obtained all necessary governmental approvals and consents for such substitution and for the performance by the New Company of its obligations under the Transaction Documents;
 - (v) if two directors of the New Company (or other officers acceptable to the Trustee) have certified that the New Company is solvent both at the time at which the relevant transaction is proposed to be effected and immediately thereafter (which certificate the Trustee can rely on absolutely), the Trustee shall not be under any duty to have regard to the financial conditions, profits or prospect of the New Company or to compare the same with those of the Issuer;

- (vi) the rights of the Covered Bondholders and the other Secured Creditors in respect of the Cover Pool shall continue in full force and effect in relation to the obligations of the New Company;
 - (vii) legal opinions in form and substance satisfactory to the Trustee shall have been delivered to the Trustee (with a copy of such legal opinions also to be provided to the Rating Agencies) from lawyers of recognised standing in the jurisdiction of incorporation of the New Company, in England and in Greece as to matters of law relating to the fulfilment of the requirements of this Condition 18 (*Substitution of the Issuer*) and that the Covered Bonds and any Coupons and/or Talons are legal, valid and binding obligations of the New Company;
 - (viii) if Covered Bonds issued or to be issued under the Programme have been assigned a credit rating by DBRS and Moody's (together, the **Rating Agencies** and each a **Rating Agency**), each Rating Agency has been notified of the proposed substitution and the Rating Agencies have not downgraded the Covered Bonds outstanding as a result of such substitution;
 - (ix) each stock exchange on which the Covered Bonds are listed shall have confirmed that, following the proposed substitution of the New Company, the Covered Bonds will continue to be listed on such stock exchange; and
 - (x) if applicable, the New Company has appointed a process agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Covered Bonds and any Coupons.
- (b) Upon such substitution the New Company shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under the Covered Bonds, any Coupons and the Trust Deed with the same effect as if the New Company has been named as the Issuer herein, and the Issuer shall be released from its obligations under the Covered Bonds, any Coupons and/or Talons and under the Trust Deed.
 - (c) After a substitution pursuant to Condition 18(a), the New Company may, without the consent of any Covered Bondholder or Couponholder, effect a further substitution. All the provisions specified in Conditions 18(a) and 18(b) shall apply *mutatis mutandis*, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further New Company.
 - (d) After a substitution pursuant to Condition 18(a) or 18(c), any New Company may, without the consent of any Covered Bondholder or Couponholder, reverse the substitution, *mutatis mutandis*.
 - (e) The Transaction Documents shall be delivered to, and kept by, the Principal Paying Agent. Copies of the Transaction Documents will be available free of charge during normal business hours at the specified office of the Principal Paying Agent.

19. Renominalisation and Reconventioning

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

20. Governing Law and Jurisdiction

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

21. Submission to jurisdiction

- (a) Subject to Condition 21(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Covered Bonds and the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Covered Bonds and the Coupons (a **Dispute**) and accordingly each of the Issuer and the Trustee and the Covered Bondholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 21, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Trustee, the Covered Bondholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

22. Appointment of Process Agent

The Issuer irrevocably appoints Eurobank Ergasias S.A., London Branch at Eurobank Ergasias S.A., London Branch, at 25 Berkeley Square, London W1J 6HN (Attn.: Mr. Athos Kaissides), Email: akaissides@eurobank.co.uk, Fax: +44 (0)20 79738632), as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of Eurobank Ergasias S.A., London Branch being unable or unwilling for any reason so to act, it will immediately appoint another person approved by the Trustee as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

23. Third Parties

No person shall have any right to enforce any term or condition of this Covered Bond under the Contracts (Rights of Third Parties) Act 1999.

FORMS OF THE COVERED BONDS

The Covered Bonds of each Series will be in either bearer form, with or without interest coupons and/or talons attached, or registered form, without interest coupons and/or talons attached. Bearer Covered Bonds will be issued outside the United States in reliance on Regulation S and Registered Covered Bonds may be issued outside the United States in reliance on Regulation S.

Bearer Covered Bonds

Each Tranche of Bearer Covered Bonds will be in bearer form initially issued in the form of a temporary global covered bond without receipts and interest coupons attached (a **Temporary Global Covered Bond**) which will:

- (a) if the Bearer Global Covered Bonds (as defined below) are issued in new global covered bond (**NGCB**) form, as stated in the applicable Final Terms, be delivered on or prior to the issue date of the relevant Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**); and
- (b) if the Bearer Global Covered Bonds are not issued in NGCB form, be delivered on or prior to the issue date of the relevant Tranche to a common depositary (the **Common Depositary**) for Euroclear and Clearstream, Luxembourg.

Bearer Covered Bonds will only be delivered outside the United States and its possessions.

Where the Global Covered Bonds issued in respect of any Tranche are in NGCB form, the applicable Final Terms will also indicate whether such Global Covered Bonds are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Covered Bonds are to be so held does not necessarily mean that the Bearer Global Covered Bonds of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The common Safekeeper for NGCBs will either be Euroclear or Clearstream Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg, as indicated in the applicable Final Terms. Whilst any Bearer Covered Bond is represented by a Temporary Global Covered Bond, payments of principal, interest (if any) and any other amount payable in respect of the Bearer Covered Bonds due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Covered Bond if the Temporary Global Covered Bond is not issued in NGCB form) only to the extent that certification (in a form to be provided by Euroclear and/or Clearstream, Luxembourg) to the effect that the beneficial owners of interests in such Bearer Covered Bond are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Covered Bond is issued, interests in such Temporary Global Covered Bond will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a permanent global covered bond without interest coupons attached (a **Permanent Global Covered Bond** and, together with the Temporary Global Covered Bonds, the **Bearer Global Covered Bonds** and each a Bearer **Global Covered Bond**) of the same Series or (b) for Definitive Covered Bonds of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of Bearer Definitive Covered Bonds, to such notice period as is specified in the applicable Final Terms), in each case against certification of non-U.S. beneficial ownership as described above unless such certification has already been given. Purchasers in the United States and certain United States persons will not be able to receive Bearer

Definitive Covered Bonds or interests in the Permanent Global Covered Bond. The holder of a Temporary Global Covered Bond will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Covered Bond for an interest in a Permanent Global Covered Bond or for Definitive Covered Bonds is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Covered Bond will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Global Covered Bond (if the Permanent Global Covered Bond is not issued in NGCB form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Covered Bond will be exchangeable (free of charge), in whole but not in part, for Bearer Definitive Covered Bonds with, where applicable, receipts, interest coupons and talons attached upon either (a) provided the Covered Bonds have a minimum Specified Denomination, or integral multiples thereof, not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Covered Bond) to the Principal Paying Agent as described therein or (b) upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, whether statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (ii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Bearer Global Covered Bond (and any interests therein) exchanged for Bearer Definitive Covered Bonds. The Issuer will promptly give notice to Covered Bondholders of each Series of Bearer Global Covered Bonds in accordance with Condition 17 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Covered Bond) or the Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (b)(ii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

Bearer Global Covered Bonds, Bearer Definitive Covered Bonds and any Coupons, Talons or Receipts attached thereto will be issued pursuant to the Trust Deed.

The following legend will appear on all Bearer Covered Bonds (other than Temporary Global Covered Bonds) talons and interest coupons relating to such Bearer Covered Bonds where TEFRA D is specified in the applicable Final Terms:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Covered Bonds, talons or interest coupons and will not be entitled to capital gains treatment of any gain on any sale or other disposition in respect of such Bearer Covered Bonds, talons or interest coupons.

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

Registered Covered Bonds

Registered Global Covered Bonds will be (a) if the applicable Final Terms specify the Registered Global Covered Bonds are intended to be held in a manner which would allow Eurosystem eligibility (being the new safekeeping structure (NSS)), deposited on the relevant Issue Date with the Common Safekeeper; or (b) if the applicable Final Terms specify the Registered Global Covered Bonds are not intended to be held in a manner which would allow Eurosystem eligibility, deposited on the relevant Issue Date with a nominee or Common Depository for Euroclear or Clearstream, Luxembourg, as applicable.

Any indication that the Registered Global Covered Bonds are to be held in a manner which would allow Eurosystem eligibility does not necessarily mean that the Registered Global Covered Bonds of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria.

Payments of principal, interest and any other amount in respect of the Registered Global Covered Bonds will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6.4) as the registered holder of the Registered Global Covered Bonds. None of the Issuer, the Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Covered Bonds or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Covered Bonds in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6.4) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Covered Bond will be exchangeable (free of charge), in whole but not in part, for Registered Definitive Covered Bonds without Coupons or Talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (a) in the case of a Registered Global Covered Bond registered in the name of the Common Depository or its nominee, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, whether statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (b) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Registered Global Covered Bond (and any interests therein) exchanged for Registered Definitive Covered Bonds. The Issuer will promptly give notice to Covered Bondholders of each Series of Registered Global Covered Bonds in accordance with Condition 17 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any registered holder of an interest in such Registered Global Covered Bond) or the Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (b) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

General

Pursuant to the Agency Agreement (as defined under “*Terms and Conditions of the Covered Bonds*”), the Principal Paying Agent shall arrange that, where a further Tranche of Covered Bonds is issued which is intended to form a single Series with an existing Tranche of Covered Bonds, the Covered Bonds of such further Tranche shall be assigned a common code and ISIN and, where applicable, CINS number which are different from the common code, ISIN and CINS number assigned to Covered Bonds of any other Tranche of the same Series until at least the Exchange Date applicable to the Covered Bonds of such further Tranche.

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

No Covered Bondholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become so bound to proceed, fails so to do within a reasonable period and the failure shall be continuing.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Covered Bonds issued under the Programme.

[Date]

EUROBANK ERGASIAS S.A.

Issue of [Aggregate Nominal Amount of Tranche] [Title of Covered Bonds]

Under the €5 billion

Global Covered Bond Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Covered Bonds (the **Terms and Conditions**) set forth in the Base Prospectus dated 9 March 2015 [and the supplement to the Base Prospectus dated [date]] which [together] constitute[s] a base prospectus (the **Base Prospectus**) for the purposes of the Prospectus Directive (Directive 2003/71/EC as amended) (the **Prospectus Directive**). This document constitutes the final terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of this Final Terms and the Base Prospectus. Copies of the Base Prospectus [and the supplement to the Base Prospectus] are available free of charge to the public at the registered office of the Issuer and from the specified office of each of the Paying Agents. The Base Prospectus [and the supplement to the Base Prospectus] are published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

[The following alternative language applies if the first Tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the **Terms and Conditions**) set forth in the Base Prospectuses dated 4 March 2010 and 28 April 2011 which are being incorporated by reference in the Base Prospectus dated 9 March 2015. This document constitutes the final terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC as amended) (the **Prospectus Directive**) and must be read in conjunction with the Base Prospectus dated 9 March 2015 [and the supplement to it dated [date]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Base Prospectus**). Full information on the Issuer and the Group and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and any supplements to the Base Prospectus will be published on the Luxembourg Stock Exchange website (www.bourse.lu). *[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). [Italics denote direction for completing the Final Terms].]*

1. (i) Series Number: [●]
- (ii) Tranche Number: [●]
- (iii) Date on which the Covered Bonds will be consolidated and form a single Series: The Covered Bonds will be consolidated and form a single Series with [Provide issued amount/ISIN/maturity date/issue date of earlier Tranches] on [the Issued Date/exchange of the Temporary Global Covered Bond for interests in the

Permanent Global Covered Bond, as referred to in paragraph [●] below, which is expected to occur on or about [date]][Not Applicable]

2. Specified Currency or Currencies: [●]
3. Aggregate Nominal Amount of Covered Bonds: [●]
- (i) Series: [●]
- (ii) Tranche: [●]
4. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
5. (i) Specified Denominations: [●]
- (N.B. Where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:*
- €100,000 and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Covered Bonds in definitive form will be issued with a denomination above [€199,000].)*
- (N.B. Covered Bonds must have a minimum denomination [€100,000] (or equivalent.)*
- (ii) Calculation Amount: [●]
6. (i) Issue Date: [●]
- (ii) Interest Commencement Date: [●] *[NB An Interest Commencement Date will not be relevant for certain Covered Bonds, for example Zero Coupon Covered Bonds.]*
7. (i) Final Maturity Date: *[Fixed rate - specify date/Floating Rate - Interest Payment Date falling in or nearest to [Specify month and year]*
- (ii) Extended Final Maturity Date *[Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month and year, in each case falling one year after the Final Maturity Date]]*

[If an Extended Final Maturity Date is specified and the Final Redemption Amount is not paid in full on the Maturity Date, payment of the unpaid amount will be automatically deferred until the Extended Final Maturity Date, provided that any amount representing the Final Redemption Amount due and remaining

unpaid on the Final Maturity Date may be paid by the Issuer on any Interest Payment Date occurring thereafter up to (and including) the relevant Extended Final Maturity Date. See Condition 7.1 (*Redemption and Repurchase*)

8. Interest Basis: per cent. Fixed Rate
 [LIBOR/EURIBOR] per cent. Floating Rate
 Zero Coupon
9. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Covered Bonds will be redeemed on the Final Maturity Date at 100, in relation to Zero Coupon Notes only] per cent of their nominal amount
10. Change of Interest Basis: *[Specify the date when any fixed to floating rate change occurs]* *[Not Applicable]*
11. Put/Call Options: Not Applicable
 Investor Put
 Investor Repurchase Put
 Issuer Call
[(further particulars specified below under Provisions Relating to Redemption)]
12. [Date Board] approval for issuance of Covered Bonds obtained:]
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Covered Bonds)
13. Redenomination: Applicable/Not Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Covered Bond Provisions** Applicable/Not Applicable
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate[(s)] of Interest: per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): in each year up to and including the Final Maturity Date, or the Extended Final Maturity Date, if applicable
 Applicable/Not Applicable

- (iii) Business Day Convention [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[Not Applicable]
- (iv) Business Day(s) [●]
- (v) Additional Business Centre(s) [●]
- (vi) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
(Applicable to Covered Bonds in definitive form)
- (vii) Broken Amount(s): [●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●] [Not Applicable]
(Applicable to Covered Bonds in definitive form)
- (viii) Day Count Fraction: [30/360/Actual/Actual [(ICMA/ISDA) [adjusted/not adjusted]
- (ix) Determination Date [[●] in each year] [Not Applicable]
(NB Only relevant where Day Count Fraction is Actual/Actual (ICMA))

[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]

15. **Floating Rate Covered Bond Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Interest Period(s): [●]
- (ii) Specified Period(s)/Specified Interest Payment Dates: [●], subject to adjustment in accordance with the Business Day Convention set out in (iv) below /, not subject to adjustment, as the Business Day Convention in (iv) below is specified to be not Applicable]
- (iii) First Interest Payment Date: [●]
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention/[Not Applicable]]
- (v) Additional Business Centre(s): [●]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vii) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal [●]

Paying Agent):

(viii) Screen Rate Determination:

- Reference Rate: [●] month [LIBOR/EURIBOR]
- Interest Determination Date(s): [●] (*Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or Euro LIBOR or EURIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or Euro LIBOR*)

N.B. Specify the Interest Determination Date(s) up to and including the Extended Final Maturity Date, if applicable

- Relevant Screen Page: [●]
(In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

(ix) Linear Interpolation [Not Applicable/Applicable – the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]

(x) ISDA Determination:

- Floating Rate Option: [●]
- Designated Maturity: [●]
- Reset Date: [●]

(xi) Margin(s): (*In the case of a LIBOR or EURIBOR based option, the first day of the interest Period*)_ [+/-][●] per cent. per annum

(xii) Minimum Rate of Interest: [●] per cent. per annum

(xiii) Maximum Rate of Interest: [●] per cent. per annum

(xiv) Day Count Fraction: [Actual/ Actual [(ISDA)/(ICMA)]
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
[30/360] [360/360] [Bond Basis]
30E/360
30E/360 (ISDA)
[adjusted/not adjusted]

16. **Zero Coupon Covered Bond Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Accrual Yield: [●] per cent. per annum
- (ii) Reference Price: [●]
- (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable]
- (iv) Business Day(s): [●]
- (v) Additional Business Centre(s): [●]
- (vi) Day Count Fraction in relation to Early Redemption Amounts and late payments: [30/360]
[Actual/Actual[(ISDA)/(IMCA)]]

PROVISIONS RELATING TO REDEMPTION

17. **Issuer Call** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s): [●] per Calculation Amount
- (iii) (If redeemable in part:
 - (a) Minimum Redemption Amount: [●] per Calculation Amount
 - (b) Maximum Redemption Amount: [●] per Calculation Amount
- (iv) Notice period (if other than as set out in the Terms and Conditions) [●]

(N.B. If setting notice periods which are different to those provided in the Terms and Conditions Condition 7 (Redemption and Purchase), the Issuer is advised to consider the practicalities of distribution of information through intermediaries for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent and the Trustee)

18. **Investor Put** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-

paragraphs of this paragraph)

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s): [●] per Calculation Amount
- (iii) Notice period: [●]

(N.B. If setting notice periods which are different to those provided in the Terms and Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent and the Trustee)

- 19. **Investor Repurchase Put** [Applicable/Not Applicable]
- 20. **Final Redemption Amount** [●] per Calculation Amount
- 21. **Early Redemption Amount**
Early Redemption Amount payable on redemption for taxation reasons or on event of default: [●] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

- 22. Form of Covered Bonds: [Bearer Covered Bonds:

[Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Definitive Covered Bonds [on 60 days' notice given at any time/only upon an Exchange Event]]

(N.B. The exchange upon notice should not be expressed to be applicable if the Specified Denomination of the Covered Bonds in paragraph 4 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].")

[Registered Covered Bonds:

registered in the name of a nominee of the [Common Safekeeper]/[common depository] for Euroclear and Clearstream, Luxembourg]
- 23. [New Global Covered Bond] [New Safekeeping Structure]: [Yes/No]
- 24. Additional Financial Centre(s): [Not Applicable/give details]. Covered Bond that this item relates to the date and place of payment, and not interest period end dates, to which items [14(ii), relates]

25. Talons for future Coupons to be attached to Definitive Covered Bonds: [Yes, as the Covered Bonds have more than 27 coupon payments if, on exchange into definitive form, more than 27 coupon payments are still to be made/No.]

THIRD PARTY INFORMATION

[[Relevant third party information] has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf Eurobank Ergasias S.A.

By:

Duly Authorised:

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Admission to trading and admission to listing: [[Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on [the regulated market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange] [*Specify relevant regulated market and, if relevant, listing on an official list*] with effect from [].

[[Application is expected to be made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on [the regulated market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange] [*Specify relevant regulated market and, if relevant, listing on an official list*] with effect from [].][Not Applicable.]

(NB: Where documenting a fungible issue need to indicate that original Covered Bonds are already admitted to trading.)

- (ii) Estimate of total expenses related to admission to trading: [●]

2. RATINGS

Ratings: The Covered Bonds to be issued [[have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Covered Bonds of this type issued under the Programme General]:

[Moody's: [●]]

[DBRS: [●]]

[[Other]: [●]]

[[Each of [*relevant credit rating agency*]] is established in the European Union and is registered under Regulation (EC) No 1060/2009 (as amended) (the **CRA Regulation**).]

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

Save :

Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. – *Amend as appropriate if there are other*

interests]

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

4. YIELD (Fixed Rate Covered Bonds only)

Indication of yield: (Not Applicable)

5. HISTORIC INTEREST RATES (Floating Rate Covered Bonds only)

Details of historic [LIBOR/EURIBOR] rates can be obtained from Reuters.

6. OPERATIONAL INFORMATION

ISIN Code:

Common Code:

(insert here any other relevant codes such as CINS codes):

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable/give name(s) number(s) and address/es]

Delivery: Delivery [against/free of] payment

Names and addresses of initial Paying Agent(s):

Names and addresses of additional Paying Agent(s) (if any):

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes Note that the designation “yes” simply means that the Covered Bonds are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as Common Safekeeper)] *[include this text for registered Covered Bonds]* and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Covered Bonds are capable of meeting them the Covered Bonds may then be

deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] [include this text for registered Covered Bonds]. Note that this does not necessarily mean that the Covered Bonds will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

7. DISTRIBUTION

Method of distribution: [Syndicated/Non-syndicated]

If syndicated, names of managers: [Not applicable/give names]

Date of [Subscription] Agreement: []

Stabilising Manager(s) (if any): [Not Applicable/give name]

If non-syndicated, name of relevant Dealer: [Not Applicable/give name]

INSOLVENCY OF THE ISSUER

The Greek Covered Bond Legislation contains provisions relating to the protection of the Covered Bondholders and other Secured Creditors upon the insolvency of the Issuer.

In the event of insolvency of the Issuer, the Greek Covered Bond Legislation provides that the Cover Pool will at all times remain segregated from the insolvency estate of the Issuer until payment of any amounts due to the Covered Bondholders has been made in full. Upon registration of the Registration Statements with the public registry, the issue of the Covered Bonds, the creation of the Statutory Pledge and the security governed by foreign law (including pursuant to the Deed of Charge), the payments to Covered Bondholders and other Secured Creditors and the entry into of any agreement relating to the issue of Covered Bonds will not be affected by the commencement of insolvency proceedings in respect of the Issuer. All collections from the Cover Pool Assets shall be applied solely towards payment of amounts due to the Covered Bondholders and other Secured Creditors.

Pursuant to the Greek Covered Bond Legislation, both before and after the commencement of insolvency proceedings in respect of the Issuer, the Cover Pool may be autonomously managed until full payment of the amounts due to the Covered Bondholders and the other Secured Creditors has been made. To ensure continuation of the servicing in the event of insolvency of the Issuer acting as the Servicer the Greek Covered Bond Legislation provides that the Transaction Documents may provide for the substitution of the Servicer upon the insolvency of the Issuer.

In the event that no substitute servicer is appointed pursuant to the Transaction Documents, continuation of the servicing is ensured as follows:

- In the event of the Issuer's insolvency under Greek Law 4261/2014, the Bank of Greece may appoint a servicer, if the trustee fails to do so. Such person will be specifically carrying out the servicing of the Cover Pool. Any such person appointed as described above shall be obliged to service the Cover Pool in accordance with the terms of the Servicing and Cash Management Deed.

Any of the aforementioned parties performing the role of the servicer, as well as the special liquidator that will be appointed by the Bank of Greece to undertake the management of the Issuer, will be required to treat the Cover Pool as a segregated pool of assets on the basis of the segregation provisions of Article 152 and in accordance with the Servicing and Cash Management Deed, the terms of which, including, *inter alia*, the termination, substitution and replacement provisions, will at all times apply.

USE OF PROCEEDS

The net proceeds from each issue of Covered Bonds will be applied by the Issuer for its general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

OVERVIEW OF THE GREEK COVERED BOND LEGISLATION

The following is an overview of the provisions of the Greek Covered Bond Legislation relevant to the transactions described in this Base Prospectus and of which prospective Covered Bondholders should be aware. The summary does not purport to be, and is not, a complete description of all aspects of the Greek legislative and regulatory framework pertaining to covered bonds and prospective Covered Bondholders should also read the detailed information set out elsewhere in this Base Prospectus.

Introduction

The transactions described in this Base Prospectus are the subject of specific legislation, the Greek Covered Bond Legislation. As mentioned elsewhere in the Base Prospectus, the Greek Covered Bond Legislation includes Article 152 of Greek Law 4261/2014 (such law being published in the Government Gazette No. 107/A/5-05-2014 and dealing with, *inter alia*, the access to the activity of credit institutions, (defined elsewhere in this Base Prospectus as Article 152) and the Act of the Governor of the Bank of Greece No. 2598/2007 entitled “Regulatory framework for covered bonds issued by credit institutions” and published in the Government Gazette No. 2236/B/21-11-2007, as amended and restated by the codifying Act of the Governor of the Bank of Greece No. 2620/2009 (published in the Government Gazette No. 2107/B/29-9-2009). The Greek Covered Bond Legislation has been enacted, with a view, *inter alia*, to complying with the standards of article 52(4) of Directive 2009/65/EC (as amended), and entitles credit institutions to issue (directly or through a special purpose vehicle) covered bonds with preferential rights in favour of the holders thereof and certain other creditors over a cover pool comprised by certain assets discussed in further detail below.

The provisions of the Greek Covered Bond Legislation that are relevant to the Programme may be summarised as follows:

Article 152

Credit institutions may issue Covered Bonds pursuant to the provisions of Article 152 and the general provisions of Greek law on bonds (articles 1-9, 12 and 14 of Greek Law 3156/2003).

In deviation from the Greek general bond law provisions, the bondholders’ representative (also referred to as the trustee) may be a credit institution or an affiliated company of a credit institution entitled to provide services in the European Economic Area. Unless otherwise set out in the terms and conditions of the bonds the trustee is liable towards bondholders for wilful misconduct and gross negligence.

Cover Pool – composition of assets

Paragraph 3 of Article 152 provides that the assets forming part of the cover pool may include receivables deriving from loans and credit facilities of any nature and, on a supplementary basis, receivables deriving from financial instruments (such as, but not limited to, receivables deriving from interest rate swaps contracts), deposits with credit institutions and securities, as specified by a decision of the Bank of Greece.

Following an authorisation originally provided by Article 91 of Greek Law 3601/2007 and repeated by Article 152, the Bank of Greece has defined, in the Secondary Covered Bond Legislation, the cover pool eligible assets as follows:

- (a) certain eligible assets set out in paragraph 8(b) of Section B of the Bank of Greece Act No. 2588/20-8-2007 (on the “Calculation of Capital Requirements for Credit Risk according to the Standardised Approach”), as amended as of 31 December 2010 by the Bank of Greece Act No. 2631/29-10-2010 and by Bank of Greece Act No. 7/10.01.13 including claims deriving from loans and credit facilities of any nature secured by residential real estate. Following the entry into force of Regulation

575/2013 on 1 January 2014, the reference to paragraph 8(g) should be read as a reference to Article 129 of Regulation 575/2013;

- (b) derivative financial instruments satisfying certain requirements as to the scope thereof and the capacity of the counterparty;
- (c) deposits with credit institutions (including any cash flows deriving therefrom) provided that such deposits comply with paragraph 8(b) of Section B of the Bank of Greece Act No 2588/20-8-2007 as amended as of 21 December 2010 by the Bank of Greece Act No 2631/29-10-2010 and by the Bank of Greece Act 7/10.01.2013; and
- (d) Marketable Assets.

Loans that are in arrears for more than 90 days shall not be included in the Cover Pool for the purposes of the calculations required under the Statutory Tests.

The Bank of Greece has also set out requirements as to the substitution and replacement of cover pool assets by other eligible assets (including, *inter alia*, marketable assets, as defined in the Act of the Monetary Policy Council of the Bank of Greece No. 54/27-2-2004).

Benefit of a prioritised claim by way of statutory pledge

Claims comprised in the cover pool are named in a document (defined elsewhere in this Base Prospectus as a Registration Statement) signed by the issuer and the trustee and registered in a summary form including the substantial parts thereof, in accordance with article 3 of Greek Law 2844/2000. The form of the Registration Statement has been defined by Ministerial Decree No. 95630/8-9-2008 (published in the Government Gazette No 1858/B/12-9-2008) of the Minister of Justice. Receivables forming part of the cover pool may be substituted for others and receivables may be added to the cover pool in the same manner.

Holders of covered bonds and certain other creditors having claims relating to the issuance of the covered bonds (such as, *inter alios*, the trustee, the servicer and financial derivatives counterparties) named as secured creditors in the terms and conditions of the covered bonds are secured (by operation of paragraph 4 of Article 152) by a statutory pledge over the cover pool, or, where a cover pool asset is governed by foreign law, by a security *in rem* created under applicable law.

With respect to the preferential treatment of covered bondholders and other secured creditors and pursuant to paragraph 6 of Article 152, claims that have the benefit of the statutory pledge rank ahead of claims referred to in article 975 of the Code of Civil Procedure (a general provision of Greek law on creditors' ranking), unless otherwise set out in the terms and conditions of the covered bonds. In the event of bankruptcy of the issuer, covered bondholders and other creditors secured by the statutory pledge shall be satisfied in respect of the portion of their claims that is not paid off from the cover pool in the same manner as unsecured creditors from the remaining assets of the issuer.

To ensure bankruptcy remoteness of the assets in the cover pool, paragraph 7 of Article 152 provides that upon registration of the Registration Statement with the public registry, the validity of the issue of the covered bonds, the creation of the statutory pledge and the real security governed by foreign law, if any, the payments to covered bondholders and other creditors secured by the statutory pledge, as well as of the entry into force of any agreement relating to the issue of covered bonds may not be affected by the commencement of insolvency proceedings in respect of the issuer.

Paragraph 8 of Article 152 safeguards the interests of covered bondholders and other secured creditors in providing that assets included in the cover pool may not be attached/seized nor disposed by the issuer without the written consent of the trustee, unless otherwise set out in the terms and conditions of the covered bonds.

Paragraph 9 of Article 152 deals with the servicing of the cover pool. In particular, it provides that the terms and conditions of the covered bonds may specify that either from the beginning or following the occurrence of certain events, such as, but not limited to, the commencement of insolvency proceedings in respect of the issuer, the trustee may assign to third parties or carry out itself the collection of and, in general, the servicing of the cover pool assets by virtue of an analogous application of the Greek provisions on servicing applicable to securitisations (paragraphs 14 through 16 of article 10 of Greek Law 3156/2003).

Paragraph 9 of Article 152 also provides that the trustee may also, pursuant to the terms and conditions of the bonds and the terms of its relationship with the bondholders, sell and transfer the assets forming part of the cover pool either by virtue of an analogous application of articles 10 and 14 of Greek Law 3156/2003 concerning securitisation of receivables or pursuant to the general legislative provisions and utilise the net proceeds from the sale to pay the claims secured by the statutory pledge, in deviation from articles 1239 and 1254 of the Greek Civil Code on enforcement of pledges and any other legislative provision to the contrary. For the purposes of facilitating the transfer pursuant to the above mentioned securitisation provisions of Greek Law 3156/2003 the transferor shall not be required to have a permanent establishment in Greece.

In the event of the issuer's insolvency the Bank of Greece may appoint a servicer, if the trustee fails to do so. Sums deriving from the collection of the receivables that are covered by the statutory pledge and the liquidation of other assets covered thereby are required to be applied towards the payment of the covered bonds and other claims secured by the statutory pledge pursuant to the terms and conditions of the covered bonds.

Paragraph 9 of Article 152 also deals with banking secrecy and personal data processing. In particular, it provides that the provisions of paragraphs 20 through 22 of article 10 of Greek Law 3156/2003 that regulate these issues for Greek securitisation transactions shall apply *mutatis mutandis* to the sale, transfer, collection and servicing, in general, of the assets constituting the cover pool.

Paragraph 11 of Article 152 confirms that covered bonds may be listed on a regulated market within the meaning of paragraph 10 of Article 2 of Greek Law 3606/2007, as in force, and paragraph 14 of Article 4 of Directive 2004/39/EC and offered to the public pursuant to applicable provisions.

Article 152 authorises the Bank of Greece to deal both with specific issues, such as, the definition of the cover pool, the ratio between the value of the cover pool assets and that of covered bonds, the method for the evaluation of cover pool assets and requirements to ensure adequacy of the cover pool and any details in general for the implementation of Article 152.

The Secondary Covered Bond Legislation

The Secondary Greek Covered Bond Legislation has been issued by the Bank of Greece by virtue of authorisations given by Article 152 as aforesaid. To this effect, the Secondary Greek Covered Bond Legislation sets out requirements for the supervisory recognition of covered bonds, including, requirements as to the issuer's risk management and internal control systems; requirements as to a minimum amount of regulatory own funds on a consolidated basis and capital adequacy ratio; definition and eligibility criteria as to the initial cover pool and the substitution and replacement of cover pool assets; requirements in respect of the ratio between the value of the cover pool assets and the value of covered bonds, the ratio between the net present value of liabilities under the covered bonds and the net present value of the cover assets, the ratio between interest payments on covered bonds and interest payments on cover pool assets and the revaluation of the value of the real estate property mortgaged; requirements for the performance of quarterly reviews by the servicer and annual audits thereof by independent chartered accountants; requirement to appoint a trustee; provisions regarding measures to be taken in the event of insolvency procedures in respect of the issuer; procedures for the submission of documents to obtain approval by the Bank of Greece in respect of the issuance of covered bonds; provisions relating to the position weighting of covered bonds; and data reporting and disclosure requirements.

EUROBANK ERGASIAS S.A.

Overview

The Issuer and its consolidated subsidiaries (the **Group**) is one of the four systemic banks in Greece, operating in key banking product and service markets. As at 30 September 2014, the Issuer had €74.3 billion, €51.8 billion and €42.7 billion in consolidated total assets, gross loans and advances to customers and customer deposits, respectively, and a network of 539 branches in Greece (retail and corporate), 461 branches and 33 business centres in Southeastern Europe, a subsidiary with one branch in Luxembourg, a branch in the United Kingdom, and a worldwide workforce of 17,527 employees. Eurobank's registered office is at 8 Othonos Street, Athens 10557, Greece and its telephone number is +30 210 333 7000.

Eurobank offers a wide range of financial services to the Issuer's retail and corporate clients. Eurobank has a strategic focus in Greece in fee-generating activities, such as asset management, private banking, equity brokerage, treasury sales, investment banking, leasing, factoring, life insurance, real estate and trade finance. The Issuer is also among the leading providers of banking services and credit to SMEs, small businesses and professionals, large corporates and households. Eurobank's Greek operations for the year ended 30 September 2014 accounted for 72.0 per cent. of the Issuer's operating income, with international operations accounting for the remaining 28.0 per cent..

Eurobank has an international presence in six countries outside of Greece, with operations in Romania, Bulgaria, Serbia, Cyprus, Luxembourg and the United Kingdom, which, at 30 September 2014, collectively represented 463 branches and 33 business centres and 39 per cent. of the Issuer's total workforce. As at 30 September 2014, the Issuer's international operations had €12.8 billion in total assets (17.3 per cent. of the Group's total), €7.6 billion in gross loans (14.7 per cent. of the Group's total) and €9.2 billion in customer deposits (21.5 per cent. of the Group's total). Eurobank also has a presence in the Ukraine, which is accounted as held for sale.

In 2013, the Issuer expanded its operations through the acquisitions of New TT Hellenic Postbank S.A. (**New TT HPB**) and New Proton Bank S.A. (**New Proton Bank**) (the **Acquisitions**), which occurred in the context of the on-going consolidation of the Greek banking sector. The Issuer acquired full ownership of New TT HPB and New Proton Bank on 30 August 2013. These Acquisitions improved the Issuer's size and profile and had a positive impact on the Issuer's liquidity and capital base. Additionally, Eurobank expect the Acquisitions to lead to synergies through the reduction of operational and funding costs. The Issuer believes the Acquisitions will help strategically position the Issuer to benefit from the expected recovery of the Greek economy. The operational merger of New TT HPB with Eurobank was fully completed in May 2014, with the integration of former T Bank systems in the Eurobank IT environment, and puts into practice the Bank's responsible strategic decision to maintain two distinct branch networks: a network under the brand name Eurobank and a network under the brand name New TT Branch Network.

Greek Economy Liquidity Support Program

- (a) Eurobank participates in the Hellenic Republic's plan to support liquidity in the Greek economy under Law 3723/2008, as amended by, among others, Laws 3756/2009, 3844/2010, 3845/2010, 3872/2010, 3965/2011, 3986/2011, 4021/2011 and 4093/2012 and extended by a Ministerial decision issued on 3 July 2014, as follows: First stream – preference shares.

345,500,000 non-voting preference shares with nominal value of € 950 million were subscribed to by the Hellenic Republic on 21 May 2009 .

- (b) Second stream – bonds guaranteed by the Hellenic Republic.

As at 30 September 2014, the government guaranteed bonds, of face value of € 11,140 million, were fully retained by the Issuer and its subsidiaries. In May 2014, government guaranteed bonds of face value of € 332 million matured. Furthermore, in June, September and October 2014 the Issuer proceeded with the cancellation of government guaranteed bonds of face value of € 1,910 million, € 550 million and 1,300 million respectively .

(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. As at 30 September 2014, the Issuer had borrowed special Greek Government bonds of € 1,918 million.

Recapitalisation

Eurobank's share capital increase

In accordance with the Memorandum of Economic and Financial Policies (**MEFP**) of the Second Adjustment Program for Greece published in July 2013, the Hellenic Republic undertook to place a substantial part of the equity stake in Eurobank held by Hellenic Financial Stability Fund (**HFSF**) to a privately owned strategic international investor by end of March 2014. In this context, a number of intermediary milestones were also provided.

The capital needs of the Group were assessed by the Bank of Greece (**BoG**) based on the credit loss projections from BlackRock's 2013 diagnostic review and the estimated future ability of internal capital generation for the period June 2013-December 2016, based on a conservative adjustment of the Bank's restructuring plan submitted in November 2013. For this exercise, BlackRock assessed highly granular data for the banks' domestic loan portfolios, and also provided an evaluation of the loan books of the major foreign subsidiaries of Greek banks. The methodology used for the capital needs assessment was conservative and the capital needs were estimated using a minimum Core Tier I threshold of 8% for the baseline scenario and 5.5% for the adverse scenario, while the regulatory value of the deferred tax assets was limited to 20% of Core Tier I. On 8 April 2014, the BoG following (a) the assessment of Eurobank's capital needs amounting to € 2,945 million under the baseline scenario, concluded on 6 March 2014 and (b) the capital enhancement plan submitted by the Bank on 24 March 2014, whereby the Bank: (i) revised its capital actions providing for an additional positive impact on regulatory capital of € 81 million and proposed to adjust the restructuring plan accordingly and (ii) stated that it intends to cover the remaining capital needs through a share capital increase, notified the Bank that its Core Tier I capital should increase by € 2,864 million.

On 30 March 2014, the Greek Parliament under the Law 4254/2014 that amended Law 3864/2010, reformed the framework for the recapitalization of credit institutions operating in Greece. The most significant amendments made pursuant to Law 4254/2014 are set out below:

The disposal of shares held by the HFSF may be conducted by selling shares of the credit institutions to the public or specific investors or group of investors;

- (a) The HFSF may reduce its participation in the credit institutions through a share capital increase, by waiving its pre-emption rights or by selling them;
- (b) The HFSF may determine the offer price and the minimum price of the share capital increase based on two valuation reports issued by two independent financial advisors of international standing and experience in similar matters and in particular valuations of credit institutions. The aforementioned specified prices may be lower than the acquisition price by the HFSF or the current market price of the shares;

- (c) The HFSF will have restricted voting rights in the Bank's General Assembly in case the private participation in the first capital increase to take place after the publication of Law 4254/2014 is at least equal to the 50% threshold set by this Law. Under this framework, the HFSF will cast its votes in the General Assembly only for decisions concerning the amendment 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 company Law 2190/1920.

Following the assessment of the Bank's capital needs by the BoG and according to the new recapitalization framework, on 12 April 2014 the Bank's Extraordinary Shareholders' General Meeting approved the increase of the share capital of the Bank up to € 2,864 million through payment in cash or/and contribution in kind, the cancellation of the pre-emption rights of the Bank's ordinary shareholders, including HFSF, and the only preference shareholder, namely the Greek State, and the issuance of up to 9,546,666,667 new ordinary registered shares, of a nominal value of € 0.30 each.

On 29 April 2014, the Bank announced that both the public offering of new ordinary registered shares to the public in Greece and the private placement of new ordinary registered shares to investors outside Greece were oversubscribed and the offer price set at € 0.31 per offered new ordinary registered share. As a result, the share capital of the Bank increased by € 2,771.6 million and an aggregate of 9,238,709,677 new ordinary registered shares were issued, which have been listed on the main market of the Athens Exchange and their trading commenced on 9 May 2014. The proceeds were used to increase the Tier I Capital according to 8 April 2014 resolution of the BoG. The successful completion of the Bank's capital increase constitutes a step towards further strengthening its capital position and enhances its ability to support the Greek economy.

Restructuring plan

On 29 April 2014, the European Commission approved the Bank's restructuring plan, as it was submitted through the Greek Ministry of Finance on 16 April 2014. The Hellenic Republic has committed that the Bank will implement in particular specific measures and actions and will achieve objectives which are integral part of said restructuring plan.

Principal commitments to be implemented by the end of 2018 relate to (a) the reduction of the total costs and the net loan to deposit ratio for the Group's Greek activities, (b) the reduction of the Bank's cost of deposits, (c) the reduction of the Group's foreign assets, (d) the decrease of the shareholding in specific non banking subsidiaries, (e) the securities portfolio deleveraging, and (f) restrictions on the capital injection to the Group's foreign subsidiaries unless the regulatory framework of each relevant jurisdiction requires otherwise, the purchase of non investment grade securities, the staff remuneration, the credit policy to be adopted and other strategic decisions.

European Central Bank's Comprehensive Assessment

On 26 October 2014, the European Central Bank (**ECB**) and the European Banking Authority (**EBA**) announced the results of the Comprehensive Assessment (**CA**) of the European Union's (**EU**) systemically important banks, which was conducted in cooperation with National Competent Authorities (**NCAs**) and the EBA. The CA was undertaken prior to the transfer of full responsibility for banking supervision from national authorities to the ECB in November 2014 under the Single Supervisory Mechanism (**SSM**).

The CA assesses the resilience of each bank, using a common methodology and applying it consistently across all participating banks. The results have been derived taking into account the combined effect of the following two main pillars:

- (a) An Asset Quality Review (**AQR**) – to enhance the transparency of bank balance sheets, by reviewing the quality of banks’ assets, including the adequacy of asset and collateral valuation and related provisions;
- (b) A Stress Test (**ST**) – performed in cooperation with the EBA to examine the resilience of banks’ balance sheets to two stress test scenarios: baseline and adverse.

Capital adequacy was assessed over a three-year time period (2014-2016) against a Common Equity Tier I (**CET 1**) ratio benchmark of 8.0% and 5.5% in the baseline and adverse scenario, respectively. Furthermore, the CA was carried out on both the Static and Dynamic balance sheet assumptions. According to the Static balance sheet assumption, the actual balance sheet as of 31 December 2013 was used as reference, thus not taking into account any subsequent capital action and/or executed capital raising as well as structural operating performance improvement. According to the Dynamic balance sheet assumption, the effect of measures announced and committed in the Restructuring Plan (**RP**) approved by the European Commission for the 2014-2016 period, have been incorporated. These were then stress-tested under the baseline and adverse scenario.

The CA represents an unprecedented exercise, given the wide, rigorous and detailed review of 130 banks and a key milestone in the harmonization and strengthening of the European financial system. This exercise will also contribute to the enhancement of the financial stability of the EU banking system and provide confidence in the resilience of all tested banks. In particular, in the case of Eurobank, under the AQR, 84% of the Bank’s total loan portfolio was reviewed. Specifically regarding the Greek corporate portfolio, credit file reviews and collateral valuation on € 9.9 bn loans were performed, representing 64% of the relevant portfolio.

Eurobank’s assessment of the CA results

Taking into account the € 2.9 bn raised pursuant to the share capital increase completed in May 2014, the results determine that Eurobank meets the capital benchmark set out for the purpose of the AQR, resulting in a CET1 ratio of 15.3% post AQR impact, compared to an 8% benchmark. It is noted that, the capital shortfall under the Static adverse scenario is associated with the 2013 reference point, which was a year in which the Group’s operating performance was adversely affected due to systemic and idiosyncratic reasons.

The ECB stated that the Dynamic scenario will be taken into consideration for assessing the Group’s capital position and has also stated that Eurobank has “practically no shortfall”. As a result, the Group meets the CA benchmarks in both baseline and adverse scenario and no capital shortfall arises from such extensive exercise.

Furthermore, the following factors create a capital buffer of € 1.4 bn, increasing the stressed CET 1 ratio under the Dynamic adverse scenario from 5.5% to 9.5%:

- (a) Positive impact of € 315 million deriving from the difference in the 9 months ended 30 September 2014 pre provision income versus the pre provision income assumed in the Dynamic adverse scenario, resulting in an increase in the CET 1 ratio under the Dynamic adverse scenario of 90 basis points;
- (b) In addition, the regulatory treatment of the deferred tax asset as per recent legislative action, following the approval of opt-in to the scheme by the Extraordinary General Meeting on 7 November 2014, has a positive impact in the Dynamic adverse scenario of € 1.1 bn, or 318 basis points (note 13).

Moreover, the Group has filed for approval the transition of the mortgage portfolio acquired from New Hellenic Postbank (€ 4.9 bn) to the Internal Ratings-Based (**IRB**) approach, which is expected to further improve its capital position.

The AQR is a prudential exercise using a uniform standardized approach set by the ECB. The impact of € 1,070 million net of tax as disclosed above relates mainly to provisions adjustments for loans and advances to customers and was determined according to the ECB methodology. The methodology was specifically developed for the purpose of the 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, related with the recognition of impairment losses on loans and advances to customers, applied by the Group for the period ended 30 September 2014, which are described in note 3. Furthermore, in applying these accounting policies, estimates and judgments are constantly evaluated and calibrated based on the latest available information.

Eurobank's Strategy

The Issuer has identified a set of drivers affecting its revenues, operating costs and cost of risk that the Issuer believes provides the Group with a strategy to return to profitability in the medium term. Of these, the key drivers are:

- Recovery of fee and commission income — Eurobank believes its leading position in Greece in key fee-generating businesses positions the Bank well to benefit from the expected recovery in fee and commission income as the Greek economy recovers.
- Decrease in funding costs — Eurobank expects that time deposit spreads in Greece will further improve in the medium term, as a result of macroeconomic stabilization and further consolidation of the Greek banking sector, which would have a positive effect on net revenues.
- Cost containment — Eurobank believes its cost containment efforts will be key to its return to profitability.
- Position Group to benefit from normalization of cost of risk — Eurobank believes its strong and proactive remedial management framework and efficient collection capabilities will position it well to benefit from the expected improvement in the cost of risk in Greece. The cost of risk in Greece is expected to be positively affected by a general recovery in macroeconomic conditions.

In order to take advantage of these drivers, the Issuer has initiated a strategic transformation program, the key components of which are as follows:

Enhance the Issuer's client relationship-focused business model

Eurobank's business model is built around meeting the savings, financing and investment, as well as the day-to-day banking, needs of the Issuer's customers. Through this customer-focused model, the Issuer is aiming to foster the healthy development of profitable client relationships.

Eurobank plans to enhance and refine this client-focused approach by strengthening its fee-generating businesses in order to maximise its revenues and increase the Issuer's liquidity. Eurobank intends to achieve this through implementing a new client segmentation model, which identifies clients according to client size, complexity and revenue potential. This will enable the Issuer to focus on clients that offer the highest profitability potential, with the aim of becoming their primary banking relationship partner, while allowing the Issuer to manage clients that offer more limited opportunities.

Focus on the Issuer's risk management framework and remedial and non-performing loan management

The Issuer's risk management framework and remedial management is one of its key strengths, which the Issuer intends to continue to build on.

The Issuer has implemented a structural reorganization of its risk and remedial management functions, through the establishment of a centralized and dedicated corporate remedial unit focusing on SME clients, which was previously managed through the Issuer's network of business centres. The Issuer further centralized its household lending remedial activity. In addition, the Issuer plans to manage non-performing customers based on total client exposure across all lending portfolios and products. The Issuer believes these initiatives will strengthen and increase the capacity of its risk and remedial management capabilities. The Issuer plans to further enhance its remedial management capabilities with further industry specialisations, and it is considering commercialising its remedial capabilities to serve third parties.

Furthermore, the Issuer has identified a number of strategic initiatives and priorities that the Issuer plans to apply to its overall lending activity designed to maintain and improve asset quality and mitigate credit risk. These include:

- pursuing a shift from unsecured to secured lending and shorter tenors;
- reducing the relative size of the Issuer's consumer loan portfolio;
- targeting strategic sectors in business lending;
- implementing risk-based pricing; and
- focusing on remedial management.

Transform the Issuer's operational model to increase efficiency and reduce costs

Eurobank has identified a number of initiatives that it is pursuing to increase efficiency and reduce costs. These initiatives include:

- centralising the Issuer's support functions (such as legal, marketing and loans administration) and consolidating reporting lines;
- adjusting the Issuer's network footprint, including, where appropriate, closing branches, based on profitability potential and contribution to liquidity;
- reducing the Issuer's non-staff related costs, including real estate and procurement;
- streamlining the Issuer's operational processes (e.g., remedial management); and
- streamlining the Issuer's product portfolios and reducing the number of product codes.

History and Development of the Group

The Issuer was incorporated under the laws of Greece on 11 December 1990 under the name "Euromerchant Bank S.A." Following the acquisition of a controlling interest in the Bank of Athens (incorporated as a legal entity in 1924) in 1998, the Issuer was absorbed by the latter in March 1999 and is presently operating as a credit institution in the form of a société anonyme under Law 2190/1920 and Law 4261/2014, and is registered with the Hellenic Ministry of Finance, Infrastructure, Shipping and Tourism (General Electronic Commercial Registry (G.E.M.I.) with registration number 000223001000). The Issuer's ordinary shares were listed on the ATHEX in 1999. Today, Eurobank is the principal operating company of the Group and the direct or indirect parent company of the operating subsidiaries in the Group.

Banking Activities in Greece

Eurobank is one of the four systemic banks in Greece, operating in key banking product and service markets, offering a wide range of financial services to retail and corporate clients. Eurobank has a strategic focus in Greece in fee-generating activities, such as asset management, private banking, equity brokerage, treasury sales, investment banking, leasing, factoring, life insurance, real estate and trade finance. The Issuer is among the leading provider of banking services and credit to SMEs, small businesses and professionals, large corporates and households.

In 2013, the Eurobank Group acquired former “New TT Hellenic Postbank S.A.” and former “New Proton Bank S.A”, and enhanced its strategic position in the Greek banking system, creating significant synergies for its clients, employees and shareholders. The values of Eurobank, a dynamic, innovative and modern financial institution complement those of the New TT Hellenic Postbank (New TT HPB), an organization with long history, strongly associated with the idea of ‘Savings’ in Greece and recognized for its friendly service.

The operational merger of New TT HPB with Eurobank was fully completed in May 2014, and puts into practice the Bank’s responsible strategic decision to maintain two distinct branch networks: a network under the brand name Eurobank and a network under the brand name New TT Branch Network. The Bank recognizes and respects the uniqueness of the customer experience offered by each network and provides seamless service continuity to all clients at the network of their choice.

Retail Banking

Overview

Eurobank is one of the leading financial institutions in Greece with a significant role in the country’s retail banking landscape, with over seven million deposit accounts, 505 branches and 827 ATMs as at 31 December 2014. The Issuer offers its retail customers a broad range of deposit, loan and investment products and other retail banking products and services.

The Issuer’s current retail banking model is structured around its core customer segments, a multi-channel distribution platform and centralised, integrated product factories. The Issuer’s core segments cover households (which includes affluent individuals, salary earners and mass clients), as well as small businesses and professionals. The Issuer’s distribution platform includes a network of lean branches with segment-based relationship managers, electronic banking channels (i.e., phone-banking, e-banking and m-banking), the Greek Postal Offices network as well as other third party partners (e.g. auto-dealers). Finally, the Issuer’s centralised product factories deliver the whole spectrum of retail banking products and services with a focus on customer-relevance and efficiency.

Eurobank has consistently differentiated itself against the competition primarily through its customer-driven and technology-enabled innovation as well as excellence in customer service. The Issuer’s recent acquisition of New HPB combined with its dual brand strategy will enable it to further focus and penetrate the mass segment and become a stronger retail bank.

In light of current economic conditions in Greece, the Issuer has continued to follow a conservative credit expansion policy, through low-risk promotion channels, approaching customers selected based on strict criteria.

Demand for mortgage lending was negatively affected by the prolonged recession in economic activity, which resulted in consumers becoming increasingly reluctant to take out mortgage loans. The overall demand for consumer credit has remained limited, while the liquidity needs of retail entrepreneurs have proved robust.

Despite the low demand for credit, the Group maintained the level of lending to retail customers in Greece during the first nine months of 2014, having disbursed €53 million in mortgage loans (including mortgages, home equity and green loans) and granted €160 million in new loans to small-sized enterprises. The Group's total retail lending portfolio in Greece amounted to €28.7 billion as at 30 September 2014, compared to €29.4 billion as at 31 December 2013. Eurobank has offered alternative solutions and special repayment facilities to customers in substantial economic hardship.

Retail banking network

The retail banking network of Eurobank comprised of 536 branches as at 31 December 2012 covering all regions of Greece and a significant portion of the population and reaching 505 branches in December 2014 as a result of the Issuer's targeted rationalisation efforts. Of the 505, 151 are HPB-branded branches that support the Issuer's dual brand strategy (one bank, two brands) in order to provide access and service to different customer segments and needs. The main objective of the Issuer's retail banking network is to service and support the overall needs of individual customers, independent professionals and small businesses while serving the basic transactional needs of other customers. Three main customer segments have been identified and are being especially addressed and serviced, through dedicated officers: Personal Banking, Small Business Banking and Individual Banking.

Personal Banking was launched in 2007 in order to capture the full potential of the affluent segment by implementing a client-centric model. Currently, Personal Banking serves more than 100,000 customers and accounts for over 75% of Retail's total funds. Its clients have access to a number of exclusive products and services with preferential pricing, including a full assortment of deposit, transactional banking, investment and bancassurance products. Services vary from "branded" branch space and dedicated Relationship Managers accredited by the Bank of Greece, to global statement and exclusive phone-banking line Personal Banking clients have demonstrated, over time, increasing satisfaction, loyalty and product possession thereby resulting in increased profitability for the Issuer.

In the Small Business client segment, significant synergies have been developed between Small Business and the affluent segment through the value-added project "Personal Business Banking", which covers (other than new officers) the professional and also the individual needs of the Issuer's customers. All Small Business banking officers have been certified in Small Business Banking consulting, by the Hellenic Banking Institute.

Individual Banking currently addresses 4.4 million mass customers (90 per cent. of total Retail customers) by servicing their daily transactions, handling their savings and investment opportunities and covering their consumer, mortgage and bancassurance needs. Implementing a holistic customer approach and maintaining high-quality customer service, Individual Banking accepts and refers mass customers with higher business potential, which provides the main source of future Personal Banking and/or Small Business Banking customers.

In order to enhance the quality of transaction services and overall customer experience, Retail Network is supported by the Branch Network Customer Experience and Retail Transaction Banking Departments.

The Issuer's Branch Network Customer Experience focuses on improving customer satisfaction, building strong relationships with customers and increasing customer loyalty. Branch Network Customer Experience continuously offers high levels of service and customers regularly identify the service provided by branch staff and the relationships built as the primary component for their loyalty to the Bank.

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.

In addition to providing specific products and services for each customer segment, Eurobank is one of the main Greek bancassurers. Bancassurance activity is fully integrated in the Issuer's product portfolio offering.

Despite the continuous decline through 2014 of consumers' disposable income, Eurobank's written premia increased by 22 per cent., proving that bancassurance is a valid part of retail customer needs.

The retail banking division of Eurobank is divided into the following product areas:

Consumer Lending

The Group's consumer loan portfolio in the Greek market, including car loans, stood at €4.1 billion of outstanding balance as at 30 September 2014.

The Issuer has also continued its efforts to support existing customers who seek to improve their overall repayment ability by offering a number of customised debt consolidation programmes or settlement schemes that take account of each customer's financial circumstances, while at the same time protecting the interests of the Bank.

Going forward, the Issuer's strategy in the consumer loans business is to focus on purpose-specific and consolidation loans, while implementing a sophisticated multichannel sales approach for both existing and prospective clients.

Mortgage Lending

The prolonged economic crisis has severely affected the property market, resulting in a significant decrease in the number of new mortgage loans. Within this context, Eurobank managed to play a leading role in this market in the first nine months of 2014, with total mortgage lending disbursements of €53 million.

The Group's mortgage loan portfolio balances in the Greek market amounted to €16.7 billion as at 30 September 2014.

Eurobank applies its customised "Risk & Value Based Pricing" policy in the sector of mortgage loans as well, which is designed to reward customers with a better credit profile and a broader relationship with the 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 Issuer applies to these customer groups aim to preserve such customer groups in the Issuer's customer base and enhance their relationship and cooperation with the Bank. Going forward, the Issuer is planning to maintain its market share in Mortgage Lending by placing an emphasis on Home Repair Loans and the affluent clients segment.

Credit, debit and prepaid cards and acceptance services

Eurobank offers a wide variety of products in the credit, debit and prepaid cards market. The total number of cards (credit, debit and prepaid) under management by the Issuer accounted to 2.3 million cards in September 2014 (of which approximately 600,000 were credit cards), and the total turnover (purchases and cash withdrawals) was €1.0 billion for the first nine months of 2014. The Issuer's total credit card balances in the Greek market stood at €1.6 billion as at 30 September 2014.

The Issuer's primary strategy for its credit cards issuing business is to focus on major co-brand partnerships and capitalise on the growth potential of its well-established loyalty programme. Thus, the Issuer currently offers some of the most powerful co-brand schemes in the Greek market, providing customised rewards to customers according to their needs, in collaboration with Greece's number one telephone provider (**OTE**), number one mobile telecommunications provider (Cosmote) number one gas retailer (**EKO**) and the developer of the three largest shopping malls. Further, with a view to maintaining and satisfying its customers, the Issuer has significantly enhanced its card loyalty scheme "Epistrofi" that now comprises more than 6,000 merchants, constituting the most advanced and widespread card loyalty scheme in the Greek

market. The programme is accompanied by “Epistrofi app”, a pioneer smartphone application that offers a comprehensive tool to users for information and offer searching that now has 60,000 users. The programme’s 11 strategic partners hold leading positions in their respective industries with broad national networks covering almost all consumer needs. As a result of the above, the programme’s recognition has impressively increased, greatly affecting customer loyalty.

The Issuer has also undertaken a number of actions intended to rationalise its portfolio and further improve the services offered to its customers, including replacing inactive products with others offering greater value both to the customer and to the Bank, reducing credit card limits for inactive customers and planning several targeted campaigns to selected segments of the clientele. In addition, further emphasis was placed on using the Issuer’s client base for cross- selling to existing creditworthy customers.

Responding to customers’ tendency to increase debit card usage in points-of-sale (“POS”) terminals, the Issuer designed the most sophisticated tool compared to any other in the Greek market. Eurobank’s debit card can be instantly obtained, has contactless functionality and rewards the customer through the “Epistrofi” loyalty scheme.

The Issuer’s card transactions acceptance and clearance services (“Acquiring Services”) comprise approximately 52,000 physical POS, together with a network of more than 3,500 e-commerce associates. In the first nine months of 2014, the Issuer’s total Acquiring Services turnover was €1.6 billion, an increase of 11 per cent. compared to the first nine months of 2013.

The Issuer aims to remain aligned with its strategic focus on the “Travel & Entertainment” industry and take advantage of increasing international volumes. Moreover, emphasis will be placed on launching card acceptance initiatives in areas without terminals.

Finally, by utilising pioneer technologies, the Issuer owns a card portfolio that carries the “Chip & PIN” functionality, whilst in 2012 introduced contactless transactions for the first time in Greece. As a result, the Issuer managed to apply the most technologically advanced electronic payment methods to its credit and debit card offerings as well as to its card acceptance terminals. Already, 200,000 cards carry the contactless functionality and can be used for payment transactions in 7,000 acceptance points across the Greek market.

Small Business and Professionals

Despite the competition in the Greek market for loan financing of small businesses and professionals (with an annual turnover of up to €2.5 million). Eurobank remains one of the largest banks in the small business lending sector in Greece, with a loan portfolio of approximately €6.4 billion and 218,000 clients as at 30 September 2014 and €6.5 billion and 237,000 clients as at 31 December 2013. The Issuer maintains its strong position through continually seeking to enhance its customer base and increasing its cross-selling operations.

Eurobank’s products and services in this sector include: working capital, finance for business equipment and premises, leasing, factoring, post-dated cheques financing, cheque books issuance, commercial transaction services, letters of guarantee, insurance, deposit products and overdraft facilities. The Issuer also offers the dedicated Eurobank Business Debit MasterCard. Eurobank customers have the option to fully manage their banking needs online with the Issuer’s e-banking service.

During the first nine months of 2014 and despite the overall macroeconomic challenges, the Issuer delivered 160 million in new loans and increased commissions income by targeting specific industries and company profiles, with a focus on small businesses that exhibit competitiveness and growth potential in dynamic sectors in the upper market end that present more complex needs and greater potential for fee generating business.

Moreover, the Issuer fully exploited the co-funded programs for SMEs in cooperation with state and European institutions, i.e. the successful cooperation with the European Investment Bank and the National Fund for Entrepreneurship and Development (**ETEAN**) as well as the new cooperation with the Greek Investment Fund (**IG**) ensuring further subsidised short-term loans of up to € 100 million network.

Finally, during 2014, targeted strategic initiatives were pursued i.e.

1. Launched custom-made seasonal offering addressing the Tourism Industry which boosted deposits by 11% in touristic areas,
2. Launched new and innovative trade financing products and services which increased our market shares (FX VIP, auto exports, EU imports via e-banking). The Trade Finance offering was enhanced with value-adding services such as www.exportgate.gr, a web based networking platform for exporters and the “Ask the Experts” consulting team on international trade, as well as participation of exporters in the “1st Eurobank Exports Convention”, organized by the Bank.
3. Introduced a new philosophy for servicing the SME market: client business support & consulting services through the innovative "Business Check Up" - a concrete methodology for fully addressing customers' needs through customized business proposals.

Deposit products

Acquiring client deposits is one of the top priorities of the Bank. Group Customer deposits amounted to €42.7 billion as at 30 September 2014 compared to €41.5 billion as at 31 December 2013, increased by 3 per cent..

Since 2013 a customer-centric approach platform called “My own account” is in place which offers to the Issuer’s clients the possibility to design their own deposit account based on their specific needs and preferred product features.

Eurobank is supporting the Greek economy and companies in the tourism industry. In order to further support businesses which operate in the areas focused and linked to tourism, Eurobank created a specific package addressing enterprises spread all over Greece to boost their returns and reward them for selecting the Issuer as their main collaborative partner.

During 2014 more than 49,000 new retail customers deposited their savings with Eurobank in Greece, by opening “Megalo Tamieftirio” (“Big Savings”) accounts. Stressing the importance of saving as a new way of life, the Issuer continues supporting clients who make the extra effort to save by providing incentives to regular savers. Acknowledging customer loyalty and trust as its major asset, the Issuer focuses on savings, supporting families and children to realise their dreams. 180,000 children are already owners of the Saving Account "Megalono" (Growing Up) and are entitled to participate in the weekly draws linked to the Greek "Laiko" Lottery.

A big number of new customers were attracted by Epistrofi, the Issuer’s card loyalty scheme, which is offered to the Issuer’s deposit accounts through debit card usage. All deposit accounts provide additional value to the Issuer’s clients’ deposits by rewarding them for using their transactions debit card instead of cash while they perform their everyday shopping.

The Issuer systematically evaluates the messages it receives by its customers, tailoring the products and services offered to modern demands and prevailing conditions. Listening to clients’ needs for flexibility and reward, Eurobank created time deposit products offered to both networks "Yper sas" and "Anevaino Plus" aiming to offer a combination of characteristics that best match each client’s need with regards to maturity and even the option to increase the initial capital during the time deposit’s tenor.

Group sales

Group Sales play an important role in the Issuer's strategy and is one of the main sources of attracting new payroll customers as well as and developing existing customers under the principle: "track the customers' income, capture the customers' spending". Group Sales aims to contribute to the Bank's commissions income, increase profitability/customers, enhance loyalty and provide a unique customer experience by taking advantage of the Issuer's competitive strengths (customer service quality, product solutions, tradition and trust). To achieve this, Eurobank has developed both a B2B and a B2C approach.

For the B2B approach, Eurobank offers HR 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 HR outsourcing, with more than 550 customers and 39,000 employees. Moreover, Eurobank Business Services S.A. supports the monthly pension calculation of 25,000 retirees.

In the B2C field, Eurobank has developed the "Privileged Payroll Account" (**PPA**), a special payroll package for employees who receive their payroll through the Bank. Bundling several products and services, the PPA offers the Issuer's customer benefits and privileges in all key banking products and services. As at 30 September 2014, the Issuer's total client base exceeded 10,000 companies and 560,000 customers (out of which 200,000 are private sector employees, 110,000 are public sector and 250,000 are retirees).

Financial Planning Services (FPS)

As remedial management has increased in importance for Household Lending in recent years, significant investments have been made to develop expertise in the area and to introduce advanced technology systems to help improve management of delinquencies.

Eurobank established a wholly owned subsidiary, FPS, in 2006, dedicated exclusively to remedial management for past-due Consumer and Mortgage loans, which was founded on international best practices. FPS (in coordination with the Household Lending Unit) is responsible for end-to-end delinquency management activities (i.e., collections, loan rescheduling and legal actions) from remedial strategy development to integrated multi-channel implementation (through the branch network, legal offices, bailiffs and call centres). Moreover, it offers a very high degree of automation and a flexible structure that allows for scalability to effectively handle large volumes of loans.

Group Corporate & Investment Banking

The main objective of Group Corporate & Investment Banking (**GCIB**) is to provide fully integrated business solutions to very large and complex corporate clients. Recently restructured internally to better address the needs of the Issuer's corporate client base in a challenging business environment, the basic pillars of the Issuer's Group Corporate & Investment Banking business model are the following:

Global Corporate Clients

Global Corporate Clients (**GCC**) is responsible for covering the rising and complex strategic, financial, structuring and banking needs of very large and sophisticated corporate clients, private concerns as well as major enterprises in Southeastern Europe. GCC serves as the main point of contact for the provision of all financial solutions and products included in the Issuer's portfolio. In total, the portfolio consists of more than 90 groups in Greece and is mainly focused on the energy, industrials, consumer and retail, services, health and construction sectors. The lending portfolio amounted to approximately €3.4 billion in 2014. In addition to its autonomous presence in Greece, GCC has also undertaken to manage 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.

Structured Finance

Structured Finance is responsible for providing specialised and specially 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:

(i) *Project Finance*

Project Finance provides a broad range of services, primarily involving financial consulting and the structuring and arrangement of complex financing for major infrastructure and energy projects in Greece and the countries of SEE, as well as public private partnerships (PPPs), and monitoring the relevant portfolio. 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 portfolio, which has been allocated to the Greek Motorway's Concession Projects, has been significantly upgraded following the successful restructurings concluded in December 2013, during which the Project Finance team participated in three out of four Steering Committees, whereas the vast majority of the RES exposure comprising circa 1/3 of the portfolio (all of which are performing) is in the wind sector.

(ii) *Commercial Real Estate Finance*

Commercial Real Estate Finance provides financial consulting services and the structuring and arrangement of complex financing transactions for all kinds of major commercial real estate (office, retail, mixed use). The unit is responsible for the Group's commercial real estate finance portfolio in Greece and in the countries of SEE and for financing in excess of €20 million. Over the last six years, the unit has co-arranged 13 financings in four countries. The unit's portfolio aggregates loans with a total value of approximately €750 million. The unit also provides real estate financial advisory services on a case-by-case basis, such as advising the Hellenic Republic Asset Development Fund on the monetisation aspect of its real estate portfolio through a sale and leaseback transaction.

(iii) *Leverage Finance and Special Situations*

Leverage Finance and Special Situations is responsible for the structuring and arrangement of complex leverage finance transactions (LBOs, Public to Private, Pre-IPO financing, special cases of structured financing), and for managing relations with specialist investment capital companies (Private Equity and Special Situation Funds). The unit is responsible for the Issuer's Leverage Finance portfolio in Greece and SEE, which despite Eurobank's leadership in arranging transactions in fee-generating businesses, is currently consisting of €100 million pre 2013 transaction and approximately €5 million of post 2013 transactions. Due to its structuring know-how and capabilities, the unit undertakes to support as an internal advisory department some of the most demanding and complex cases of loan restructuring in Greece and the other countries where the Group operates.

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 cooperation 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, Eurobank has arranged more than 77 transactions, raising over €15 billion of debt financing overall. The unit is also responsible for secondary loan trading, reinforcing the position of Eurobank in the European markets

and assisting in optimising the quality of its lending portfolio. In the last five years, Eurobank's Secondary Loan trading platform has traded over €450 million of loans and loan portfolios.

Investment Banking and Principal Capital Strategies

Eurobank Investment Banking offers M&A and ECM advisory services to a wide range of corporate clients and private equity firms. In 2013 - 2014, Eurobank Investment Banking (IB) participated in a number of important M&A and ECM transactions. In particular, in 2013-2014, the IB unit in its capacity as financial advisor to Hellenic Republic Asset Development Fund (HRADF) completed important transactions, such as the privatisation of the state lotteries, in which it acted in partnership with Credit Suisse, and the sale of two key real estate properties, Kassiopeia in Corfu and Paliouri in Chalidiki, while continuing to be engaged as an advisor to the privatisation of the Athens Water Supply and Sewerage Company. Furthermore, during 2013-2014 the IB unit was engaged as advisor in a number of significant transactions in the private sector, such as advising OPAP on its privatisation, Givalia Properties on the formation of a strategic alliance of Eurobank with Fairfax, the Board of Directors of Inform P.Lykos, M.J.Maillis, Athens Medical Center, DOL and Geniki Bank on the tender offers, Delphi Luxembourg Holdings on the tender offer launched for S & B. The IB unit during 2013-2014 acted as advisor to Eurobank Ergasias, Lamda Development, Tiletypos and Attica Bank on their share capital increases. Also on December 2014 Investment Banking and Principal Capital Strategies executed the sale of Eurobank Ergasias' stake in Chipita to Olayan Group while maintains a portfolio of € 33.4 million. under its management.

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 20 years of coverage of the Greek shipping sector has enabled us to establish a large deposit base (USD 1.3 billion as at 31 December 2014), which, despite losses due to sovereign risks exposure, continues to exceed the total of its shipping loans (USD 1 billion as at 31 December 2014). In collaboration with other Eurobank teams (Treasury, Private Banking, Investment Banking, Structured Finance, Mortgage Lending), the specialised Shipping unit offers comprehensive services in the areas of corporate and private wealth management. The Group seeks to maintain the high credit quality of its shipping portfolio, further developing its long-standing relationships with its core client base and entering into new client relationships.

Commercial Banking

The main objective of Commercial Banking (**CB**) is to build a strong a holistic relationship with large and medium-sized enterprises, through provision of both plain and tailor-made financing solutions as well as a full spectrum of complimentary banking services, i.e. Transaction Banking services, in a most efficient manner. The calibre and drive of the experienced Relationship Managers comprising the CB team guarantee prompt delivery and quality service to our clients.

The lending portfolio amounted to €6 billion in 2014. CB is divided in two main business divisions: Central Commercial Banking (**CCB**), responsible for the coverage of the largest CB clients mainly in Attica Region and Commercial Banking Network (**CBN**) overseeing the relationship with medium-sized clients with nationwide coverage, via a network of 19 business centers.

This structure aims to ensure:

- i) Proximity and quality of services offered to clients through better business understanding.
- ii) Closer monitoring of clients' performance and proactive action in order to mitigate risks and maintain the quality of the Bank's assets.

Commercial Banking team coordinates the offering of products and services, including all sorts of funding solutions, treasury products, cash management and transaction services, investment banking and structured financing to clients, acting jointly with the respective specialized units of ERB.

In its mission to be the partner of choice for its clients and an active contributor to the Greek economy, CB has taken a series of initiatives and launched a number of campaigns such as : 1) Greek Exporters support, 2) Financing of Raw Materials and Intermediate Goods and 3) Medium Sized (viable) Business Support Initiative. Moreover, in the last quarter of 2014 CB launched a major effort to support strong medium-size companies which maintains a solid domestic or foreign market share. As a result, fresh funds were rooted to a selective clientele of approximately 200 companies.

Finally, CB extended jointly with EIB new credit facilities totaling € 92 million to SMEs and local authorities in 2014 and aims to provide the first semester of 2015 additional funding of approximately €127 million to Greek enterprises through joint financing programs such as €TEPIX, ETEAN and IfG (Investment for Growth). In December 2014 Eurobank signed with IfG an agreement for a funding nearly €100 million expected to be allocated to SMEs within the first semester of 2015.

Leasing

Eurobank Leasing, a 100 per cent. subsidiary of Eurobank, is the largest Greek leasing company (financier of assets—mainly real estate) for the last 10 consecutive years, with a market share of approximately 21 per cent.. The Issuer's strength is attributed to Eurobank Leasing's professional expertise and a profound knowledge of the Greek market. Eurobank Leasing acts as the leasing product centre for Eurobank clients and underwriting is approved by Eurobank's approving bodies.

Amidst the current adversarial economic conditions, Eurobank Leasing has consistently supported Eurobank clients participating in restructuring schemes for viable clients and other remedial activities and providing them with innovative solutions.

Focusing on optimising internal operations and by capitalising on best practices used in the sector, Eurobank Leasing launched and concluded a series of initiatives and actions to reinforce mechanisms and procedures for management of fixed assets and to rationalise the workings of its organisational structure.

Factoring

The Issuer's factoring subsidiary, Eurobank Factors SA, is the leading factoring company in Greece and a twice worldwide winner of Best Export-Import Factor Award (2009 and 2011). A key element of the Group's success has been its careful approach to risk management, given the particularly difficult business environment, the creation of pioneering financial instruments, such as reverse factoring, and the development of collaborations and products designed to strengthen the export activities of Greek businesses.

The Group also has a record of factoring in Bulgaria, Romania and Serbia.

Hotels and Leisure

Hotels and Leisure is a newly established expert unit aiming to provide integrated services and meet the specialised needs of corporate clients in the hotel industry, accounting for 16 per cent. of the Commercial Banking portfolio. The Unit manages a loan portfolio of €1.3 billion with primary focus on Hotel Capex & Opex financing, new project financing, cash management, as well as Hotel restructurings both in balance sheet and operational terms. 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 cooperations with international hotel companies and cost-effective operations. The Issuer is strategically positioned in the largest hotel groups that collaborate with the top international tour operators. Currently, 80 per cent. of the Issuer's exposure pertains to the 30 largest Greek hotel groups (160 medium/large resorts).

Over 85 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 (28 per cent.) and Kos (18 per cent.).

Corporate Transaction Banking

Corporate Transaction Banking (**CTB**) was established in 2008, with the objective to offer comprehensive and innovative transactional banking services to Eurobank's corporate clients by assisting them in streamlining and automating their daily processes, mitigating risk and expanding their reach. More specifically, these services include Cash Management, Liquidity Management and Trade Finance. In addition, CTB 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. Eurobank, apart from Greece has adopted the same client-centric model, with local CTB units, at a regional level across the following counties: Romania, Bulgaria, Serbia and Cyprus, to ensure consistency.

The below international awards are a testament of the successful servicing model, the quality and completeness of offering and Eurobank's strong long lasting relations with clients:

- Best Domestic Cash Manager 2014 award in Greece, by Euromoney for the fourth consecutive year
- Best Corporate/Institutional Internet Bank for 2014, by Global Finance for the third consecutive year
- Best Trade Finance Bank 2012 award in Greece by Global Finance for the seventh consecutive year

Corporate Special Handling

Corporate Special Handling Sector (**CSHS**) is a newly established team of experts aiming at reinforcing the corporate remedial capabilities of the Issuer through a more integrated approach, proactive management and industry-specific expertise. CSHS will assume the direct management of the high risk corporate clients that will be gradually transferred from other GCIB Units, in order to maximise value extraction from high risk loans through effective restructuring. CSHS will be able to combine the Issuer's resources and know-how and introduce a framework to allow for more structured processes and decision making with regards to optimal rescheduling/restructuring solutions, based on the assessment of viability of the debt levels of each client. More specifically, the establishment of the CSHS will allow:

- accumulation of the necessary know-how in the relevant teams;
- establishment of processes to engage internal (i.e., from other units) or external experts where required;
- separate monitoring of such troubled clients;
- build-up of industry expertise within the CSHS;
- modification of the credit approval process with regards to the specific needs of this portfolio; and
- freeing-up of capacity in the rest of the organisation to properly serve current clients and pursue business development.

Capital 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.

Capital Markets

Eurobank Equities

Eurobank Equities, incorporated in February 1999, is the Issuer's brokerage arm and provides a full range of brokerage services to over 20,000 private, corporate and institutional clients in Greece and abroad. The Issuer's brokerage arm has a leading position in the Greek market and, in 2014, ranked first with a 17.4 per cent. market share in terms of value of transactions on the ATHEX.

The Institutional Sales desk of Eurobank Equities covers some of the largest Greek and international institutional clients investing in Greek equities and derivatives and provides valuable local insight and investment advice. The desk is supported by four senior equity analysts covering 29 ATHEX-listed companies. The research team was ranked first in the 2014 Extel survey and some of the Issuer's analysts were top-rated in their respective sector.

Through a wide sales network, Eurobank Equities also maintains a leading position among private clients, offering access to both Greek and international markets via a broker or an electronic platform. Finally, as a market leader (according to information published by the Athens Stock Exchange), Eurobank Equities provides liquidity to 21 stocks and 34 derivative products using state-of-the-art technology.

Treasury Services

The Global Markets & Treasury 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 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 strategic objective of the Global Markets division is to establish a significant regional presence in the areas of money markets, foreign exchange, interest rate, fixed income and derivatives trading and sales of financial and investment products in the markets in which the Group operates.

The Group sets strict limits for transactions that it enters into on its own behalf, which are monitored on a daily basis by the Risk Management division. The 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. The Group has also developed a support platform for asset management, which is continually upgraded.

In 2014, the Group was ranked fourth among a total of 22 dealers in the primary and secondary Greek sovereign bond market, according to the Bank of Greece.

The Group is also actively engaged in investing in and customer facilitation of interest rate derivatives traded on various stock exchanges 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. It is also developing capabilities in the primary and secondary trading of government bonds through its subsidiaries in the countries of Southeastern Europe.

Securities Services

The Group 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 SEE.

Eurobank is the only provider in Greece to offer a full range of products, including local and global custody, issuer services, derivatives clearing, margin lending, middle-office services and funds services, to both local and foreign investors, across all type of instruments.

The quality of the Issuer's regional securities services offering is internationally recognised by specialised industry magazines such as "Global Custodian" and "Global Finance", which have annually recognised Eurobank's leading market position.

Interbank Relations and Payment Services

The Group is the only bank in Greece with centralised payment services, enabling cost-effective payments execution and optimal cash management solutions. The Issuer's payment services are ISO 9001:2008 certified and were recognised with the 2013 Citi Performance Excellence Award for global electronic payments leadership and excellence, as well as Deutsche Issuer's International Award for Exceptional Quality in international payments in USD and Euros.

Wealth Management

Asset Management

The Group provides asset and fund management services in Greece and abroad through its subsidiary Eurobank Asset Management Mutual Fund Management Company, which has held the leading position in the Greek mutual fund market since 2008. As at 30 September 2014, Eurobank Asset Management had a market share of 28.5 per cent. in the mutual funds market, with €3.7 billion in total assets under management, consisting of €2.290 billion in 67 mutual funds, €838 million in institutional segregated managed accounts and €580 million under advice in mutual funds of 14 internationally recognised fund managers.

Through Eurobank Fund Management Co. (LUX) SA., one of the Group's subsidiaries in Luxembourg, the Group offers a wide variety of mutual funds under the brands Eurobank (LF) Funds and Eurobank (LF) Funds of Funds that are distributed in Romania, Bulgaria, Cyprus, Greece and Luxembourg.

The mutual funds offered by the Group cover a broad range of investment options and provide access to capital and money markets in Greece, Europe, the United States and Asia, as well as emerging markets and frontier markets, satisfying a diverse range of investment profiles.

As at 30 September 2014, Eurobank Asset Management MFMC managed and/or advised 24 segregated accounts, of which 21 were institutional investors with assets under management of more than €670 million and 575 discretionary asset management portfolios with assets under management of more than €240 million.

Insurance

In Greece, the Group offers products and services across most classes of life and property and casualty insurance to over 430,000 customers. In 2013, the Group ranked third in terms of market share of total insurance premia in Greece. The Group distributes insurance products mainly through the Eurobank branch network, as well as through cooperation with more than 1,400 intermediaries across Greece. The Group is also active in the Romanian bank assurance market, where the Group expects to grow in the future.

Private Banking

The Group continued enhancing the breadth of its Private Banking Offering in several areas, including an internal re-organization of its Luxembourg-based Private Bank subsidiary, the introduction of new Advisory Services such as Account Consolidation & Virtual Portfolio management, as well as the expansion of the portfolio of Wealth Management credit offering. In 2014, Private Banking Greece was awarded the 'Best Private Bank Greece' award by two prestigious publications, World Finance and The Banker & Professional Wealth Management magazines, the latter being part of the FT Group.

International Operations

The Group has established a strong regional presence that includes Member States in the euro area (Cyprus, Luxembourg), EU member states (Romania and Bulgaria), one EU candidate state (Serbia) and Ukraine (accounted as held for sale). As at 30 September 2014, the Group's international operations accounted for total loans and advances to customers amounting to €7.6 billion, total deposits of €9.2 billion, 462 branches and 33 business centres. A key priority of the Group is to support dynamic businesses and households in these countries, thereby confirming its systemic role in this broader region.

On 29 April 2014, the European Commission approved the Issuer's revised restructuring plan, which includes a commitment to reduce the Issuer's portfolio of foreign assets (defined as assets related to the

activities of customers outside Greece, independently of the country where the assets are booked) to a maximum of €8.77 billion by 30 June 2018.

Other activities

In addition to the products and services described above, the Issuer is also engaged in the following activities, both in Greece and in the other countries in which Eurobank operates.

Real Estate

The Group's real estate subsidiary, Grivalia Properties REIC, which is listed on the main market of the Athens Exchange, is one of the largest real estate investment companies in Greece, with a high quality portfolio of investments in Greece and in Central Eastern Europe.

As at September 30, 2014, Grivalia Properties' portfolio and its subsidiaries (together the "Group") consisted of seventy five (75) properties. Most of Group's portfolio properties are located in Greece, fifty (50) located in the greater Athens area, nineteen (19) located in other major cities and one (1) plot of land in Spata. In Central and Eastern Europe, the Group owns two (2) commercial properties in Serbia and three (3) in Romania.

As at September 30, 2014, the fair value of Group's investments properties was €726m. The Group recorded profit after tax of €36m compared to loss after tax of €2m for the period ended September 30, 2013.

On March 06, 2014, the Company completed the acquisition of a warehouse in the industrial area of Aspropyrgos, Attica. Additionally, on March 20, 2014, the Company completed the acquisition of a second warehouse in the industrial area of Aspropyrgos, Attica.

On May 12, 2014, the Company acquired a portfolio of 14 assets from the Hellenic Republic Asset Development Fund, and their respective lease to the Hellenic Republic for 20 years was concluded and the relevant sale and lease agreements were signed. It is noted that on December 06, 2013, the Company signed the heads of terms of a five year bond loan for an amount of €60m with HSBC Bank plc, London, which will finance part of the above mentioned investment.

Electronic banking services

In 2014, the Group further expanded the electronic banking services the Issuer offers its customers, including services that permit the Issuer's customers to bank using tablets and barcodes, which allows the Issuer's customers to manage their bank records more easily. Also, Eurobank received three new awards for its electronic services from local and international institutions. One third of all Greek Internet users visited Eurobank's corporate site. 94.5 per cent. of e-Banking users are satisfied from the service, 139,000 e-Statements users have stopped receiving 416,000 paper statements and Eurobank Mobile apps have been downloaded over 223,000 times in total.

Self-service banking terminals

As at 30 September 2014, the Issuer's self-service terminals network comprised 1,295 points of service, including 533 ATMs and 466 automated transaction centres ("ATCs") located in branches of the Retail Banking network, as well as 197 ATMs located outside branches and 99 ATMs located in ELTA sites. In Greece, Eurobank ATMs and ATCs account for 44 per cent. of the banking (monetary) transactions of the Group, with an aggregate value of more than €5.5 billion for the year ended 30 September 2014.

EuroPhone Banking

Eurobank's call centre, which operates on a 24-hour basis, offers 550 different transactions in total, covering the entire range of Retail Banking products and services offered, also being a major sales channel for bancassurance products. Until September 2014, the call centre processed approximately 2.27 million monetary and information transactions, with an aggregate value of approximately €215 million.

Eurobank e-Banking

Eurobank's electronic banking service offers a broad range of available 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.

In 2014, 317,000 users (individuals and businesses) used the e-Banking service. The number of active e-Banking customers and the number of transactions increased by 26.8 per cent. and 28.4 per cent. respectively, compared to 2013.

Eurobank m-Banking

Eurobank offers an integrated banking service via mobile phones, which is supported by the most widely available technologies and channels (sms, mobile site, mobile apps). Eurobank's m-Banking application, which the Issuer launched in November 2009, is available through several online application stores (Apple iTunes, Google Play, Windows Phone Store). Eurobank's m-Banking service allows customers to conduct transactions using their 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. More than 223,000 users have installed the m-Banking application, and approximately 84,000 have used it for online statements and transactions. Eurobank believes that a series of mobile marketing promotions contributed towards increasing active m-Banking users by 65.5 per cent. and transactions by 123 per cent. in the year ended 31 December 2014 (as compared to the year ended 31 December 2013).

Live-Pay payments and collections centre

In May 2011, Eurobank launched its new Live-Pay e-payments service, which offers retail customers the ability to pay their public sector bills via the internet, using their credit card and computer or mobile phone.

Specialised B2B e-commerce services

Eurobank offers collection and payment services to its customers through its e-payments platform, which allows suppliers to directly charge buyers' accounts or credit lines.

Online presence of Eurobank

For the year ended 31 December 2014, visits to Eurobank's website exceeded 14.1 million, which was an increase of more than 1.1 million from 2013. Eurobank uses new media through a presence on social network pages (e.g., YouTube, Twitter) and through advertisements utilising the most advanced areas of interactive marketing (e.g., keyword advertising and mobile marketing). Eurobank also uses social networking media to promote its corporate social responsibility activities, including the "Kainotomeis" Innovation Competition and the "egg- enter•grow•go" incubation and acceleration programme that aims to boost young innovative entrepreneurship.

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 and all criteria for seamless operation, including Disaster Recovery capabilities, and are certified to the ISO 27001:2005, 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 as well 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

As a result of the Issuer's recapitalisation exclusively by the HFSF pursuant to Law 3864/2010, on 19 June 2013, HFSF became its major shareholder.

Following the successful completion of the Issuer's share capital increase in May 2014 for raising € 2.864 million through payment in cash and the cancellation of the preemption rights of the Bank's ordinary shareholders and preference shareholder, fully covered by private, institutional and other investors, the percentage of the voting rights of the Issuer's major shareholders, according to Law 3864/2010 as in force, where is stated that the participation interests of major shareholders other than HFSF are calculated excluding the HFSF's voting rights, have as follows:

- Based on the relevant notification received from the Hellenic Financial Stability Fund (**HFSF**) on May 30, 2014, the HFSF holds 5,208,067,358 ordinary shares with voting rights, namely 35.41% out of total 14,707,876,542 ordinary shares with voting rights issued by Eurobank. On the above shares and voting rights of HFSF the provisions of article 7a of Law 3864/2010 (restricted voting rights) are applicable.
- Based on the relevant notification received from the company "Fairfax Financial Holdings Limited" (**Fairfax**) on June 3, 2014, Fairfax acquired indirectly on May 30, 2014, through its controlled subsidiaries, 1,290,322,580 ordinary shares with voting rights, issued by Eurobank, representing 13.58% of Eurobank's total number of ordinary shares with voting rights, excluding those held by the Hellenic Financial Stability Fund.
- Based on the relevant notification received from the company "The Capital Group Companies, Inc." (**Capital**) on February 26, 2015, the percentage of Eurobank's voting rights held indirectly by Capital, as of February 24, 2015, amounted to 14.5854% of Eurobank's total number of ordinary shares with voting rights, excluding those held by the Hellenic Financial Stability Fund. The above percentage relates to 1,385,587,936 (14.5854%) voting rights of "Capital Research and Management Company" (hereafter "CRMC"), a company controlled by Capital, excluding those held by the HFSF. In these rights are included 527,322,143 (5.551%) voting rights assigned for management to CRMC from the company "EuroPacific Growth Fund", holder of 527,322,143 Eurobank's ordinary shares.
- Based on the relevant notification received from the company "Mackenzie Financial Corporation" (**MFC**) on June 3, 2014, MFC held indirectly, as of May 30, 2014, 554,838,709 voting rights in Eurobank, corresponding to 5.84% of the total voting rights, excluding those held by the HFSF.

MFC has the right to exercise at its discretion these voting rights in its capacity as portfolio manager of its mutual funds, third party clients assets and mutual funds that are structured within its 100% subsidiary “Mackenzie Financial Capital Corporation”.

The remaining voting rights are held by institutional and retail investors, none of which, to the knowledge of the Bank, holds 5 per cent. or more.

As at 30 September 2014, the Issuer is not consolidated with another company. On 30 September 2014, the Issuer consolidated 82 companies under the full consolidation method and 8 companies under the equity method.

Eurobank Management Team

Board of Directors

The current Board consists of ten Directors, of whom one executive, three non-executives, four independent non-executives, one representative of the Greek State and one representative of the HFSF who have been appointed as additional non-executive Directors in accordance with relevant legal requirements. In accordance with the RFA’s provisions, the HFSF has agreed to the divergences in the current composition of the Board as regards the odd number in its membership and the number of the Executive Directors, in view of the remedial actions planned by the Bank.

The Board of Directors of Eurobank, along with their positions held on the Board, the Committees to which they are appointed and their principal activities outside the Eurobank Group as at 9 March 2015 which are significant with respect to Eurobank, comprises the following persons:

<i>Name</i>	<i>Position held on the Board of Directors (BoD) of Eurobank</i>	<i>Positions held on BoD Committees of Eurobank</i>	<i>Principal activities outside Eurobank Group</i>	
			<i>Company</i>	<i>Position</i>
Nikolaos V. Karamouzis	Chairman, Non-Executive Director	1. Risk Committee, Member 2. Remuneration Committee, Member 3. Nomination Committee, Member 4. Strategic Planning Committee, Chairman	1. Hellenic Federation of Enterprises (SEV)	1. 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. 2. Athens International Airport S.A.	1. Limited partner 2. Audit Committee Member
Fokion C. Karavias	Chief Executive Officer	1. Strategic Planning	-	-

Principal activities outside Eurobank Group

<i>Name</i>	<i>Position held on the Board of Directors (BoD) of Eurobank</i>	<i>Positions held on BoD Committees of Eurobank</i>	<i>Company</i>	<i>Position</i>
		Committee, Member		
Wade Sebastian	Non-Executive	1. Risk	1. Hamblin Watsa Investment	1. Exercising managerial responsibilities
R.E. Burton	Director	Committee, Chairman 2. Remuneration Committee, Member 3. Nomination Committee, Member	2. Mytilineos Holdings S.A. 3. S.D. Fiber Tech, LLC 4. Praktiker Hellas S.A.	2. BoD, non-executive 3. BoD, non-executive 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 2. Brookfield Global Property Advisor Limited 3. Brookfield Global Renewable Energy Advisor Limited 4. Brookfield BPY Limited 5. Brookfield Strategic Real Estate Partners Limited 6. Brookfield Capital Partners IV GP Ltd 7. Brookfield Global Infrastructure Advisor Limited 8. BIF II Wind UK Limited 9. 1670365 Ontario Limited 10. Brookfield Capital Partners Ltd. 11. Brookfield Asset Management Inc. 12. Norbord Inc. 13. Brookfield Strategic Real Estate Partners II Limited 14. Stork Holdings Limited 15. Songbird Estates Plc	1. Director 2. Director 3. Director 4. Director 5. Director 6. Director 7. Director 8. Director 9. Officer - Managing Partner 10. Officer – Senior Managing Partner 11. Officer – Senior Managing Partner 12. Director 13. Director 14. Director 15. Director
Bradley Paul L. Martin	Non-Executive Independent Director	1. Audit Committee, Member 2. Risk Committee, Member 3. Remuneration Committee, Chairman 4. Nomination	1. Bank of Ireland 2. Ridley Inc. 3. Resolute Forest Products Ltd.	1. BoD, non-executive 2. BoD, non-executive 3. BoD, non-executive

Principal activities outside Eurobank Group

<i>Name</i>	<i>Position held on the Board of Directors (BoD) of Eurobank</i>	<i>Positions held on BoD Committees of Eurobank</i>	<i>Company</i>	<i>Position</i>
Josh P. Seegopaul	Non-Executive Independent Director	Committee, Chairman 1. Audit Committee, Member 2. Remuneration Committee, Member 3. Nomination Committee, Member	1. Situs Group LLC 2. Capital Markets Holding Inc. 3. Sun Bancorp Inc.	1. BoD, non-executive 2. BoD, non-executive 3. BoD, non-executive
Christina G. Andreou*	Non-Executive Director (representative of the Greek State under law 3723/2008)	-	-	-
Kenneth Howard K. Prince-Wright	Non-Executive Director (representative of the HFSF under Law 3864/2010)	1. Audit Committee, Member 2. Risk Committee, Member 3. Remuneration Committee, Member 4. Nomination Committee, Member	1. Basil Mansions Management Company Limited 2. Make a Wish Charitable Foundation 3. South Asian Real Estate limited 4. Belsize Capital Limited 5. Cellular Plc	1. Chairman and shareholder 2. Director 3. Shareholder 4. Partner without shareholding 5. Chairman, non-executive

* Following the acceptance by the Hellenic Republic of Professor Dimitrios Georgoutsos' resignation from the position of the Greek State's representative in the Issuer's Board of Directors, the Minister of Finance decided on 5 March 2015, that Mrs. Christina G. Andreou will undertake the position of the Greek State's representative to the Issuer's Board of Directors, within the context of the Greek Economy Liquidity Support Program (L. 3723/2008). The substitution is effected as of 6 March 2015. In this context, following the publication of the Ministry's decision in the Government Gazette of 6 March 2015, the Issuer's Board of Directors will appoint Mrs. Christina Andreou as an additional member for the position of the Greek State's representative in accordance with L.3723/2008 in its next meeting, which will take place on 10 March 2015.

For the purposes of this Prospectus, the business address of each member of the Board of Directors of Eurobank is that of Eurobank Ergasias S.A.'s registered office.

The Chief Executive Officer establishes committees to assist him as required, the most important of which is the Executive Board. The Executive Board's members along with their principle activities outside the Group as at 9 March 2015 which are significant with respect to Eurobank are the following:

Principal activities outside Eurobank Group

<i>Name</i>	<i>Position held on Executive Board of Eurobank</i>	<i>Company</i>	<i>Position</i>
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 Director
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. Vouvounis	Member	1. PG Nikas S.A. 2. Chipita S.A. 3. Global Finance S.A. 3. Global Finance S.A.	1. BoD, non-executive Director 2. BoD, Director 3. BoD, Director
Iakovos D. Giannaklis	Member	-	-
Michalis L. Louis	Member	-	-
Anastasios L. Panoussis	Member	1. Axileys III Energy Ltd	1. Shareholder (50%)

For the purposes of this Prospectus, the business address of each member of the Executive Board is that of Eurobank Ergasias S.A.’s registered office.

There are no potential conflicts of interest between the duties to Eurobank of each of the members of the Board of Directors and the members of the Executive Board listed above and their private interests or other duties.

Subsidiaries and Associates

In its effort to provide its clients with an active and competitive presence in all categories of financial products and services, Eurobank has established specialised subsidiaries and forged alliances with other organisations for the joint development and distribution of products.

The proportions of shares in subsidiary undertakings which are included in Eurobank’s Group consolidated financial statements are shown below:

<i>Subsidiary Undertakings</i>	<i>% as at 30.09.2014</i>	<i>Country of Incorporation</i>	<i>Category of Business</i>
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<i>Subsidiary Undertakings</i>	<i>% as at 30.09.2014</i>	<i>Country of Incorporation</i>	<i>Category of Business</i>
Be-Business Exchanges S.A. of Business Exchanges Networks and Accounting and Tax Services	98.01	Greece	Business-to business e-commerce, accounting and tax services
Cloud Hellas S.A.	20.48	Greece	Real estate
ERB Insurance Services S.A.	100.00	Greece	Insurance brokerage
Eurobank Asset Management Mutual Funds 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
Hellenic Postbank - Hellenic Post Mutual Funds Mngt	51.00	Greece	Mutual fund management
T Credit S.A.	100.00	Greece	Vehicle and equipment leasing
T Leasing S.A.	100.00	Greece	Leasing
Eurolife ERB Insurance Group Holdings S.A.	100.00	Greece	Holding company
Herald Greece Real Estate development and services company 1	100.00	Greece	Real estate
Herald Greece Real Estate development and services company 2	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
EFG Property Services Sofia A.D.	80.00	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) Ltd	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
Foramonio Ltd	100.00	Cyprus	Real estate

<i>Subsidiary Undertakings</i>	<i>% as at 30.09.2014</i>	<i>Country of Incorporation</i>	<i>Category of Business</i>
NEU 03 Property Holding Ltd	100.00	Cyprus	Holding company
NEU II Property Holdings Ltd	100.00	Cyprus	Holding company
NEU BG Central Office Ltd	100.00	Cyprus	Holding company
NEU Property Holdings Ltd	100.00	Cyprus	Holding company
Eurobank Private Bank Luxembourg S.A.	100.00	Luxembourg	Banking
Eurobank Fund Management Company (Luxembourg) S.A.	100.00	Luxembourg	Fund management
Eurobank Holding (Luxembourg) S.A.	100.00	Luxembourg	Holding company
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.	99.11	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.	80.00	Romania	Real estate services
Eurolife ERB Asigurari De Viata S.A.	100.00	Romania	Insurance services
Eurolife ERB Asigurari Generale S.A.	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	80.00	Serbia	Real estate services
IMO Property Investments A.D. Beograd	100.00	Serbia	Real estate services
Reco Real Property A.D.	20.48	Serbia	Real estate
EFG Istanbul Holding A.S.	100.00	Turkey	Holding company
Public J.S.C. Universal Bank	99.97	Ukraine	Banking
ERB Property Services Ukraine LL	100.00	Ukraine	Real estate services
ERB Hellas Plc	100.00	United Kingdom	Special purpose financing vehicle
Anaptyxi II Holdings Ltd	-	United Kingdom	Special purpose financing vehicle
Anaptyxi II Plc	-	United Kingdom	Special purpose financing vehicle
Anaptyxi SME I Holdings Ltd	-	United Kingdom	Special purpose financing vehicle
Anaptyxi SME I Plc	-	United Kingdom	Special purpose financing vehicle
Byzantium Finance 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
Daneion Holdings Ltd ⁽¹⁾	-	United Kingdom	Special purpose financing vehicle
Karta II Holdings Ltd ⁽¹⁾	-	United Kingdom	Special purpose financing vehicle
Karta II Plc ⁽¹⁾	-	United Kingdom	Special purpose financing vehicle
Themeleion II Mortgage Finance Plc	-	United Kingdom	Special purpose financing vehicle
Themeleion III Holdings Ltd ⁽¹⁾	-	United Kingdom	Special purpose financing vehicle
Themeleion III Mortgage Finance Plc	-	United Kingdom	Special purpose financing vehicle
Themeleion IV Holdings Ltd ⁽¹⁾	-	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

<i>Subsidiary Undertakings</i>	<i>% as at 30.09.2014</i>	<i>Country of Incorporation</i>	<i>Category of Business</i>
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⁽¹⁾ Not consolidated due to immateriality

<i>Associate Undertakings</i>	<i>% as at 30.09.2014</i>	<i>Country of Incorporation</i>	<i>Category of Business</i>
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
Cardlink S.A.	50.00	Greece	POS administration
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

The Acquisitions

On 30 August 2013, Eurobank completed the acquisition of 100 per cent. of the shares and voting rights of New TT HPB and New Proton Bank, against the backdrop of the on-going restructuring and consolidation of the Greek banking sector, which began at the onset of the economic crisis. Eurobank started consolidating New TT HPB and New Proton Bank into the Issuer's financial statements as of 1 September 2013. On 15 October 2013, Eurobank signed draft merger agreements with New TT HPB and New Proton Bank pursuant to which each such bank would be merged into (absorbed by) Eurobank. The merger of Eurobank with New Proton Bank and New TT HPB was completed on 22 November 2013 and 27 December 2013, respectively, as a result of which all the assets and liabilities of New Proton Bank and New TT HPB were transferred to Eurobank, which has become the quasi-universal successor of New Proton Bank and New TT HPB by operation of law.

The Acquisitions improved Eurobank's size and profile and had a positive impact on the Issuer's liquidity and capital base, further enhancing the Issuer's systemic standing. The following table sets out information relating to the assets, loans net of provisions and customer deposits of each of New TT HPB Group and New Proton Bank as at 30 August 2013.

(€ in millions)	Total Assets	Total Loans (Net of Provisions)	Total Customer Deposits
New TT HPB Group	13,458	6,678	10,354
New Proton Bank	1,112	512	954

As at 30 August 2013, the date on which Eurobank completed the Acquisitions, New TT HPB Group and New Proton Bank contributed €10.4 billion and €0.9 billion, respectively, to the Issuer's deposits and €6.7 billion and €0.5 billion, respectively, to the Issuer's loans (net of provisions). The legal and operational mergers of New Proton Bank were completed on 22 November 2013 and 9 December 2013, respectively, and the legal merger of New TT HPB was completed on 27 December 2013, with the operational merger also completed on 12 May 2014. As a result, New TT HPB was monitored as a separate operating segment as at 31 December 2013 and its contribution to the Group's deposits and loans (net of provisions) amounted to €10.2 billion (25 per cent.) and €6.4 billion (14 per cent.), respectively.

The Bank, with the active involvement of its senior management, principally through their participation in a dedicated Steering Committee, is engaged in the integration of New TT HPB and New Proton Bank. The following table sets out certain key dates in the acquisitions and integration processes of New TT HPB and New Proton Bank.

Event	New TT HPB	New Proton Bank
Binding agreement signed	15 July 2013	15 July 2013
Bank shareholders approved acquisition	26 August 2013	26 August 2013
Bank acquired 100% ownership	30 August 2013	30 August 2013
Incorporation into Group consolidated financial statements	1 September 2013	1 September 2013
Completion of legal integration (merger by absorption)	27 December 2013	22 November 2013
Completion of operational integration.....	12 May 2014	9 December 2013

New TT HPB Acquisition

New TT HPB was incorporated on 18 January 2013 as a société anonyme, with HFSF being its sole shareholder. New TT HPB was established as an interim credit institution that was set up to exist for two years from the registration of the Ministry of Finance decision with respect to the incorporation of the New TT HPB in the General Commercial Registry. Most of the contractual rights, assets and liabilities of TT Hellenic Postbank S.A., and particularly its deposits, branch network and operating assets, were transferred to New TT HPB.

On 15 July 2013, Eurobank signed a binding agreement with the HFSF to acquire 100 per cent. of the shares and voting rights of the New TT HPB for a consideration of €681 million to be paid through the issuance of Eurobank's ordinary shares. The acquisition was completed on 30 August 2013 after receiving all necessary regulatory approvals, at which time New TT HPB became a wholly owned subsidiary of the Bank. Eurobank began to consolidate the results of New TT HPB Group into the Issuer's financial statements as of 1 September 2013. On 30 September 2013, the Boards of Directors of Eurobank and New TT HPB decided to initiate the merger process of the two banks through the absorption of New TT HPB by Eurobank, by consolidating the assets and liabilities of the two merging banks, in accordance with the combined provisions of article 16 of Law 2515/1997 and articles 69-78 of Law 2190/1920. The merger balance sheet common reference date was 30 June 2013. On 27 December 2013, the merger of Eurobank with New TT HPB was completed.

New TT HPB offered a wide range of banking and financial services, focusing strongly on retail savings. As at the acquisition date, total assets of New TT HPB Group amounted to €13.5 billion, of which €7.6 billion were gross loans, €4.2 billion were EFSF notes and €1.4 billion were Greek Government securities. Total liabilities amounted to €13 billion, of which €10.4 billion were customer deposits and €2.5 billion were repurchase agreements with banks. Of the customer deposits, 40 per cent. were savings and sight deposits, which carry a lower cost than time deposits and tend to be more stable. Of the customer loans acquired, 66 per cent. were mortgage loans and 18 per cent. consumer loans.

Eurobank has developed a detailed integration plan for New TT HPB, in which the Issuer is aiming to use its competitive advantages while fully respecting its long and strong tradition. In this framework, New TT HPB's branch network will remain autonomous in order to leverage its brand name. Eurobank refers to this as the Issuer's "One Bank – Two Brands" strategy of integration.

New Proton Bank Acquisition

New Proton Bank was incorporated on 9 October 2011, as a société anonyme, with HFSF being its sole shareholder. New Proton Bank was established as an interim credit institution that was set up to exist for two years from the registration of the Ministry of Finance decision with respect to the incorporation of the New Proton Bank in the General Commercial Registry. Most of the contractual rights, assets and liabilities of Proton Bank, and particularly its deposits, branch network and operating assets, were transferred to New Proton Bank.

On 15 July 2013, Eurobank signed a binding agreement with HFSF to acquire 100 per cent. of the shares and voting rights of New Proton Bank for a cash consideration of €1. Prior to completion of the transaction, the

HFSF covered the capital needs of New Proton Bank by contributing €395 million in cash. On 30 August 2013, Eurobank completed the acquisition after receiving all necessary regulatory approvals, at which time New Proton Bank became a wholly owned subsidiary of the Bank. Eurobank began to consolidate New Proton Bank's results into the Issuer's financial statements as of 1 September 2013. On 7 October 2013, the Boards of Directors of Eurobank and New Proton Bank decided to initiate the merger process of the two banks through the absorption of New Proton Bank by Eurobank, by consolidating the assets and liabilities of the two merging banks, in accordance with the combined provisions of article 16 of Law 2515/1997 and articles 69-78 of Law 2190/1920. The merger balance sheet common reference date was 30 June 2013. On 22 November 2013, the merger of New Proton Bank with Eurobank was completed.

New Proton Bank offered a wide range of banking and financial services, focusing mainly on large corporate and SME customers.

Legal Matters

As at 30 September 2014, there were a number of legal proceedings outstanding against the Group for which a provision of € 55 million was recorded (31 December 2013: €154 million). As at 31 March 2014, the Group proceeded with the release of the provision of € 103 million, recognized in 2013 based on the management's estimates of the final amount of the consideration to be received for the disposal of Polish operations .

Neither Eurobank nor any other member of the Group is involved in any administrative, judicial or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) which the Issuer believes may have or which have had a material effect on the Issuer's financial condition or the Issuer's results of operations or that of the Group in the 12 months preceding the date of this Prospectus.

In January 2014, Greek prosecutors initiated an investigation into the alleged improper granting of loans between 2006 and 2011 by TT Hellenic Postbank S.A. (the bank from which deposits, branch networks and other assets were transferred to create New TT HPB). Criminal proceedings are pending before the Investigating Magistrate of Athens and certain senior employees of TT Hellenic Postbank S.A. have been interrogated by the Investigating Magistrate in connection with breach of trust charges. Eurobank does not expect the outcome of these pending criminal proceedings to have a material effect on the Group.

REGULATION AND SUPERVISION OF BANKS IN THE HELLENIC REPUBLIC

Eurobank is subject to financial services laws, regulations, administrative actions and policies in each location where the Bank operates. In addition, due to the trading of the Issuer's ordinary shares on the ATHEX, the Bank is also subject to the applicable capital markets laws.

The Regulatory Framework

The Group is subject to financial services laws, regulations, administrative actions and policies in each of the jurisdictions in which it operates, particularly in Greece.

The Bank of Greece is the central bank in Greece. It is responsible for the licensing and supervision of credit institutions in Greece, in accordance with: Greek Law 4261/2014 on access to the activity and the prudential supervision of credit institutions; Greek Law 3746/2009 on the Greek deposit and investment guarantee fund; Greek Law 3691/2008 on anti-money laundering provisions; and Greek Law 3862/2010 on payment services and banks and other relevant laws of Greece, each as amended and in force. In addition, in accordance with Greek Law 1266/1982 on organisations exercising monetary, credit and currency policy, the Bank of Greece has certain other regulatory powers.

The ECB is the central bank for the euro and administers the monetary policy of the Eurozone. With the goal of establishing a single supervisory mechanism to oversee and unify credit institutions in the Eurozone, Regulation No. 1024/2013/EC, adopted on October 15, 2013, confers on the ECB specific supervisory responsibilities over credit institutions in the Eurozone. The ECB fully assumed the following supervisory responsibilities, among others, on November 4, 2014 (subject to implementation arrangements and measures set forth in article 33(2) of Regulation No. 1024/2013/EC):

- 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 securitisation, large exposure limits, liquidity, leverage, as well as on the reporting and public disclosure of information on those matters;
- to ensure compliance with respect to corporate governance, including requirements on credit institutions, risk management processes, internal control mechanisms, remuneration policies and practices and effective internal capital adequacy assessment processes (including internal ratings based models);
- to carry out supervisory reviews, including, where appropriate and in coordination with the EBA, stress tests and supervisory reviews to impose specific additional own funds requirements, specific publication requirements, specific liquidity requirements and other measures;
- to supervise the credit institutions on a consolidated group basis, extending supervision over parent entities established in one of the EU Member States; 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.

The ECB and the national central banks together constitute the Eurosystem, the central banking system of the Eurozone. The ECB will exercise its supervisory responsibilities in cooperation with the national banks 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 Directive 2013/36/EU (on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (CRD IV)) and Regulation No 575/2013/EC (on prudential requirements for credit institutions and investment firms that form the legal framework governing banking activities, the supervisory framework and the prudential rules for credit institutions and investment firms). Directive 2013/36/EU was transposed into Greek law by Greek Law 4261/2014 and is applicable from January 1, 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%, the decision by designated authorities on third country countercyclical buffer rates, the calculation of institution-specific countercyclical capital buffer rates and restrictions on distributions) shall gradually enter into force from January 1, 2016. In addition, certain provisions related to administrative penalties and other administrative measures imposed by the Bank of Greece and the Hellenic Capital Market Commission entered into force from May 5, 2014. Regulation No. 575/2013 is directly applicable from January 1, 2014, with the exception of certain of its provisions related to the derogation to the application of the liquidity requirements on an individual basis, the disclosure of leverage ratios and stable funding, which shall enter into force from January 1, 2015 and January 1, 2016, respectively, as applicable.

According to article 166 of Greek Law 4261/2014, regulatory acts issued under Greek Law 3601/2007 (which is 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 Greek Law 4261/2014 or Regulation 575/2013, until replaced by new regulatory acts issued under Greek Law 4261/2014.

Under the current regulatory framework, credit institutions operating in Greece are required to:

- Observe the liquidity ratios prescribed by Regulation No. 575/2013/EC and Bank of Greece Governor Act 2614/2009 as amended by Act No. 2626/2010 of the Bank of Greece Governor. To the extent permitted by Regulation No. 575/2013/EC, certain current Greek laws may still apply in the interim transition period;
- Maintain efficient internal audit, compliance and risk management systems and procedures ("Internal Control System" or "ICS") (Bank of Greece Governor Act No. 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). The Monitoring Trustee mandate and the Relationship Framework Agreement also include provisions regarding the maintenance of such ICS;
- 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 Bank of Greece and the ECB; 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 Bank of Greece, the Bank of Greece is empowered to:

- Require the relevant bank to take appropriate measures to remedy the breach;
- Impose fines (article 55A of the Articles of Association of the Bank of Greece, as amended by Bank of Greece Governor Act No. 2602/2008);
- Appoint a commissioner;
- Revoke the license of the bank where the breach cannot be remedied; and
- Where deemed appropriate, implement the measures provided for in articles 96 and 136-147 of Greek Law 4261/2014, as currently applicable. In particular, the Bank of Greece is empowered to:
 - Require any bank actually or potentially failing to comply with the requirements set out by the law and/or the relevant decisions of the Bank of Greece to take any necessary actions or resolution measures at an earlier stage. In this context and, in addition to other measures already provided for in Greek Law 4261/2014 (such as prohibitions or restrictions on dividends), the Bank of Greece may itself prepare a resolution plan for the bank or require the bank to proceed with a share capital increase or seek the prior approval of the Bank of Greece for future transactions that the Bank of Greece finds might be detrimental to the solvency of the bank. The Bank of Greece may require the bank to draft and submit a recovery plan, even if there is no actual or potential failing of the bank to comply with the requirements set out by Greek Law 4261/2014 and/or the relevant decisions of the Bank of Greece;
 - Appoint a commissioner to a bank for a period of up to 12 months. This period may be extended by up to six months by a decision of the Bank of Greece. The commissioner will assess the bank's situation and take any necessary next steps, for example preparing the bank for any resolution measures or placing it into special liquidation. The commissioner will be subject to the oversight of the Bank of Greece;
 - Extend by up to 20 days the period established after the commissioner's appointment for the bank to comply with some or all of its various obligations, if the bank's liquidity has been significantly reduced such that its own funds are insufficient to establish compliance during that initial period. The 20-day period may be further extended by 10 days by decision of the Bank of Greece.
 - Commence certain resolution measures to ensure the financial stability of, and strengthen public confidence in, the Greek financial system. In particular, the Bank of Greece may: (a) instruct the commissioner to proceed with a share capital increase by some specified time, with the negation of any pre-emptive rights of the existing shareholders; (b) compel the bank to transfer certain assets and liabilities to another bank or entity; (c) recommend that the Greek Minister of Finance establish a transitional bank on public interest grounds, to which all or part of the assets and liabilities of the bank will be transferred. The share capital of the transitional bank will be fully paid by the HFSF, and the transitional bank will be subject to the control of the HFSF (pursuant to the provisions of Greek Law 3864/2010) and, if the HFSF ceases to exist, of the Hellenic Republic. The transitional bank may operate for a maximum period of two years, unless it is extended for two additional years by a decision of the Minister of Finance, following a recommendation by the Bank of Greece.
 - Appoint a special liquidator to manage the bank, if the bank's license has been withdrawn. The Credit and Insurance Committee of the Bank of Greece, through its Decision No.

21/2/4.11.2011 has issued a regulation for the special liquidation of banks (Government Gazette Issue 2498/4.11.2011), as amended, which contain provisions regarding the liquidation of a bank.

More specifically, the circumstances under which the Bank of Greece may implement resolution measures with respect to any given credit institution under Greek Law 4261/2014 include, among others, the following:

- if the bank fails or refuses to increase its Tier I capital, or impedes the Bank of Greece in its oversight role in any way;
- if the bank commits serious or repetitive violations of Greek Law 4261/2014 or Bank of Greece decisions, or if there are doubts with respect to the sound and prudent management of the bank, such that its solvency, the interests of depositors or the overall financial stability or public confidence in the Greek financial system are put at risk;
- if the bank has inadequate Tier I capital or is unable to service its obligations (and particularly to secure the depositors' and creditors' fund);
- if necessary for the protection of public confidence, particularly depositors, in the stability and proper operation of the Greek financial system;
- if necessary for the reduction of systemic risk or prevention of situations that might destabilise the Greek financial system, taking into account any prevailing bank and interbank market conditions; and
- if necessary for the stabilisation of a credit institution or the prevention of the financial instability of a credit institution for the sake of systemic stability;

If the Bank of Greece concludes that any of the above circumstances have been met with respect to a particular credit institution, it must notify the HFSF and provide the HFSF with information about the financial situation of the credit institution, along with any other information that the HFSF may need in order to apply any resolution measures. Following the implementation of any resolution measures, shareholders or creditors of the bank who believe that their financial position has deteriorated as a result of the resolution measures may request compensation from the Hellenic Republic, in an amount that would restore them to the financial position they would have been in if a special liquidation had taken place.

On May 15, 2014 the Council of the European Union adopted a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the **Recovery and Resolution Directive** or **RRD**). The powers provided to authorities in the RRD are divided into three categories: (a) preparatory steps and plans to minimise the risks of potential problems (preparation and prevention); (b) in the event of incipient problems, powers to arrest a bank's deteriorating situation at an early stage so as to avoid insolvency (early intervention); and (c) if insolvency of an institution presents a concern as regards the general public interest, a clear means to reorganise or wind down the bank in an orderly fashion while preserving its critical functions and limiting to the maximum extent any exposure of taxpayers to losses in insolvency (resolution).

The RRD currently contains four resolution tools and powers: (a) sale of business, which enables resolution authorities to the sale of the institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply; (b) bridge institution, which enables resolution authorities to transfer of all or part of the business of an institution to a "bridge bank" (a publicly controlled entity); (c) asset separation, which enables resolution authorities to transfer impaired or problem assets to an asset management vehicle to allow them to be managed and worked out over time; and (d) bail-in, which gives resolution authorities the power to write

down the claims of senior unsecured creditors of a failing institution and subordinated creditors and to convert unsecured debt claims into equity (subject to certain parameters as to which liabilities would be eligible for the bail-in tool). Except for the senior debt bail-in (which is expected to be implemented by January 1, 2016), it is currently contemplated that the measures set out in the RRD (including the power of authorities to unite all non-common Tier I and Tier II capital) will be implemented in EU Member States with effect from January 1, 2015.

The regulatory framework has also been affected by the establishment of the HFSF and the recapitalisation framework (see "*The Hellenic Financial Stability Fund—The Greek Recapitalization Framework*").

The Hellenic Financial Stability Fund—The Greek Recapitalisation Framework

Formation of the Hellenic Financial Stability Fund under the Program

The HFSF was established by Greek Law 3864/2010, in the context of the Program, as a private law entity with capital funded by the Greek government out of the resources made available by the EU and the IMF to ensure adequate capitalisation of the Greek banking system.

The purpose of the HFSF, according to Greek Law 3864/2010, is to contribute to the maintenance of the stability of the Greek banking system for the sake of the public interest. The HFSF operates in compliance with the commitments of the Hellenic Republic provided for in Greek Law 4046/2012. In pursuing its objective, the HFSF: (i) provides capital support to credit institutions and to transitional credit institutions established under article 142 of Greek Law 4261/2014; (ii) monitors and assesses whether credit institutions to which the HFSF provides capital support comply with their restructuring plans, while safeguarding the credit institutions' business autonomy; (iii) exercises its shareholding rights derived from its participation in such credit institutions; (iv) disposes of, in whole or in part, financial instruments issued by the credit institutions in which it participates; and (v) exercises its rights with respect to the transitional credit institutions established under article 142 of Greek Law 4261/2014. The liquidity support provided under the Hellenic Republic Bank Support Plan or under the operating framework of the ECB and the Bank of Greece does not fall under the scope of the HFSF.

The initial duration of the HFSF has been set for seven years, until June 30, 2017, with the possibility of: (i) a one-year extension in case there are still outstanding warrants at June 30, 2017; and (ii) a two-year maximum extension following one or more decisions by the Minister of Finance, if deemed necessary or for the achievement of the HFSF's objectives.

HFSF's capital: In accordance with Greek Law 3864/2010, the HFSF's capital is €50 billion, consisting of funds raised by the Program by virtue of Greek Law 3845/2010, and shall be gradually paid in by the Hellenic Republic and evidenced by instruments which shall not be transferable until the expiry of the term of the HFSF (article 3 of the HFSF Law). After the expiry of the HFSF's term and the completion of the liquidation process, the HFSF's capital and assets will be transferred to the Hellenic Republic by operation of law (article 3 par. 5 of the HFSF Law). In the event of the 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 Greek State Preference Shares under Greek Law 3723/2008.

Organisational issues: There are two HFSF administrative bodies with decision making powers: the nine-member General Council (of which one member is a representative of the Bank of Greece and one is a representative of the Ministry of Finance); and the three-member Executive Committee (of which one member is appointed by the Bank of Greece). One appointee of the ECB and one appointee of the EC each have the right to participate in the meetings of the General Council and the Executive Committee as observers. Except from the appointee of the Ministry of Finance and the appointee of the Bank of Greece, the appointment of the other members sitting on the General Council and the Executive Committee requires the consent of the Euro Working Group.

The Governor, the Deputy Governor, the members of the collective bodies, the directors, as well as any individuals serving as personnel of the Bank of Greece, may not become members of the Executive Committee. Until the appointment of the two additional members of the General Council as provided for under the new amendment of Greek Law 3864/2010, the HFSF will be managed by the existing seven-member General Council and during this period, four members will constitute a quorum in the meetings of the General Council.

The members of the General Council and the Executive Committee, except for the representative of the Ministry of Finance, shall, in the performance of their duties, enjoy full autonomy and shall not seek or receive instructions from the Greek state or any other state body or institution, or financial institution supervised by the Bank of Greece, and shall not be subject to influence of any nature. Every two months, the General Council shall submit activities reports to the Minister of Finance. The term of the members of the General Council and the Executive Committee is five years, and can be renewed but cannot exceed the duration of the HFSF as described above.

Provision of Capital Support by the HFSF under the Amended Recapitalisation Framework

Activation of Capital Support

Pursuant to the provisions of article 6 of Greek Law 3864/2010, as currently applicable, a credit institution may request capital support if recommended by the Bank of Greece, following an assessment of its sustainability by the Bank of Greece in accordance with the following procedure:

- (a) the Bank of Greece will seek to assess the credit institution's capital shortfall and request from the latter to submit a restructuring plan (or, with respect to credit institutions that have already received capital support, a revised restructuring plan).
- (b) The restructuring plan or the revised restructuring plan must list the types of measures that the credit institution will undertake in order to raise funds or to limit its capital needs, the time needed for taking each measure and the expected impact on the credit institution's capital shortfall. Measures to be included in the restructuring plan may consist, among others, in the following: non-distribution of profits; increase of the credit institution's share capital; sale of assets and portfolios or sectors of activity for raising capital; acts of risk transfer or portfolio securitisation; management of liabilities, including voluntary conversions of hybrid securities and subordinated securities into securities that are taken into account for the calculation of the credit institution's Tier 1 capital, which must contribute to the creation of capital by 100 %, if capital needs cannot be fully covered; and setting out the securities or liabilities on which the mandatory measures of article 6(a) may be imposed. The restructuring plan must also describe, in light of conservative estimates, by what means the credit institution intends to remain viable over the next three to five years.
- (c) Following the assessment of viability, which will also take into consideration the restructuring plan (or the amended restructuring plan, as applicable), the Bank of Greece will recommend that the credit institution submit a request for the provision of capital support to the HFSF.

Following approval by the HFSF, the restructuring plan will be sent to the Ministry of Finance and submitted to the European Commission for approval.

Advance Payment of Capital Support

Once capital support is activated, the HFSF, following a decision by the Bank of Greece, shall grant to a bank which has submitted a request for recapitalisation and been deemed viable by the Bank of Greece a certificate by which it commits to participate in a share capital increase of the credit institution up to a certain amount determined by the Bank of Greece. Furthermore, the HFSF, in view of its participation in the capital support of a credit institution that has been assessed and deemed viable by the Bank of Greece and following

an application by the credit institution for advance payment of the capital support, advances its contribution or part of such contribution and up to the amount determined by the Bank of Greece, in accordance with the procedure of Article 6 and Article 6(a), following a decision of the Bank of Greece, provided that (a) a request for capital support, accompanied by a restructuring plan has been submitted by the credit institution; (b) such request has been approved by the Bank of Greece and it has been notified to and approved by the European Commission; (b) the Bank of Greece considers the advance payment of the contribution necessary in order to protect the banking system's stability and to ensure the banking system's contribution to the development of the real economy; and (d) the credit institution has concluded with the HFSF and the EFSF, as a third party, a presubscription agreement. Cabinet Act 15 dated May 3, 2012 has defined the minimum terms that must be included in the presubscription agreement to be concluded between HFSF, Greek banks and EFSF pursuant to article 6 of Greek Law 3864/2010 (the "Presubscription Agreement").

Until the release of the aforementioned contribution, such contribution shall be exclusively disposed to ensure liquidity through sale and buyback transactions with market counterparties (ensuring the right to buy back the same securities under the terms of the buyback transaction) or even via the European Central Bank or the Bank of Greece within the Eurosystem. In such case, the Operation Regulation of the System for Monitoring Transactions in Book-Entry Securities is applied, as in force from time to time.

If the participation of the HFSF is less than the amount advanced, as well as in the event that recapitalization does not take place, the HFSF shall claim the refund of the residual or the whole amount as appropriate, at a rate set by decision of the Minister of Finance, following recommendation of the Bank of Greece and opinion of the HFSF.

The advance payment procedure laid down above is applied following decision of the Bank of Greece, issued following consent of the European Commission and the European Financial Stability Fund and it is published in the Government Gazette.

During the participation of the HFSF in the share capital of credit institutions, the credit institutions may not purchase treasury shares without the prior approval by the HFSF.

Conditions for the provision of capital support

Article 6(a) of Greek Law 3864/2010, as amended by Greek Law 4254/2014, introduces a special procedure for the participation of shareholders and subordinated creditors in the recapitalisation of credit institutions prior to or concurrently with the HFSF. The details of the above procedure are set out in a Cabinet Act dated April 11, 2014 ("Act 11/2014").

More specifically, should the voluntary measures provided for in a credit institution's restructuring plan fail to address the total capital shortfall of the credit institution as identified by the Bank of Greece and if the license revocation measures under article 19 and/or the resolution measures under article 139 *et seq.* of Greek Law 4261/2014 could lead to serious disturbances in the economy with adverse effects upon the public, the Cabinet, in order to ensure that the use of public funds is minimal and following a recommendation by the Bank of Greece, shall issue an act for the application of mandatory measures aimed at allocating the residual amount of the capital shortfall of the credit institution to the holders of its capital instruments and other subordinated liabilities, as may be necessary. According to Act 11/2014, the Bank of Greece appoints an independent evaluator to evaluate the assets and liabilities of the credit institution in question. The evaluation provided to the Bank of Greece forms part of its recommendation to the Cabinet.

Mandatory measures include:

- (i) the absorption of losses by the existing shareholders in order to ensure that the equity of the institution becomes equal to zero, where appropriate, by means of decreasing the nominal value of its ordinary shares following a decision of the competent body of the credit institution.

- (ii) the decrease of the nominal value of preference shares and other Tier I liabilities and then, if needed, other subordinated liabilities of the credit institution, 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 of preference shares and other Tier I liabilities and then, if needed, other subordinated liabilities of the credit institution, into Tier I capital instruments, in order to restore the capital adequacy ratio of the credit institution to the level required by the Bank of Greece.

The above measures may also concern:

- any liabilities undertaken through the provision of guarantees granted by the credit institution with regard to debt or equity instruments issued by legal entities included in the consolidated financial statements of such credit institution, provided that the guarantees rank as subordinated liabilities of the credit institution; and
- any claims which rank as subordinated liabilities against the credit institution, under credit arrangements between the credit institution and the abovementioned legal entities.

The above instruments or liabilities are mandatorily converted into capital instruments in connection with a capital increase of the credit institution, failing which the credit institution should be subject to the measures referred to in article 19 and/or the resolution measures of article 139 et seq. of Greek Law 4261/2014 and to the provisions of Greek Law 3458/2006.

Such allocation will respect the following hierarchy of claims:

- firstly, ordinary shares;
- secondly, if needed, preference shares and other Tier I instruments; and
- thirdly, if needed, all other subordinated liabilities.

Claims of the same rank will be treated *pari passu*. Deviations from both the above hierarchy of claims and the *pari passu* principle can be justified, however, when there are objective reasons to do so.

Act 11/2014 determines the specific order of implementation of the above mandatory measures as follows:

- (a) share capital decrease by means of a decrease in the nominal value of its ordinary shares, in accordance with article 4 of Greek Company Law 2190/1920, followed by a share capital increase in cash. In case this measure is not implemented the credit institution may be subject to the license revocation measures under article 19 and/or the resolution measures under article 139 *et seq.* of Greek Law 4261/2014 and Greek Law 3458/2006;
- (b) if necessary following the above, decrease in the nominal value of its preference shares or of other Tier I instruments or conversion of such instruments into ordinary shares.

More specifically, if the capital required so that the net asset value of the credit institution is equal to zero exceeds the value of the preference shares, then the nominal value of the relevant instruments is decreased to the largest extent possible; if the above required capital does not exceed the value of the preference shares, then the nominal value of the relevant instruments is decreased to the extent necessary to absorb any remaining losses and the remaining value of the relevant titles is converted into ordinary shares.

- (c) If necessary following the above, decrease in the nominal value of subordinated liabilities of the credit institution or conversion of such subordinated instruments into ordinary shares, in case despite

the decrease of the nominal value of shares described in case (b) above and other Tier I instruments, the net asset value of the credit institution remains negative. More specifically, if the capital required so that the net asset value of the credit institution is equal to zero exceeds the value of any other liability issued by the credit institution, the nominal value of such liabilities is decreased to the largest extent possible. If the capital required so that the net asset value of the credit institution is equal to zero does not exceed the value of any other liability issued by the credit institution, then the nominal value of such instruments is decreased to the extent necessary to absorb any remaining losses and the remaining part is converted into ordinary shares.

The value on the basis of which the above-mentioned subordinated instruments are converted varies depending whether the HFSF has already provided capital support to the credit institution in question and such support is considered as state aid. In the latter cases each subordinated instrument is converted on the basis of its fair value.

The decreases of the nominal value of shares in cases (a), (b) and (c) will be performed in accordance with the pertinent provisions of Greek Company Law 2190/1920.

In the event that the net asset value of the credit institution is above zero pursuant to the implementation of the voluntary measures included in the restructuring plan of a credit institution, but more capital is needed to meet the capital adequacy ratio set by the Bank of Greece, the Bank of Greece recommends to the Cabinet the conversion in whole or in part of the preference shares and the issued subordinated liabilities of the above credit institution in Greece and abroad at the following order; first, conversion of the preference shares and secondly the conversion of the remainder subordinated liabilities, in accordance with their ranking.

By way of derogation and subject to a positive decision of the European Commission in accordance with articles 107 to 109 of the Treaty on the Functioning of the European Union, the above measures may not apply, either fully or to individual instruments, in the event that the Cabinet concludes, upon recommendation by the Bank of Greece, that such measures would endanger financial stability or lead to disproportionate results, such as when the amount of capital support to be provided by the HFSF is small in comparison to that of the credit institution's risk weighted assets, and/or a significant portion of the capital shortfall has been covered by the private sector (the "Derogation Cabinet Act").

These risks above represent the objective grounds for derogation from the allocation of the residual amount of the credit institution's capital shortfall, as indicated above, and the *pari passu* rule. The final assessment of the derogation rests with the European Commission on a case-by-case basis.

The aforementioned measures applicable to credit institutions constitute, for the recapitalisation purposes of Greek Law 3864/2010, resolution measures as defined in article 2 of Directive 2001/24/EC of the European Parliament and the Council of April 4, 2001 on the reorganisation and winding up of credit institutions, that was transposed into Greek law with Greek Law 3458/2006. The implementation of such measures, voluntary or mandatory, cannot in any case be:

- The reason for the triggering of contractual clauses that are put into place in case of liquidation, insolvency or other event that can be characterised as a credit event or event equivalent to insolvency; and
- Considered as non-fulfillment or violation of the contractual obligations of the credit institution in order to establish a material grounds for the early termination of an agreement by counterparties of the credit institution; contractual terms contrary to the above do not produce any effect.

The holders of any capital or hybrid capital instrument, or other subordinated liability, including beneficiaries directly or indirectly benefiting from any guarantee ranking as a subordinated liability, of the credit institution subject to recapitalisation measures, shall not, following the implementation of the

measures described above, be in a worse financial position than if the credit institution had been placed under liquidation (no creditor worse-off principle).

In the event that the no creditor worse-off principle is not observed, such shareholders and subordinated creditors are entitled to compensation from the Greek state, provided that they prove that their damages arising from the implementation of the mandatory measures are greater than if the credit institution had been put under liquidation.

A valuation is conducted in order to determine the losses that the shareholders and subordinated creditors would have assumed if instead of applying the mandatory measures, the credit institution had been liquidated. Any form of public financial support to the credit institution is disregarded for purposes of such evaluation. The valuation will be conducted after implementation of the mandatory measures by an independent valuator to be appointed by the Minister of Finance with a view to assessing whether shareholders, hybrid capital holders and subordinated liability holders would have been in a more favourable financial position if the credit institution had entered into normal insolvency proceedings immediately prior to the implementation of the mandatory measures.

Type of Capital Support

Capital support is provided through the HFSF's participation in a share capital increase of the credit institution by issuance of ordinary shares or contingent convertible securities or other instruments that shall be subscribed for by the HFSF. Such share capital increases are covered in cash or in EFSF bonds or in other financial instruments of the EFSF. Capital support is provided in compliance with state aid rules.

The HFSF is entitled to exercise, dispose or waive its pre-emptive rights in cases of share capital increase or issuance of convertible financial instruments or other financial instruments of the credit institutions requesting the provision of capital support.

The price at which the HFSF subscribes the shares or contingent convertible securities or other financial instruments, is determined by a decision of the General Council. The General Council's decision relies, among others, upon two evaluation reports conducted by two independent financial advisers with reputation and expertise on relevant issues and more specifically on credit institution valuations.

Powers of the HFSF

Under the current, amended recapitalisation framework, the HFSF will acquire shares with full voting rights in the share capital increases in which it will participate, pursuant to Greek Law 3864/2010, as amended by Greek Law 4254/2014.

For shares acquired by the HFSF under the previous recapitalisation framework, where the minimum private sector participation condition had been met, the HFSF shall continue to exercise its voting rights with the restrictions provided for in article 7(a), para. 3 of Greek Law 3864/2010, as currently applicable, (i.e., the HFSF may exercise its voting rights only on matters relating to resolutions amending the bank's articles of association, including share capital increases or decreases, granting a relevant authorisation to the Board of Directors, mergers, divisions, conversions, revivals, extensions of the term or dissolution of the company and transfers of assets, including sales of subsidiaries or any other matter requiring an increased majority, in accordance with Greek Company Law 2190/1920) unless it is concluded, following a decision of the members of the General Council of the HFSF, that the bank is in breach (or facilitating the breach) of material obligations for the implementation of the restructuring plan or the agreement entered into between the HFSF and the bank.

The HFSF has the power to appoint one member to the board of directors of a bank having received capital from the HFSF according to Greek Law 3864/2010, as its representative. The HFSF has currently appointed

one representative in our Board of Directors. The HFSF representative has certain powers over credit institutions:

- to veto key corporate decisions of a credit institution's board of directors related to (i) dividend distributions, the remuneration policy relating to the chairman, managing directors and the other Board members, general managers and deputies; (ii) any other matter which may set at risk the rights of depositors or have a material adverse effect on the liquidity, solvency and/or, in general, on the prudent and orderly operation of the credit institution, including its business strategy and asset/liability management); and (iii) decisions referring to matters for which the restriction in the voting rights of the shares held does not apply and which significantly affect the HFSF's shareholding in the credit institution;
- to request an adjournment of a Board meeting for three business days in order to receive instructions from the HFSF Executive Committee, following consultation with the Bank of Greece;
- to call a board meeting;
- to approve the appointment of the chief financial officer;
- to call a general shareholders' meeting for a credit institution within the shortened deadlines provided for in Greek Law 3864/2010; and
- to have free access to all books and records of the credit institution.

Each of the Bank of Greece, in its capacity as the competent authority for the supervision of credit institutions, and the HFSF will be authorised to exchange confidential information with one another to the fullest extent permitted by law.

In the event that the Bank is placed under liquidation, the HFSF as shareholder is satisfied before all other shareholders alongside the Greek State as holder of the preference shares of Greek Law 3720/2008.

Disposal of Shares

Subject to the limitations on the disposal of shares already held by the HFSF in the recapitalised banks under the terms of the warrants, the HFSF will decide on the way and procedure for disposing its shares at a time it deems appropriate and in any case within five years. The disposal may take place gradually or one-off, at the HFSF's discretion, so long as all shares are disposed of within the time limits referred to above and in compliance with the EU state aid rules. The disposal of shares within the time limits stipulated above may not be made to any entity belonging directly or indirectly to the Hellenic Republic, in accordance with Greek law. The Minister of Finance, following a proposal by the HFSF, can extend the above mentioned periods.

Subject to the provisions of Greek Law 3401/2005, the shares may be disposed either by the sale of the relevant shares to the market or to specific investor(s) or group of investors through: (i) open tender procedures or calls for expressions of interest to eligible investors; (ii) market orders; (iii) public offers of the shares for cash or in exchange of other securities; and (iv) book building exercises.

The HFSF may decrease its participation in credit institutions through a share capital increase of the credit institution by waiving or disposing of its pre-emptive rights.

Reporting Requirements for Banks

Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms 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 Regulation 575/2013, 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. 2651/20.01.2012.

The reporting requirements include the below:

- capital structure, special participations, persons who have a special affiliation with the bank and loans or other types of credit 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 a full set of regulatory reports both at Bank level and at Group level, on a quarterly basis. Some of the above references are submitted on a monthly basis at a Bank level.

Other Laws and Regulations Governing Banks in Greece

Deposit and Investment Guarantee Fund

The Hellenic Deposit Guarantee Fund (the "HDGF") commenced its operations in 1995. Pursuant to Greek Law 3746/2009 as currently in force, the Hellenic Deposit and Investment Guarantee Fund (the "HDIGF") operates as a private law entity and a universal successor of the HDGF provided for by virtue of article 2 of Greek Law 2832/2000. The HDIGF has its registered seat in Athens, is supervised by the Minister of Finance, is not a public organisation or a state owned legal entity and does not belong to the Greek public sector. It is managed by a seven-member board of directors. One of the Deputy Governors of the Bank of Greece is appointed as the Chairman of HDIGF's board of directors. 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. Members of the above board of directors are appointed by a decision of the Minister of Finance

and have a five-year tenure. The initial capital of HDIGF was paid by the Bank of Greece and the Hellenic Bank Association, with a participation in the fund's constitutive capital at 60% and 40%, respectively.

According to Greek Law 3746/2009, the HDIGF was founded with the objective to indemnify (1) depositors of banks participating in the HDIGF obligatorily or at their own initiative who are unable to fulfil their obligations towards their depositors and (2) investors—clients of banks, in relation to the provision of investment services from these banks in case the latter are unable to fulfil their obligations from the provision of covered investment services. Greek Law 4021/2011, which amended Greek Law 3746/2009, expanded the HDIGF's scope, to cover the provision of financing to banks placed under the resolution measures of articles 63d and 63e of Greek Law 3601/2007, which were subsequently substituted by articles 141 and 142 of Greek Law 4261/2014. Thus, apart from the already existing Depositors' Coverage Branch and Investors' Coverage Branch, a Resolution Branch was further established and funded by contributions from banks. All authorised banks in Greece are obliged to participate in the aforementioned branches of the HDIGF.

The maximum coverage level for each depositor at a credit institution under Greek Law 3746/2009 is €100,000, taking into account the total amount of its deposits with a bank minus any due and payable obligations towards the latter. This amount is paid in euros to each depositor as an indemnity irrespective of the number of accounts, the currency, or the country of operation of the branch in which it holds the deposit. In case of joint bank accounts, as defined by Law 5638/1932 (Government Gazette 307/A), each depositor's share (which is rebuttably presumed to be 50%) shall be taken into account for the purposes of the calculation of the maximum indemnification amount, as analysed above.

The HDIGF also indemnifies the investors-clients of banks participating in the HDIGF with respect to claims from investment services falling within the scope of Greek Law 3746/2009, up to the amount of €30,000 for the total of claims of such investor, irrespective of covered investment services, number of accounts, currency and place of provision of the relevant investment services. In case the investors of HDIGF member credit institutions are co-beneficiaries of the same claim to guaranteed investment services, each investor's share (which is rebuttably presumed to be 50%) in the claim shall be taken into account for the purposes of the calculation of the maximum indemnification amount, as analysed above.

The HDIGF is funded by the following sources: its founding capital, the initial and annual contributions of banks obligatorily participating in the HDIGF and supplementary contributions, as well as special resources coming from donations, liquidation of the HDIGF's claims, and the management of the assets of the HDIGF's Deposit Cover Scheme.

The European Commission submitted a "Proposal for a directive of the European Parliament and the Council on Deposit Guarantee Schemes". The European Parliament adopted the Commission's proposal on 16 April 2014 through the enactment of Directive 2014/49/EU on deposit guarantee schemes, which has to be transposed at the latest by 3 July 2015.

Settlement of Amounts Due by Indebted Obligors

On August 3, 2010, Greek Law 3869/2010 was put in force (Government's Gazette A, 130/3.8.2010) with respect to the "settlement of amounts due by indebted individuals" and was modified mainly by Greek Laws 3996/2011 and 4161/2013. The law allows the settlement of amounts, due to credit institutions by individuals evidencing unintentional permanent inability to repay their debts, by arranging the partial repayment of their debts for three to five years and writing off the remainder of their debts, provided the terms of settlement are agreed. All individuals, both consumers and professionals, are subject to the provisions of Greek Law 3869/2010, with the exception of individuals who can be declared bankrupt pursuant to Greek Law 3588/2007.

This regulatory regime allows the settlement of all amounts due to credit institutions (consumer, mortgage and commercial loans either promptly serviced or overdue), as well as those due to third parties with the

exception of debts from intentional torts, administrative fines, monetary sanctions, debts from taxes, charges due to the 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 Greek Law 3586/2007.

Debts must have been contracted more than one year before the application date and relief may be used only once. According to Greek Law 3869/2010, the procedure has three steps: (1) a discretionary out of court mediation process; (2) an in-court settlement; and (3) a judicial re-structuring of debts (debts discharge).

For the purposes of this law, banks must deliver a full credit 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% of the last performing instalment.

In case of in court settlement, the debtor must apply to the local court of first instance and present evidence regarding its property, income, debts and a settlement proposal. As from the submission of the application 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 disbursements. Specifically, the minimum amount paid by the debtor corresponds to 10% of the instalments the debtor had to pay to all the creditors at the day of the submission of the application (not less than € 40 per month). In case the debtor intentionally delays the payment of the set instalments for more than three months, the court may order cancellation of the settlement plan, upon the application of any creditor submitted within four months of the breach.

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/restructuring are activated. In that case, the court proceeds with issuing its ruling on the petition. If the court rules that the debtor's property and income are inadequate after taking into consideration the particular circumstances of the case it will specify an amount that the debtor has to pay, on a monthly basis for a period of three to five years directly to all his creditors (except if the court rules otherwise).

If the court rules that liquidation of the property of the debtor is required, it proceeds with the appointment of a liquidator. Secured creditors are satisfied according to their privilege from the product of the liquidation. However, it is possible for the debtor to submit a liquidation proposal requesting 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 under liquidation, provided that the primary residence does not exceed the tax free limits set by the tax laws for the acquisition of first residence +50%. In this case, the court can rule on the settlement of claims corresponding to up to 80% of the taxable value of the primary residence at a floating or fixed interest rate and with a potential settlement period of up to 35 years provided that the duration of the contract exceeds 20 years, depending also on the duration of the contract.

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 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 deduction of any amount paid by the debtor.

The rights of creditors against co-borrowers or guarantors are not affected, unless such co-borrowers or guarantors are also subject to the same insolvency proceedings. Co-borrowers and guarantors have no rights of recourse against the debtor for any amount paid by them. The rights of secured creditors are not affected.

In addition, pursuant to Greek Law 4224/2013 and Cabinet Act 6/2014, an intergovernmental council for the management of private debt (the "Council") has been created with the following objectives:

- (i) to define policies in connection with the organisation of a comprehensive mechanism for the efficient management of non-performing private loans;
- (ii) 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;
- (iii) 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; and
- (iv) to create a network providing advisory services on debt management issues.

Moreover, Greek Law 4224/2013 provides that the Council defines the principles related to the "cooperating borrower" and assesses on an annual basis and based on annual data published by the Hellenic Statistical Authority the "reasonable living expenses"; in addition Greek Law 4224 authorised the Bank of Greece to issue a code for the management by banks of non-performing loans that would come into force at the latest by 31 December 2014 (the "**Banks' Code of Conduct for the management of non-performing debts**") (see "*—Restrictions on Enforcement of Granted Collateral*").

The Banks' Code of Conduct for the management of non-performing debts was introduced by the Act of the Executive Committee of the Bank of Greece No. 42/30.5.2014 which determined the framework of obligations of the credit institutions in relation to the administration of overdue and non-performing loans, providing for an independent unit of the credit institutions 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, this Act provides an indicative list of standard loan rescheduling models. The Bank's Code of Conduct for the management of non-performing debts was established by the Act of the Credit and Insurance Committees of the Bank of Greece No. 116/25.8.2014

Finally, Greek 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 Banks' Code of Conduct for the management of non-performing debts.

On 15 November 2014, the Hellenic Parliament introduced a new set of measures for the restructuring of non-performing loans and debts towards the Greek State and social security organisations owed by businesses and business professionals. In particular, Greek Law 4307/2014 (Government's Gazette A, 246/15.11.2014), allows for a restructuring agreement between the debtor and its creditors. Inter alia, the restructuring measures thereof may include the partial write-off of debt, the extension of the repayment period and the conversion of receivables into equity. According to the provisions of the aforementioned law, small businesses and professionals may file an application to the relevant credit institution requesting the write-off and/or settlement of their debt if they cumulatively meet the following criteria:

- a) they have not filed an application for submission to the provisions of Greek Law 3869/2010, or they have validly waived their respective application;
- b) they have not been dissolved nor have they ceased their activities;
- c) they have not filed an application for submission to any procedure provided for in Greek Law 3588/2007 or they have validly waived their respective application; and
- d) there is no final judgment issued against them for tax evasion or fraud offences against the State.

The amount that the eligible debtors aim to settle has to be overdue towards the relevant credit institution for a period of more than 90 days or under judicial procedures or restructured as of 30.06.2014. In addition, the debtor has to either be unable to obtain tax and social security clearance owing to overdue debts or it must have obtained clearance following settlement pursuant to the provisions of Greek Law 4305/2014. Also, the amount which is due to be settled cannot exceed € 500,000 per credit institution.

The debtor must submit the application for settlement by 31 March 2016. Nevertheless, the credit institution may reject the debtor's application or propose the write-off and/or settlement of the amount due under different terms.

In addition to the above, a debtor may apply to the court of first instance of the debtor's principal place of business until 31 March 2016 for the settlement of its aggregate banking debts, if it complies with the following requirements:

- a) it has bankruptcy capacity;
- b) its principal place of business is situated in Greece;
- c) it receives the consent of creditors representing at least: i) 50.1% of all its debts; ii) 50.1% of its debts are secured in rem or by virtue of any other security. Moreover, in case there are multiple creditors, at least two credit institutions, whose claims represent combined at least 20% of the debtor's outstanding total obligations, need to provide their consent to this settlement; and
- d) it has settled any outstanding amount owed to the tax authorities or the social security funds.

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.

Furthermore, pursuant to the provisions of Greek Law 4307/2014, the creditors may file an application with the court of first instance of the debtor's principal place of business for the latter one's submission to special administration. In order for such an application to be filed, the debtor must: i) have bankruptcy capacity; ii) have its principal place of business situated in Greece; have ceased servicing its loan payments (according to article 3 para. 1 of the Greek Law 3588/2007); and iii) in case the debtor is a company limited by shares, it must fulfil the requirements of article 48 para. 1 of Codified Law 2190/1920 for its dissolution for two consecutive years.

Notwithstanding these, the creditors must: i) include at least one credit institution; ii) represent at least 40% of the total amount of debt according to the debtor's latest financial statements; and iii) submit along with the application a statement by virtue of which the entity/person proposed for the role of the administrator accepts such mandate. The duration of this special administration procedure shall be 12 months, starting from the issuance of the court's decision.

Finally, as regards OEK Subsidised Loans, by virtue of article 55 of Greek Law 4305/2014 borrowers may file a petition for the extension of their OEK subsidised loans provided that at the date of such petition the amount of any due payments that remain unpaid does not exceed the aggregate of six monthly instalments. The aforementioned petition must be filed within six months from the publication of Greek Law 4305/2014 which took place on 31.10.2014 subject to any extension to be granted.

Interest Rates

Under Greek law, interest rates applicable to bank loans 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, Governor of the Bank of Greece Act No. 2501/31.10.2002 and Decision No. 178/19.7.2004 of the Banking and Credit Committee of the Bank of Greece provide that credit institutions

operating in Greece should, among others, 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 Greek Law 2601/1998, article 30 of Greek Law 2789/2000 and article 39 of Greek Law 3259/2004, as in force. Greek credit institutions must also apply article 150 of Greek Law 4261/2014 on interest rates of loans and other credits pursuant to which 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 given to private individuals.

Secured Lending

According to Greek Law 4261/2014, Greek credit institutions are permitted to grant customers loans and credit that are secured over real estate and movable assets 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 upon final non appealable court judgment.

Restrictions on Enforcement of Granted Collateral

According to Greek 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 until and including June 30, 2010. Following successive extensions that were granted pursuant to the relevant provisions (article 40 of Greek Law 3858/2010, article 1 of Greek Law 3949/2011, article 46 of Greek Law 3986/2011, article 1 of Greek Law 4047/2012 and article 1 of Greek Law 4128/2013), the above suspension had been extended until December 31, 2013.

Moreover, according to article 2 of Law 4224/2013 which was published on December 31, 2013, from January 1, 2014 until December 31, 2014 enforcement of auctions concerning the primary residence declared as such in their last income tax return of individuals are suspended provided that their objective value does not exceed the amount of €200,000, and that the following criteria are cumulatively met; (a) the debtor's family annual declared income excluding social security contributions income tax and the one-off solidarity contributions is equal or lower than €35,000; (b) the total value of the debtor's assets and property does not exceed the amount of €270,000 and; (c) the total value of the debtor's deposits and investments in securities in Greece and abroad as of November 20, 2013 does not exceed the amount of €15,000. Those properties that do not fall under the criteria of the above law are no longer protected from foreclosure and auction proceedings. During the aforementioned suspensions, debtors are obliged to pay monthly instalments. Nevertheless, in exceptional cases (e.g., debtors with no income), there is an option of zero amount payments. The aforementioned restriction may be re-introduced with the same or different criteria.

Furthermore, enforcement of collateral has been affected by Greek Law 3869/2010, as it was amended by the Law 4161/2013, regarding restructuring of individuals' debt through a court application.

In addition to the above, new measures have recently been adopted. Specifically, according to Law 4224/2013 (as amended by article 12 of Law 4281/2014), the Credit and Insurance Committee of the Bank of Greece adopted on August 25, 2014 a Code of Conduct for the management of non-performing debts.

Furthermore, Greek Law 4307/2014 provided for additional methods for the restructuring of small businesses and/or professionals' debts.

Finally, the Bank of Greece executive Committee issued Act No. 42/305/2014 which determines the framework of regulatory obligations of credit institutions in relation to the management of loans in arrears and non-performing loans and the Bank of Greece Credit and Insurance Committee issued Act 116/25.8.2014 which enacted the Bank's Code of Conduct.

Capital Adequacy Framework

In December 2010, the Basel Committee issued two prudential framework documents ("Basel III: A global regulatory framework for more resilient credit institutions and banking systems", December 2010 and "Basel III: International framework for liquidity risk measurement, standards and monitoring", December 2010) which contain the Basel III capital and liquidity reform package ("Basel III"). The Basel III documents were revised in June 2011. The Basel III framework has been implemented in the EU through new banking regulations adopted on June 26, 2013: Directive 2013/36/EU of the European Parliament and of the Council of June 26, 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the "CRD IV Directive"), which has been transposed into Greek law by virtue of Greek Law 4261/2014, and Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the "CRD IV Regulation" and together with the CRD IV Directive, "CRD IV"). Full implementation began on January 1, 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:

- ***Quality and Quantity of Capital.*** CRD IV revised the definition of regulatory capital and its components at each level. It also proposed a minimum Common Equity Tier I Ratio of 4.5% and Tier I Ratio of 6.0%, and introduced a requirement for non-Core Tier I and Tier II capital instruments to have a mechanism that requires them to be written off on the occurrence of a bail-in of the institution, which would apply to internationally active credit institutions;
- ***Capital Conservation Buffer.*** In addition to the minimum Common Equity Tier I Ratio and Tier I Ratio, credit institutions will be required to hold an additional buffer of 2.5% of common equity 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 CRD IV, Member States 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 Capital Requirements Regulation, in the meaning of 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% to 5% and is constituted by CET I elements;
- ***Deductions from Common Equity Tier I.*** CRD IV 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 I component;
- ***A Grandfathering Period for Existing Non-Common Equity Tier I and Tier II.*** Capital instruments that no longer qualify as non-common equity Tier I capital or Tier II capital will be phased out over a period beginning January 1, 2013 and ending December 31, 2021. The regulatory recognition of capital instruments qualifying as own funds until December 31, 2011 will be reduced

by a specific percentage in subsequent years. Step-up instruments will be phased out at their effective maturity date (i.e., their call and step-up date) if the instruments do not meet the new criteria for inclusion in Tier I or Tier II. Existing public sector capital injections will be grandfathered until December 31, 2017;

- **No Grandfathering for Instruments issued after January 1, 2012.** Only those instruments issued before December 31, 2011 will likely qualify for the transition arrangements discussed above;
- **Countercyclical Buffer.** To protect the banking sector from excess aggregate credit growth, CRD IV gives Member States the right to require an additional buffer of 0-2.5% of Common Equity Tier I, to be imposed 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 is supporting the efforts of the Committee on Payments and Settlement Systems (CPSS) and the International Organisation of Securities Commissions ("IOSCO") to establish strong standards for financial market infrastructures, including central counterparties ("CCPs"). A 2.0% risk-weight factor is introduced to certain trade exposures to qualifying CCPs (replacing the current 0% risk-weighting). The capitalisation of credit institution exposures to CCPs will be based in part on the compliance of the CCP with the IOSCO standards (since non-compliant CCPs 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 CCPs meeting these enhanced principles will be subject to a 2.0% risk-weight, and default fund exposures to CCPs will be capitalised based on a risk-sensitive waterfall approach;
- **Asset Value Correlation Multiplier for Large Financial Institutions.** A multiplier of 1.25 is proposed to be applied to the correlation parameter of all exposures to financial institutions meeting particular criteria that are specified by the Committee;
- **Counterparty Credit Risk.** CRD IV is raising 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. For example, the proposal includes a capital charge for potential mark-to-market losses (ie CVA risk) associated with a deterioration in the creditworthiness of a counterparty and the calculation of Expected Positive Exposure by taking into account stressed parameters;
- **Leverage Ratio.** The Basel Committee confirmed its previously declared commitment to an unweighted Tier I leverage ratio of 3% that will apply for all credit institutions as part of the Pillar II framework from January 1, 2013 with a view towards migrating the ratio to a Pillar I minimum requirement by 2018 (subject to any final adjustments);
- **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% of the total risk exposure amount, taking into account the criteria for its identification as a systemically important bank. That buffer shall consist of and be supplemental to CET I capital; and
- **Liquidity Requirements.** From January 1, 2015, CRD IV progressively introduces 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, starting at 60% in 2015, and expected to be 100% 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 January 1, 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 Bank of Greece has not yet issued guidelines or regulatory acts as to the implementation of the above ratios in accordance with Regulation 575/2013.

Although the CRD IV Regulation is directly applicable in each Member State, it leaves a number of important interpretational issues to be resolved through technical standards, and leaves certain other matters to the discretion of the relevant competent authority. In addition, CRD IV contemplates that, beginning in November 2014, the European Central Bank assumed certain supervisory responsibilities formerly handled by national regulators. The European Central Bank may interpret CRD IV or exercise discretion accorded to the competent authority under CRD IV in a different manner than national regulators. The manner in which many of the new concepts and requirements under CRD IV will be applied to the Bank and the Group remains uncertain. Although it is difficult to predict with certainty the impact of the full implementation of CRD IV and its transposition into Greek law, changes arising from the transposition may lead to an increase in our capital requirements and capital costs.

In addition to the substantial changes in capital and liquidity requirements introduced by Basel III and 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, a revised Markets in Financial Instruments Directive and Markets in Financial Instruments Regulation. The Basel Committee has also published certain proposed changes to the current securitisation framework which may be accepted and implemented in due course.

Solvency II

The directive on the taking-up and pursuit of the business of Insurance and Reinsurance "Solvency II" (Directive 2009/138/EC) of November 25, 2009, is a fundamental review of the capital adequacy regime for the European insurance sector business. When implemented the capital structure and overall governance of the Group's life assurance business will alter significantly and this may have an impact on the capital structure of the Group. Directive 2013/58 set the date for transposition of the Solvency II framework into national law at March 31, 2015, and January 1, 2016 was set as the date of application and subsequent removal of the existing relevant insurance and reinsurance directives.

ECB Single Supervisory Mechanism

On October 15, 2013, the Council of the European Union adopted the ECB Single Supervisory Mechanism for Eurozone banks and other credit institutions, which, beginning in November 2014, gave the ECB, in conjunction with the national regulatory authorities of the Eurozone states, 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% of its home country's gross domestic product; (iii) requested or received direct public financial assistance from the European Financial Stability Facility or the European Stability Mechanism; or (iv) is one of the three most significant credit institutions in its home country. The ECB also has the right to impose pecuniary sanctions and set binding regulatory standards.

Prior to November 2014, the EBA conducted a series of tests on the financial and liquidity condition of selected banks, including stress tests and asset quality tests. Beyond the supervisory tasks that the ECB has taken up the EBA will continue to monitor capital levels of EU banks, in parallel with the ECB, in order to ensure the resilience of the EU banking sector.

On October 23, 2013, the ECB announced details of the comprehensive assessment to be conducted in preparation of the ECB assuming full supervisory responsibility as part of the SSM. The ECB Assessment commenced in November 2013 and took 12 months to complete. It was carried out in collaboration with the national competent authorities ("NCAs") of the Member States that participate in the SSM and will be supported by independent third parties at all levels at the ECB and NCAs.

The 2014 EU-wide stress test consists of three elements, which are closely interlinked: (i) a supervisory risk assessment to review, quantitatively and qualitatively, key risks, including liquidity, leverage and funding; (ii) an asset quality review to enhance the transparency of bank exposures by reviewing the quality of banks' assets, including the adequacy of asset and collateral valuation and related provisions; and (iii) a stress test to examine the resilience of banks' balance sheets to stress scenarios, in cooperation with the European Banking Authority (EBA).

On January 31, 2014, the EBA announced that the EU-wide stress test will be conducted on a sample of 124 EU banks which cover at least 50% of each national banking sector and will be conducted at the highest level of consolidation. Given its objectives, the 2014 EU-wide stress test has been conducted under the assumption of a static balance sheet which implies no new growth and a constant business mix and model throughout the time horizon of the exercise. The resilience of EU banks will be assessed under a period of three years (2014–2016). Banks will be required to stress a common set of risks including: credit risk, market risk, sovereign risk, securitisation and cost of funding. Both trading and banking book assets will be subject to stress, including off-balance sheet exposures. NCAs may include additional risks and country-specific sensitivities beyond this common set but the published results are expected to allow for an understanding of the impact of the common set of risks in isolation.

In terms of capital thresholds, 8% Common Equity Tier 1 will be the capital hurdle rate set for the baseline scenario and 5.5% Common Equity Tier 1 will be the capital hurdle rate set for the adverse scenario. The relevant NCA may set higher hurdle rates and formally commit to take specific actions on the basis of those higher requirements.

The exercise involved close cooperation between the EBA and NCAs, along with the ECB. In particular, the EBA is responsible for coordinating the exercise in cooperation with the ECB (in case of SSM countries) and ensuring effective cooperation between home and host supervisors. Furthermore, the EBA provided pan-European benchmarks and acted as a data hub for the final dissemination of the results of the common exercise. On the other hand, NCAs had responsibility for overseeing the exercise with the banks and checking the quality of the results.

The methodology and scenarios used in the stress tests were published on April 29, 2014, while final templates for the 2014 EU-wide stress test were published on August 20, 2014. On 26 October 2014, ECB and EBA published the results of the 2014 EU-wide stress test of 123 banks. The aim of the stress test was to assess the resilience of EU banks to adverse economic developments, so as to understand remaining vulnerabilities, complete the repair of the EU banking sector and increase confidence. On average, EU banks' common equity ratio (CET1) drops by 260 basis points, from 11.1% at the start of the exercise, after the AQRs adjustment, to 8.5% after the stress. By disclosing these results, the EBA is providing unparalleled transparency into EU banks' balance sheets, with up to 12,000 data points per bank, an essential step towards enhancing market discipline in the EU.

According to the announcement of the ECB and the EBA, the Issuer successfully concluded the 2014 ECB Comprehensive Assessment exceeding the CET1 hurdle rates 5.5% and 8% for the adverse and baseline scenarios for both static and dynamic assumptions with a safe margin ranging between Euro 1.3 and Euro 3.1 billion. This includes the results of the AQR, the Stress Test and the "join-up" methodology.

As regards the monitoring of financial institutions, the National regulatory authorities will continue to be responsible for supervisory matters not conferred on the ECB, such as consumer protection, money

laundrying, payment services, and branches of third country banks. The ECB, on the other hand, will be exclusively responsible for prudential supervision, which includes, among others, the power to: (i) authorise and withdraw authorisation from all "banks of systemic importance" in the Eurozone; (ii) assess acquisition and disposal of holdings in other banks; (iii) ensure compliance with all prudential requirements laid down in general EU banking rules; (iv) set, where necessary, higher prudential requirements for certain banks to protect financial stability under the conditions provided by EU law; (v) impose robust corporate governance practices and internal capital adequacy assessment controls; and (vi) intervene at the early stages when risks to the viability of a bank exist, in coordination with the relevant resolution authorities.

In order to foster consistency and efficiency of supervisory practices across the Eurozone, the EBA is continuing to develop the EBA Rulebook, a single supervisory handbook applicable to EU Member States. However, the EBA Rulebook has not yet been finalised.

The CRD IV Regulation 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 Rule Book. Specifically, the CRD IV Regulation tasks the EBA with advising on appropriate uniform definitions of liquid assets for the Liquidity Coverage Ratio buffer. In addition, the CRD IV Regulation states that the EBA shall report to the Commission on the operational requirements for the holdings of liquid assets. Furthermore the CRD IV Regulation also tasks 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) the impact assessment for liquidity coverage requirements and (ii) 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 opened a consultation with a view to amending its respective Implementing Technical Standards. Also, the Basel Committee's oversight body issued in January 2013 additional contributions to the "Basel III Liquidity Coverage Ratio Agreement and Liquidity Risk Monitoring Tools", defining certain specific aspects in relation to the interaction between the Liquidity Coverage Ratio and the use of the Central Bank Committed Liquidity Facility. On January 12, 2014, the Committee issued final requirements for bank's Liquidity Coverage Ratio-related disclosures, which must be complied with from the date of the first reporting period after January 1, 2015.

Consumer Services

Credit institutions in Greece are also subject to legislation that seeks to protect consumers from abusive terms and conditions, most notably Greek Law 2251/1994. 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 decisions, 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 Decision Nos. 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.

Ministerial Decision Z1-699 (Government Gazette Issue B; 917/23.6.2010) transposed into Greek Law Directive 2008/48/EC on credit agreements for consumers and repealing Council Directive 87/102/EEC, as amended by Directive 2011/90/EU. Ministerial Decision Z1-699 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.

Decision Z1-699 has been amended by ministerial decision Z1-111/7.3.2012 (Government Gazette Issue B/627/7.3.2012), in force since January 1, 2013, which incorporated into Greek Law Directive 2011/90/EU and introduced additional criteria for the calculation of the total annual realized interest rate.

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. EU Council Directives 2005/60 and 2006/70 were transposed into Greek law by virtue of Greek Law 3691/2008 and the International Convention for the Suppression of the Financing of Terrorism was incorporated in Greek Law 3034/2002.

In the last five years, the following improvements occurred with respect to the regulatory framework:

- The FATF standards have been 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. Banks should first identify, assess and understand the risks of money laundering and terrorist finance that they face, 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 two Decisions (No. 94/23/2013 and 95/10/2013) which further strengthen the regulatory framework within which the supervised entities in Greece operate. The amendments mainly harmonize the applicable regulations to the revised FATF recommendation with respect to Politically Exposed Persons ("PEPs") by categorizing local PEPs as high-risk customers; introduce criteria for the use of simplified due diligence by electronic money institutions; and 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.

Equity Participation in Greek Credit Institutions

Article 23 of Greek Law 4261/2014 and the relevant Acts of the Governor of the Bank of Greece, establish a specific procedure for the notification to the Bank of Greece of a natural or legal person's intention to acquire or increase or dispose a holding exceeding certain enumerated thresholds (i.e., 20%, 1/3 and 50% of voting rights or equity participation in or control of a bank that has been licensed by the Bank of Greece). The applicant acquirer is assessed and, in some cases, approval is required for the intended acquisition.

Executive Committee Act No. 22 of the Bank of Greece, issued on July 12, 2013, specifies certain provisions regarding 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 CEBS and EBA guidelines.

As of November 4, 2014, the supervisory tasks described above shall be conferred to the ECB in cooperation with the Bank of Greece.

The Hellenic Republic Bank Support Plan

The Hellenic Republic Bank Support Plan, as currently applicable, is comprised of the following three pillars:

- ***Pillar I: Up to €5 billion in Capital Designed to Increase Tier I Ratios***

Under Pillar I, the capital takes the form of non-cumulative, non-transferable, non-voting redeemable preference shares with a 10% fixed return (in this section, the "preference shares"). Pursuant to article 1 of Greek Law 4093/2012, the above 10% fixed return is payable in any case, notwithstanding the provisions of Greek Company Law 2190/1920 as currently in force, save for article 44A of Greek Company Law 2190/1920 (setting out the minimum tests corporates need to meet in order to distribute profits), unless the payment of the relevant amount would result in the reduction of the CT1 capital of the credit institution falling below the prescribed minimum limit.

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. On the date of redemption, the fixed return of 10% will also be paid to the Hellenic Republic. In case they are not redeemed within five years from their issue or no decision has been adopted by the participating bank's general meeting of shareholders on redemption, the Minister of Finance shall impose, pursuant to a recommendation by the Bank of Greece, a cumulative increase of 2% per year on the 10% fixed return. Pursuant to a decision by the Minister of Finance, following a recommendation by the Governor of the Bank of Greece, the participating banks will be required to convert the preference shares into ordinary shares or another existing class of shares if redemption is not possible due to noncompliance by the participating bank with the minimum capital adequacy requirements set by the Bank of Greece.

Pillar I ceased to apply as of 1 January 2014.

- ***Pillar II: Up to €85 billion in Hellenic Republic Guarantees***

Up to €85 billion in Hellenic Republic guarantees are available under Pillar II in accordance with article 19 of Greek Law 3965/2011 (amending articles 2 and 4 of Greek Law 3723/2008, which followed amendments that were substantiated by virtue of Greek Laws 3845/2010 and 3872/2010). These guarantees are intended to guarantee new borrowings (excluding interbank deposits) made until June 30, 2015 (whether in the form of debt instruments or otherwise) with a maturity of three months to three years.

These guarantees are available to credit institutions that meet the minimum capital adequacy requirements set by the Bank of Greece, as well as criteria set forth in Decision No. 54201/B2884/2008 of the Minister of Finance, as currently in force, regarding capital adequacy, market share size and maturity of liabilities, and share in the SME and mortgage lending market. The terms under which guarantees are granted to financial institutions are included in Decision Nos. 2/5121/2009, 29850/B.1465/2010 and 5209/B.237/2012 of the Minister of Finance.

- ***Pillar III: Up to €8 billion in debt instruments***

Up to €8 billion in debt instruments are available under Pillar III in accordance with Greek Law 3723/2008. Such debt instruments must have maturities of less than three years and be issued by the Public Debt Management Agency no later than June 30, 2015, to participating banks meeting the minimum capital adequacy requirements set by the Bank of Greece. These debt instruments bear no interest, are issued at their nominal value in denominations of €1,000,000 and are listed on the ATHEX. They are issued by virtue of bilateral agreements executed between each participating bank and the Hellenic Republic. The debt instruments must be returned at the applicable expiration date of the bilateral agreement (irrespective of the maturity date of the debt instruments) or at the date Greek Law 3723/2008 ceases to apply to the relevant credit institution. The participating banks may use the debt instruments received as collateral only for refinancing in connection with fixed facilities from the ECB or for interbank financing purposes. The proceeds of liquidation of such instruments must be used to finance mortgage loans and loans to SMEs at competitive terms.

Credit institutions who choose to participate in the Hellenic Republic Bank Support Plan, including the Bank, must accept a government-appointed member on their board of directors as a state representative, pursuant to the provisions of article 1 par. 3 of Greek Law 3723/2008. Such representative will be in addition to the existing members of the board of directors and will have veto power on strategic decisions or decisions resulting in a significant change in the legal or financial position of the Bank and for which shareholder approval is required. The same veto power applies to corporate decisions relating to the dividend policy and the compensation of the Chairman, the Managing Director and the other members of the board of directors, as well as to the General Directors and their deputies. However, the government-appointed representative may only utilise his veto power following a decision of the Minister of Finance or if he considers that the relevant corporate decisions may jeopardise the interests of depositors or materially affect the solvency and effective operation of the credit institution. Moreover, the government-appointed representative must have full access to the bank's books and reports on restructuring and viability, medium-term funding needs and the level of financing of the Greek economy.

During the period of the credit institution's participation in the plan, dividend payouts must be limited to up to 35% of distributable profits (at the parent company level), in accordance with article 1 par.3 of Greek Law 3723/2008. 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 monitor the implementation of the Hellenic Republic Bank Support Plan, Greek Law 3723/2008 provides for the establishment of a supervisory council (the "Council"). The Council is chaired by the Minister of Finance. Members 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 representative at each of the participating credit institutions. The Council convenes on a monthly basis with a mandate to supervise the correct and effective implementation of the Hellenic Republic's Bank Support Plan and ensure that the resulting liquidity is used for the benefit of the depositors, the borrowers and the Greek economy overall. Participating banks which fail to comply with the terms of the Hellenic Republic's Bank Support Plan will be subject to certain sanctions, while the liquidity provided to them may be revoked in whole or in part.

THE MORTGAGE AND HOUSING MARKET IN GREECE

The first mortgage lending institution, the National Mortgage Bank of Greece, was established in 1927, followed by the National Housing Bank in 1930. Both institutions were under government control, but have since been merged with the National Bank of Greece. Since then, another three institutions under government control have become active in the field of mortgage lending: the Postal Savings Bank (*Tachydromiko Tamieftirio*); the Consignment Deposits and Loans Fund (*Tamio Parakatathikon kai Daneion*); and Agricultural Bank, the first two providing loans to civil servants and the latter providing loans mainly to farmers. In 1985 the state monopoly of mortgage lending was ended, allowing commercial banks to enter the market, provided that their mortgage financing did not exceed 2% of their deposits. From the early 1990's onwards the mortgage loans market was rapidly deregulated and as a result many commercial banks operating in Greece (foreign and national) now have a presence in this market as well as in the broader region of South East Europe.

Currently, the four systemic banks, namely, the National Bank of Greece, Alpha Bank, Eurobank, and Piraeus Bank account for almost the total residential mortgage market.

Until the end of 2008, the residential mortgage market exhibited a remarkable growth. Lending acceleration took place against a backdrop of macroeconomic stability, rapidly declining interest rates (from 25% in the early 1990s to less than 6% in 2003 and to less than 5% until the end of 2008), and strong residential construction activity and led to a 27% CAGR in market balances over the 2000-2008 period.

From 2008 onwards, the residential mortgage market has started showing signs of deceleration, gradually entering into maturity stage. Additionally, the market has been negatively affected by the fiscal crisis that emerged in the country and the deteriorating macroeconomic conditions that caused a serious downturn in the Greek property market. Thus, a 4% growth in balances over 2009 was followed by market stagnation in 2010 and a continuous decline over the next years. Over 2014, the drop is estimated to reach -3%, compared to -5% in 2013 and 2012 and -3% in 2011. For the coming year, market balances will keep decreasing, at a further decelerating pace though.

All in all, households have substantially increased their leverage over the specific period; mortgage credit increased from 10% of GDP in 2001 to around 39% by end-2014, reaching the euro area average (40%).

Mortgage Products

The Greek mortgage market is characterised as a mature market, with fairly standard products on offer. Currently, most banks offer the following mortgage products:

- (a) long-term fixed rate mortgages (they account for a very small percentage of the market);
- (b) floating rate mortgages, based primarily on EURIBOR and to a limited extent on ECB refinance rates;
- (c) mortgages with a fixed rate for an initial period (for example 1- 15 years) converting to a floating rate thereafter;
- (d) mortgages with floating rates which are subsidised up to a certain amount and for a specific period of time by the Greek State; and
- (e) preferential floating rate mortgages granted in favour of the banks' employees.

Typically, mortgage loans have a term of 20 to 25 years, although the maximum term is 30 years.

The Greek Housing Market

There is a relatively low turnover of houses in the Greek housing market; due to strong family ties, children tend to live with their parents until they marry and purchase their first home.

Home ownership within Greece is highest in the regions and lowest in Athens. The number of people owning second homes is also very high.

The most common type of property available is the apartment, with maisonettes and detached houses being restricted to the more affluent city areas.

During the past years, there has been a continuous decline in property prices, resulting in investment opportunities in the real estate market.

Security for Housing Loans

In Greece, security for housing loans is created by establishing a mortgage. A mortgage can be established by a notarial deed (or by a judicial decision, or by law in special cases). The establishment of a mortgage by notarial deed is quite costly and it is therefore not preferred among banks and borrowers. Instead, in most cases, banks obtain a pre-notation of a mortgage, which is an injunction over the property entitling its beneficiary to obtain a mortgage as soon as a final judgment for the secured claim has been obtained, but which is valid as of the date of the pre-notation. From the point of view of enforceability, ranking of the security and preferred right to the proceeds of the auction, there is no difference between a holder of a mortgage and a holder of a pre-notation of a mortgage, since the latter is treated as a secured creditor of the property. Both the holder of a pre-notation of a mortgage and a mortgagee need an enforcement right before commencing enforcement procedures. The difference between them is that the pre-notation is a conditional security interest whose preferential treatment is subject to the unappealable adjudication of the claim it purports to secure, whereas a mortgagee's claim is enforceable pursuant to the mortgage deed itself.

Establishing a pre-notation is the most common way of establishing security for a housing loan in Greece.

The pre-notation, as a form of injunction, can be established with or without the consent of the owner(s) of the property on which the mortgage will be secured, but is only granted pursuant to a court decision.

The procedures adopted by lenders of housing loans in practice has led to an arrangement whereby pre-notations are granted "by consent", where both the lending bank and the borrower appear before the competent court and consent to the establishment of the pre-notation on the specific real estate property. The court issues the decision immediately (in fact, the decision is drafted beforehand by the lending bank and is certified and signed by the judge who hears the claim).

Having certified the court decision and a summary thereof, the lawyer of the lending bank takes them to the Cadastre or the Land Registry, where applicable, along with a written request for the issuance (by the Cadastre or the Land Registry) of certificates confirming:

- (a) the ownership by the borrower of the mortgaged property;
- (b) the registration and class of the pre-notation;
- (c) the absence of (judicially raised) claims of third parties against the current and all previous owner(s) of the mortgaged property; and
- (d) any other mortgages, pre-notations or seizures preceding the pre-notation registered by the bank.

At the same time the bank's lawyer performs a search in the Cadastre or the Land Registry, in order to confirm the uncontested ownership of the borrower and the first priority nature of the mortgage or pre-notation, before the loan can be disbursed.

Once the certificates are issued, they are reviewed by the bank's legal department and are included in the borrower's file. The legal review of both the ownership titles and the pre-notation registration is based on public documents, i.e. on notarial deeds and certificates issued by the competent land registries. The history of the ownership titles for the previous 20 years is examined (which is the period for adverse possession). Such a review together with a titles search in the Cadastre or the Land Registry, precedes the approval of the loan. Upon registration of the pre-notation, a second titles search is made to confirm the status quo.

Enforcing Security

It is Eurobank's policy to commence enforcement proceedings once an amount remains unpaid under a loan for more than 180 days, at which point, the loan is terminated. Once a loan is in default and terminated, a notice is served on the borrower and on the guarantors, if any, informing them of this fact and requesting the persons indebted to an immediate payment of all amounts due. Following notification and in the case of continued non-payment, a judge of the competent First Instance Court is presented with the case upon which the judge issues an order for payment to be served on the borrower together with a demand for immediate payment. Service of the order and demand for payment is the first action of enforcement proceedings. Three working days after serving the payment order and demand, the property can be seized and the auction process starts (see below for a description of the auction process). The borrower, after being served the order for payment, is granted fifteen working days to contest the validity of the order for payment, either on the merits of the case or on the ground of procedural irregularities. This can be done by filing an Article 632 of the Greek Code of Civil Procedure (CCP) Annulment Petition before the Court of First Instance (in short, **632/Annul**). At the same time, the borrower can file an Article 632 CCP Suspension Petition (in short, **632/Susp**) for the suspension of the enforcement proceedings as a provisional measure. At the time of filing 632/Susp, in most cases, immediate suspension is granted up until the hearing of the suspension petition. If the court decides that the arguments in the Article 632/Susp are correct and reasonable, the suspension of enforcement will be granted to the petitioner until the issue of a final Court of Appeal's decision on the 632/Annul. If the court decides that the Article 632/Annul has no grounds and rejects this, the suspended enforcement procedures can continue. If the borrower has not filed an Article 632/Annul and subsequent suspension within fifteen working days after serving the payment order, then the bank according to Article 633 CCP may again serve the payment order whereby a second period of ten working days is granted to the borrower to contest the payment order. Failure to contest the payment order will result in the bank a final deed of enforcement and then pre-notation/s, for the loans covered with, must be converted to mortgage/s.

The 632/Annul and 633/Annul will need to be heard within 24 to 36 months after its filing and another six to eight months are required for a decision to be issued by the court, upon which either the enforcement procedures are continued due to the decision rejecting the 632/Annul and 633/Annul, or the legal process before the Court of Appeal is continued by the bank until a decision is reached regarding the contested order of payment. The defeated borrower may also continue the legal process but, in the experience of the Originator, it is highly unusual that a suspension of enforcement proceedings will be granted by the Court of Appeal if the initial suspension was granted up until the decision of the First Instance Court.

The borrower (being, in respect of a Loan Asset, the individual specified as such in the relevant mortgage terms together with each individual (if any) who assumes from time to time an obligation to repay such Loan Asset (the **Borrower**) or any part of it may also file with the relevant Court of First Instance an Article 933 CPC Petition for Annulment (**933/Annul**) of certain actions of the foreclosure proceedings based on reasons pertaining to both the validity of the order for payment and to procedural irregularities. Both 632/Annul, 633/Annul and 933/Annul may be filed either concurrently or consecutively, but it should be noted that the Article 933/Annul may not be based on reasons pertaining to the validity of the order for payment, once the order of payment has become final as mentioned above. The time for the filing of 933/Annul varies depending on the foreclosure action that is being contested. The filing of an Article 933/Annul entitles the

Borrower to file an Article 938 CCP Suspension Petition (in short, 938/Susp) in relation to the enforcement until the decision of the Court of First Instance on the annulment motion is issued. Again, foreclosure proceedings may be suspended until the hearing of the Article 938/Susp, which, in a normal case where the Borrower seeks the suspension of the auction, takes place 5 days prior to the auction and the relevant decision is issued 2 days prior to the auction. It should nevertheless be noted that such suspension is more difficult to obtain if the Court has already rejected a suspension requested for similar reasons under Article 632.

The actual auction process is started with seizure of the property, which takes places 3 working days after the order for payment is served on the borrower. The seizure statement that is issued by the bailiff who performs it, contains the auction date (a Wednesday from 16.00 hours to 17.00 hours Athens time) and place and the notary public who will act as the auction clerk. At this point all mortgagees (including those holding a pre-notation) are informed of the upcoming auction.

The minimum auction price is at least equal to the taxable (“objective”) value of the property (set out in accordance with articles 41 and 41a of Greek Law 1249/1982) pursuant to Greek Law 3714/2008 and can be contested by the borrower or any other lender if supported by evidence that the property value is significantly higher or lower than the proposed auction value. In such case, the auction is postponed until a date not exceeding six months from the initial auction date and for a new reserve price, both as determined by the court.

In the auction, the property is sold to the highest bidder who then has 15 days to pay. Once the price of the property is paid, the notary public prepares a special deed listing all the creditors and allocating the proceeds of the auction. Each creditor must announce its claim to the notary public within 15 days of the auction. Once the allocation of proceeds amongst the creditors of the Borrower has been determined pursuant to a deed issued by a notary public, the creditors of the Borrower may dispute the allocation and file a petition contesting the deed. The Court of First Instance adjudicates the matter but the relevant creditor is entitled to appeal against the decision to the Court of Appeal. This procedure may delay the collection of proceeds for up to two and a half years. This can further delay the time at which the Issuer finally receives the proceeds of the enforcement of the relevant property. However, the law provides that a bank is entitled to the payment of its claim even if its allocation priority is subject to a challenge, provided that the bank provides a letter of guarantee securing repayment of the money in the event that such challenge is upheld.

After deduction of the enforcement expenses, any claims arising from (i) employment relationships and contracts for legal and educational services arising in the previous two years and employee’s indemnities due to the termination of the employment contract as well compensation in case of death of death of the person who was responsible for alimony and compensation claims due to disability more than 67%, (ii) Value Added Tax and related surcharges and (iii) Social Security Organisations, are ranked before any other creditor. Then, one-third of the remaining proceeds is allocated to claims of the public sector and other preferential claims listed in Article 975 CCP and the remaining two-thirds to the secured creditors, i.e. mortgagees, with any excess being available to satisfy the claims of unsecured creditors according to Articles 976 and 1007 CCP. Once the list of creditors is confirmed and adjudicated, the proceeds are distributed according to the ranking order.

DESCRIPTION OF THE TRANSACTION DOCUMENTS

Servicing and Cash Management Deed

The Servicing and Cash Management Deed, made between the Issuer, the Trustee and the Servicer contains provisions relating to, *inter alia*:

- the Issuer's obligations when dealing with any cash flows arising from the Cover Pool and the Transaction Documents;
- the servicing, calculation, notification and reporting services to be performed by the Servicer, together with cash management services and account handling services in relation to moneys from time to time standing to the credit of the Transaction Account, the Collection Account and the Third Party Collection Account (if any);
- the terms and conditions upon which the Servicer will be obliged to sell in whole or in part the Loan Assets;
- the Issuer's right to prevent the sale of a Loan Asset to third parties by removing the Loan Asset made subject to sale from the Cover Pool and transferring within 10 Athens Business Days from the receipt of the offer letter, to the Transaction Account, an amount equal to the price set forth in such offer letter, subject to the provision of a solvency certificate;
- the covenants of the Issuer;
- the representations and warranties of the Issuer regarding itself and the Cover Pool Assets;
- the responsibilities of the Servicer following the service of a Notice of Default on the Issuer or upon failure of the Issuer to perform its obligations under the Transaction Documents; and
- the circumstances in which the Issuer or the Trustee will be obliged to appoint a new servicer to perform the Servicing and Cash Management Services.

Servicing

Pursuant to the Servicing and Cash Management Deed, the Servicer has agreed to service the Loans and their Related Security comprised in the Cover Pool and provide cash management services.

The Servicer will be required to administer the Loans and their Related Security in accordance with the Issuer's administration, arrears and enforcement policies and procedures forming part of the Issuer's policy from time to time as they apply to those Loans.

The Servicer will have the power to exercise the rights, powers and discretions and to perform the duties of the Issuer in relation to the Loans and their Related Security that it is servicing pursuant to the terms of the Servicing and Cash Management Deed, and to do anything which it reasonably considers necessary, convenient or incidental to the administration of the Loans and their Related Security.

Right of delegation by the Servicer

The Servicer may from time to time subcontract or delegate the performance of its duties under the Servicing and Cash Management Deed, provided that it will nevertheless remain responsible for the performance of those duties to the Issuer and the Trustee and, in particular, will remain liable at all times for servicing the

Loans and their Related Security and for the acts or omissions of any delegate or sub-contractor. Any such subcontracting or delegation may be varied or terminated at any time by the Servicer.

Appointment of Replacement Servicer

Upon the occurrence of any of the following events (each a **Servicer Termination Event**):

- (a) where the Issuer and Servicer are not the same entity:
 - (i) default is made by the Servicer in the payment on the due date of any payment due and payable by it under the Servicing and Cash Management Deed and such default continues unremedied for a period of three Athens Business Days after the earlier of the Servicer becoming aware of such default and receipt by the Servicer of written notice from the Trustee requiring the same to be remedied;
 - (ii) default is made by the Servicer in the performance or observance of any of its other covenants and obligations under the Servicing and Cash Management Deed, which is materially prejudicial to the interests of the Covered Bondholders and such default continues unremedied for a period of 20 Business Days after the Servicer becoming aware of such default, PROVIDED THAT where the relevant default occurs as a result of a default by any person to whom the Servicer has sub-contracted or delegated part of its obligations hereunder, such default shall not constitute a Servicer Termination Event if, within such period of 20 Business Days of awareness of such default by the Servicer, the Servicer terminates the relevant sub-contracting or delegation arrangements and takes such steps as the Trustee may approve to remedy such default;
 - (iii) the occurrence of an Insolvency Event in relation to the Servicer; or
- (b) where the Issuer and the Servicer are the same entity the occurrence of an Issuer Event,

then at any time after the Trustee has received notice of any such Servicer Termination Event the Trustee shall, following consultation with the Bank of Greece and while such Servicer Termination Event continues, use its reasonable endeavours to:

- (A) appoint an independent investment or commercial bank of international repute (the **Investment Bank**) to select an entity to act as a Replacement Servicer in accordance with the provisions of the Servicing and Cash Management Deed; and
- (B) by notice in writing to the Servicer terminate its appointment as Servicer under the Servicing and Cash Management Deed with effect from a date (not earlier than the date of the notice) specified in the notice, provided that no action will need to be taken by the Trustee under this paragraph (ii) or paragraph (i) above if (a) the Trustee has been notified by the Bank of Greece that the Bank of Greece is in the process of appointing (i) a Replacement Servicer pursuant to Article 152 or (ii) an administrator or liquidator to the Issuer pursuant to Greek Banking Legislation or (b) the Trustee is informed by the Bank of Greece that it intends to take any such actions listed in paragraph (a) above or to adopt other steps that are more appropriate in the circumstances to protect the interests of the Covered Bondholders.

Insolvency Event means, in respect of the Servicer:

- (i) an order that is made by any competent court or resolution passed for the winding-up or dissolution of the relevant entity (other than for the purpose of amalgamation, merger or reconstruction) or
- (ii) the Servicer ceases to carry on the whole or substantially the whole of its business (other than for the purpose of an amalgamation, merger or reconstruction); or
- (iii) the Servicer stops payment or is unable to, or admits inability to, pay its debts as they fall due, or is to be adjudicated or found bankrupt or insolvent by a court of competent jurisdiction or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally; or
- (iv) a receiver, trustee or other similar official is appointed in relation to the relevant entity or in relation to the whole or over half of the assets of the relevant entity, or an interim supervisor of the relevant entity is appointed by the Bank of Greece or an encumbrancer takes possession of the whole or over half of the assets of the relevant entity, or a distress or execution or other process is levied or enforced upon or sued out against the whole or a substantial part of the assets of the relevant entity and in any of the foregoing cases it or he is be discharged within 60 days; or
- (v) any action or step is taken which has a similar effect to the foregoing.

The Trustee will not be obliged to act as servicer in any circumstances.

The Cover Pool

Pursuant to the Greek Covered Bond Legislation, the Issuer will be entitled to create the Statutory Pledge over:

- (a) certain eligible assets set out in paragraph 8(b) of Section B of the Bank of Greece Act No 2588/20-8-2007 “Calculation of Capital Requirements for Credit Risk according to the Standardised Approach” as amended as of 31 December 2010 by the Bank of Greece Act No 2631/29-10-2010 and Bank of Greece Act 7/10.01.2013, including, but not limited to, claims deriving from loans and credit facilities of any nature comprising the aggregate of all principal sums, interest, costs, charges, expenses, additional loan advances and other moneys (including, in case of any Subsidised Loans, any Subsidised Interest Amount due and owing with respect to such Subsidised Loan) and including the amounts received from Borrowers which represent the cost to the Issuer of levy of Greek Law 128/1975 (Levy) in respect of such Loans but excluding any third party expenses due or owing with respect to such loan and/or credit facilities provided that such loans and credit facilities are secured by residential real estate (the Loans) together with any mortgages, mortgage pre-notations, guarantees or indemnity payments which may be granted or due, as the case may be, in connection therewith (the Related Security, and together with the Loans the Loan Assets). Following the entry into force of Regulation 575/2013 on 1 January 2014, the reference to paragraph 8(b) should be read as a reference to article 129 of Regulation 575/2013;
- (b) derivative financial instruments including but not limited to the Hedging Agreements satisfying the requirements of paragraph I. 2(b) of the Secondary Covered Bond Legislation;
- (c) deposits with credit institutions (including any cash flows deriving therefrom) provided that such deposits comply with paragraph 8(b) of Section B of the Bank of Greece Act No. 2588/20-8-2007 as amended as of 21 December 2010 by the Bank of Greece Act No 2631/29-10-2010 (including the Transaction Account and the Reserve Ledger, but excluding the Collection Account); and
- (d) Marketable Assets,

(each a **Cover Pool Asset** and collectively the **Cover Pool**).

Marketable Assets, as defined in the Act of the Monetary Policy Council of the Bank of Greece 54/27-2-2004 and which comply with the requirements for Eligible Investments, are allowed to be included in the Cover Pool and will be included in assessing compliance with the Nominal Value Test, provided that such assets in the Cover Pool do not exceed the difference in value between the Principal Amounts Outstanding of Covered Bonds then outstanding plus accrued interest and the nominal value of the Cover Pool plus accrued interest.

By virtue of the Registration Statement(s) filed with the Athens Pledge Registry on or prior to the Issue Date for the first Series of Covered Bonds, the Issuer shall segregate the Cover Pool in connection with the issuance of Covered Bonds for the satisfaction of the rights of the Covered Bondholders and the other Secured Creditors.

The Issuer shall be entitled, subject to filing a Registration Statement so providing, to:

- (a) allocate to the Cover Pool Additional Cover Pool Assets for the purposes of issuing further Series of Covered Bonds and/or complying with the Statutory Tests and/or maintaining the initial rating(s) assigned to the Covered Bond provided that with respect to any Cover Pool Assets allocated after the Issue Date for the first Series of Covered Bonds which are non-Euro denominated assets and/or have characteristics other than those pertaining to the Cover Pool as of the Issue Date for the first Series of Covered Bonds (the **Initial Assets**), (i) Moody's has provided confirmation in writing that the ratings on the Covered Bonds would not be adversely affected by, or withdrawn as a result of such allocation and DBRS has been notified in writing of such allocation and (ii) the risk weighting of the Covered Bonds will not be negatively affected; and
- (b) prior to the occurrence of an Issuer Event and provided that no breach of any Statutory Test would occur as a result of such removal or substitution (i) remove Cover Pool Assets from the Cover Pool or (ii) substitute Cover Pool Assets with Additional Cover Pool Assets, provided that for any substitution of Additional Cover Pool Assets which are non-Euro denominated assets and/or have characteristics other than those pertaining to the Initial Assets, Moody's has provided confirmation in writing that the ratings on the Covered Bonds would not be adversely affected by, or withdrawn as a result of such removal or substitution and DBRS has been notified in writing of such removal or substitution (as the case may be).

Additional Cover Pool Assets means further assets assigned to the Cover Pool by the Issuer for the purposes of issuing further Series of Covered Bonds and/or complying with the Statutory Tests.

Any further assets added to the Cover Pool at the option of the Issuer in accordance with the above or by way of mandatory changes below shall form part of the Cover Pool.

Minimum Credit Rating means a long-term rating of at least Ba3 by Moody's and of at least BB(L) by DBRS.

Covered Bond Purchase Programme 3

The programme for the purchase of covered bonds announced by the ECB on 2 October 2014 and expanded on 22 January 2015.

Each Loan Asset to be included in the Cover Pool shall comply with the following criteria (the **Individual Eligibility Criteria**):

- (i) It is an existing Loan, denominated in euro and is owed by borrowers who are individuals.

- (ii) It is governed by Greek law and the terms and conditions of such Loan do not provide for the jurisdiction of any court outside Greece.
- (iii) Its nominal value remains a debt, which has not been paid or discharged.
- (iv) It is secured by a valid and enforceable first ranking mortgage and/or mortgage pre-notation over property located in Greece that may be used for residential purposes.
- (v) Notwithstanding (iv) above, if the mortgage and/or mortgage pre-notation is of lower ranking, the loans that rank higher have also been originated by the Issuer and are included in the Cover Pool.
- (vi) Only completed properties secure the Loan.
- (vii) (a) in the case of Loans originated by the Issuer, all lending criteria and preconditions applied by the Issuer's credit policy and customary lending procedures have been satisfied with regards to the granting of such Loan and (b) in the case of Loans acquired by the Issuer, each loan has been administered by the Issuer from the date of acquisition according to a level of skill, care and diligence of a reasonable, prudent mortgage lender.
- (viii) The purpose of such Loan is either to buy, construct or renovate a property or refinance a loan granted by another bank for one of these purposes.
- (ix) It is either a fixed or floating rate loan or a combination of both.

Representations and Warranties of the Issuer

Under the Servicing and Cash Management Deed, the Issuer has made and will make certain representations and warranties regarding itself and the Cover Pool Assets including, inter alia:

- (a) its status, capacity and authority to enter into the Transaction Documents and assume the obligations expressed to be assumed by it therein;
- (b) the legality, validity, binding nature and enforceability of the obligations assumed by it;
- (c) that it has duly obtained or made each authorisation, approval, consent, licence, exemption, notice, filing or registration required on its part for or in connection with the execution and performance of each of the Transaction Documents to which it is a party and any matters contemplated thereby have been unconditionally obtained and are in full force and effect;
- (d) the existence of the Cover Pool Assets and the absence of any lien attaching to the Cover Pool Assets;
- (e) No Loan or its Related Security or (in the case of Subsidised Loans) Subsidised Interest Amounts is subject to any Security Interest other than, after the addition of the Loans to the Cover Pool, under the Transaction Documents or the Greek Covered Bond Legislation;
- (f) its full, unconditional, legal title to the Cover Pool Assets; and
- (g) the validity and enforceability against the relevant debtors of the obligations from which the Cover Pool Assets arise.

Statutory Tests

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

- (i) the Cover Pool satisfies the Nominal Value Test;
 - (ii) the Cover Pool satisfies the Net Present Value Test; and
 - (iii) the Cover Pool satisfies the Interest Cover Test,
- (collectively, the **Statutory Tests** and each a **Statutory Test**).

- (a) *The Nominal Value Test:* Prior to an Issuer Event the Issuer must ensure that on each Applicable Calculation Date, the Euro Equivalent of the Principal Amount Outstanding of all Series of Covered Bonds, together with all accrued interest thereon, is not greater than 80 per cent. (or such percentage selected from time to time by the Issuer (or the Servicer acting on its behalf) and notified to the Rating Agencies in accordance with the Servicing and Cash Management Deed) of the nominal value of the Cover Pool (excluding for these purposes any amounts received from Borrowers which represent the cost to the Issuer of Levy in respect of such Loans and Loans in arrear of more than 90 days) as at the last calendar day of the immediately preceding calendar month (as determined in accordance with the Servicing and Cash Management Deed). In order to assess compliance with this test, all of the assets comprising the Cover Pool shall be evaluated at their nominal value plus accrued interest but not including the Hedging Agreements.

For the purposes of calculating the nominal value of the Cover Pool, the value of any foreign assets comprised in the Cover Pool shall be converted into euro on the basis of the exchange rate published by the European Central Bank (**ECB**) on such Applicable Calculation Date as at the last calendar day of the immediately preceding calendar month.

- (b) *The Net Present Value Test:* Prior to an Issuer Event the Issuer must ensure that on each Applicable Calculation Date the net present value of liabilities under the Covered Bonds then outstanding is less than or equal to the net present value of the Cover Pool (excluding for these purposes any amounts received from Borrowers which represent the cost to the Issuer of Levy in respect of such Loans and Loans in arrear of more than 90 days) as at the last calendar day of the immediately preceding calendar month, including the Hedging Agreements (if included, at the discretion of the Issuer).

The Net Present Value Test must also be satisfied under the assumption of parallel shifts of the yield curve by 200 basis points.

In addition, the Issuer must ensure that on each Applicable Calculation Date, the net present value of the Hedging Agreements are in aggregate less than or equal to 15% of the nominal value (being principal) of the Covered Bonds.

For the purposes of calculating the net present value of the Cover Pool, all amounts denominated in a currency other than euro shall be converted into euro on the basis of the exchange rate published by the ECB as at the last calendar day of the immediately preceding calendar month.

- (c) *The Interest Cover Test:* Prior to an Issuer Event the Issuer must ensure that on each Applicable Calculation Date the amount of interest due on the Covered Bonds does not

exceed the amount of interest expected (including, in respect of Subsidised Loans, for these purposes any Subsidised Interest Amounts that are expected to be received during such period) in respect of the Loans comprised in the Cover Pool (excluding for these purposes any amounts received from Borrowers which represent the cost to the Issuer of Levy in respect of such Loans and Loans in arrear of more than 90 days) (including any Interest Rate Swap, any Covered Bond Swaps) in each case, during the period of 12 months from such Applicable Calculation Date.

Eligible Investments means any Marketable Assets that are denominated in Euro, provided that, in all cases:

- (a) such investments are immediately repayable on demand, disposable without penalty or have a maturity date falling on or before the next Cover Pool Payment Date;
- (b) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount); and
- (c) each of the debt securities or other debt instruments and the issuing entity or (in the case of debt securities or other debt instruments which are fully and unconditionally guaranteed on an unsubordinated basis) the guaranteeing entity are rated at least:
 - (i) either
 - (A) Baa3 by Moody's in respect of long-term debt or P-3 by Moody's in respect of short-term debt, with regard to investments having a maturity of less than one month; or
 - (B) Baa3 by Moody's in respect of long-term debt and P-3 by Moody's in respect of short-term debt, with regard to investments having a maturity between one and three months, or such other rating as acceptable to Moody's from time to time; and
 - (ii) the DBRS Minimum Rating by DBRS,

provided that for so long as the Covered Bonds are held in the Covered Bond Purchase Programme 3, the rating levels and maturities of any Eligible Investments must satisfy Article 129(1)(c) of the Capital Requirements Regulation (EU) No. 575/2013.

For the purposes of calculating the Nominal Value Test set out above, each Loan will be deemed to have an outstanding principal balance of and bear interest on an amount equal to the lower of:

- (a) the Euro Equivalent of the actual Outstanding Principal Balance of the relevant Loan in the Cover Pool as calculated in accordance with the provisions of the Servicing and Cash Management Deed; and
- (b) the Euro Equivalent of the latest of either the physical valuation or the Prop Index Valuation relating to that Loan multiplied by 0.80 (where such loan is secured on residential property) or 0.60 (where such loan is secured on commercial property), less the Outstanding Principal Balance of any higher ranking Loan if such Loan is a second or lower ranking Loan, provided that such Loan can never be given a value of less than zero; and
- (c) if the relevant Loan is in arrear of more than 90 days, zero,

and each Loan shall be deemed to bear interest on the lower of the amounts calculated in (a), (b) and (c) above.

In addition, in calculating such tests, all Loans that do not comply with the representations and warranties during the immediately preceding calculation period, shall be given a zero value.

OEK means the Greek Workers Housing Association as succeeded in full by the Manpower Employment Organisations (OAED) by virtue of Greek Law 4144/2013 and other relevant legislation and reference to OEK shall include reference to OAED as appropriate.

Prop Index Valuation means the index of movements in house prices issued by Prop Index SA in relation to residential properties in Greece.

Subsidised Loan means either the OEK Subsidised Loans, the State Subsidised Loans or the State/OEK Subsidised Loan or loans subsidised by any additional Greek State subsidised entity.

Subsidised Interest Amounts means the interest subsidy amounts due and payable from the Greek State in respect of the State Subsidised Loans and/or from the OEK in respect of the OEK Subsidised Loans and/or from any other Greek State subsidised entity in respect of any other Subsidised Loan (as the case may be).

OEK Subsidised Loans means those Loans in respect of which the OEK makes payment of Subsidised Interest Amounts pursuant to the applicable laws and the bilateral agreements pursuant to which the OEK pays subsidies to the Issuer in respect of such Loans.

State Subsidised Loans means those Loans in respect of which the Hellenic Republic makes payment of Subsidised Interest Amounts pursuant to all applicable laws.

State/OEK Subsidised Loans means those Loans which are both State Subsidised Loans and OEK Subsidised Loans.

Amortisation test

For so long as the Covered Bonds remain outstanding, the Servicer shall determine on or before each Calculation Date following an Issuer Event whether the Nominal Value will be in an amount at least equal to the sum of the Euro Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds plus an amount equal to product of (A) the Euro Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds and (B) the Amortisation Test OC Level as calculated on the last day of the immediately preceding calendar month (the **Amortisation Test**).

Amortisation Test OC Level means the product of 0.75 and the OC Level.

OC Level means the result, expressed as a percentage, of the following formula:

$$\frac{A - B}{B}$$

where

A = 100; and

B = the Asset Percentage on the applicable Calculation Date immediately prior to the occurrence of the Issuer Event.

Sale of Selected Loans and their Related Security following an Issuer Event

Following the occurrence of an Issuer Event which is continuing, the Servicer will be obliged to try to sell Loan Assets and their Related Security in the Cover Pool in respect of the relevant Series of Pass Through Covered Bonds and Accumulation Covered Bonds on or before the first Refinance Date and on or before each Refinance Date thereafter having the Required Outstanding Principal Balance (the **Selected Loans**) in accordance with the Servicing and Cash Management Deed, subject to the rights of pre-emption in favour of the Issuer to remove the Selected Loans from the Cover Pool, in the case of the sale of Selected Loans following an Issuer Event and prior to a breach of the Amortisation Test, provided that where the Amortisation Test was met immediately prior to the proposed sale, that the Amortisation Test will continue to be met following any sale of Selected Loans or the removal of such Selected Loans from the Cover Pool and provided further that where the Amortisation Test has been breached prior to such Selected Loans being sold, the Servicer may sell Selected Loans where the Amortisation Test will not be satisfied after such sale provided that the amount by which the Amortisation Test is breached is not worsened as a result of sale of Selected Loans.

Prior to the Servicer making any offer to sell Selected Loans and their Related Security to third parties, the Servicer will serve on the Issuer a loan offer notice in the form set out in the Servicing and Cash Management Deed (a **Selected Loan Offer Notice**) giving the Issuer the right to prevent the sale by the Servicer of all or part of the Selected Loans to third parties, by removing all or part of the Selected Loans made subject to sale from the Cover Pool and transferring an amount equal to the then Outstanding Principal Balance of the Selected Loans and the relevant portion of all of the arrears of interest and accrued interest relating to such Selected Loans to the Transaction Account.

If the Issuer validly accepts the Servicer's offer to remove all or part of the Selected Loans and their Related Security from the Cover Pool by signing the duplicate Selected Loan Offer Notice in a manner indicating acceptance and delivering it to the Trustee and the Servicer within ten Athens Business Days from and including the date of the Selected Loan Offer Notice, the Servicer shall within three Athens Business Days of receipt of such acceptance, serve a selected loan removal notice on the Issuer in the form set out in the Servicing and Cash Management Deed (a **Selected Loan Removal Notice**). Any removal of part of the Selected Loans and their Related Security pursuant to such Selected Loan Removal Notice will be in accordance with the requirements set out under '*Method of Sale of Selected Loans*' below.

The Servicer shall offer for sale the Selected Loans and their Related Security in respect of which the Issuer rejects or fails within the requisite time limit to accept the Servicer's offer to remove the Loans and their Related Security from the Cover Pool in the manner and on the terms set out in the Servicing and Cash Management Deed.

Upon receipt of the Selected Loan Removal Notice duly signed on behalf of the Servicer, the Issuer shall promptly and in any event within two Athens Business Days (i) sign and return a duplicate copy of the Selected Loan Removal Notice to the Servicer, (ii) deliver to the Servicer and the Trustee a solvency certificate stating that the Issuer is, at such time, solvent and (iii) will remove from the Cover Pool the relevant portion of the Selected Loans (as specified in the signed Selected Loan Removal Notice) (and any other Loan secured or intended to be secured by that Related Security or any part of it) referred to in the relevant Selected Loan Removal Notice and where that portion is less than all of the Selected Loans and the Related Security in the portion that is removed shall be chosen from the Selected Loans on a random basis. Completion of the removal all or part of the Selected Loans by the Issuer will take place on the date specified in the Selected Loan Removal Notice (provided that such date is not later than the earlier to occur of the date which is (a) ten Athens Business Days after receipt by the Servicer of the returned Selected Loan Removal Notice and (b) the Extended Final Maturity Date of the relevant Series of Covered Bonds) when the Issuer shall, prior to the removal from the Cover Pool of all or part of the relevant Selected Loans) and any other Loan secured or intended to be secured by that Related Security or any part of it), pay to the Transaction Account an amount in cash equal to the price specified in the relevant Selected Loan Removal Notice.

On the date of completion of the removal of all or part of the Selected Loans and their Related Security in accordance with the above, the Issuer shall ensure that the Selected Loans are removed from the Registration Statement.

Upon such completion of the removal of all or part of the Selected Loans and their Related Security in accordance with above or the sale of all or part of the Selected Loans and their Related Security to a third party or third parties, the Issuer shall cease to be under any further obligation to hold any Customer Files or other documents relating to the relevant removed or sold Selected Loans and their Related Security to the order of the Trustee and, if the Trustee holds such Customer Files or other documents, it will send them to the Issuer at the cost of the Issuer.

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

Pass Through Covered Bonds means on and following an Issuer Event:

- (a) those Covered Bonds in respect of which the Final Redemption Amount has not been paid in full on the Final Maturity Date (taking into account any grace periods); and
- (b) following a breach of the Amortisation Test, all outstanding Series of Covered Bonds;

Method of Sale of Selected Loans

If the Servicer is required to sell Selected Loans and their Related Security to third-party purchasers following an Issuer Event which is continuing, the Servicer will be required to ensure that before offering Selected Loans for sale:

- (a) (unless the Selected Loans comprise the entire Cover Pool):
 - (i) the Selected Loans have been selected from the Cover Pool on a random basis; and
 - (ii) following an Issuer Event but prior to a breach of the Amortisation Test, the Selected Loans to be sold in any sale together (i) constitute all Selected Loans in relation to the relevant Series of Pass Through Covered Bonds and/or Series of Accumulation Covered Bonds, as applicable; or (ii) where not all Selected Loans in relation to all Series of Pass Through Covered Bonds and/or Accumulation Covered Bonds, the Servicer has determined that the sale of such Selected Loans is beneficial to the Issuer having taken into account the costs that will be incurred as a result of the sale;
- (b) the Selected Loans have an aggregate Outstanding Principal Balance in an amount (the **Required Outstanding Principal Balance Amount**) which is as close as possible to the amount calculated as follows:

$$N \times \frac{\text{Outstanding Principal Balance of all Loan Assets in the Cover Pool}}{\text{the Euro Equivalent of the Required Redemption Amount in respect of each Series of Covered Bonds then outstanding}}$$

where N is an amount equal to the Euro Equivalent of the Required Redemption Amount of the relevant Series of Covered Bonds (being each Series of Pass Through Covered Bonds and any applicable Series of Accumulation Covered Bonds) less amounts standing to the credit of the

Transaction Account (other than amounts standing to the credit of the Reserve Ledger) and the principal amount of any Marketable Assets or Authorised Investments (other than Authorised Investments acquired from amounts standing to the credit of the Reserve Ledger) (excluding all amounts to be applied to pay or provide for higher ranking amounts in the Pre Event Default Priority of Payments and those amounts that are required to repay any Series of Covered Bonds which mature prior to or on the same date as the relevant Series of Covered Bonds and excluding any amounts standing to the credit of any Accumulation Ledger or which have been set aside to pay any Series of Covered Bonds) and all Sale Proceeds received from the sale of other Selected Loans or removal of Selected Loans under the right of pre-emption.

For the purposes hereof:

Required Redemption Amount means, in respect of a Series of Covered Bonds, the amount calculated as follows:

the Principal Amount Outstanding of the relevant Series of Covered Bonds x (1+ Negative Carry Factor x (days to next Interest Payment Date on which the relevant Series can be redeemed (or, in respect of any Accumulation Bonds, the Final Maturity Date)/360))

Where **Negative Carry Factor** is a percentage calculated by reference to the weighted average margin of the Covered Bonds and will, in any event, not be less than 0.50 per cent.

Euro Equivalent means, relation to a Series of Covered Bonds which is denominated in (a) a currency other than Euro, the Euro equivalent of such amount ascertained using the relevant Covered Bond Swap Rate relating to such Series of Covered Bonds and (b) Euro, the applicable amount in Euro.

The Servicer will offer the Selected Loans for sale to third parties for the best price reasonably available but in any event following, for an amount not less than the Adjusted Required Redemption Amount.

The **Adjusted Required Redemption Amount** means the Euro Equivalent of the Required Redemption Amount, plus or minus (without double counting):

- (i) any swap termination amounts payable to or by the Issuer under a Covered Bond Swap Agreement in respect of the relevant Series of Covered Bonds less (where applicable) the principal balance of any Marketable Assets and Authorised Investments (excluding all amounts to be applied on the next following Cover Pool Payment Date to pay or repay higher ranking amounts in the Pre Event of Default Priority of Payments and those amounts that are required to repay any Series of Covered Bonds which mature prior to or on the same date as the relevant Series of Covered Bonds and excluding any amounts standing to the credit of an Accumulation Ledger or which have been set aside to pay any Series of Covered Bonds) and all Sale Proceeds received from the sale of other Selected Loans or removal of Selected Loans under the right of pre-emption; plus
- (ii) any swap termination amounts payable to or by the Issuer under an Interest Rate Swap Agreement in respect of the relevant Series of Covered Bonds;
- (iii) reasonable costs and expenses associated with sale of Selected Loans and their Related Security and the reasonable costs and expenses of the Portfolio Manager connected with the sale of Selected Loans and their Security.

Following the occurrence of an Issuer Event, the Servicer will as soon as possible and in any event within one calendar month of the First Refinance Date and, if applicable within one month of the occurrence of any further Refinance Date (if applicable), appoint a Portfolio Manager of recognised standing, and which is not

an affiliate of the Issuer, on a basis intended to incentivise the Portfolio Manager to achieve the best price for the sale of the Selected Loans (if such terms are commercially available in the market) via a market auction process and to advise it in relation to the sale of the Selected Loans to third-party purchasers via a market auction process (except where the Issuer exercises its right of pre-emption). For the avoidance of doubt, the Trustee shall not be obliged to appoint a Portfolio Manager should the Servicer fail to do so (and shall have no liability for such failure) and shall not be responsible for determining the identity of the Portfolio Manager to be appointed by the Servicer following a nomination or determining or approving the terms of appointment of a Portfolio Manager.

In respect of any sale of Selected Loans and their Related Security following the occurrence of an Issuer Event which is continuing, the Servicer will instruct the portfolio manager to use all reasonable endeavours to procure that Selected Loans are sold as quickly as reasonably practicable via a market auction process (in accordance with the recommendations of the Portfolio Manager) taking into account the market conditions at that time and, where relevant, the scheduled repayment dates of the Covered Bonds and the terms of the Servicing and Cash Management Deed. The Servicer will ensure that the terms of the appointment of the Portfolio Manager require the Portfolio Manager's actions in respect of any sale of Selected Loans and their Related Security to be in accordance with the provisions of the Servicing and Cash Management Deed. The Servicer will also ensure that the terms of the appointment of the Portfolio Manager require that the costs and expenses incurred by the Portfolio Manager are reasonable.

The Trustee, or its authorised attorney, will not be required to release the Selected Loans and their Related Security from the Registration Statement unless the conditions for Security release under applicable law (other than the Statutory Pledge) are satisfied.

Following the occurrence of an Issuer Event which is continuing, if third parties accept the offer or offers from the Servicer (or the Portfolio Manager on behalf of the Servicer, if a Portfolio Manager has been appointed) then the Servicer will, subject to the foregoing paragraph, enter into a sale and purchase agreement with the relevant third-party purchasers which will require, *inter alia*, a cash payment from the relevant third party purchasers. Any such sale will not include any representations and warranties from the Servicer, Portfolio Manager or the Issuer in respect of the Loans and their Related Security unless expressly agreed by the Servicer.

Any Sale Proceeds received from the sale of the Selected Loans and their Related Security will be applied by the Issuer on the next following Cover Pool Payment Date as Cover Pool Available Funds.

First Refinance Date means the earlier to occur of (i) the date on which any Series of Covered Bonds becomes Pass-Through Covered Bonds or Accumulation Covered Bonds; or (ii) at any time after an Issuer Event has occurred and is outstanding, the Athens Business Day falling six months before the Final Maturity Date of the Earliest Maturing Covered Bonds.

Portfolio Manager means a portfolio manager appointed by the Servicer (pursuant to the Servicing and Cash Management Deed), to sell Selected Loans and their Related Security on behalf of the Servicer.

Refinance Date means each of the First Refinance Date and each date falling at six monthly intervals thereafter.

Sale Proceeds means the cash proceeds realised from the sale of Selected Loans and their Related Security or their removal from the Cover Pool by the Issuer pursuant to the Servicing and Cash Management Deed, including where that removal is pursuant to the Issuer's right of pre-emption under the Servicing and Cash Management Deed.

Amendment to definitions

Under the Servicing and Cash Management Deed, the parties have agreed that the definitions of Individual Eligibility Criteria, Cover Pool, Cover Pool Asset, Statutory Test and Amortisation Test may be amended by the Issuer from time to time as a consequence of, *inter alia*, including in the Cover Pool, Cover Pool Assets which have characteristics other than those pertaining to the Initial Assets and/or changes to the hedging policies or servicing and collection procedures of Eurobank.

Any such amendment may be effected provided that the Moody's confirms in writing to the Issuer that the then current ratings of any outstanding Series of Covered Bonds is not negatively affected as a result thereof and DBRS has been notified of such amendment.

Collection Account

Prior to the occurrence of an Issuer Event, Eurobank will deposit on a daily basis within one Athens Business Day of receipt, all collections of interest and principal it receives on the Cover Pool Assets (including any Subsidy Payments) and all moneys received from Marketable Assets and Authorised Investments, if any, included in the Cover Pool into a segregated account maintained at Eurobank (the **Collection Account**). Eurobank will not commingle any of its own funds and general assets with amounts standing to the credit of the Collection Account. For the avoidance of doubt, any cash amounts standing to the credit of the Collection Account shall not comprise part of the Cover Pool for purposes of the Statutory Tests.

A **Segregation Event** shall have occurred if Eurobank is downgraded to or below the Minimum Credit Rating.

Prior to a Segregation Event, Eurobank will be entitled to draw sums from time to time standing to the credit of the Collection Account in addition to any funds available to it for any purpose including to make payments on the Covered Bonds.

Following the occurrence of a Segregation Event, but prior to the occurrence of an Issuer Event, (i) all amounts deposited shall remain in the Collection Account for the benefit of the holders of the Covered Bonds and the other Secured Creditors and (ii) Eurobank shall only be entitled to withdraw Excess Amounts from the Collection Account.

Excess Amounts means, on any Athens Business Day, the amount (if any) standing to the credit of the Collection Account that is in excess of the amount required to make all payments due by the Issuer in connection with any Covered Bonds issued under the Programme on the immediately following Cover Pool Payment Date.

If Eurobank's rating(s) are reinstated above the level at which a Segregation Event occurs and so long as no Issuer Event has occurred and is continuing, then Eurobank will be entitled to draw sums standing to the credit of the Collection Account and make payments on the Covered Bonds using any funds available to it.

Subsidy Payments means the aggregate of all amounts actually received from the OEK, the Greek State and any other Greek State subsidised entity representing the Subsidised Interest Amounts in respect of the Subsidised Loans comprised in the Cover Pool.

Transaction Account

On or about the Programme Closing Date, a segregated Euro denominated account will be established with the Account Bank (the Transaction Account). Prior to the occurrence of a Segregation Event or an Issuer Event, Eurobank will be entitled to withdraw amounts from time to time standing to the credit of the Transaction Account, if any, that are in excess of the sum of (i) any cash amounts required to satisfy the Statutory Tests and (ii) the Reserve Fund Required Amount. Following the occurrence of a Segregation

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

Following the occurrence of an Issuer Event (as defined above), the Servicer shall (i) procure that within 2 days after the occurrence of such Issuer Event, all collections of principal and interest on deposit in the Collection Account (or the Third Party Collection Account (as defined below)) be transferred to the Transaction Account and (ii) provide notification to all Borrowers that any and all future payments due under the Cover Pool Assets are henceforth to be effected directly to a bank account opened in the name of the Issuer with a Greek credit institution or a Greek branch of a foreign credit institution which is an Eligible Institution (the **Third Party Collection Account**). The Servicer shall procure that all amounts deposited into the Third Party Collection Account shall be transferred to the Transaction Account within one Athens Business Day of receipt. Following an Issuer Event, the Transaction Account will be used for the crediting of, *inter alia*, moneys received in respect of the Cover Pool Assets included in the Cover Pool or to effect a payment in respect of the Covered Bonds including the following amounts:

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

(b) any amounts required to be paid to the Reserve Ledger

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

(c) any Subsidy Payments received from the OEK and/or the Greek State and/or any other Greek State subsidised entity;

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

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

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

(g) any amounts paid to the Issuer by the Hedging Counterparties under the Hedging Agreements; and

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

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

Following the occurrence of an Issuer Event, the Issuer shall transfer any amounts it receives in respect of any Cover Pool Assets to the Transaction Account within two Athens Business Days of receipt.

Following an Issuer Event, the Servicer and the Issuer (to the extent that Eurobank is no longer the Servicer) shall procure that all payments in respect of the Cover Pool Assets (excluding any Subsidy Payments) are directed into the Third Party Collection Account and that all such amounts are transferred into the Transaction Account within one Athens Business Day of receipt.

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

Reserve Ledger

On or prior to 9 March 2015, the Servicer will establish a ledger on the Transaction Account to be called the **Reserve Ledger**.

On each Calculation Date from and including the Calculation Date immediately following the establishment of the Reserve Ledger, the Servicer will deposit the Reserve Ledger Required Amount into the Transaction Account (with a corresponding credit to the Reserve Ledger).

On each Cover Pool Payment Date, the Servicer shall debit an amount equal to the Reserve Ledger Withdrawal Amount and apply such funds as Covered Bonds Available Funds.

On each Cover Pool Payment Date, the Servicer shall deposit an amount equal to the Reserve Ledger Required Amount into the Transaction Account (with a corresponding credit to the Reserve Ledger).

The Servicer shall invest all amounts standing to the credit of the Reserve Ledger in Authorised Investments.

Reserve Ledger Required Amount means an amount calculated as at each Calculation Date equal to the amount that will be required to be paid by the Issuer in respect of the Covered Bonds in respect of interest (in respect of those Covered Bonds where there is no Swap Agreement in place) and all amounts to be paid to a Covered Bond Swap Provider (in respect of those Covered Bonds where there is a Swap Agreement in place) (other than any principal exchange amounts) and all amounts paid to the other Secured Creditors for the immediately following 6 month period from and including the Cover Pool Payment Date to which such Calculation Date relates;

Reserve Ledger Withdrawal Amount means on each Cover Pool Payment Date, an amount drawn from the Reserve Ledger to be applied as Covered Bonds Available Funds to the extent such amount is required to satisfy any payments required to be made by the Issuer under items (a) to (e) of the Pre Event of Default Priority of Payments;

Authorised Investments means each of:

(a) Euro denominated demand or time deposits, certificates of deposit, long-term debt obligations and short-term debt obligations (including commercial paper) provided that in all cases such investments are rated at least Ba3 or P-3 by Moody's and the DBRS Minimum Rating by DBRS, have a remaining period to maturity of 30 days or less and mature on or before the next following Cover Pool Payment Date and the issuing or guaranteeing entity or the entity with which the demand or time deposits are made has long-term and short-term issuer default ratings of at least a short-term unsecured, unsubordinated and unguaranteed rating of at least Ba3 or P-3, respectively by Moody's and the DBRS Minimum Rating by DBRS; and

(b) Euro denominated government and public securities or money market funds, provided that such investments have a remaining period to maturity of 30 days or less and mature on or before the next following Cover Pool Payment Date and which are rated Baa3 or P-3 by Moody's and the DBRS Minimum Rating by DBRS,

provided that (i) for so long as the Covered Bonds are held in the Covered Bond Purchase Programme 3, the rating levels and maturities of any Authorised Investments must satisfy Article 129(1)(c) of the Capital Requirements Regulation (EU) No. 575/2013, and (ii) that such Authorised Investments satisfy the requirements for eligible assets that can collateralise covered bonds under paragraph I.2(a) of the Secondary Covered Bond Legislation.

DBRS Minimum Rating means, at any time the DBRS Rating or the DBRS Equivalent Rating, if no DBRS Rating exists.

DBRS Rating means:

- (a) If the then current rating of the Covered Bonds by DBRS is AAA, AA (high), AA or AA(low), the DBRS Rating is A;
- (b) If the then current rating of the Covered Bonds by DBRS is A(high), then the DBRS Rating is BBB(high);
- (c) If the then current rating of the Covered Bonds by DBRS is A(low), BBB(high), BBB or BBB(low), then the DBRS Rating is BBB.

DBRS Equivalent Rating means:

- (a) if a Fitch public rating, a Moody's public rating and an S&P public rating in respect of the Eligible Investment or the Eligible Institution (each, a "**Public Long Term Rating**") are all available at such date, the corresponding DBRS rating as shown in the DBRS Equivalence Chart of such Public Long Term Rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS rating one notch below the DBRS rating corresponding to such Public Long Term Rating as shown in the DBRS Equivalence Chart. For this purpose, if more than one Public Long Term Rating has the same highest or same lowest DBRS rating as shown in the DBRS Equivalence Chart, then in each case one of such Public Long Term Ratings shall be so disregarded;
- (b) if the DBRS Minimum Rating cannot be determined under (a) above, but Public Long Term Ratings of the Eligible Investment or Eligible Institution by any two of Fitch, Moody's and S&P are available at such date, the DBRS rating as shown in the DBRS Equivalence Chart of the lower such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below); and
- (c) if the DBRS Minimum Rating cannot be determined under (a) and (b) above, but a Public Long Term Rating by any one of Fitch, Moody's and S&P are available at such date, then the DBRS rating as shown in the DBRS Equivalence Chart will be such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS rating one notch below the DBRS rating corresponding to such Public Long Term Rating as shown in the DBRS Equivalence Chart).

If at any time the DBRS Minimum Rating cannot be determined under subparagraphs (a) to (c) above, then the Eligible Investment or Eligible Institution (as applicable) will be deemed to have a DBRS Minimum Rating of "C" at such time.

DBRS Equivalence Chart means the DBRS rating equivalent of any of the below ratings by Moody's, Fitch or S&P:

DBRS	Moody's	S&P	Fitch
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-

A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB(high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BB(low)	Baa3	BBB-	BBB
BB(high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B
B(low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC+
CCC	Caa2	CCC	CCC
CCC(low)	Caa3	CCC-	CCC-
CC	Ca	CC	CC
C	C	D	D

Accumulation Ledger

On or prior to 9 March 2015, the Servicer will establish a ledger on the Transaction Account to be called the **Accumulation Ledger**.

The Accumulation Ledger will have separate sub-ledgers (each an **Accumulation Sub-Ledger** related to each Series of Accumulation Covered Bonds).

Following the occurrence of an Issuer Event, the Servicer shall credit the relevant Accumulation Sub-Ledger with the amount allocated to the related Series of Accumulation Covered Bonds in accordance with the Priority of Payments.

Any amount standing to the credit of the relevant Accumulation Sub-Ledger on the Final Maturity Date (but prior to a breach of the Amortisation Test) of the relevant Series of Covered Bonds will be applied:

- (i) to pay (in whole or in part) the Final Redemption Amount in respect of the relevant Series; and
- (ii) thereafter applied as Covered Bond Available Funds.

Following a breach of the Amortisation Test or the occurrence of an Event of Default all amounts credited to the relevant Accumulation Sub-Ledger will be applied as Covered Bond Available Funds (such amounts, together with amounts applied in (ii) above, the **Excess Accumulation Receipts**).

Law and Jurisdiction

The Servicing and Cash Management Deed will be governed by English law.

Asset Monitor Agreement

The Asset Monitor has agreed, subject to due receipt of the information to be provided by the Servicer to the Asset Monitor, to conduct tests in respect of the arithmetical accuracy of the calculations performed by the Servicer, prior to service of a Notice of Default, on the Applicable Calculation Date immediately prior to each anniversary of the Programme Closing Date with a view to confirmation of compliance by the Issuer with the Statutory Tests or the Amortisation Test, as applicable, on that Applicable Calculation Date. If and for so long as the long-term ratings of the Issuer or the Servicer are below Baa3 by Moody's or BBB(low) by DBRS, or following the occurrence of an Issuer Event, the Asset Monitor will, subject to receipt of the relevant information from the Servicer within the agreed timeframe, be required to conduct such tests following each Applicable Calculation Date.

Following a determination by the Asset Monitor of any errors in the arithmetical accuracy of the calculations performed by the Servicer such that the Statutory Tests have failed on the Applicable Calculation Date (where the Servicer had recorded it as being satisfied), or the Nominal Value or the Net Present Value is misstated by an amount exceeding two per cent. of the Nominal Value (as at the date of the relevant Nominal Value Test or the relevant Amortisation Test), the Asset Monitor will be required to conduct such tests following each Applicable Calculation Date for a period of six months thereafter.

The Asset Monitor is entitled to assume that all information provided to it by the Servicer for the purpose of conducting such tests is true and correct and not misleading, and is not required to conduct a test or otherwise take steps to verify the accuracy of any such information. The Asset Monitor will deliver a report (the **Asset Monitor Report**) to the Servicer, the Issuer and, if so requested, to the Trustee.

The Issuer or the Servicer will ensure that a copy of the Asset Monitor Report is sent to the Bank of Greece for the purposes of the Greek Covered Bond Legislation at least once per annum.

Following the Programme Closing Date, the Issuer or the Servicer, as applicable, will pay to the Asset Monitor a fee for the tests to be performed by the Asset Monitor.

The Issuer (or after the occurrence of an Issuer Event, the Servicer) may, at any time, but subject to the prior written consent of the Trustee, terminate the appointment of the Asset Monitor by giving at least 30 days' prior written notice to the Asset Monitor, provided that such termination may not be effected unless and until a replacement asset monitor has been found by the Issuer (or after the occurrence of an Issuer Event, the Servicer) (such replacement to be approved by the Trustee (such approval to be given if the replacement is an accountancy firm of international standing)) which agrees to perform the duties of the Asset Monitor set out in the Asset Monitor Agreement (or substantially similar duties).

The Asset Monitor may, at any time, resign by giving at least 30 days' prior written notice to the Issuer and the Trustee (copied to the Rating Agencies), and may resign by giving immediate notice in the event of a professional conflict of interest caused by the action of any recipient of its reports.

Upon the Asset Monitor giving 30 days' prior written notice of resignation, the Issuer (or following the occurrence of an Issuer Event, the Servicer) shall immediately use all reasonable endeavours to appoint a replacement (such replacement to be approved by the Trustee (such approval to be given if the replacement is an accountancy firm of international standing)) which agrees to perform the duties of the Asset Monitor set out in the Asset Monitor Agreement. If a replacement is not appointed by the date which is 30 days prior to the date when tests are to be carried out in accordance with the terms of the Asset Monitor Agreement, then the Issuer (or following the occurrence of an Issuer Event, the Servicer) shall use all reasonable endeavours to appoint an accountancy firm of national standing to carry out the relevant tests on a one-off basis, provided that such appointment is approved by the Trustee.

The Trustee will not be obliged to act as Asset Monitor in any circumstances.

Law and Jurisdiction

The Asset Monitor Agreement will be governed by English law.

Trust Deed

The Trust Deed, made between the Issuer and the Trustee on the Programme Closing Date appoints the Trustee to act as the bondholders representative. As such, the Trustee will act as a representative in accordance with paragraph 2 of Article 91. The Trust Deed contains provisions relating to, *inter alia*:

- (a) the constitution of the Covered Bonds and the terms and conditions of the Covered Bonds (as more fully set out under Terms and Conditions of the Covered Bonds above);
- (b) the covenants of the Issuer;
- (c) the enforcement procedures relating to the Covered Bonds; and
- (d) the appointment powers and responsibilities of the Trustee and the circumstances in which the Trustee may resign or be removed.

Law and Jurisdiction

The Trust Deed will be governed by English law.

Agency Agreement

Under the terms of an Agency Agreement to be entered into on the Programme Closing Date between the Issuer, the Trustee, the Principal Paying Agent (together with any paying agent appointed from time to time under the Agency Agreement, the **Paying Agents**) and the Registrar (the **Agency Agreement**), the Paying Agents have agreed to provide the Issuer with certain agency services and have agreed, *inter alia*, to make available for inspection such documents as may be required from time to time by the rules of the Luxembourg Stock Exchange and to arrange for the publication of any notice to be given to the Covered Bondholders.

For the purposes of Condition 5.2(b)(ii) of the Terms and Conditions, the Agency Agreement provides that if the Relevant Screen Page is not available or if, no offered quotation appears or if fewer than three offered quotations appear, in each case as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR (the **Specified Time**)), the Principal Paying Agent shall request each of the reference banks to provide the Principal Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the reference rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the reference banks provide the Principal Paying Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent.

For the purposes of Condition 5.2(b)(ii) of the Terms and Conditions, the Agency Agreement also provides that if on any Interest Determination Date one only or none of the reference banks provides the Principal Paying Agent with an offered quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Principal Paying Agent by the reference banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the reference rate by leading banks in the London inter-bank market (if the reference rate is LIBOR) or the Euro-zone

inter-bank market (if the reference rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the reference banks provide the Principal Paying Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the reference rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the reference rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Principal Paying Agent it is quoting to leading banks in the London inter-bank market (if the reference rate is LIBOR) or the Euro-zone inter-bank market (if the reference rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Clause, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

Law and Jurisdiction

The Agency Agreement will be governed by English law.

For the purposes of this section "Agency Agreement" any capitalised terms have the meanings given to them in the Terms and Conditions of the Covered Bonds above.

Deed of Charge

Pursuant to the terms of the Deed of Charge entered into on the Programme Closing Date by the Issuer, the Trustee and the other Secured Creditors, the Secured Obligations of the Issuer and all other obligations of the Issuer under or pursuant to the Transaction Documents to which it is a party are secured, *inter alia*, by the following security over the following property, assets and rights (the **Deed of Charge Security**):

- (a) an assignment by way of first fixed security over all of the Issuer's interests, rights and entitlements under and in respect of any Transaction Document to which the Issuer is a party and all other contracts, documents, agreements and deeds to which it is, or may become, a party;
- (b) a first fixed charge (which may take effect as a floating charge) over the rights and benefits of the Bank Accounts and all amounts standing to the credit of the Bank Accounts; and
- (c) a first fixed charge (which may take effect as a floating charge) over the rights and benefits of the Issuer in respect of all Authorised Investments and Marketable Assets (to the extent governed by English law) purchased from time to time from amounts standing to the credit of any Issuer Account.

In addition, to secure its obligations under the Covered Bonds the Issuer has, pursuant to paragraph 10 of Article 91, created a pledge over the Cover Pool (which consists principally of the Issuer's interest in the Loan Assets and certain Marketable Assets). The Deed of Charge will also provide that (other than in certain limited circumstances) only the Trustee may enforce the security created under the Deed of Charge. The proceeds of any such enforcement of the Deed of Charge and paragraph 10 of Article 91 will be required to be applied in accordance with the order of priority set out in the Post Event of Default Priority of Payments.

The Trustee shall at all times be a credit institution (or a subsidiary company of a credit institution) that is entitled to provide services in the European Economic Area in accordance with paragraph 2 of Article 152 (an **EEA Credit Institution**). If at any time the Trustee ceases to be an EEA Credit Institution it will notify the Issuer immediately and take all steps necessary to find a replacement Trustee that is an EEA Credit Institution.

Release of Security

In accordance with the terms of the Deed of Charge all amounts which the Servicer (on behalf of the Issuer and the Trustee or its appointee) is permitted to withdraw from the Transaction Account pursuant to the terms of the Deed of Charge will be released from the Deed of Charge Security. In addition, upon the Issuer or the Servicer making a disposal of an Authorised Investment or Marketable Assets (to the extent governed by English law) charged under the Deed of Charge and provided that the proceeds of such disposal are paid into the Transaction Account in accordance with the terms of the Servicing and Cash Management Deed, that Authorised Investment or Marketable Assets (to the extent governed by English law) will be released from the Deed of Charge Security.

At such time that all of the obligations owing by the Issuer to the Secured Creditors have been discharged in full, the Trustee will, at the cost of the Issuer, take whatever action is necessary to release the Charged Property from the Deed of Charge Security to, or to the order of, the Issuer.

Enforcement

If a Notice of Default is served on the Issuer, the Trustee shall be entitled to appoint a Receiver, and/or enforce the Deed of Charge Security constituted by the Deed of Charge, and/or take such steps as it shall deem necessary, subject in each case to being indemnified and/or secured to its satisfaction. All proceeds received by the Trustee from the enforcement of the Deed of Charge Security will be applied in accordance with the Post Event of Default Priority of Payments.

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

- (i) *first*, to pay any Indemnity to which the Trustee or any Receiver or any Appointee is entitled pursuant to the Trust Deed or any other Transaction Document and any costs and expenses incurred by or on behalf of the Trustee or any Receiver or any Appointee (a) following the occurrence of a Potential Event of Default or an Issuer Event or in connection with or as a result of serving on the Issuer a Notice of Default (to the extent that any such amounts have not yet been paid out of the Covered Bond Available Funds before the delivery of a Notice of Default) and (b) following the delivery of a Notice of Default in connection with or as a result of the enforcement or realisation of (A) the security granted under the Statutory Pledge and the Deed of Charge and/or (B) any other right or remedy that the Trustee is entitled or required to pursue under or in connection with the Transaction Documents and/or the Covered Bonds for the purpose of protecting the interests of the Covered Bondholders and/or the other Secured Creditors;
- (ii) *second*, *pari passu* and *pro rata* according to the respective amounts thereof, (a) to pay all amounts of interest and principal due and payable on any Covered Bonds, (b) to pay any additional fees, costs, expenses and taxes due and payable in connection with any listing or deposit of the Covered Bonds or to fund any notice to be given to any parties in accordance with any of the Transaction Documents or to the Covered Bondholders, (c) to pay all amounts due and payable to the Secured Creditors, other than the Covered Bondholders and (d) to pay any amounts due and payable under any Hedging Agreement other than the Subordinated Termination Payments to any Hedging Counterparties under any such Hedging Agreements;
- (iii) *third*, to pay *pari passu* and *pro rata*, according to the respective amounts thereof, any amount due and payable to any Hedging Counterparties which are Subordinated Termination Payments; and

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

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

Law and Jurisdiction

The Deed of Charge will be governed by English law (except in relation to the Statutory Pledge which shall be governed by Greek law).

Interest Rate Swap Agreement

Some of the Loan Assets in the Cover Pool will pay from time to time a variable rate of interest for a period of time that may either be linked to the standard variable rate of the Issuer (the **Issuer Standard Variable Rate**) or linked to an interest rate other than the Issuer Standard Variable Rate, such as EURIBOR or a rate that tracks the ECB base rate. Other Loan Assets will pay a fixed rate of interest for a period of time. However, the Euro payments to be made by the Issuer under the Covered Bonds or under each of the Covered Bond Swaps may vary. To provide a hedge against the possible variance between:

- (a) the rates of interest payable on the Loan Assets in the Cover Pool; and
- (b) payments by the Issuer under the Covered Bonds or the Covered Bond Swaps,

the Issuer, the provider of the Interest Rate Swaps (each such provider, an **Interest Rate Swap Provider**) and the Trustee may enter into one or more interest rate swap transactions in respect of each Series of Covered Bonds under an **Interest Rate Swap Agreement** (each such transaction an **Interest Rate Swap**).

Under the terms of each Interest Rate Swap, in the event that the relevant rating of the Interest Rate Swap Provider or any guarantor of the Interest Rate Swap Provider's obligations is downgraded by a Rating Agency below the rating specified in the Interest Rate Swap Agreement, the Interest Rate Swap Provider may, in accordance with the Interest Rate Swap Agreement, be required to take certain remedial measures which may include providing collateral for its obligations under the Interest Rate Swaps, arranging for its obligations under the Interest Rate Swaps to be transferred to an entity with ratings sufficient to meet the then-current criteria of each of the Rating Agencies, procuring another entity with ratings sufficient to meet the then-current criteria of each of the Rating Agencies to become co-obligor or guarantor in respect of its obligations under the Interest Rate Swaps (such guarantee to be provided in accordance with the then-current guarantee criteria of each of the Rating Agencies), or taking such other action as it may agree with the relevant Rating Agency. A failure to take such steps within the periods set out in the Interest Rate Swap Agreement may, subject to certain conditions, allow the Issuer to terminate the Interest Rate Swap Agreement.

The Interest Rate Swap Agreement may also be terminated in certain other circumstances, together with any other events of default and termination events set out in the Interest Rate Swap Agreement (each referred to as an **Interest Rate Swap Early Termination Event**), which may include:

- at the option of any party to the Interest Rate Swap Agreement, if there is a failure by the other party to make timely payments of any amounts due under the Interest Rate Swap Agreement; and
- upon the occurrence of the insolvency of the Interest Rate Swap Provider or any guarantor of the Interest Rate Swap Provider's obligations, or the merger of the Interest Rate Swap Provider without an assumption of its obligations under the Interest Rate Swap Agreement.

Upon the termination of an Interest Rate Swap pursuant to an Interest Rate Swap Early Termination Event, the Issuer or the Interest Rate Swap Provider may be liable to make a termination payment to the other in accordance with the provisions of the Interest Rate Swap Agreement. The amount of this termination payment will be calculated and made in Euro. Any termination payment made by the Interest Rate Swap Provider to the Issuer in respect of an Interest Rate Swap will first be used (prior to the occurrence of an Issuer Event) to pay a replacement Interest Rate Swap Provider to enter into a replacement Interest Rate Swap with the Issuer, unless a replacement Interest Rate Swap has already been entered into on behalf of the Issuer. Any premium received by the Issuer from a replacement Interest Rate Swap Provider in respect of a replacement Interest Rate Swap will first be used to make any termination payment due and payable by the Issuer with respect to the previous Interest Rate Swap, unless such termination payment has already been made on behalf of the Issuer. Any tax credits received by the Issuer in respect of an Interest Rate Swap will first be used to reimburse the relevant Interest Rate Swap Provider for any gross-up in respect of any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (and wherever imposed) made under the relevant Interest Rate Swap.

If a withholding or deduction for or on account of taxes is imposed on payments made by the Interest Rate Swap Provider to the Issuer under the Interest Rate Swaps, the Interest Rate Swap Provider shall always be obliged to gross up those payments so that the amount received by the Issuer is equal to the amount which would have been received in the absence of such withholding or deduction. If a withholding or deduction for or on account of taxes is imposed on payments made by the Issuer to the Interest Rate Swap Provider under the Interest Rate Swaps, the Issuer shall not be obliged to gross up those payments.

Any tax credits or Swap Collateral Excluded Amounts will be paid to the Interest Rate Swap Provider directly and not via the Priorities of Payments.

The Interest Rate Swap Provider may transfer all its interest and obligations in and under the relevant Interest Rate Swap Agreement to a transferee with minimum ratings in line with the criteria of by the Rating Agencies, without any prior written consent of the Trustee, subject to certain conditions. If the Issuer is required to sell Selected Loans in the Cover Pool following the occurrence of an Issuer Event then, to the extent that such Selected Loans include Fixed Rate Loans, the Issuer may either:

- (a) require that the Interest Rate Swaps in connection with such Selected Loans partially terminate to the extent that such Selected Loans include Fixed Rate Loans and any breakage costs payable by or to the Issuer in connection with such termination will, following the occurrence of an Issuer Event, be taken into account in calculating the Cover Pool Payment Date for the sale of the Selected Loans; or
- (b) request that the Interest Rate Swaps in connection with such Selected Loans be partially novated to the purchaser of such Fixed Rate Loans to the extent that such Selected Loans include Fixed Rate Loans, such that each purchaser of Selected Loans will thereby become party to a separate interest rate swap transaction with the Interest Rate Swap Provider.

Law and Jurisdiction

Each Interest Rate Swap Agreement (and each Interest Rate Swap thereunder) will be governed by English law.

Covered Bond Swap Agreements

The Issuer may enter into one or more covered bond swap transactions with one or more Covered Bond Swap Providers and the Trustee in respect of each Series of Covered Bonds (each such transaction a **Covered Bond Swap**). Each Covered Bond Swap may be either a Forward Starting Covered Bond Swap or a Non-Forward Starting Covered Bond Swap and each will constitute the sole Transaction under a single

Covered Bond Swap Agreement (such Covered Bond Swap Agreements, together, the **Covered Bond Swap Agreements**).

Each Forward Starting Covered Bond Swap will provide a hedge (after the occurrence of an Issuer Event) against certain interest rate, currency and/or other risks in respect of amounts received by the Issuer in respect of the Loans and any relevant Interest Rate Swaps and amounts payable by the Issuer in respect of the Covered Bonds (**Forward Starting Covered Bond Swap**).

Each Non-Forward Starting Covered Bond Swap will provide a hedge against certain interest rate, currency and/or other risks in respect of amounts received by the Issuer in respect of the Loans and any relevant Interest Rate Swaps and amounts payable by the Issuer in respect of the Covered Bonds (**Non-Forward Starting Covered Bond Swap**).

Where required to hedge such risks, there may be one (or more) Covered Bond Swap Agreement(s) and Covered Bond Swap(s) in relation to each Series or Tranche, as applicable, of Covered Bonds (such Covered Bond Swap Agreements, together, the **Covered Bond Swap Agreements**).

Under the Forward Starting Covered Bond Swaps, the Covered Bond Swap Provider will pay to the Issuer on each Interest Payment Date, after the occurrence of an Issuer Event, an amount equal to the relevant portion of the amounts that are payable by the Issuer in respect of interest and principal payable in respect of the relevant Series or Tranche of Covered Bonds. In return, the Issuer (or the Servicer on its behalf) will periodically pay to the Covered Bond Swap Provider an amount in Euro calculated by reference to Euro EURIBOR plus a spread and, where relevant, the Euro Equivalent of the relevant portion of any principal due to be repaid in respect of the relevant Series or Tranche of Covered Bonds.

Under the Non-Forward Starting Covered Bond Swaps on the relevant Issue Date, the Issuer (or the Servicer on its behalf) will, if the Covered Bonds are denominated in a currency other than Euro, pay to the Covered Bond Swap Provider an amount equal to the relevant portion of the amount received by the Issuer in respect of the aggregate nominal amount of such Series or Tranche, as applicable, of Covered Bonds and in return the Covered Bond Swap Provider will pay to the Issuer the Euro Equivalent of the first-mentioned amount. Thereafter, and where the Covered Bonds are denominated in Euro, the Covered Bond Swap Provider will pay to the Issuer on each Interest Payment Date an amount equal to the relevant portion of the amounts that are payable by the Issuer in respect of interest and principal payable under the relevant Series or Tranche of Covered Bonds. In return, the Issuer (or the Servicer on its behalf) will periodically pay to the Covered Bond Swap Provider an amount in Euros calculated by reference to EURIBOR plus a spread and, where relevant, the Euro Equivalent of the relevant portion of any principal due to be repaid in respect of the relevant Series or Tranche of Covered Bonds.

Under the terms of each Forward Starting Covered Bond Swap and each Non-Forward Starting Covered Bond Swap, in the event that the relevant rating of the Covered Bond Swap Provider or any guarantor of the Covered Bond Swap Provider's obligations is downgraded by a Rating Agency below the rating specified in the relevant Covered Bond Swap Agreement (in accordance with the requirements of the Rating Agencies), the Covered Bond Swap Provider may, in accordance with the relevant Covered Bond Swap Agreement, be required to take certain remedial measures which may include providing collateral for its obligations under the Covered Bond Swap, arranging for its obligations under the Covered Bond Swap to be transferred to an entity with the ratings required by the relevant Rating Agency, procuring another entity with the ratings required by the relevant Rating Agency to become co-obligor or guarantor in respect of its obligations under the Covered Bond Swap Agreement (such guarantee to be provided in accordance with the then-current guarantee criteria of each of the Rating Agencies), or taking such other action as it may agree with the relevant Rating Agency. In addition, if the net exposure of the Issuer against the Covered Bond Swap Provider under the relevant Covered Bond Swap exceeds the threshold specified in the relevant Covered Bond Swap Agreement, the Covered Bond Swap Provider may be required to provide collateral for its obligations. A failure to take such steps within the time periods set out in the Covered Bond Swap Agreement may, subject to certain conditions, allow the Issuer to terminate the Covered Bond Swap.

A Covered Bond Swap Agreement may also be terminated in certain other circumstances, together with any other events of default and termination events set out in the relevant Covered Bond Swap Agreement (each referred to as a **Covered Bond Swap Early Termination Event**), which may include:

- (a) at the option of any party to the Covered Bond Swap Agreement, if there is a failure by the other party to make timely payments of any amounts due under such Covered Bond Swap Agreement; and
- (b) upon the occurrence of an insolvency of the Covered Bond Swap Provider or any guarantor of the Covered Bond Swap Provider's obligations, or the merger of the Covered Bond Swap Provider without an assumption of its obligations under the relevant Covered Bond Swap Agreement.

Upon the termination of a Covered Bond Swap, the Issuer or the Covered Bond Swap Provider may be liable to make a termination payment to the other in accordance with the provisions of the relevant Covered Bond Swap Agreement. The amount of this termination payment will be calculated and made in Euro. Any termination payment made by the Covered Bond Swap Provider to the Issuer in respect of a Covered Bond Swap will first be used (prior to the occurrence of an Issuer Event) to pay a replacement Covered Bond Swap Provider to enter into a replacement Covered Bond Swap with the Issuer, unless a replacement Covered Bond Swap has already been entered into on behalf of the Issuer. Any premium received by the Issuer from a replacement Covered Bond Swap Provider in respect of a replacement Covered Bond Swap will first be used to make any termination payment due and payable by the Issuer with respect to the previous Covered Bond Swap, unless such termination payment has already been made on behalf of the Issuer. Any tax credits received by the Issuer in respect of a Covered Bond Swap will first be used to reimburse the relevant Covered Bond Swap Provider for any gross-up in respect of any withholding or deduction for or on account of any present or future taxes. Duties, assessments or governmental charges of whatever nature (and wherever imposed) made under the relevant Covered Bond Swap.

Any tax credits or Swap Collateral Excluded Amounts will be paid to the Covered Bond Swap Provider directly and not via the Priorities of Payments.

If withholding or deduction for or on account of taxes is imposed on payments made by the Covered Bond Swap Provider to the Issuer under a Covered Bond Swap, the Covered Bond Swap Provider shall always be obliged to gross up those payments so that the amount received by the Issuer is equal to the amount which would have been received in the absence of such withholding or deduction. If withholding or deduction for or on account of taxes is imposed on payments made by the Issuer to the Covered Bond Swap Provider under a Covered Bond Swap, the Issuer shall not be obliged to gross up those payments.

The Covered Bond Swap Provider may transfer all its interest and obligations in and under the relevant Covered Bond Swap Agreement to a transferee with minimum ratings in line with the criteria of each of the Rating Agencies, without any prior written consent of the Trustee, subject to certain conditions.

In the event that the Covered Bonds are redeemed and/or cancelled in accordance with the Terms and Conditions, the Covered Bond Swap(s) in connection with such Covered Bonds will terminate or partially terminate, as the case may be. Any breakage costs payable by or to the Issuer in connection with such termination may be taken into account in calculating:

- (a) the Cover Pool Payment Date for the sale of Selected Loans; and
- (b) the purchase price to be paid for any Covered Bonds purchased by the Issuer in accordance with Condition 7.7 (*Purchases*).

Law and Jurisdiction

Each Covered Bond Swap Agreement (and each Covered Bond Swap thereunder) will be governed by English law.

Bank Account Agreement

Pursuant to the terms of the Bank Account Agreement to be entered into on the Programme Closing Date between the Account Bank, the Issuer, the Servicer and the Trustee, the Servicer will maintain with the Account Bank the Bank Accounts, which will be operated in accordance with the Servicing and Cash Management Deed and the Deed of Charge.

If the Account Bank ceases to have a short-term, unsecured, unsubordinated and unguaranteed debt obligation of at least P-1 by Moody's (or such other ratings that may be agreed between the parties to the Bank Account Agreement and Moody's from time to time), then unless the Account Bank within 30 calendar days of such occurrence obtains an unconditional and unlimited guarantee of its obligations under the Bank Account Agreement from a financial institution whose short-term, unsecured, unsubordinated and unguaranteed debt obligations are rated at least P-1 by Moody's and provided that Moody's has provided confirmation in writing that the ratings on the Covered Bonds would not be adversely affected thereby:

- the Bank Account Agreement will be terminated in respect of the Account Bank; and
- the Bank Accounts will be closed and all amounts standing to the credit thereof shall be transferred to accounts held with a bank whose short-term, unsecured, unsubordinated and unguaranteed debt obligations are rated at least P-1 by Moody's.

The costs arising from any remedial action taken by the Account Bank, following its short-term, unsecured, unsubordinated and unguaranteed debt obligations ceasing to be rated at least P-1 by Moody's shall be borne by the Account Bank.

The Bank Account Agreement will be governed by English law.

Issuer-ICSDs Agreement

The Issuer will enter into an Issuer-ICSDs Agreement with Euroclear Bank S.A./N.V. and Clearstream Banking SA (the **ICSDs**) in respect of any Covered Bonds issued in NGCB form. The Issuer-ICSDs Agreement provides that the ICSDs will, in respect of any such NGCBs, maintain their respective portion of the issue outstanding amount through their records.

The Issuer-ICSDs Agreement will be governed by English law.

TAXATION

Greece

The following summary of the principal Greek taxation consequences of the purchase, ownership and disposal of Covered Bonds by Greek or foreign resident holders, who are the beneficial owners of the Covered Bonds, is of a general nature and is based on the provisions of tax laws currently in force in Greece. The summary below does not constitute a complete analysis and therefore, potential investors should consult their own tax advisers as to the tax consequences of such purchase, ownership and disposal. This summary is based on current Greek tax legislation and administrative practice of the Greek tax Authorities, without taking into account any developments or amendments thereof after the date hereof whether or not such developments or amendments have retroactive effect.

Income Tax

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

Pursuant to article 69 par. 9 Greek Law 3476/2009, which is applicable to Covered Bonds by virtue of Greek law 3601/2007, effectively replaced by Greek Law 4261/2014, foreign tax residents (individuals or legal entities) are exempt from any withholding tax on the interest payments made on Covered Bonds. However, in the absence of written guidelines, it remains unclear whether the Greek Law 3746/2009 is also applicable to Covered Bonds issued in accordance with Article 152 of Greek Law 4261/2014. If this is not the case, the interest income realized by the above-mentioned holders of Covered Bonds will fall under the scope of application of the new Income Tax Code and will be subject to the following taxation.

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

Capital gains realized from the transfer of Covered Bonds

The Greek Ministry of Finance has issued a circular clarifying that pursuant to article 14 of Greek Law 3156/2003 capital gains realized from the transfer of corporate bonds are exempted from taxation in Greece. The provisions of law 3156/2003 also apply to Covered Bonds by virtue of article 152 of Greek Law 4261/2014. However, it remains unclear whether the above exemption applies to bondholders who are Greek legal entities or other entities with a permanent establishment in Greece.

Value Added Tax

No value added tax is payable upon disposal of the Covered Bonds (pursuant to Article 22(1)(ka) of Greek Law 2859/2000).

Death Duties and Taxation on Gifts

The Covered Bonds are subject to Greek inheritance tax if the deceased holder of Covered Bonds had been resident of Greece or a Greek national.

The rates of inheritance tax vary from 1% to 40%, depending on the relationship between the heir and the deceased.

A gift of Covered Bonds is subject to Greek tax if the holder of the Covered Bonds (donor) is a Greek national or if the recipient thereof is a Greek national or resident.

The rates of gift tax vary from 1% to 40% depending on the relationship between the donor and the recipient.

Stamp Duty

Pursuant to Article 14 of Greek Law 3156/2003 the issuance or transfer of Covered Bonds is exempt from Greek stamp duty.

EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

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% withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or FFI (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should

otherwise be treated as holding a "United States account" of the Issuer (a **Recalcitrant Holder**). The Issuer is classified as an FFI.

The new withholding regime is now in effect for payments from sources within the United States and will apply to "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of Covered Bonds (i) any Covered Bonds characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued after the "grandfathering date", which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified after the grandfathering date and (ii) any Covered Bonds characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Covered Bonds are issued on or before the grandfathering date, and additional Covered Bonds of the same series are issued after that date, the additional Covered Bonds may not be treated as grandfathered, which may have negative consequences for the existing Covered Bonds, including a negative impact on market price.

The United States and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "Reporting FI" not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction generally would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "FATCA Withholding") from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and Greece have reached an agreement in substance on the terms of an IGA based largely on the Model 1 IGA. Until the United States and Greece sign an IGA (the U.S.-Greece IGA), Greece will be treated as having a Model 1 IGA in effect provided that it remains on the IRS list of jurisdictions that have reached an agreement in substance on the terms of an IGA. The U.S. Treasury will review this list on a monthly basis to determine whether each jurisdiction will continue to be treated as having an IGA in effect.

If the Issuer is treated as a Reporting FI pursuant to the U.S.-Greece IGA it does not anticipate that it will be obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. The Issuer and financial institutions through which payments on the Covered Bonds are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Covered Bonds is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

Whilst the Covered Bonds are in global form and held within the ICSDs, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Covered Bonds by the Issuer, any paying agent and the Common Depository or Common Safekeeper, given that each of the entities in the payment chain between the Issuer and the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Covered Bonds. The documentation expressly contemplates the possibility that the Covered Bonds may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Covered Bonds will only be printed in remote circumstances.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Covered Bonds.

Proposed Financial Transactions Tax for Participating Member States

On 14 February 2013 the European Commission published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Covered Bonds (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt.

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

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016. The FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate. Prospective holders of Covered Bonds are advised to seek their own professional advice in relation to the FTT.

Luxembourg Taxation

The following information is of a general nature only and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Covered Bonds should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

(a) Non-resident holders of Covered Bonds

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Covered Bonds, nor on accrued but unpaid interest in respect of the Covered Bonds, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Covered Bonds held by non-resident holders of Covered Bonds.

(b) Resident holders of Covered Bonds

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 (as amended) (the **Law**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Covered Bonds, nor on accrued but unpaid interest in respect of Covered Bonds, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Covered Bonds held by Luxembourg resident holders of Covered Bonds.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg an individual beneficial owner who is a resident of Luxembourg or to a residual entity (within the meaning of the laws of 21 June 2005 implementing EC Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**) as amended) established in a EU Member State (other than Luxembourg) or one of the Territories and security such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the paying agent. Payments of interest under the Covered Bonds coming within the scope of the Law Luxembourg will be subject to a withholding tax at a rate of 10 per cent.

SUBSCRIPTION AND SALE

Covered Bonds may be issued from time to time by the Issuer to any of the Dealer(s). The arrangements under which Covered Bonds may from time to time be agreed to be issued by the Issuer to, and subscribed by, the Dealer(s) are set out in a Programme Agreement dated 28 April 2011 (such Programme Agreement as may be amended and/or supplemented and or restated from time to time, (the **Programme Agreement**) and made between the Issuer and the Dealer(s). Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Covered Bonds, the price at which such Covered Bonds will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Programme Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Covered Bonds. The Programme Agreement will be supplemented on or around the date of each issuance by Subscription Agreement, which will set out, *inter alia*, the relevant underwriting commitments.

United States

The Covered Bonds have not been and will not be registered under the Securities Act and the Covered Bonds may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or in transactions not subject to, the registration requirements of the Securities Act.

The Covered Bonds in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

In connection with any Covered Bonds which are offered or sold outside the United States in reliance on Regulation S (**Regulation S Covered Bonds**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, it has not offered and sold, and will not offer, sell or deliver such Regulation S Covered Bonds (i) as part of its distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of that Series of covered Bonds of which such Covered Bonds or a part, as determined and certified by the relevant Dealer(s), in the case of a non-syndicated issue, as Lead Manager, in the case of a syndicated issue, and except in either case in accordance with Regulation S under the Securities Act. Each Dealer has further agreed and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells Regulation S Covered Bond during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of Regulation S within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this Paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Covered Bonds, an offer or sale of such Covered Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Public Offer Selling Restrictions under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and

including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Covered Bonds to the public in that Relevant Member State:

- (a) if the Final Terms in relation to the Covered Bonds specifies that an offer of those Covered Bonds may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Covered Bonds which has been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Directive or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Covered Bonds referred to in (a) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement to a base prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

the expression an offer of Covered Bonds to the public in relation to any Covered Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State; and

the expression Prospectus Directive means Directive 2003/71/EC (as amended including by Directive 2010/73/EU) and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) received by it in connection with the issue or sale of any Covered Bonds in circumstances in which Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer; and

- (b) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the United Kingdom.

The Hellenic Republic

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has complied and will comply with (i) the Public Offer Selling Restrictions under the Prospectus Directive, described above in this section and (ii) all applicable provisions of Greek Law 3401/2005, implementing into Greek law the Prospectus Directive.

Japan

The Covered Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No.25 of 1948, as amended; the **FIEA**) and each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it has not directly or indirectly, offered or sold and will not directly or indirectly, offer or sell any Covered Bonds, in Japan or to, or for the benefit of, a resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

The Grand Duchy of Luxembourg

In addition to the cases described in the European Economic Area selling restrictions in which the Dealer(s) can make an offer of Covered Bonds to the public in an EEA Member State (including the Grand Duchy of Luxembourg), the Dealer(s) can also make an offer of Covered Bonds to the public in the Grand Duchy of Luxembourg:

- (a) at any time, to national and regional governments, central banks, international and supranational institutions (such as the International Monetary Fund, the European Central Bank, the European Investment Bank) and other similar international organisations;
- (b) at any time, to legal entities which are authorised or regulated to operate in the financial markets (including, credit institutions, investment firms, other authorised or regulated financial institutions, undertakings for collective investment and their management companies, pension and investment funds and their management companies, insurance undertakings and commodity dealers) as well as entities not so authorised or regulated whose corporate purpose is solely to invest in securities; and
- (c) at any time, to certain natural persons or small and medium-sized enterprises (as defined in the Luxembourg act dated 10 July, 2005 on prospectuses for securities implementing the Directive 2003/71/EC as amended by Directive 2010/73/EU, (the **Prospectus Directive**) into Luxembourg law) recorded in the register of natural persons or small and medium-sized enterprises considered as qualified investors as held by the Commission de surveillance du secteur financier as competent authority in Luxembourg in accordance with the Prospectus Directive.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will comply with (in the best of its knowledge and belief) all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Covered Bonds or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Covered Bonds under the laws and regulations or directives in force

in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Trustee and the Dealers represents that Covered Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Listing and admission to trading

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for the Covered Bonds issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the official list of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

However, Covered Bonds may be issued pursuant to the Programme which will not be listed on the Luxembourg Stock Exchange or any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

Authorisations

The establishment, implementation and operation of the Programme and the issue of Covered Bonds have been duly confirmed and authorised by a resolution of the Board of Directors of the Issuer dated 3 March 2015.

Litigation

The Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period of 12 months preceding the date of this Base Prospectus which may have, or have had, in such period, a significant effect on the financial position or profitability of the Issuer and its subsidiaries taken as a whole.

No significant change or no material adverse change

Since 31 December 2013 (the last day of the financial period in respect of which the most recent audited financial statements of the Issuer have been prepared), there has been no material adverse change in the prospects of the Issuer. Since 30 September 2014 there has been no significant change in the financial or trading position of the Issuer and its subsidiaries taken as a whole.

Documents available for inspection

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified offices of the Paying Agents or the Luxembourg Listing Agent:

- (a) the constitutional documents (with an English translation thereof) of the Issuer;
- (b) the consolidated audited financial statements of the Issuer in respect of the financial years ended 31 December 2013, 31 December 2012 and the condensed consolidated interim financial statements for the period ended 30 September 2014 (with an English translation thereof), in each case together with the audit reports prepared in connection therewith;
- (c) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements (if any) of the Issuer (with an English translation thereof), together with any audit or review reports prepared in connection therewith;
- (d) the Programme Agreement, the Trust Deed, the Agency Agreement, and the forms of the Global Covered Bonds, the Covered Bonds in definitive form, the Coupons and the Talons;

- (e) a copy of this Base Prospectus; and
- (f) any future offering circulars, prospectuses, Final Terms (save that a Final Terms relating to a Covered Bond which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Covered Bond and such holder must produce evidence satisfactory to the Issuer and the Principal Paying Agent as to its holding of Covered Bonds and identity), information memoranda and supplements to this Base Prospectus and any other documents incorporated herein or therein by reference.

In addition, copies of this Base Prospectus, any supplement to the Base Prospectus, any documents incorporated by reference and each Final Terms relating to Covered Bonds which are admitted to trading on the Luxembourg Stock Exchange's regulated market and admitted to trading on the official list of the Luxembourg Stock Exchange will also be available for inspection free of charge from the internet site of the Luxembourg Stock Exchange, at www.bourse.lu.

Clearing Systems

The Covered Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Series of Covered Bonds allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Covered Bonds are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Covered Bonds to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

In relation to any Tranche of Fixed Rate Covered Bonds, an indication of the yield in respect of such Covered Bonds will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Covered Bonds on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Covered Bonds and will not be an indication of future yield.

Independent Auditors

The auditors of the Issuer are PricewaterhouseCoopers of 268 Kifissias Avenue, 152 32 Halandri, Greece (members of the Institute of Certified Auditors-Accountants in Greece), Chartered Accountants and Registered Auditors, who have audited the Issuer's financial statements, without qualification, in accordance with IFRS for each of the two financial years ended 31 December 2013 and 31 December 2014. The auditors of the Issuer have no material interest in the Issuer.

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